
THIS DOCUMENT IS IMPORTANT AND MUST BE READ CAREFULLY

You are advised to read and understand the contents of this Rights Circular. If you are in any doubt about the actions to be taken, you should consult your Stockbroker, Accountant, Banker, Solicitor, or any other professional adviser for guidance immediately. Investors are advised to note that liability for false or misleading statements or acts made in connection with the Rights Circular are provided in sections 85 and 86 of the Investments and Securities Act No 29, 2007 (the "Act").

For information concerning certain risk factors which should be considered by prospective investors, see the section on Risks on page 45.

PRIVATE AND STRICTLY CONFIDENTIAL



RIGHTS ISSUE OF

4,170,411,648 ORDINARY SHARES OF 50 KOBO EACH AT

₦0.50 PER SHARE

**ON THE BASIS OF 1 NEW ORDINARY SHARE FOR EVERY 2 ORDINARY SHARE HELD
AS AT THE CLOSE OF BUSINESS ON 15TH JANUARY, 2019**

PAYABLE IN FULL ON ACCEPTANCE

Acceptance List Opens: 17th JUNE, 2019
Acceptance List Closes: 24th JULY, 2019

THE RIGHTS BEING OFFERED ARE TRADEABLE ON THE FLOOR OF THE NIGERIAN STOCK EXCHANGE

FOR THE DURATION OF THE RIGHTS ISSUE

Issuing House:



This Rights Circular and the securities which it offers have been cleared and registered by the Securities & Exchange Commission. It is a civil wrong and a criminal offence under the Investments and Securities Act No 29, 2007 ("the Act") to issue a Rights Circular which contains false or misleading information. Clearance and registration of this Rights Circular and the securities which it offers do not relieve the parties from any liability arising under the Act for false and misleading statements contained therein or for any omission of a material fact.

THIS RIGHTS CIRCULAR IS DATED 28 MAY 2019

1.0 IMPORTANT NOTICE

No person is authorized to give information or to make representations concerning this Issue. Any information or representation concerning this Issue that is not contained in this Circular should not be relied upon as having been authorized by Cordros Capital Limited or its Directors.

This Circular is intended to be read in conjunction with publicly available information at the designated office of Sovereign Trust Insurance Plc.

The Circular does not take into account the investment objectives, financial situation or particular needs of individual investors. The Circular does not constitute a recommendation or opinion that an investment in the shares is appropriate for you. This document is important and should be read in its entirety. If after reading this Circular, you have any questions about the Issue, then you should consult your stockbroker, accountant or other professional adviser without delay.

This Circular does not constitute an invitation or offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an invitation or offer. Any person who comes into possession of this Circular should observe any restrictions that are applicable to them. The distribution of this Circular in places outside Nigeria may be restricted by law and persons who obtain this Circular should seek advice on and observe those restrictions.

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3.0 DEFINITIONS

TERMS	DEFINITIONS
"Directors" or "Board"	The Directors of the Company, whose names are set out on page 11 as at the date of this document.
"STI Plc" or "the Company"	Sovereign Trust Insurance Plc
"Issuing House"	Cordros Capital Limited
"LFN"	Laws of the Federation of Nigeria 2004
"NSE" or "the Exchange"	The Nigerian Stock Exchange
"Stock Broker"	Dynamic Portfolio Limited
"Pari Passu"	Equally in all respect
"Parties to the Offer"	Professional Parties engaged by Sovereign Trust Insurance Plc to ensure the success of the Offer
"SEC" or "the Commission"	The Securities and Exchange Commission
"The Act"	Investment and Securities Act 2007
"Issue" or "Rights Issue"	The Rights Issue by way of provisionally allotted Rights of 4,170,411,648 ordinary shares of 50 Kobo each in the Company, on the basis of one [1] for every Two [2] shares held by shareholders whose names appear on the Register of Members of the Company on the Qualification Date
"Circular" or "Rights Circular"	The legal document through which the Offer is being made to the potential investor
"Working day"	Business days apart from Saturday, Sunday or Official Public Holidays in Nigeria
"CAC"	Corporate Affairs Commission
"AGM"	Annual General Meeting
"Brokerage Commission"	Fees payable to Receiving Agents in respect of returns bearing their stamps and duly allotted
"Daily Official List"	List of companies quoted on the floor of the Nigerian Stock Exchange
"Registrars"	Meristem Registrars and Probate Services Limited
"Receiving Bank"	Providus Bank Plc
"NAICOM"	National Insurance Commission

4.0 CONTACT INFORMATION & COPORATE DIRECTORY

ISSUER:	Sovereign Trust Insurance Plc 17 Adetokunbo Ademola Street Victoria Island, Lagos.
Soyinka Olaotan	Managing Director/CEO 17 Adetokunbo Ademola Street Victoria Island, Lagos. Tel: +234 803 307 4121 E-mail: olaotan.soyinka@stiplc.com
Kayode Adigun	General Manager, Finance 17 Adetokunbo Ademola Street Victoria Island, Lagos. Tel: +234 802 307 8178 E-mail: kayode.adigun@stiplc.com
Olusola Adeyeye	Head, Investments Department 17 Adetokunbo Ademola Street Victoria Island, Lagos. Tel: +234 802 891 3154 E-mail: olusola.adeyeye@stiplc.com
ISSUING HOUSE Femi Ademola	Cordros Capital Limited Director, Investment Banking 70, Norman Williams Street, Ikoyi, Lagos Tel: +234 803 714 3904 E-mail: femi.ademola@cordros.com

4.1 ABRIDGED TIMETABLE

The dates indicated in the table below, which reflect principal events, are subject to change without notice:

DATE	ACTIVITY	RESPONSIBILITY
17 June 2019	Issue opens/Trading in Rights begins	Issuing Houses
24 July 2019	Issue closes/Trading in Rights closes	Issuing Houses
01 August 2019	Receiving Agents make returns	Registrars / Issuing Houses
16 August 2019	Forward allotment proposal and draft newspaper advertisement to SEC	Issuing Houses
23 August 2019	Receive SEC clearance of allotment proposal	Issuing Houses
23 August 2019	Disburse net proceeds of the Rights Issue to STI Plc	Receiving Bank/Issuing Houses
26 August 2019	Publish Allotment Results in two national daily newspapers	Issuing Houses
26 August 2019	Return rejected/excess application monies	Issuing Houses/ Registrars/ Receiving
26 August 2019	Credit CSCS accounts/Dispatch share certificates	Registrars
29 August 2019	Forward Declaration of Compliance to the NSE	Stockbrokers
03 September 2019	Listing of Shares on the NSE/trading commences	Issuing Houses/Stockbrokers
12 September 2019	Forward post completion report to the SEC	Issuing Houses

5.0 SUMMARY OF THE RIGHTS ISSUE

This summary draws attention to information contained elsewhere in this Rights Circular; it does not contain all of the information you should consider before making an investment decision. You should therefore read this summary together with the more detailed information, including the financial statements elsewhere in this Rights Circular.

ISSUER	Sovereign Trust Insurance Plc.			
THE ISSUE	4,170,411,648 ordinary shares of 50 Kobo each on the basis of one (1) new Ordinary Share for every existing Two (2) share held at ₦ 0.50 per share.			
ISSUING HOUSE	Cordros Capital Limited.			
AUTHORIZED SHARE CAPITAL	₦7,500,000,000 comprising of 15,000,000,000 Ordinary Shares of 50 Kobo each			
ISSUED AND FULLY PAID	₦ 4,170,411,648 comprising of 8,340,823,296 Ordinary Shares of 50 Kobo each			
BEING ISSUED	4,170,411,648 ordinary shares of 50 Kobo each at ₦0.50 per share.			
METHOD OF OFFER	By way of a Rights Issue to Existing Shareholders of the Company as at the Qualification date.			
GROSS ISSUE PROCEEDS	₦ 2,085,205,824			
PURPOSE	The proceeds of the Rights Issue will be used to for business expansion and to meet working capital requirements.			
USE OF PROCEEDS	After the deduction of estimated issue costs and expenses of 55,952,852 (representing 2.68 % of the gross issue proceeds), the proceeds will be applied as follows: Details on utilization can be found on Page 42			
	UTILIZATION	(%)	(₦')	Expected Completion Time
	Development of Retail Business	15%	304,387,945.80	2020(1 year)
	Enhancement of Investment Portfolio	50%	1,014,626,486.00	Immediate
	Development of ICT Infrastructure	15%	304,387,945.80	2020(1 year)
	Working Capital	20%	405,850,594.40	Immediate
Total	100%	2,029,252,972.00		

PROVISIONAL ALLOTMENT	One (1) new Ordinary Share for every two (2) Ordinary Share of 50 kobo each held as at the close of business on the Qualification Date for those shareholders whose names appear on the Register of Members and transfer books of the Company.					
ISSUE PRICE	₦0.50					
PAYMENT	In full on acceptance.					
STATUS	All the shares to be issued shall rank pari-passu in all respects with the issued Ordinary Shares of the Company.					
MARKET CAPITALIZATION AT RIGHTS ISSUE PRICE (PRE-ISSUE)	₦ 2,085,205,824					
MARKET CAPITALIZATION AT RIGHTS ISSUE PRICE (POST-ISSUE)	₦6,255,617,472 (assuming all provisionally allotted ordinary shares are fully taken up on completion of the Rights Issue).					
OPENING DATE	17 th June 2019					
CLOSING DATE	24 th July 2019					
QUALIFICATION DATE	15th January 2019					
APPLICATION FOR ADDITIONAL SHARES	Shares that are not taken up by the Offer Closing Date will be allotted to shareholders who apply for additional shares on a pro-rated basis i.e. all subscribers will be allotted equal proportion of the amount applied for according to the Commission's Rules and Regulations.					
UNDERWRITING	At the instance of the Issuer, the Issue is not underwritten.					
FINANCIAL SUMMARY	SOVEREIGN TRUST INSURANCE PLC	Q3 2018 (Unaudited)	2017	2016	2015	2014
	Financial Summary	N' 000	N' 000	N' 000	N' 000	N' 000
	Gross premium written	9,347,971	8,513,503	6,399,854	7,132,224	7,286,511
	Profit Before Tax	601,374	202,694	44,975	430,486	326,021
	Profit After Tax	543,230	157,869	23,592	557,849	294,943
	Share Capital	4,170,412	4,170,412	4,170,412	4,170,412	3,435,879
	Net Asset	6,015,134	5,471,904	5,235,428	5,025,196	4,160,855
	Total Assets	10,469,311	10,817,675	9,511,560	9,264,871	8,492,846
	EPS (Kobo)	0.07	0.019	0.00	0.07	0.04
QUOTATION	Sovereign Trust Insurance entire issued and paid-up share capital is listed on the NSE. The new shares being offered shall also be quoted on the NSE. An application was made to the Council of the Exchange on 15 January 2019 for the admission of the Shares to its Daily Official List.					

STATUS	The shares being issued will rank pari-passu in all respects with the existing issued Ordinary Shares of the Company.
DIVIDEND QUALIFICATION	The shares being issued shall qualify for any dividend (or any other distribution) declared for the financial year ending 2019, as long as the qualification date for the dividend (or any other distribution) declared is after the allotment of the ordinary shares now being issued.
INDEBTEDNESS	The total indebtedness of the company as at September 2018 is ¥ 925.45 million. This represents zero coupon JPY846,000,000 direct, unconditional, unsubordinated and unsecured European Bond with options issued to Daewoo Securities Europe Limited in 2008. The underlying Bond has a put period of 30 months with a yield to put of 4.25% per annum while the tenor of the convertible option is valid up to year 2024.
CLAIMS AND LITIGATIONS	The solicitors of the company are of the opinion that the claims and litigation of the company are not likely to have any material adverse effects on the company and the proposed rights issue and they are not aware of any other pending or contemplated claims or litigation against the company. Details of the Claims and litigation of the Company is available on page 44
SETTLEMENT:	The CSCS accounts of Shareholders will be credited not later than 15 working days from the date of allotment. Shareholders are hereby advised to state the names of their respective stockbrokers and their Clearing House Numbers in the relevant spaces on the Acceptance/Renunciation Form. Certificates of Shareholders that do not provide their CSCS account details will be dispatched by registered post not later than 15 working days from the date the allotment proposal is cleared.
TRADING IN RIGHTS:	The Rights are tradable on the Exchange between 17 th June 2019 and 24 th July 2019.

THE RIGHTS ISSUE

Copies of this Rights Circular and the documents specified herein have been delivered to the Securities and Exchange Commission for clearance and registration.

This Rights Circular is being issued in compliance with the provisions of the Investments and Securities Act No. 29 2007 and the Rules and Regulations of the Commission and the Listing Requirements of the NSE and contains particulars in compliance with the requirements of the Commission and the Exchange, for the purpose of giving information to shareholders and the public with regards to the Rights Issue of **4,170,411,648** Ordinary Shares of 50 kobo each in Sovereign Trust Insurance Plc by the Issuing Houses. An application has been made to the Council of The NSE for the admission to its Daily Official Lists of the **4,170,411,648** Ordinary Shares of 50 kobo each being issued via the Rights Issue.

The Directors of STI Plc individually and collectively accept full responsibility for the accuracy of the information contained in this Rights Circular. The Directors have taken reasonable care to ensure that the facts contained herein are true and accurate in all respects and confirm, having made all reasonable enquiries that to the best of their knowledge, information and belief, there are no material facts, the omission of which would make any statement herein misleading or untrue.

The shares to be issued by the Company pursuant to the Rights Issue will rank pari-passu in all respects with the existing issued Ordinary Shares of the Company.

ISSUING HOUSES:



on behalf of



are authorized to receive acceptances for the

RIGHTS ISSUE OF

4,170,411,648 ORDINARY SHARES OF 50 KOBO EACH AT ₦0.50

PER SHARE

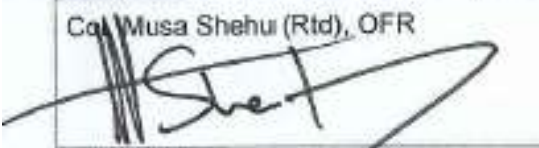
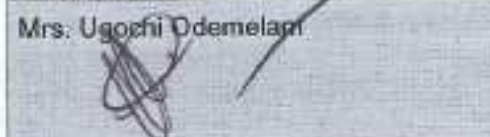
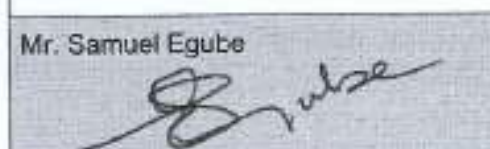
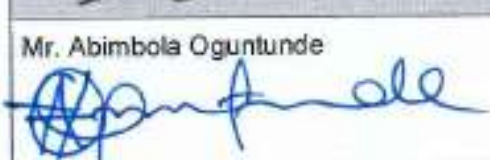
on the basis of **(one)1** ordinary share for every **(two) 2** ordinary share held as at the close of business on **15th January 2019** for those shareholders whose names appear on the Register of Members and transfer books of the Company

Payable in full on Acceptance

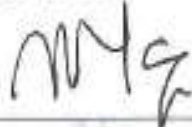
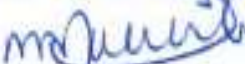
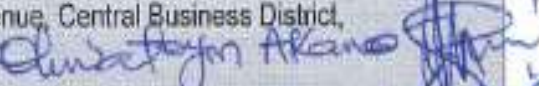
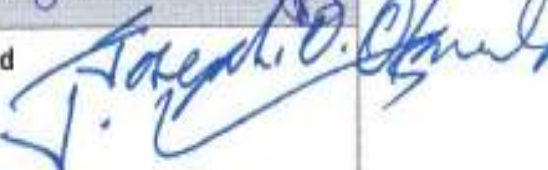
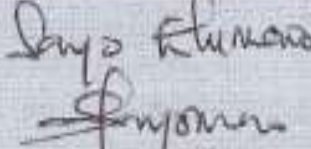


The Acceptance List for the Ordinary Shares now being offered will open on 17th June 2019 and close on 24th July 2019

Share capital and Reserves of the Company as at September 30, 2018	₦'000
Authorized Share Capital: 15,000,000,000 Ordinary Shares of 50 Kobo each	7,500,000
Issued and fully Paid: 8,340,824,000 Ordinary Shares of 50 Kobo each	4,170,412
EQUITY AND RESERVES	
Issued Share Capital	4,170,412
Share Premium	116,843
Contingency Reserve	2,613,035
Statutory reserve	1317,150
Revaluation Reserve	225,103
Accumulated Loss	(1,115,208)
Available for Sale Reserve	4,949
TOTAL EQUITY	6,015,134

6.0 DIRECTORS OF THE COMPANY

DIRECTORS	DESIGNATION	OFFICE ADDRESS:
Mr. Oluseun O. Ajayi 	Chairman	17 Adetokunbo Ademola Street Victoria Island, Lagos.
Mr. Oluwafemi Soyinka 	Managing Director/CEO	17 Adetokunbo Ademola Street Victoria Island, Lagos.
Ms. Emi Faloughi 	Non-Executive Director	17 Adetokunbo Ademola Street Victoria Island, Lagos.
Ms. Omozusi Iredia 	Non-Executive Director	17 Adetokunbo Ademola Street Victoria Island, Lagos.
Col. Musa Shehu (Rtd), OFR 	Independent Director	17 Adetokunbo Ademola Street Victoria Island, Lagos.
Mrs. Ugochi Odemelani 	Executive Director	17 Adetokunbo Ademola Street Victoria Island, Lagos.
Mr. Jude Modilim 	Executive Director	17 Adetokunbo Ademola Street Victoria Island, Lagos.
Mr. Samuel Egube 	Non-Executive Director	17 Adetokunbo Ademola Street Victoria Island, Lagos.
Mr. Abimbola Oguntunde 	Non-Executive Director	17 Adetokunbo Ademola Street Victoria Island, Lagos.

7.0 PROFESSIONAL PARTIES TO THE ISSUE

OTHER PARTIES	OFFICE ADDRESS:
Issuing House:	Cordros Capital Limited 70, Norman Williams Street, Ikoyi, Lagos <i>WALE AGA CHANU</i> 
Solicitors to the Issue	Ayodele Olugbenga & Co 9th Floor, UBA House 57, Marina <i>OLUGBENGA FABILUSA</i> 
Solicitors to the Company	Citipoint Chambers (Legal Practitioners) 11, CIPM Avenue, Central Business District, Alausa-ikeja <i>Chinabayo Alkana</i> 
Stockbrokers	Dynamic Portfolio Limited 20, Campbell Street, Lagos 
Auditor	Ernst & Young 10 th Floor, UBA House 57, Marina. 
Registrar	Meristem Registrars Limited 213, Herbert Macaulay Way Sabo-Yaba Lagos <i>Marina Ojo</i> 
Receiving Bank	Providus Bank Plc 54, Adetokunbo Ademola Street, Victoria Island <i>Nwachiukwu Chukwura</i> 

8.0 THE CHAIRMAN'S LETTER



30th September 2018

TO: ALL SHAREHOLDERS OF SOVEREIGN TRUST INSURANCE PLC

Dear Sir/Madam,

SOVEREIGN TRUST INSURANCE PLC (“STI” OR “THE COMPANY”) RIGHTS ISSUE OF RIGHTS 4,170,411,648 ORDINARY SHARES OF 50 KOBO EACH AT ₦ 0.50 PER SHARE

At the Annual General Meeting of the Company held at Civic Center, Victoria Island, Lagos on the Thursday 21st of September 2017, it was unanimously agreed that the Company should raise additional equity capital up to the maximum limit of the of the authorized share capital, whether by way of a special placement, public offer, rights issue or a combination of any of them, subsequently, the Board met, and in line with strategic objective of the company, resolved to raise capital via a Rights Issue.

The Rights Issue will not only give the Company a competitive edge, it provides an opportunity for it to expand its share of the market in the ever-competitive Nigerian Insurance industry that has seen the entrance of a few global players in recent years. The capital raising exercise is in line with the Company's goal of being a dominant player in the Insurance industry, with market leadership positions in the sectors it participates.

On behalf of the Directors of Sovereign Trust Insurance Plc, I wish to provide you with the following information in connection with the rights issue.

RIGHTS ISSUE

I am pleased to inform you that your Company will issue 4,170,411,648 ordinary shares of 50kobo each at ₦0.50. per share, on the basis of one (1) new ordinary share for every two (2) ordinary share already held as at the close of business on the Qualification Date. The new shares will rank pari-passu in all respects, with the existing Ordinary shares of the Company.

As we look ahead, the Board is of the considered opinion that the fresh injection of the Proceeds of N2.09 billion would expand the company's business operations, competitiveness and also increase its penetration of the insurance market. It is my privilege, and the privilege of your Board of Directors, to serve with a view to building shareholder value over the long term, and I encourage all shareholders to participate fully in this Rights Issue.

Yours Faithfully,



Mr. Oluwaseun Ajayi

THE CHAIRMAN'S LETTER

8.1 History and Business of the Company

STI was incorporated as a Private Limited Liability Company under Nigeria law as Grand Union Assurances Limited on 26 February 1980 and commenced operations accordingly as an insurance company in Nigeria.

In January 1995, the Company was reconstituted and recapitalized under the new name, Sovereign Trust Insurance Limited and immediately started operation with an authorized share capital of ₦30 Million and fully paid up capital of ₦20 Million.

In 2001, STI acquired the necessary operating license to transact Life & Pensions business and continued operations as a composite insurance company.

In 2006, STI was admitted on the official daily list of the Nigerian Stock Exchange. Subsequently, in 2006, following the recapitalization exercise, STI merged with three other insurers (Coral International Insurance Company Limited, Confidence Insurance Plc and Prime Trust Insurance Limited) to form Sovereign Trust Insurance Plc.

In 2007, STI relinquished its life license and continued operations as a short-term insurance provider in the industry. The Company was rated A- by Global Credit Rating ("GCR") in 2007, 2008 and 2009 respectively. These ratings were based on STI's favorable underwriting track record which has been heavily influenced by low loss ratios as well as the Company's maintenance of a resilient brand in the fragmented and highly competitive Nigerian Insurance Market.

In 2010, STI signed a Circular of Understanding with UBA Metropolitan Life Insurance Limited, thus demonstrating that the intensely competitive insurance industry can also thrive on collaborations and cooperation. The pact provides that each company can cross sell the other's products and services.

Currently the company has about 17 branches across major cities.

8.2 Business Overview

STI is licensed by NAICOM to underwrite non-life policies. The Company provides a wide range of non-life insurance products covering most facets of the economy, including:

- Oil & Gas Policy
- E-TIC- Travel Insurance Policy
- All Risk Policy
- Swis-F Policy
- Aviation Policy
- Builders Liability Insurance
- Contractors All Risk
- Fidelity Guarantee

- Burglary House Breaking Policy
- Consequential Loss Policy
- Electronic Equipment Policy
- Erection All Risk
- House Holder
- Machinery Breakdown
- Marine Cargo Policy
- Marine Hull Policy
- Occupiers Liability Insurance
- Fire & Extraneous Perils Policy
- Goods in Transit Policy
- Healthcare Indemnity Insurance
- Money Insurance policy
- Motor Insurance
- Plant All Risk
- Workmen's compensation Policy
- Products Liability Policy

THE CHAIRMAN'S LETTER

8.3 Products and Services

STI prides itself in the innovative insurance products and services that it has created, that are tailored to meet the specific needs of its numerous clients. The following are a few of the products and service offerings by the Company:

Aviation Policy

This policy provides comprehensive cover against loss or damage to insured aircraft while operating anywhere in the world. The cover also includes the operator's legal liability to Third Parties for death, bodily injury and property damage. Liabilities to passengers are also covered up to a certain limit selected.

Marine Cargo Policy

This policy provides indemnity for loss or damage to goods being conveyed by sea or air into or outside the country. The All Risks type of cover known as Clauses "A" provides indemnity to the insured in the event of total or partial loss of the goods while Clauses 'C' is for a more restricted cover.

All Risk Policy

This policy has a very wide scope of cover and is specifically tailored to suit protection of portable and valuable items such as jewelries, cameras, mobile phones, Laptops etc. The attraction of the policy stems from the fact that cover will operate wherever the item is lost or damaged. The policy covers practically all risks with certain exclusions such as electrical or mechanical derangement or defect.

Products Liability Policy

This covers the insured's legal liability for bodily injury to persons, or loss or damages to property(ies) caused by products or goods sold, supplied, erected, repaired, treated or installed by the insured in the course of its business. It is not unusual to cover financial loss which is accompanied by bodily injury or loss of or damage to property.

Goods in Transit Policy

This is an "All Risks" policy covering goods being carried from one location to another. Any loss not specifically excluded under the policy is covered and the insurance is suitable for any organization that is engaged in movement of goods either by road or rail and the cover will operate when the goods are being conveyed by owner's vehicle or

hired vehicles. Losses arising from Fire and Theft are covered under this policy.

Fire & Extraneous Perils Policy

This type of policy will provide indemnity to the insured in the event of loss or damage to property covered under it as a direct result of fire outbreak, lightning or explosion. Other extraneous perils such as social/civil disturbances like strike and riot, and natural disasters like storm damage, flood and earthquake can also be covered by an extension of the standard scope of the cover.

Money Insurance Policy

This is another type of All Risks policy which is designed to cover any fortuitous event that could result in the loss of cash while in the course of transit either to or from a bank. The cover will also operate while the money is on the premises of the insured and while in a securely locked safe. The policy can also be extended to cover cash in the personal custody of selected management staff

THE CHAIRMAN'S LETTER

Oil & Gas Policy

Oil & Energy insurance can be defined as the insurance of all operations and assets relating to the exploration, exploitation, drilling, refining, storage and transportation of oil, gas or other energy resources. It also includes the insurance of Petrochemical risks such as insurance of assets, operations and liabilities arising out of production and consumption of intermediate and final products of chemical derived from Gas and Crude petroleum. The purpose of oil insurance is to protect all parties against the financial consequences of accident, which may lead to injury to workmen and third parties in addition to loss or damage to properties.

Consequential Loss Policy

This type of policy, often referred to as "business interruption insurance" is designed to indemnify the insured against loss of productive capacity or future earning power which may occur as a result of loss or damage to the premises and property insured under the Fire/Extraneous Perils explained above. This policy is normally taken out in conjunction with the Fire Policy so that when the latter pays for the material damage to property insured under it, this policy will pick up the intangible loss that will flow from the primary loss caused by the Fire perils.

Sovereign Trust Insurance Plc continues to be the lead underwriter for most of the major oil and gas projects in Nigeria.

8.4 BOARD RESOLUTION APPROVING THE ISSUE



**SOVEREIGN TRUST
INSURANCE PLC.** - RC 31962
17, Adetokunbo Ademola Street, P. O. Box 74393, Victoria Island, Lagos.
Tel: +234 - 1 - 4621710, 4617201, 4615006-9, 903 384 7294
Fax: +234 - 1 - 4617200, 4615817
E-Mail: info@stipic.com
Website: www.stipic.com

THE REPUBLIC OF NIGERIA
THE COMPANIES AND ALLIED MATTERS ACT, CAP C20
LAWS OF THE FEDERATION OF NIGERIA, 2004
PUBLIC COMPANY LIMITED BY SHARES
BOARD RESOLUTION

RESOLUTION OF THE BOARD OF DIRECTORS OF SOVEREIGN TRUST
INSURANCE PLC

At the Meeting of the Board of Directors of Sovereign Trust Insurance Plc held on 26th day of March 2018 at the Head office Boardroom at 17, Adetokunbo, Ademola Street, Victoria Island, Lagos, the following resolution was proposed and duly passed as Board Resolution, that is:

"That pursuant to the Shareholders Resolution at the 22nd Annual General Meeting to raise additional equity capital for the Company up to the maximum limit of the Authorized Share Capital, the Board hereby authorizes a capital raise of the N2,085,205,824 through Rights Issuance of 4,170,411,648 shares of 50kobo each at 50 kobo per share on the basis of one (1) new ordinary share for every two (2) ordinary shares held".

Dated this 26th day of March 2018


DIRECTOR
OLAJIDE SOYINKA


EQUITAS UNION LIMITED
(Corporate Secretaries/ Nominees)
COMPANY SECRETARY
YETUNDE MARTINS

Authorized and Regulated by the National Insurance Commission (NIC) 037

DIRECTORS

OLUSEGUN O. AJAYI (CHAIRMAN), COL. MUSA SHEHU (RTD) (FRS), EMI FALOGHIL OMOZISI BEDIA, ABIMOLA OGUNFUNDE, SAM EGBE, ODUNMI ODUSI (ED), JUDE MODURU (ED), UGOCHI ODEANLAM (ED), OLAJIDE SOYINKA (MD/CEO)



8.5 SWORN LETTER OF DECLARATION OF FULL DISCLOSURE BY STI PLC



SOVEREIGN TRUST INSURANCE PLC. RC 31962

17, Adeniyembo Ademola Street, P. O. Box 74393, Victoria Island, Lagos.
Tel: +234 - 1 - 4617110, 4617201, 4615006-9, 905 384 7204
Fax: +234 - 1 - 4617200, 4615817
E-Mail: info@stiplc.com
Website: www.stiplc.com

11th November, 2018

The Director General
Securities and Exchange Commission
SEC Tower
Plot 272 Samuel Adesujo Ademulegun Street
Central Business District
Abuja

Dear Sir,

PROPOSED RIGHTS ISSUE BY SOVEREIGN TRUST INSURANCE PLC: SWORN DECLARATION ON FULL DISCLOSURE OF ALL MATERIAL FACTS IN THE RIGHTS ISSUE CIRCULAR

In accordance with Rule 280 (3) of the Rules and Regulations of the Securities and Exchange Commission 2013 which stipulates that *"The issuer shall make a sworn declaration that it has fully disclosed all material facts in the offer document and the declaration shall be signed by the chief executive officer, the company secretary and the chief financial officer of the issuer"*

1. Sovereign Trust Insurance PLC hereby makes a sworn declaration that it has fully disclosed all material facts in the Rights Circular prepared by the appointed Joint Financial Advisers and Issuing Houses in connection with the proposed registration of the Rights Issue, Rights Circular and any other Transaction document with the Commission.
2. We confirm that we have taken all reasonable care to ensure that the information contained in the Rights Circular and any related documentation is to the best of our knowledge and belief in accordance with the facts and contains no omission likely to affect its import.
3. We confirm that there has been no significant change in the financial condition or material adverse change in the prospect of the issuer as at the date of the Rights Circular.



**SIGNED FOR AND BEHALF OF SOVEREIGN TRUST INSURANCE PLC BY ITS
AUTHORISED REPRESENTATIVES**

SOUTH UNION LIMITED
(Company Secretaries/Notaries)
Company Secretary
Equity Union Limited
YETUNDE AKINTOYE

[Signature]
GM, Finance & Corp. Serv.
KAYODE ADIGUN

[Signature]
Managing Director/CEO
OLAJIDE OYINNA

Sworn at the High Court Registry, Lagos. This _____ Day of _____ 2018

BEFORE ME
[Signature]
COMMISSIONER FOR OATHS
COMMISSIONER FOR OATHS

[Handwritten signature]
[Handwritten signature]



8.6 LETTER FROM THE DIRECTORS ON GOING CONCERN STATUS



SOVEREIGN TRUST INSURANCE PLC. RC 11962

17, Adetokunbo Ademola Street, P. O. Box 74393, Victoria Island, Lagos.
Tel: +234 - 1 - 4621710, 4617201, 4615006-9, 905 384 7204
Fax: +234 - 1 - 4617200, 4615817
E-Mail: info@stipic.com
Website: www.stipic.com

November 11, 2018

The Managing Director
Cordros Capital Limited
70 Norman Williams Street
Off Awolowo Road
Ikoyi
Lagos

Dear Sir,

CONFIRMATION OF THE GOING CONCERN STATUS OF SOVEREIGN TRUST INSURANCE PLC

The above subject refers.

The Board of Directors ("the Board") of Sovereign Trust Insurance Plc ("STI" or "the Company") is required to prepare financial statements at the end of each financial period, which gives a true and fair view of the state of affairs, and of the profit and loss position of the Company. The Board is responsible for maintaining proper accounting records and taking reasonable steps to prevent and detect fraud and other irregularities.

The Board is also responsible for selecting suitable accounting policies and applying the policies on a consistent basis, making informed judgments and estimates that are prudent and reasonable.

The applicable International Financial Reporting Standards have been followed and the Company's financial statements are prepared using accounting policies which comply with generally accepted accounting standards in Nigeria, including the Companies and Allied Matters Act 2004 and the Financial Reporting Council of Nigeria Act 2011. The Board, therefore deems it appropriate to adopt the going concern basis in preparing the financial statements.

Authorized and Regulated by the National Insurance Commission (NIC) 027

DIRECTORS

OLUSEGUN O. AJAYI (CHAIRMAN), COL. ALESA SHIBI (ED), (CPS), DAN FALOGUN, OYACIUSI BEISA, ABIMOLA OGEBUNDE, SAM EGBE,
DOLYMI OGBE (ED), BURE ABODUN (ED), KACOLE OGBELAM (ED), OLATUN SOYINKA (MD/CEO)





The Board, after making necessary enquiries, reviewing budgets, projecting cash flows and other relevant information, considers that adequate resources will exist for the business to continue in perpetual and operational existence for the Foreseeable future.

Yours faithfully,


MR. OLAOTAN SOYINKA
MANAGING DIRECTOR


EQUITY UNION LIMITED
(Company Secretary/Resolutions)
EQUITY UNION LIMITED
COMPANY SECRETARY
NETUNDE MALLIK

8.7 LETTER FROM THE AUDITORS ON GOING CONCERN STATUS



Ernst & Young
1000 Floor
USA House
ST. Martins
P. O. Box 2042, Lagos
Lagos.

Tel: +234 (0)1 271 4000
Fax: +234 (0)1 271 4001
Email: info@ey.com
www.ey.com

9 January 2019

The Directors
Sovereign Trust Insurance Plc
17, Adetokunbo Ademola Street
Victoria Island, Lagos

Dear Sirs,

CONFIRMATION OF GOING CONCERN STATUS OF SOVEREIGN TRUST INSURANCE PLC IN RESPECT OF RIGHTS ISSUE OF 4,170,411,648 ORDINARY SHARES OF 50 Kobo EACH AT N0.50 ON THE BASIS OF 1 NEW ORDINARY SHARE FOR EVERY 2 SHARES HELD IN THE COMPANY

Sovereign Trust Insurance Plc (the "Company") is in the process of raising Equity Capital via a Rights Issue.

Based on our audit of the financial statements of the Company for the year ended 31 December 2017 on which we expressed our opinion on 28 March 2018 and the representation received from Directors of the Company, we confirm that nothing has come to our attention that causes us to believe that the Company will not continue as a going concern in the foreseeable future.

This letter has been prepared only for the purposes of compliance with the rules and regulations of the Nigerian Securities and Exchange Commission.

Yours faithfully,

Sayo Elumaro, FCA

For: Ernst & Young
Lagos, Nigeria

9.0 FIVE YEAR FINANCIAL INFORMATIO

9.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of presentation and statement of compliance with IFRS

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and IFRS Interpretations Committee (IFRIC) for Interpretations applicable to companies reporting under IFRS.

The preparation of these financial statements is being based on the historical cost basis except for investment properties, building and certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

In accordance with IFRS 4 Insurance Contracts, the Company has applied existing accounting policies for Non-life insurance contracts, modified as appropriate to comply with the IFRS framework.

The preparation of financial statements in conformity with IFRS requires the Company's Board of Directors to exercise its judgment in applying the Company's accounting policies. The areas involving a higher degree of judgments or complexity, or areas where assumptions or estimates are significant to the financial statements are as disclosed in the Audited Financial Statement. The financial statements of Sovereign Trust Insurance Plc have been prepared on a going concern basis. The Directors of the Company have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

Presentation currency

The financial statements are presented in Nigerian Naira (₦) and are rounded to the nearest thousand ('000) unless otherwise stated.

Foreign currencies

Transactions and balances

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction and are not subsequently restated. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of a gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income (OCI) or profit or loss are also recognised in OCI or profit or loss, respectively).

FIVE YEAR FINANCIAL INFORMATION

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less. These assets are readily convertible into known amounts of cash.

Financial assets

Initial recognition and measurement

The Company designates financial assets to the following IAS 39 categories: financial assets at fair value through profit or loss; held-to-maturity investments; available-for-sale financial assets and loans and receivables. Management determines the classification of its financial instruments at initial recognition. The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as Fair Value Through Profit or Loss (FVTPL).

Financial assets at fair value through profit or loss (FVTPL) - Equity securities

Financial assets are classified as FVTPL when the financial asset is either held for trading or it is designated as at FVTPL. Financial assets held for trading include equity securities which are acquired principally for the purpose of generating a profit from short-term fluctuation in price, measurement recognized in statement of profit or loss. The net gain or loss recognized in statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other operating income' line item in the statement of profit or loss.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity. Held-to-maturity investments include investment in debt securities (bonds) issued by federal government, state governments and other corporate entities.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment. Gains and losses are recognised in the statement of profit or loss when the investments are derecognized or impaired, as well as through the amortisation process.

Available-for-sale financial assets (AFS financial assets)

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loans and receivables,

(b) held-to-maturity investments or (c) financial assets at fair value through profit or loss

FIVE YEAR FINANCIAL INFORMATION

The Company holds investments in unlisted shares that are not traded in an active market but classified as AFS financial assets and stated at cost less accumulated impairment. Changes in the carrying amount of AFS monetary financial assets relating to changes in foreign currency rates, interest income calculated using the effective interest method and dividends on AFS equity investments are recognized in statement of profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognized in statement of other comprehensive income and accumulated under the heading of available for sale reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the Available-for-sale reserve is reclassified to statement of profit or loss.

Dividend on AFS equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established. The fair value of AFS monetary financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate prevailing at the end of the reporting period. The foreign exchange gains and losses that are recognized in statement of profit or loss are determined based on the amortized cost of the monetary asset. Other foreign exchange gains and losses are recognized in statement of other comprehensive income. AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment. These investments are initially recognised at cost, being the fair value of the consideration paid for the acquisition of the investment. All transaction costs directly attributable to the acquisition are also included in the cost of the investment. After initial measurement, loans and receivables are measured at amortised cost, using the effective interest rate method (EIR) less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in the statement of profit or loss. Gains and losses are recognised in the profit or loss also when loans and receivables are derecognized or impaired, as well as through the amortisation process.

Trade receivables

Receivables include amounts due from agents, contractual brokers and insurance contract holders. Receivables arising under insurance contracts are measured on initial recognition at the fair value of the consideration received or receivable. Subsequent to initial recognition, insurance receivables are measured at amortised cost, using the effective interest rate method. The carrying value of insurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the statement of profit or loss.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment. For AFS debt instrument, the Company treats

FIVE YEAR FINANCIAL INFORMATION

significant' generally as 20% and 'prolonged' generally as greater than twelve months.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Breach of contract, such as a default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial re-organization; or
- The disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the

portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

Financial asset carried at amortised cost

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in statement of profit or loss.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment was reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Available for sale financial assets

When an available for sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in statement of other comprehensive income are reclassified to profit or loss in the period. In respect of AFS equity securities, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in statement of other comprehensive income and accumulated under the heading of available-for-sale reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through statement of profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Intangible assets

- Software

The amount initially recognized for intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred. Costs associated with maintaining computer software programmes are recognised

FIVE YEAR FINANCIAL INFORMATION

as an expense as incurred.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of directly attributable overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred.

Property, plant and equipment

Property, plant and equipment are those owned and used by the Company and are stated in the statement of financial position at cost not for building which are at revalued amount, less any subsequent accumulated depreciation and accumulated impairment. Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Depreciation of these assets, on the same basis as other property assets, commences when the assets are available for their intended use. Depreciation is recognized so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Freehold land is not depreciated.

Depreciation is calculated on a straight-line method to write down the cost of assets in equal installments over their estimate useful lives, at the following annual rates:

Asset	%
Land	-
Building	2%
Leasehold improvements	10%
Motor vehicles	25%
Furniture and fittings	15%
Computer equipment	33.3%
Office equipment	20%
Plant and machinery	15%

FIVE YEAR FINANCIAL INFORMATION

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss. The residual values, useful lives and methods of depreciation of property, plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Statutory deposit

Statutory deposit represents a deposit of 10% of the regulatory share capital kept with the Central Bank of Nigeria. The amount held will increase or decrease in relation to the amount of paid up share capital in issue. The cash amount held is considered to be a restricted cash balance.

Insurance contract liabilities

Provision for Outstanding claims and Incurred but not reported (IBNR) claims

Provision for liabilities of insurance contracts is made for outstanding claims and settlement expenses incurred at the reporting date including an estimate for the cost of claims incurred but not reported (IBNR) at that date. Included in the provision is an estimate of the internal and external costs of handling the outstanding claims. Material salvage and other recoveries including reinsurance recoveries are presented as assets.

Significant delays are experienced in the notification and settlement of certain types of general insurance claims, particularly in respect of liability business, environmental and pollution exposures, the ultimate cost of which may vary from the original assessment. Adjustments to the amounts of claims provisions established in prior years are reflected in the financial statements for the period in which the adjustments are made and disclosed separately, if material. The liability for Incurred but not Reported (IBNR) claims is calculated at the end of the reporting period, using a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation.

Provision for unearned premiums and unexpired risks

The provision for unearned premiums represents that part of written premiums, gross of commission payable to intermediaries that is estimated to be earned in subsequent periods. The change in the provision is recorded in the profit or loss to recognize revenue over the period of the risk.

Trade payables

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. The fair value of a non-interest-bearing liability is its discounted repayment amount. If the due date is less than one year, discounting is omitted.

Other payables

Other payables are initially recognized at fair value, fair value represents transaction price and subsequently measured at amortized cost.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

FIVE YEAR FINANCIAL INFORMATION

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. The current taxes include: Company Income Tax at 30% of taxable profit; Education Tax at 2% of assessable profit; Capital Gain Tax at 10% of chargeable gains; and Information Technology Development Levy at 1% of accounting profit. Minimum tax may be computed based on CITA.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary difference, unutilized tax loss and unutilized tax credits. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Current and deferred tax for the year

Current and deferred tax are recognized in statement of profit or loss, except when they relate to items that are recognized in statement of other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in statement of other comprehensive income or directly in equity respectively.

An entity shall offset deferred tax assets and deferred tax liabilities if, and only if:

- a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - I. the same taxable entity;
 - II. or different taxable entities which intend either to settle current tax liabilities and asset on a net basis or to realize the asset and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Employee benefit Cost

Defined contribution pension scheme

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

This is done in line with the Pension Reform Act 2014, whereby the minimum rate of Pension Contribution is 18% of monthly emolument, where 8% will be contributed by employee and 10% by the employer.

Short-term benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are recognised as employee benefit

FIVE YEAR FINANCIAL INFORMATION

expenses when the associated services are rendered by the employees of the Company.

Defined benefit plan

The Company operates a defined benefit plan to employees who are qualified as at the period it was discontinued.

Remeasurements, comprising actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment or the date that the Group recognizes related restructuring costs or termination benefits.

Borrowings

Finance cost comprise interest payable on loans and bank overdrafts as well as commission fees charged in respect of letters of credit. They are charged to profit or loss as incurred, except those that relate to qualifying assets. Arrangement fees in respect of financing arrangements including letters of credit are charged to borrowing costs over the life of the related facility.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the profit or loss when the liabilities are derecognized as well as through the effective interest rate (EIR) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that is an integral part of the EIR. The EIR amortisation is included in finance cost in the profit or loss.

Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental external costs that are directly attributable to the issue of these shares are recognized in equity, net of tax.

Statutory contingency reserve

The Company maintains Statutory contingency reserve in accordance with the provision of Section 21(2) of the Insurance Act CAP I17, LFN 2004 to cover fluctuations in securities and variations in statistical estimates at a rate equal to greater of 3% of gross premium or 20% of net profits until the accumulated amount reaches the greater of the minimum paid-up capital or 50% of the net premium.

Dividends

Dividend to the shareholders of the Company is recognised in the period in which the dividend are declared as a first interim dividend approved by the Board of Directors or a second interim dividend approved by the Company's shareholders at the Company's annual general meeting. Final dividend for the year that are approved after the reporting date are dealt with as event after the reporting date. This is approved by the shareholders at the Annual General Meeting.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude, and is also exposed to inventory and credit risks. The specific recognition criteria described below must also be met before

FIVE YEAR FINANCIAL INFORMATION

revenue is recognised.

Gross written premium

Written premiums comprise the premiums on contracts incepted in the financial year. Written premiums are stated gross of commissions that are payable to intermediaries and exclusive of taxes and duties on premiums. Unearned premiums are those proportions of the premium which relate to periods of risk after the reporting date. Unearned premiums are calculated on a time apportionment basis.

Fees and commission income

Fees and commission income consists primarily of agency and brokerage commission, reinsurance and profit commissions, policyholder administration fees and other contract fees. Reinsurance commission receivables are deferred in the same way as acquisition costs. All other fees and commission income are recognized as the services are provided.

Investment income

Investment income consists of dividend, interest and rent received, movements in amortized cost on debt securities and other loans and receivables, realized gains and losses, and unrealized gains and losses on fair value assets.

Benefits, claims and expenses recognition

Insurance Benefits and claims

Insurance claims include all claims occurring during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

Reinsurance claims

The Company recognizes reinsurance claims when the related gross insurance claims are recognised according to the terms of the relevant contracts.

Underwriting expenses

Underwriting expenses refer to all expenses, inclusive of net commissions, that are applicable to the servicing of net premiums written. These expenses encompass all that are incurred by an insurance company.

Underwriting expenses for insurance contracts are recognised as expense when incurred, with the exception of acquisition costs which are recognised on a time apportionment basis in respect of risk. Acquisition costs comprise all direct and indirect costs arising from the writing of insurance contracts.

Other underwriting expenses are those incurred in servicing existing policies/contract. These expenses are charged in the accounting period in which they are incurred.

Other expenses

All other operating expenses are recognized directly in profit or loss and when incurred.

FIVE YEAR FINANCIAL INFORMATION

Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement at the inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset, even if that asset is not explicitly specified in an arrangement.

FIVE YEAR FINANCIAL INFORMATION

9.2 Statement of Financial Position

The following represents the Company's IFRS Statement of Financial Position for five years (2013- 2018Q3)

Statement of Financial Position	2014 N'000	2015 N'000	2016 N'000	2017 N'000	2018 Q3 N'000
Assets					
Cash and cash equivalents	2,236,085	2,582,695	3,015,331	3,400,291	2,730,265
Investment Securities	866,956	929,904	562,846	1,025,722	511,639
Trade Receivables	57,551	115,751	308,428	329,648	698,949
Reinsurance assets	2,011,841	1,822,099	1,733,315	2,500,761	2,698,978
Deferred acquisition cost	568,819	567,819	496,295	439,068	594,987
Other receivables and prepayment	158,711	430,493	39,006	50,155	126,945
Investment in Associate	49,202	58,104	66,857	71,178	81,434
Investment Properties	1,339,084	1,358,256	1,181,454	1,161,581	1,107,619
Intangible assets	25,775	29,424	20,792	15,505	23,350
Property Plant and Equipment	783,098	842,381	1,620,472	1,386,862	1,458,240
Deferred tax assets	80,725	212,945	151,764	121,904	121,904
Statutory deposit	315,000	315,000	315,000	315,000	315,000
Total assets	8,492,846	9,264,871	9,511,560	10,817,675	10,469,311
Liabilities and Equities					
Liabilities					
Insurance contract Liabilities	3,073,723	3,046,784	2,838,600	3,260,519	3,100,179
Borrowing	806,590	531,976	750,456	861,919	925,451
Bank Overdrafts	-	-	108,641	78,897	-
Trade Payables	140,147	313,403	225,953	710,333	170,087
Other Payables and Accruals	37,905	119,916	121,918	180,132	88,083
Current Income tax payable	32,937	17,108	46,158	71,739	58,144
Retirement benefit Obligation	240,689	210,488	184,406	182,232	112,232
	4,331,991	4,239,675	4,276,132	5,345,771	4,454,177
Equities					
Issued and paid-up capital	3,435,879	4,170,412	4,170,412	4,170,412	4,170,412
Share Premium	116,843	116,843	116,843	116,843	116,843
Contingency Reserve	1,671,227	1,885,195	2,077,191	2,332,596	2,613,035
Deposit for Shares	410,284				
Revaluation reserve	-	-	175,288	225,103	225,103
Available for sale reserve	13,416	1,171	(3,984)	4,949	4,949
Accumulated Losses	(1,486,794)	(1,148,425)	(1,300,322)	(1,377,999)	(1,115,208)

Total Equity	4,160,855	5,025,196	5,235,428	5,471,904	6,015,134
Total Liabilities and Equity	8,492,845	9,264,871	9,511,560	10,817,675	10,469,311

9.3 Statement of Profit or Loss

The following represents the Company's IFRS Statement of Profit and Loss for five years (2013-2018Q3):

Sovereign Trust Insurance Plc	2013	2014	2015	2016	2017	2018 Q3
	N'000	N'000	N'000	N'000	N'000	N'000
Gross premium written	8,673,676	7,286,511	7,132,224	6,399,854	8,513,503	9,347,971
Gross premium income	7,437,639	7,656,639	6,992,353	6,763,129	8,300,968	9,300,480
Premiums ceded to reinsurers	(3,128,490)	(3,050,598)	(3,058,118)	(2,845,715)	(4,448,446)	(5,197,731)
Net premium income	4,309,149	4,606,041	3,934,235	3,917,414	3,852,522	4,102,749
Commission income	609,504	481,079	411,462	354,125	301,587	502,648
Net underwriting income	4,918,653	5,087,120	4,345,697	4,271,539	4,154,109	4,605,397
Net claims expenses	(1,168,961)	(2,181,184)	(1,506,511)	(1,440,861)	(1,303,145)	(1,319,221)
Underwriting expenses	(1,281,533)	(1,198,872)	(1,165,600)	(1,178,956)	(1,640,653)	(1,687,429)
Underwriting Profit	2,468,159	1,707,064	1,673,586	1,651,722	1,210,311	1,598,746
Investment income	282,279	112,132	214,061	281,288	326,676	348,990
Fair value gain/(loss) on quoted equities	-	-	17,534	(17,952)	40,549	-
Share of profit from associate	(23,945)	(1,053)	8,902	8,753	4,321	10,256
Net fair value gain on investment properties	-	-	7,971	14,864	34,826	-
Other operating income	141,836	161,943	71,775	20,432	239,402	470
Impairment	(290,471)	-	-	-	-	-
Management expenses	(1,538,451)	(1,490,060)	(1,475,459)	(1,888,611)	(1,531,911)	(1,268,827)
Result of operating activities	1,039,407	490,025	518,370	70,496	324,174	689,634
Finance costs	(181,557)	(164,004)	(87,884)	(25,521)	(121,480)	(88,260)
Profit before income tax	857,850	326,021	430,486	44,975	202,694	601,374
Income tax expense	72,071	(31,078)	127,363	(21,383)	(44,825)	(58,144)
Profit after income tax	929,920	294,943	557,849	23,592	157,869	543,230

9.4 Statement of Cashflow for the year ended 31 December, 2013 – 2018 Q3

Sovereign Trust Insurance Plc	2013	2014	2015	2016	2017	2018 Q3
	N'000	N'000	N'000	N'000	N'000	N'000
Operating activities:						
Premium received from policy holders	8,647,927	7,228,960	7,074,024	6,207,177	8,492,283	8,206,150
Claims recovered from reinsurers	755,833	237,847	94,492	89,067	425,725	906,237
Cash paid to and on behalf of employees	(794,172)	(740,040)	(761,648)	(810,195)	(870,763)	(39,940)
Reinsurance premium paid	(3,128,490)	(3,050,598)	(3,058,118)	(2,753,314)	(4,098,040)	(5,197,731)
Fees and commission Income	-	157,965	411,462	354,125	301,587	502,648
Commission paid	-	-	(921,384)	(899,900)	(1,148,514)	(1,687,429)
Other operating cash payments	(2,503,414)	(1,155,042)	(474,815)	(747,805)	(985,199)	(437,376)
Interest and dividend income	-	-	-	270,192	326,109	-
Claims paid	(1,927,622)	(2,448,014)	(1,736,410)	(1,395,324)	(1,990,761)	(2,433,290)
Gratuity benefit paid to employees	-	-	(33,416)	(26,081)	(2,173)	(633,301)
Company income tax paid	(124,359)	(32,391)	(20,686)	(13,350)	(19,244)	(50,412)
Net cash flows from operating activities	925,703	198,687	573,501	274,592	431,010	(864,444)
Investing activities						
Purchase of property, plant and equipment	(144,213)	(324,241)	(443,367)	(342,275)	(169,903)	(184,924)
Purchase of intangible assets	(6,201)	(24,226)	(14,478)	(6,404)	(12,000)	(12,716)
Receipts from loans	-	2,100	9,805	7,127	14,183	-
Repayment of Mortgage loan	-	5,683	-	-	-	1,446
Purchase of held-to-maturity bonds	-	(20,000)	(124,086)	(20,000)	(20,000)	-
Proceeds from bonds maturity	-	10,000	-	41,750	1,736	(1,398)
Proceeds on sale of property, plant and equipment	1,425	633	2,228	3,282	379,999	-
Liquidation of Managed Fund	-	-	104,431	-	-	-
Purchase of investment properties	(168,992)	(53,582)	(11,199)	(6,769)	(5,301)	-
Proceeds from disposal of investment properties	-	20,260	-	198,435	60,000	(65,000)
Purchase of quoted stock	(139,769)	(530,303)	(222,913)	-	(22,456)	(385,795)
Proceeds from disposal of quoted stock	121,148	541,944	327,391	15,773	97,698	130,970
Investment in unquoted stock	-	(33,500)	(16,800)	(75,160)	-	-
Purchase of treasury bills	-	-	(20,000)	-	(484,199)	-
Investment in Fixed Deposit	-	(79,974)	(245,097)	-	-	-
Proceed on treasury bill maturity	-	-	-	341,362	21,380	448,271
Proceed on fixed deposit maturity/renewal	-	172,080	129,612	-	-	-
Interest and rental income	117,870	191,906	207,135	-	-	290,062
Dividend from quoted investment	-	8,593	9,837	-	-	3,028
Interest from other investment	-	-	-	-	-	4500
Stock Trading Income	-	-	-	-	-	44,870
Unclaimed dividend received	-	-	68,400	-	-	-
Net cash flows (used in)/from investing activities	(218,731)	(112,627)	(239,101)	157,121	(138,863)	273,314

Financing activities:						
Repayment of borrowing	-	-	(274,615)	(106,488)	-	-
Redemption of Bond Liability	-	(260,307)	-	-	-	-
Deposit for shares	-	410,284	(410,284)	-	-	-
Debt security	59,122	-	-	-	-	-
Issue of shares	-	-	734,533	-	-	-
Capital raising expenses	-	-	(37,424)	-	-	-
Net cash flows used in financing activities	59,122	149,977	12,210	(106,488)	0	
Net increase in cash and cash equivalents	766,093	303,194	348,426	325,226	292,147	(591,130)
Net foreign exchange difference	-	-	(1,816)	(1,231)	122,557	
Cash and cash equivalents at 1 January	1,166,795	1,932,889	2,236,085	2,582,695	2,906,690	3,321,394

10.0 STATUTORY AND GENERAL INFORMATION

10.1 Incorporation and Share Capital History

STI was incorporated as a limited liability company with Registration Number 31962 under the name Grand Union Assurances Limited. The Company commenced business in January 1995 following the restructuring and recapitalization of the then Grand Union Assurances Limited. The Company went into operation with an authorized and paid up capital of N30 million and N20 million respectively. The Company became a Public Limited Company on April 7, 2004 and was listed on the Nigerian Stock Exchange on November 29, 2006 and now has an authorized share capital of N5.25 billion comprising 10.5 billion Ordinary Shares of N0.50 each, and an issued and fully paid-up share capital of N4.17 billion comprising of 8.34 billion Ordinary Shares of N0.50. The changes to the Company's authorized and issued share capital since incorporation are summarized below:

Year	Authorized (N)		Issued & Fully Paid up (N)		Consideration
Date	Increase	Cumulative	Increase	Cumulative	Cash/Bonus
1980	0	1,500,000	0	1,500,000	Cash
1988	500,000	2,000,000	500,000	2,000,000	-
1994	28,000,000	30,000,000	18,000,000	20,000,000	Cash
1995	0	30,000,000	0	20,000,000	-
1996	20,000,000	50,000,000	0	20,000,000	-
1997	50,000,000	100,000,000	14,000,000	34,000,000	Cash & Bonus
1998	0	100,000,000	36,000,000	70,000,000	Cash & Bonus
1999	0	100,000,000	3,500,000	73,500,000	Bonus
2000	50,000,000	150,000,000	23,375,000	96,875,000	Cash & Bonus
2001	50,000,000	200,000,000	9,375,000	106,250,000	Cash & Bonus
2002	0	200,000,000	45,250,000	151,500,000	Bonus
2003	300,000,000	500,000,000	202,000,000	353,500,000	Cash & Bonus
2004	500,000,000	500,000,000	80,229,342	433,729,342	Cash & Bonus
2005	0	500,000,000	77,266,023	510,995,365	Cash & Bonus
2006	1,000,000,000	1,000,000,000	0	510,995,365	Stock Split
2006	5,000,000,000	3,500,000,000	610,588,243	1,121,583,608	Rights Issue/Cash
2007	0	3,500,000,000	1,046,648,587	2,168,232,195	Merger with Coral, Confidence & Primetrust Insurance Ltd/Cash
2008	0	3,500,000,000	433,646,438	2,601,878,633	Cash & Bonus
2009	0	3,500,000,000	0	2,601,878,633	-
2010	0	3,500,000,000	0	2,601,878,633	-
2011	0	3,500,000,000	834,000,064	3,435,878,697	Rights Issue
2012	0	5,000,000,000	0	3,435,878,697	-
2013	0	5,000,000,000	0	3,435,878,697	-
2014	0	5,000,000,000	0	3,435,878,697	
2015	250,000,000	5,250,000,000	734,533,000	4,170,412,000	Rights Issue

2016	0	5,250,000,000	0	4,170,412,000	
2017	0	5,250,000,000	0	4,170,412,000	
2018	250,000,000	5,500,000,000	0	0	
2018	2,000,000,00	7,500,000,000			

10.2 Shareholding Structure

As at 31 December 2017, the 8,340,823,296 Ordinary Shares of 50 kobo each in the issued ordinary share capital of the Company were beneficially held as follows:

Shareholders	Units Holding	%
Morning Side Capital Partners Ltd	1,575,000,000	18.88
Bayelsa State Ministry of Finance Incorporated	900,000,000	10.79
TEEOF Holdings Limited	821,572,742	9.85
Others	5,044,250,554	60.48
TOTAL	8,340,823,296	100.00%

Except as disclosed above, no shareholder holds more than 5% of the issued and fully-paid share capital of the Sovereign Trust Insurance Plc.

10.3 Directors Beneficial Interest

The direct and indirect interest of directors in the issued share capital of the company as recorded in the register of directors' shareholding and/or as notified by the directors for the purposes of section 275 and 276 of the Companies and Allied Matters Act CAP C20 LFN 2004 and the listing requirements of the Nigerian Stock Exchange are as follows:

Shareholders	Direct Shareholding	Indirect Shareholding	Total Shareholding
Mr. Oluseun O. Ajayi	244,104,573	318,483,523	562,588,096
Mr. Olaotan Soyinka	1,532,640	-	1,532,640
Mrs. Ugochi Odemelam	4,490,321	-	4,490,321
Ms. Emi Faloughi	27,024,097	821,572,742	848,596,839
Ms. Omozusi Iredia	-	392,282,401	392,282,401
Col. Musa Shehu (Rtd), OFR	-	-	-

10.4 PROFILES OF THE BOARD OF DIRECTORS

▪ **Mr Oluseun Ajayi - *Chairman***

Mr. Oluseun Ajayi is a Chartered Insurer with over 30 years of experience in the insurance industry. He is a graduate of History and Politics from the University of Ibadan and also an Associate of the Chartered Insurance Institute of London (ACII) and Nigeria (ACIIN). He is a member of the Governing Council of the Nigerian Insurers Association (NIA). He is an astute professional who has devoted his entire working life to the practice of insurance. He has attended various Management and Leadership Development Programmes at different times in the course of his career including the Management Programme at the London School of Insurance. He is also an alumnus of the Lagos Business School having completed the Chief Executive Programme. Mr. Ajayi has also attended leadership programmes at the IESE Business School of the University of Navarra, Spain, the University of Nottingham Business School and the London Business School.

Under his leadership, the company consistently experienced steady and remarkable accomplishments. One of his greatest accomplishment as the pioneer MD/CEO of the company was the successful transition of the company from a Limited Liability underwriting firm to a Publicly Quoted Company in November 2006. He was a member of the Nation's Vision 2020 Business Support Group, BSG, inaugurated by the Federal Government of Nigeria.

▪ **Ms. Emi Faloughi - *Non-Executive Director***

Ms. Emi Faloughi is a seasoned professional with vast years of experience in the Oil and Gas Industry ranging from developing system solutions in support of Contracting and Procurement processes. Over the years, she has successfully put together and managed an ever-evolving cross functional global network of IT specialists, Contracting & procurement experts and SAP Business Improvement Analysts. She holds a first degree in Communications and Spanish from London Guildhall University, United Kingdom and a Masters in Urban Planning from Hunter College, New York, United States of America. She is currently the Vice President of TEEOF Holdings Ltd; a company with a diverse portfolio spanning the entertainment and realty sectors.

▪ **Ms. Omozusi Iredia - *Non-Executive Director***

Ms. Omozusi Iredia is the Managing Partner of CERTARI Partners Limited a wholly owned investment advisory firm offering a unique approach to investment management. She worked with Coronation Securities Limited as the Chief Responsibility Officer. She has diverse experience acquired in the financial industry over the years. She started her career at Afrinvest West Africa Limited before moving to Standard Chartered Bank as the Head of Custody Division. Omozusi holds a Master's Degree in International Business Management from Demonfort University, Leicester and a BSc. (Banking & Finance), University of Maiduguri, Nigeria

▪ **Col. Musa Shehu (Rtd.), OFR) - *Independent Director***

Col. Musa Shehu retired from the Nigerian Army in 1999 after several years of meritorious service to Nigeria. He was on the country's entourage on several military peace keeping and observer missions outside Nigeria at different times during the course of his military career. Some of the countries include

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Tchad Republic, Iran and Iraq. In the course of his military career, he also served as Military Administrator of Rivers State between 1996 and 1998, and of Plateau State from 1998 to 1999. Col. Musa Shehu (Rtd.) is a non- executive director on the Board of Sovereign Trust Insurance Plc. Currently; he is the Secretary- General of the Arewa Consultative Forum. He has a B.Sc. Degree in Political Science from Pakistan Military Academy.

- **Mr. Olaotan Soyinka - Managing Director/CEO**

Mr. Olaotan Soyinka is an erudite and well-grounded Underwriter with over 20 years cognate experience. He is an Associate of the Chartered Insurance Institute of Nigeria. He is a Graduate of Insurance from University of Lagos and also holds an M.Sc degree in Marketing from the same university. He joined Sovereign Trust Insurance Plc in March 1998. A seasoned Professional who has plied his trade in both Marketing and Technical Divisions of the organization is expected to bring his overwhelming wealth of experience to bear in providing instructive leadership to the company while taking it to the next phase of its growth stage. Soyinka is an alumnus of the Lagos Business School having successfully completed the Senior Management Programme of the Institution. He is also a member of the prestigious Ikoyi Club 1938.

- **Mrs. Ugochi Odemelum – Executive Director, Marketing & Business Development**

Ugochi Odemelum studied Secretariat Study from Federal Polytechnic, Nasarawa. She holds an MBA from ESUT Business School. She is also a member of the Nigerian Institute of Management (NIM), Chartered Insurance Institute of Nigeria (CIIN) and Chartered Insurance Institute of London (CII London). She is an alumnus of the Lagos Business School having successfully completed the Senior Management Programme, (SMP) of the Institution. She has also attended series of management and development programmes both at local and international levels. She is an Alumnus of the Kellogg School of Management, Chicago, USA. She joined Sovereign Trust Insurance Plc in 1995. Her cognate 20 years working experience cut across the banking and insurance profession. Her experience at Sovereign Trust spans several divisions, Area office operations and other committee works.

- **Abimbola Oguntunde – Non - Executive Director**

Mr. Abimbola (Abi) Oguntunde is the Managing Partner of Devtage Consulting & CEO of the Devtage Group, a global management consulting, technology, and corporate training & development company with offices in North America and EMEA (including Lagos, Nigeria). He currently serves as a non-executive director of Sovereign Trust Insurance Plc with specific responsibilities for capital raising, business transformation & reorganization. Abimbola, an experienced Banker, economist and certified Project Manager , with over 30 years experience in the banking industry, management consulting and the international public sector, has held top management positions at leading institutions (UBA, Sterling and Diamond Bank) in the financial services industry He has also acquired international working exposure, having a stint with the Ministry Of Government Services, Ontario Public Services (OPS). He studied Economics at the University of Lagos where he graduated with a First Class and subsequently obtained a Master's degree in Economics from the same institution. He also holds an MBA in International Banking and Finance with Distinction from the University of Birmingham, United Kingdom.

- **SAMUEL EGUBE – Non - Executive Director**

Samuel Egube is an Angel investor and adviser on the Expert in residence program of the Entrepreneur Development Center (EDC) of the Pan Atlantic University Lagos, Nigeria. He is CEO at Harbourpoint

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Partners; a Business Consulting and Financial Advisory services company focused on Financial services, Technology, Agriculture and the garment industries.

Samuel Egube is a director at Sovereign Trust Insurance Plc and Interbau Construction Ltd. He is also Chairman CeLD Innovations Ltd, a technology driven consumer Loyalty Company and Africa's first unified cash reward as a service company. His over twenty-nine years post qualification experience, twenty of which in senior management banking roles has been in various sectors of the economy, including Banking & financial advisory, Business consulting and Engineering. These experiences were acquired in very strong institutions that include Arthur Andersen & Company (now KPMG professionals in Nigeria), United Bank for Africa Plc, First Bank Nigeria Plc and Diamond Bank Plc where he was the Corporate Banking Director and Head of Directorate.

He holds an Executive MBA from the prestigious International School of Management (IESE), University of Navarra Barcelona having initially held a Bachelors' degree in Engineering from the University of Benin. He is a Fellow of the Institute of Credit Administration (FICA), an Associate member of the Nigerian Institute of Management (AMNIM), A Corporate member of the Nigerian Society of Engineers (MNSE), Registered member of the Council for regulation of Engineering in Nigeria (COREN), and Honorary Senior member of Chartered Institute of Bankers. He has attended various local and international courses including management/leadership programs at IESE (Spain), INSEAD (France), Wharton (USA) and Columbia (USA).

▪ **Jude A. Modilim, Executive Director, Technical**

Jude Modilim is a seasoned Insurance and Risk Management Practitioner with considerable exposure and experience in Marketing & Business Development, Underwriting, Claims Administration and Management. Jude's personality resonates positivity and self-confidence which has earned him the nickname, (Mr. Bond) by his colleagues.

He graduated from University of Lagos in 1990, having read Insurance with a B.Sc. Degree and also obtained an MSc Degree in 1995 in Business Administration from his alma Mater where he majored in Marketing. He is an Associate member of the Chartered Insurance Institute, London, (ACII) and also an Associate of the Chartered Insurance Institute of Nigeria, (AIIN) respectively. Jude is a member of the Nigerian Institute of Management and an Associate of the Nigerian Council of Registered Insurance Brokers, NCRIB. He was until his appointment as Executive Director, Technical, the Assistant General Manager/Group Head, Business Development with International Energy Insurance Plc, IEI. While in IEI, he carried out various functions in different capacities. Between 2007 and 2008, he was the Group Head, Retail for Insurance PHB, (Now KBL). He had a short stint with Industrial and General Insurance Company Limited as a Manager in charge of Telecommunications Marketing. Jude equally had a long spell with NICON Insurance Plc totaling 15 years where he held various positions within the organization. Jude Modilim is coming on Board with a considerable wealth of experience that has traversed various facets of Insurance and it is hoped that same will be utilized in galvanizing the organization to the next level of its growth agenda.

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10.5 Material Contracts

The agreements below have been entered into and are considered material to this Issuance:

- The Vending Agreement dated **28 May 2019** executed by the Issuer and the Issuing House.

10.6 Purpose of the Rights Issue

After the deduction of estimated issue costs and expenses of 55,952,852 (representing 2.68 % of the gross issue proceeds), the proceeds will be applied as follows:

UTILIZATION	(%)	(N')	Expected Completion Time
Development of Retail Business	15%	304,387,945.80	2020(1 year)
Enhancement of Investment Portfolio	50%	1,014,626,486.00	Immediate
Development of ICT Infrastructure	15%	304,387,945.80	2020(1 year)
Working Capital	20%	405,850,594.40	Immediate
Total	100%	2,029,252,972.00	

10.7 Details of the Utilization of Proceeds

1. The company will reinforce the research & development of new products with attendant promotion by ways of advertisement and publicity and provide extensive and enduring training programs in building adequate capacity for the development and growth of our retail business.
2. Our Investment portfolio will be enhanced with allocation of about 50% of proceeds in less risky government bonds, gilt-edge corporate financial instruments, Eurobond and other high high-value equity investments.
3. Upgrade of core value-adding insurance ICT platforms and digital applications.
4. Provision of robust Re-insurance Treaty arrangement and increase our Claim Fund.
5. The rights Issue costs and expenses are estimated to cost ~~¥~~55.95M on regulatory fees and professional parties fees

10.8 Statement of Indebtedness

The total indebtedness of the company as at 30th September 2018 is ~~¥~~925.45 million. This represents zero coupon JPY846,000,000 direct, unconditional, unsubordinated and unsecured European Bond with options issued to Daewoo Securities Europe Limited in 2008. The underlying Bond has a put

period of 30 months with a yield to put of 4.25% per annum while the tenor of the convertible option is valid up to year 2024.

10.9 Consents

The following have given and not withdrawn their written consents to the issue of this Rights Issue with their names and reports (where applicable) included in the form and context in which they appear:

Directors of the Company	Mr. Oluseun O. Ajayi (Chairman) Mr. Olaotan Soyinka (MD/CEO) Ms. Emi Faloughi (Non-Executive Director) Ms. Omozusi Iredia (Non-Executive Director) Col. Musa Shehu (Rtd), OFR (Independent Director) Mrs. Ugochi Odemelum (Executive Director) Mr. Jude Modilim (Executive Director) Mr. Samuel Egube (Non- Executive Director) Mr. Abimbola Oguntunde (Non- Executive Director)
Solicitors to the Company	Citipoint Chambers (Legal Practitioners)
Company Secretary	Equity Union Limited
Solicitors to the Offer	Ayodele Olugbenga & Co
Issuing House	Cordros Capital Limited
Stockbroker	Dynamic Portfolio Limited
Auditor	Ernst & Young
Registrars	Meristem Registrars Limited
Receiving Bank	Providus Bank Plc

10.10 Claims and Litigation

CLAIMS LITIGATION AS AT DECEMBER 2018							
S/N	SUIT NO	TITLE	DESCRIPTION	REPRESENTATION	VALUE	STATUS OF PROCEEDINGS	REMARKS
1	TEMP/32728/2017 High Court of Lagos State, Ikeja	STI vs Strategic Media	Alleged Advance Payment Bond default ₦3,800,000	LAWFIELD SOLICITORS & ADVOCATES	₦3,800,000	Matter adjourned till 17th January, 2019 for report on settlement	
2	LD/1778GCMW/2016 Lagos State High Court	Unogu vs EDCP & STI	Alleged death of third parties	J.O. ABASS & CO.		Statement of Defence filed	Awaiting hearing date from Registry
3	LD/ADR/1488/2017	Moregaz Limited vs STI	Alleged default in Performance Bond	J.O. ABASS & CO.	₦55,200,000	Statement of Defence filed	
4	LD/ADR/1195/17	A.A Rano vs STI	Alleged Advance Payment Bond default	LAWFIELD SOLICITORS & ADVOCATES	₦42,685,000	Statement of Defence filed	Matter adjourned till January 17, 2019
5	FHC/L/CS/147/18	Sovereign Trust Plc vs Kalaks Investment Nigeria Ltd	Alleged Advance Payment Bond default	ADEGBOYEGA ADEPEGBA & CO.	₦5,350,000	Settlement has been proposed	
6	HOK/61/2018	Tentol Consulting (STI) vs ABC Transport Limited	Accident involving Insured and negligent third party	LAWFIELD SOLICITORS & ADVOCATES	₦ 8,100,000	Matter filed at the Ondo State High Court	Awaiting hearing date from Registry.

INVESTMENT LITIGATION AS AT DECEMBER 2018							
	SUIT NO	TITLE	DESCRIPTION	REPRESENTATION	VALUE	STATUS	REMARKS
1	LD/571/2011 Lagos State High Court Justice Oyamo	STI v Adland Ltd & Anor.	Default on short term loan in sum on =N=5,000,000	NIYI OLOPADE & CO.	=N=6,736,666	Judgment delivered in our favour	Parties now await a hearing date for Appeal filed by Respondent
2	FHC/L/CP/9989/2018 Lagos State Federal High Court	Leadway Capital v STI	Dispute on share disposal	J.O. ABASS & CO.			Matter settled out of court

The solicitors of the company are of the opinion that the claims and litigation of the company are not likely to have any material adverse effects on the company and the proposed rights issue and they are not aware of any other pending or contemplated claims or litigation against the company.

STATUTORY AND GENERAL INFORMATION

10.11 Subsidiaries and other associated companies

The company has 43% interest in STI Leasing Limited, which is involved in Leasing services to private and public-sector contributors. STI Leasing Limited was incorporated as a Limited Liability Company under the Companies and Allied Matters Act, CAP C20 Laws of the Federation 2004 and licensed as a Leasing Company. STI Leasing Limited is domiciled in Nigeria and its registered office is at 22 Keffi Street Ikoyi Lagos. Sovereign Trust Insurance Plc does not have control but only has significant influence as it does not control the Board of Directors.

10.12 Risk

Business/Company Specific Risks

These are risks that are unique to Sovereign Trust Insurance Plc which may hamper the Company's achievement of its business objectives. These risks include operational failure, accounting and internal control processes, lack of adequate supervision, poor management, inadequate human resources, inadequate cash flow, poor customer service etc.

Industry/Sector Risks

The Nigerian Insurance industry is highly fragmented. It is anticipated that the recent reforms underway in the industry which includes improved regulation and market development, growth opportunities and increased capacity will lead to a highly competitive environment. There is a risk that the Company may not be able to compete effectively in the new operating terrain.

Environmental Risks

These are losses that arise due to natural occurrences in the environment. Such events include earthquakes, tsunamis, volcanic eruptions, floods and other natural hazards. Non-compliance with established environmental rules and regulations is also a threat to the Company.

Government Policy Risk

The Insurance Industry has been undergoing reform in recent years. Other reforms may be promulgated with unforeseen consequences. Changes in government policy usually affect businesses due to restrictions or new requirements.

General Risk Disclosure

Shareholders should consult their advisers if in any doubt as to the nature of this investment and its suitability in the light of their particular circumstances. The value of any securities traded (whether listed or not) are subject to investment risks, can and do fluctuate, and any individual security may experience upward or downward movements. There is an inherent risk that losses may be incurred rather than a profit made as a result of buying and selling securities. Past performance is not a guide to future performance. Certain types of investments may not be suitable for all investors. However, STI takes all these risks seriously and has put in place strategic and operational plans that will aid in adequately responding to the outlook of the market environment in a timely manner in order to mitigate these risks as much as possible.

STATUTORY AND GENERAL INFORMATION

10.13. Underwriting

This Rights Issue does not require underwriting.

10.14 Relationship with the company and other parties to the Offer

The Company has 43% interest in STI Leasing Limited, which is involved in Leasing services to private and public sector contributors. STI Leasing Limited was incorporated as a Limited Liability Company under the Companies and Allied Matters Act, CAP C20 Laws of the Federation 2004 and licensed as a Leasing Company. STI Leasing Limited is domiciled in Nigeria and its registered office is at 22 Keffi Street Ikoyi Lagos. Sovereign Trust Insurance Plc does not have control but only has significant influence as it does not control the Board of Directors.

10.15 Documents Available for Inspection

Copies of the following documents are available for inspection at the offices of Cordros Capital Limited during normal business hours on any weekday (except public holidays), from 17th June, 2019 until 24th July, 2019.

1. The Certificate of Incorporation of the Company;
2. The Memorandum and Articles of Association of the Company;
3. The Board resolution authorizing the Issue;
4. The Shareholders' Resolution authorizing the Issue;
5. The Company's Audited Accounts for the financial years ended December 2013, December 2014, December 2015, December 2016, December 2017 and Unaudited Q3- 2018;
6. The Company's Unaudited Accounts for the six months ended June 2018;
7. The schedule of the Claims and Litigation referred to on pages 44;
8. Letters of approval from SEC and the NSE;
9. The material contract referred to on page 42; and
10. The written consents referred to on page 43.

11. PROVISIONAL ALLOTMENT LETTER

Dear Sir/Madam,

RIGHTS ISSUE OF 4,170,411,648 ORDINARY SHARES OF 50 KOBO EACH AT ₦0.50 PER SHARE IN STI PLC

1. Provisional Allotment

The Chairman's letter dated 30th September 2018 on page 13 of this Rights Circular contains particulars of the Rights Issue now being made. The Directors have provisionally allotted to you the number of Ordinary Shares set out on the first page of the enclosed Acceptance/Renunciation Form, representing 1 new ordinary share for every 2 ordinary share registered in your name at the close of business on 15 January 2019. The new Ordinary Shares will rank pari passu in all respects with the existing Ordinary Shares of the Company.

You may accept all or some of the shares offered to you or renounce your Rights to all or some of them. If you are accepting the provisional allotment in full, kindly complete box A of the Acceptance/Renunciation Form, while if renouncing your Rights partially or in full, kindly complete box B of the form. You may also apply for additional shares over and above your provisional allotment as described in 2(b) below.

2. Acceptance and Payment

The receipt of any payment with your Acceptance/Renunciation Form will constitute an acceptance of all or part of this allotment on the terms of this letter, subject to the Memorandum and Articles of Association of the Company and to the clearance of the Securities and Exchange Commission. **If payment is not received by 24th July 2019, the provisional allotment will be deemed to have been declined and will be cancelled.** You may participate in the Rights Issue through any of the following methods:

a) Full Acceptance

If you wish to accept this provisional allotment in full, please complete box A of the Acceptance/Renunciation Form. The completed Acceptance/Renunciation Form together with a cheque or bank draft for the full amount payable must be submitted to any of the Receiving Agents listed on page 50 of this document not later than 24 July 2019. The cheque or draft must be made payable to the Receiving Agent, drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "SOVEREIGN TRUST INSURANCE PLC RIGHTS" with your name, address and daytime telephone number (if any) written on the back of the cheque or draft. All cheques and drafts will be presented for payment upon receipt and all Acceptance/Renunciation Forms in respect of which cheques are returned unpaid for any reason will be rejected and returned through the registered post.

Any payment made electronically or with a value exceeding ₦10 million should be made via SWIFT, RTGS or NEFT into the designated Issue Proceeds Account stated on the Acceptance/Renunciation Form. Such payment must include the following transfer instruction narrative: "[FULL NAME OF SHAREHOLDER]'s PAYMENT FOR SOVEREIGN TRUST INSURANCE PLC RIGHTS".

b) Applying for Additional Shares

This may be done by completing item (ii) and (iii) of box A of the Acceptance/Renunciation Form. Payment should be made in accordance with 2(a) above. Shareholders who apply for additional shares using the Acceptance/Renunciation Form will be subject to the allotment process and may therefore be allotted less than the number of additional shares applied for.

c) Partial Acceptance

To accept your provisional allotment partially, please complete box B of the Acceptance/ Renunciation Form and submit the completed Acceptance/Renunciation Form to any of the Receiving Agents listed on Page 50 of this document together along with full amount payable in respect of the number of shares you wish to accept. Payment should be made in accordance with 2(a) above.

3. Trading in Rights on the NSE

The approval of The Exchange has been obtained for trading in the Rights of the Company. **The Rights will be tradable between 17th June 2019 and 24th July 2019 at the price at which the Rights are quoted on The Exchange.** If you wish to renounce your Rights partially or in full, you may trade such renounced Rights on the floor of The Exchange between these dates. Please complete item (iii) of box C of the Acceptance/Renunciation Form and contact your stockbroker for assistance. If you wish to purchase renounced Rights, please contact your stockbroker who will guide you regarding payment and the procedure for purchasing renounced Rights. Any purchaser of Rights may also trade those Rights between these dates.

4. Allotment of Additional Shares

Ordinary shares which are not taken up by the Offer Closing Date will be allotted on a pro-rated basis to shareholders who apply for additional shares i.e. all subscribers will be allotted equal proportion of the amount applied for according to the Rules and Regulations of the Securities and Exchange Commission.

5. Subscription Monies

Acceptance/Renunciation Forms must be accompanied with the full amount due on acceptance in accordance with 2(a) above. All subscription monies will be retained in interest yielding bank accounts by the Receiving Bank.

6. Surplus Application Monies

If any application for additional shares is not accepted or accepted for fewer shares than the number of shares applied for; a cheque for the balance of the amount paid together with accrued interest will be returned by registered post within 5 (five) working days of allotment.

Any electronic payment with a value exceeding ₹10 million would be made via RTGS or NEFT into the affected subscriber's bank account details stated on the Acceptance/Renunciation Form.

7. Rounding Principle

The allocation of Rights Issue shares will be such that shareholders will not be allocated a fraction of a Rights Issue share and as such any shareholding giving rise to a fraction of less than one of a Rights

Issue will be rounded to the nearest whole number.

8. Settlement

The CSCS accounts of Shareholders will be credited not later than 15 working days from the date of allotment.

Yours faithfully,

For: SOVEREIGN TRUST INSURANCE PLC

~~EQUITY UNION LIMITED
(Company Secretary, Non-exec)~~

**Yetunde Martins
Equity Union Limited**

11.1 RECEIVING AGENTS

A copy of the Rights Circular has been forwarded to each of the shareholders whose names appeared in the Company's Register of Members as at 15th January 2019. The completed Acceptance Forms may be returned to any of the following Receiving Agents to whom brokerage will be paid at the rate of 0.50% of the value of shares allotted in respect of Acceptance Forms bearing their official stamp.

The Issuing Houses cannot accept responsibility for the conduct of any of the institutions listed below. Shareholders are therefore advised to conduct their own enquiries before choosing an agent to act on their behalf. Evidence of lodgement of funds at any of the Receiving Agents listed below, in the absence of corresponding evidence of receipt by the Issuing Houses cannot give rise to a liability on the part of the Issuing Houses under any circumstances.

BANKS

Access Bank Plc Citibank Nigeria Limited Diamond Bank Plc Ecobank Nigeria Plc Fidelity Bank Plc	First Bank of Nigeria Plc First City Monument Bank Limited Guaranty Trust Bank use of pro Heritage Bank Plc Keystone Bank Limited	Polaris Bank Limited Stanbic IBTC Bank PLC Standard Chartered Bank Nigeria Limited Sterling Bank Plc	Union Bank of Nigeria Plc United Bank for Africa Plc Unity Bank Plc Wema Bank Plc Zenith Bank Plc
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STOCKBROKERS AND OTHERS

Adamawa Securities Limited Adonai Stockbrokers Limited African Alliance Stockbrokers Limited Afrinvest (West Africa) Limited AIMS Asset Management Limited Alangrange Securities Limited Allbond Investment Limited Alliance Capital Managt Co. Limited Altrade Securities Limited Amyn Investments Limited Anchorage Sec & Finance Limited Anchoria Inv& Securities Limited Apel Asset Limited APT Sec. & Funds Limited Arian Capital Management Limited ARM Securities Limited Associated Asset Managers Limited Atlas Portfolio Limited Belfry Stockbrokers Limited Bestink Investment Limited Bestworth Assets & Trust Limited BFCL Assets & Sec Limited BIC Securities Limited Bytofel Trust & Securities Limited Cadington Securities Limited Calyx Securities Limited Camry Securities Limited Capital Asset Limited Capital Bancorp Limited Capital Express Securities Limited Capital Trust Brokers Limited Cardinal Stone Securities Limited Cashcraft Asset Mgt. Limited Cashville Inv& Sec. Limited Centre-Point Inv. Limited Century Securities Limited Chapel Hill Denham Securities Limited Chartwell Securities Limited Citi Investment Capital Limited City-Code Trust & Inv Limited Clearview Inv Co. Limited Colvia Securities Limited Compass Inv and Sec Limited Consolidated Inv Limited Consortium Investments Limited Cordros Securities Limited Core Trust & Investment Limited Covenant Securities & Asset Management Limited Cowry Asset Mgt Limited Cradle Trust Fin & Sec. Limited Crane Securities Limited Crossworld Securities Limited Crown Capital Limited CSL Stockbrokers Limited Dakal Securities Limited Davandy Finance & Sec Limited DBSL Securities Limited De-canon Investments Limited Deep Trust Investment Limited De-Lords Securities Limited Dependable Securities Limited Diamond Securities Limited Dolbic Finance Limited Dominion Trust Limited DSU Brokerage Services Limited Dunbell Securities Limited Dunn Loren Merrifield Securities Limited Dynamic Portfolios Limited ECL Asset Management Limited EDC Securities Limited Edgefield Capital Management Limited Emerging Capital Limited EMI Capital Resources Limited Empire Securities Limited Enterprise Stockbroker Plc Epic Investment Trust Limited	Equity Capital Solutions Limited Eurocomm Securities Limited Excel Securities Limited Express Discount Asset Mgt Limited Express Portfolio Services Limited FCSL Asset Management Company Limited Falcon Securities Limited FBC Trust & Securities Limited FBNQuest Securities Limited Financial Trust Company Nigeria Limited Fidelity Securities Limited FinBank Securities Limited Fimal Finance Company Limited First Inland Capital Limited First Inland Sec. & Asset Mgt. Limited FIS Securities Limited Fittco Securities Limited Foresight Sec. & Inv Limited Forte Financial Limited Forthright Securities & Investments Limited Fortress Capital Limited FSDH Securities Limited Fund Matrix & Assets Mgt Limited Future view Financial Services Limited Future view Securities Limited Gem Assets Mgt Limited Genesis Securities & Inv. Limited Gidauniya Inv. & Sec Limited Global Assets Mgt (Nig) Limited Global Inv. & Sec. Limited Global View Consult & Investment Limited GMT Securities Golden Securities Limited Gombe Securities Limited Gosord Securities Limited Greenwich Securities Limited GTI Capital Limited Harmony Securities Limited Heartbeat Investments Limited Hedge Sec. & Inv. Co. Limited Heritage Capital Mkt Limited Horizon Stockbrokers Limited HP Securities Limited ICMG Securities Limited ICON Stockbroker Limited Imperial Assets Mgt Limited IMTL Securities Limited Independent Securities Limited Integrated Trust & Inv. Limited Intercontinental Securities Limited International Capital Sec. Limited International Standard Sec Limited Interstate Securities Limited Investment Centre Limited Investment One Financial Services Limited Investment One Stock Brokers International Limited Investors & Trust Co Limited ITIS Securities Limited Kakawa Asset Mgt Limited Kapital Care Trust & Sec. Limited Kedari Securities Limited Kinley Securities Limited Kofana Securities & Inv. Limited Kundila Finance Services Limited Laksworth Inv. & Sec Limited Lambeth Trust & Inv. Co. Limited LB Securities Limited Lead Securities and Inv. Limited Lighthouse Asset Mgt Limited Lion Stockbrokers Limited LMB Stockbrokers Limited Long Term Global Capital Limited Mact Securities Limited	Magnartis Fin & Inv Limited Mainland Trust Limited Maininvest Securities Limited Marina Securities Stockbroking Services Limited Maven Asset Mgt Limited Maxifund Invest & Sec. Limited Mayfield Investment Limited MBC Securities Limited MBL Financial Services Limited MC- Finerco Investment limited Mega Equities Limited Mercov Securities Limited Meristem Securities Limited Midas Stockbrokers Limited Mission Securities Limited Molten Trust Limited Morgan Capital Sec Limited Mountain Investment & Securities Limited Mutual Alliance Investments and Securities Limited Network Capital Limited Network Securities & Finance Limited Newdevco Investments & Securities Co Limited Nigerian Intl Sec Limited Nigerian Stockbrokers Limited Nova Finance & Securities Limited Oasis Capital Omas Investments & Trust Company Limited Options Securities Limited PAC Securities Limited Parthian Partners Limited Partnership Investment Company Limited Peace Capital Market Limited Peninsula Asset Mgt& Inv Co. Limited Perfecta Inv Trust Limited Phronesis Sec Limited Pilot Securities Limited Pinefields Inv Serv Limited PIPC Securities Limited Pivot Trust and Investment Co Limited Platinum Capital Limited Plural Securities Limited PML Securities Company Limited Portfolio Advisers Limited Primera Africa Securities Prime Wealth Capital Limited Professional Stockbrokers Limited, Profund Securities Limited Prominent Securities Limited Prudential Securities Limited Pyramid Securities Limited Quantum Securities Limited, Rainbow Securities and Investment Co. Limited Readings Investment Limited Redasel Investment Limited Regency Assets Mgt Limited Regency Financings Limited Rencap Securities (Nig.) Limited Resano Securities Limited Resort Securities & Trust Limited Reward Investments and Services Limited Richmond Securities Limited Riverside Trust Limited Rivtrust Securities Limited Rostrum Inv& Sec Limited Rowet Capital Mgt Limited Royal Crest Finance Limited Royal Trust Securities Limited Santrust Securities Limited Securities Africa Financial Limited Securities Solutions Limited	Securities Trading & Investments Limited Shelong Investment Limited Sigma Securities Limited Signet Investments & Securities Limited Sikon Securities and Investment Trust Limited Skyview Capital Limited SMADAC Securities Limited Solid-Rock Securities & Investment Limited Spring Trust & Securities Limited Springboard Trust & Inv Limited Stanbic IBTC Asset Mgt Limited Stanbic IBTC Stockbrokers Limited Standard Alliance Capital & Asset Management Limited Standard Union Securities Limited Stanwal Securities Limited Strategy and Arbitrage Limited Summa Guaranty & Trust Co. Plc Summit Finance Company Limited Support Services Limited, Supra Commercial Trust Limited TFS Securities & Investment Limited The Bridge Securities Limited Tiddo Securities Limited Tomil Trust Limited Topmost Securities Limited Tower Asset Management Limited Tower Securities & Investment Co. Limited Trade Link Securities Limited Traders Trust & Investment Company Limited TransAfrica Financial Services Limited Transglobe Investment & Finance Co. Limited Transworld Investment & Securities Limited Tropics Securities Limited Trust Yields Securities Limited Trust House Investments Limited TRW Stockbrokers Limited UBA Securities Limited UIDC Securities Limited UNEX Capital Limited Union Capital Markets Limited Valmon Securities Limited Valueline Securities & Investments Limited Vetiva Capital Mgt Limited Vetiva Securities Limited Vision Trust & Investment Limited Wizetrade Capital & Asset Management Limited WSTC Financial Services Limited WT Securities Limited Yobe Inv. & Sec. Limited Yuderb Inv. & Sec. Limited Zenith Securities Limited
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ACCEPTANCE / RENUNCIATION FORM



SOVEREIGN TRUST INSURANCE PLC

RIGHTS ISSUE OF
4,170,411,648 ORDINARY SHARES OF 50 KOBO EACH AT ₦ 0.50 PER SHARE
ON THE BASIS OF 1 NEW SHARE FOR EVERY 2 SHARE HELD AS AT CLOSE OF BUSINESS ON 15th JANUARY 2019

PAYABLE IN FULL ON ACCEPTANCE

Issuing House



INSTRUCTION FOR COMPLETING THE ACCEPTANCE / RENUNCIATION FORM

- Acceptance and/or renunciation must be made on this Acceptance/Renunciation Form. Photocopies or scanned copies of the Form will be rejected.
- Allottees should complete only ONE of the boxes marked A and B on the reverse of this form. Shareholders accepting the provisional allotment in full should complete box A and submit their Acceptance/Renunciation Forms to any of the Receiving Agents listed on Page 50 of the Rights Circular together with a cheque or bank draft made payable to the Receiving Agent for the full amount payable on acceptance. The cheque or draft must be crossed "SOVEREIGN TRUST INSURANCE PLC RIGHTS", with the name, address and mobile number of the shareholder written on the back

Any payment made electronically or with a value exceeding ₦10 million should be made via SWIFT, RTGS or NEFT into the designated Offer Proceeds Account stated below:

Account Details:	Providus Bank Plc
Account Name:	SOVEREIGN TRUST INSURANCE PLC RIGHTS ISSUE
Account Number:	6900267086
Narration:	"[Full Name of Shareholder]'s payment for SOVEREIGN TRUST INSURANCE PLC RIGHTS"

- Shareholders accepting their provisional allotment partially should complete box B and submit their Acceptance/Renunciation Forms to any of the Receiving Agents listed on Page 50 of the Rights Circular together with the evidence of payment transfer for the partial acceptance.
- Shareholders renouncing the provisional allotment partially or in full, who also wish to trade their Rights on the floor of The Exchange should complete item (iii) of box B. They should obtain a Transfer Form from their stockbroker, complete it in accordance with these instructions, and return it to the stockbroker together with the completed Acceptance/Renunciation Form and the amount payable/evidence of transfer for any partial acceptance in accordance with 2 above.
- Shareholders who wish to acquire additional shares over and above their provisional allotment may purchase renounced Rights by contacting their stockbroker, and/or apply for additional shares by completing item (ii) and (iii) of box A.
- All cheques or bank drafts for amounts below ₦10 million will be presented for payment on receipt and all acceptances in respect of which cheques are returned unpaid for any reason will be rejected and cancelled. Shareholders are advised to obtain an acknowledgement of the amount paid from the Receiving Agent through which this Acceptance/Renunciation Form is lodged.
- Joint allottees must sign on separate lines in the appropriate section of the Acceptance/Renunciation Form.
- Acceptance/Renunciation Forms of corporate allottees must bear their incorporation numbers and corporate seals and must be completed under the hands of duly authorized officials who should also state their designations.

FOR REGISTRARS' USE ONLY

Number of ordinary shares accepted	Additional ordinary shares applied for	Additional ordinary shares applied	Total amount payable	Amount paid	Amount to be returned/cheque/ bank draft number
		Allotted			
			₦	₦	₦

PLEASE TURN OVE

ACCEPTANCE/RENUNCIATION FORM

Acceptance List
Opens17th June 2019Acceptance List
Closes24th July 2019

ACCEPTANCE / RENUNCIATION FORM

Care should be taken to comply with the instructions set out on the front of this form. If you are in doubt as to what action to take, you should immediately consult your Stockbroker, Accountant, Banker, Solicitor, Independent Investment Adviser or any other professional adviser for guidance.

Investor's Stockbroker.....CHN Number.....

Stockbroker Code..... CSCS Number.....

If you wish to trade in Rights, please contact your stockbroker who will guide you regarding payment and the procedure for purchasing STI PLC Rights.

A. FULL ACCEPTANCE/REQUEST FOR ADDITIONAL ORDINARY SHARES	
i. I/We accept in full, the provisional allotment shown on the front of this form	
ii. I/We also apply for additional Ordinary Shares: Number of Additional Ordinary Shares applied for Additional amount payable at €0.50 per share	
N	-
I/We agree to accept the same or smaller number of additional shares in respect of which allotment may be made to me/us, in accordance with the Provisional Allotment Letter contained in the Rights Circular.	
iii. I/We enclose my/our cheque/bank draft/evidence of payment transfer for N being the sum of the amount payable as shown on the front of this form, and the additional amount payable as shown in item (ii) above.	
Cheque details: Name of bank/cheque number/branch	

B. RENUNCIATION OR PARTIAL ACCEPTANCE		
1 Number of Ordinary Shares accepted	2 Amount payable at € 0.50per share	Number of Ordinary Shares renounced
N	-	-
i. I/We accept only the number of Ordinary Shares shown in column (1) above and enclose my/our cheque/bank draft for the value shown in column (2) above. Cheque details: Name of bank/cheque number/branch		
ii. I/We hereby renounce my/our Rights to the Ordinary shares shown in column (3) above, being the balance of the Ordinary Shares allocated to me/us		
iii. I/We confirm that I/We wish to trade my/our Rights of _____ Ordinary Shares (being my/our renounced shares as shown in Column (3) above) on the floor of The Exchange. I/We shall obtain a Transfer Form from my/our stockbroker, complete it in accordance with his instructions and return it to the stockbroker with the form		

MUST BE FULLY COMPLETED FOR BOTH A AND B

Name (s) (in block letters)	
Next of Kin	
Daytime Telephone Number	Mobile (GSM) Telephone Number
Email Address	
BANK DETAILS (FOR E-DIVIDEND)	
Account Name	
Bank Name	Branch
Account Number	BVN
Incorporation Number and Seal of Corporate Allottee	
Signature	2 nd Signature (Joint only)
Name of Authorised Signatory (corporate only):	Name of Authorised Signatory (corporate only):
Designation (corporate only):	Designation (corporate only):

C. TRADING IN RIGHTS
STAMP OF RECEIVING AGENT
<p>i) Shareholders who wish to trade in their Rights partially or in full may trade such Rights on the floor of The Exchange. The Rights will be traded actively on the floor of The Exchange</p> <p>ii) Shareholders who wish to acquire additional shares over and above their provisional allotment may purchase traded Rights (see iv), and/or apply for additional shares by completing item (ii) of box A above.</p> <p>iii) Shareholders who purchase Rights on the floor of The Exchange are guaranteed the number of shares purchased: they will not be subject to the allotment process in respect of shares so purchased. Those that apply for additional shares by completing item (ii) of box A will be subject to the allotment process i.e. they may be allotted a smaller number of additional shares than what they applied for.</p> <p>iv) If you wish to purchase renounced Rights, please contact your stockbroker who will guide you regarding payment and the procedure for purchasing STI Plc rights.</p>