



# SOVEREIGN TRUST INSURANCE PLC. RC 31962

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## PRESS RELEASE

**LAGOS, NIGERIA. JANUARY 13, 2021,**

### **SOVEREIGN TRUST INSURANCE PLC MAINTAINS A- RATING WITH GCR.**

For over a decade now, Sovereign Trust Insurance Plc (Sovereign Trust or the Company) has consistently maintained a confident A- rating with the international rating agency, Global Credit Rating, (GCR or Rating Agency) based in South Africa. The Rating Agency's recent solvency and operational report for financial institutions in Nigeria and other allied businesses (the Report) released in December 2020 affirmed that Sovereign Trust Insurance Plc has great potentials for growth in the years ahead considering some of the strategies that have been put in place to propel its operations. Global Credit Rating noted that the Company has shown a great deal of consistency in her claims paying obligations to her numerous customers spread all over the country.

The Report further stated that the listing of the Rights Issue in 2019 helped in increasing the Shareholders' funds of the Company by 33.8%, to N7.8b by the end of the Financial year in 2019 as against the figure of N5.8b in 2018. Consequently, by the third quarter of 2020, the Shareholders' funds had increased to N8.2b which also translated to a 31% increase in the corresponding period of 2019 with a figure of N6.3b. In the Rating Agency's opinion, Sovereign Trust Insurance Plc is strong in liquidity with more than adequate claims coverage that compares well to industry averages.

The capital adequacy of the Underwriting Firm is considered strong according to the rating report and this is underpinned by the sizeable capital base catering for the quantum of insurance and market risks assumed. In this regard, the ratio of Shareholders' funds to NEP, (Net Earned Premium) improved to 189.2% in the Q3 of 2020 as against 130.9% in the corresponding quarter of 2019.

In terms of peer-to-peer performance comparison, Sovereign Trust Insurance Plc did very well when compared with other selected insurers in terms of Capital, Total Assets, Gross Premium Income (GPI) and Net Premium Income (NPI).



Authorized and Regulated by the National Insurance Commission RIC 037

#### DIRECTORS

**OLUSEUN O. AJAYI (CHAIRMAN), COL. MUSA SHEHU (RTD) (OFR), EMI FALOUGHI, OMOZUSI IREDIA, ABIMBOLA OGUNTUNDE, JUDE MODILIM (ED), UGOCHI ODEMELAM (ED), OLAOTAN SOYINKA (MD/CEO)**



A Member of  
The Nigerian Insurers Association



The company has creatively been able to develop a good mix of its clientele base with personal lines contributing 42% of its Gross Premium Income during the rating period. The introduction of the Enhanced Third-Party Motor Insurance Cover with the acronym E3P in 2019 complemented the efforts of Management at driving retail business initiatives in the industry. Other new retail products are already in the pipeline and will soon be introduced to the market in a not-too-long distant time.

The Report also stated that as a result of STI's increased underwriting capacity and geographical diversification, the organization has developed a sound business profile supported by a moderately strong competitive position and improved brand acceptance hinged on continuous marketing drive and a well-established Brokers' relationship of diverse business mix.

As observed by the Rating Agency, insurance penetration remains very low in the country at an estimated ratio of 0.5% for general insurance businesses.

Sovereign Trust Insurance Plc has over the years demonstrated commitment to optimally maintaining a leading position in the insurance industry in Nigeria.

A handwritten signature in black ink, appearing to read 'Olusegun Bankole', is written over a faint, illegible stamp or watermark.

**Olusegun Bankole**  
**Deputy General Manager**  
**Sales & Corporate Communications**  
**Sovereign Trust Insurance Plc**