

SUNU ASSURANCES NIGERIA PLC

EARNING FORECAST FOR THE THIRD QUARTER 2022

ASSUMPTIONS

- 1 Gross Written Premium for Q3 2022 is projected at N4.78 billion representing 18.77% growth over N4.03 billion in Q3 2021.
- 2 Gross claims incurred relating to 2022 businesses were projected based on 5 years claims experience.
- 3 Investment income arising from placement with banks, treasury bills and fixed interest Government securities were projected at an average of 5.6%, 6.1% and 7.8% per annum respectively.
- 4 The following non cash transactions were included in the Statement of Profit or Loss and Other Comprehensive Income
 - Provision for Depreciation in line with the Company's depreciation policy
 - Amortization of investment in Equity Resort Hotel based on the remaining concession year
 - Amortization of intangible assets
 - Impairment on placement and treasury bills
- 5 Reinsurance expenses was budgeted at 28.94% of Gross Premium Income. The projections were based on Underwriting projected revenues on the various product lines. We also took into consideration of the proposed increase in the capacity of the various lines of treaties in 2022 due to increase in shareholders funds.
- 6 The underwriting expenses were projected as indicated below:
 - (i) Commission income was projected at 12.33% of Re-insurance expenses
 - (ii) Commission expenses was projected at 18.79% of Gross Premium Income
 - (iii) Net claims incurred was arrived at after taking cognizance of claims recovered from reinsurers, salvages and adjustment for outstanding claims and related recoveries
 - (iv) Maintenance expenses was projected at 4.33% of gross premium written
- 7 Accretion to Contingency reserve was based on 3% of Gross Premium Written

SUNU ASSURANCES NIGERIA PLC

EARNING FORECAST FOR THIRD QUARTER 2022

	N
Gross Premium	4,784,981,930
Change in Unearned Premium	(901,012,097)
Net Written Premium	3,883,969,833
Outward reinsurance cost	(1,124,020,870)
Net Premium income	2,759,948,963
Commission Received	138,591,773
Total Revenue	2,898,540,736
Underwriting Expenses	
Commission Expenses	(729,797,932)
Maintenance Exps	(207,189,718)
Net claims incurred	(646,656,042)
Underwriting expenses	(1,583,643,691)
Net underwriting profit	1,314,897,045
Operating expenses	(1,298,711,416)
Net fair value gain(loss) on quoted shares	580,390
Net fair value gain(loss) on investment properties	-
Profit from Equity Resort Hotel	(6,658,000)
Impairment loss	(13,383,841)
Investment and other Income	310,878,439
Profit Before tax	307,602,616
Income tax expense	(127,801,335)
Profit After tax	179,801,282
Contingency Reserve	(143,549,458)
Retained Profit	36,251,824

SUNU ASSURANCES NIGERIA PLC**CASHFLOW FORECAST
AS AT 30 SEPTEMBER 2022**

Cashflow from Operating Activities	₦
Premium Received from policy holders	4,732,533,091
Reinsurance Claims Recovery	454,739,500
Commission paid	(908,771,958)
Reinsurance premium paid	(899,729,000)
Direct Claims paid	(989,613,501)
Cash paid to and on behalf of employees	(479,576,038)
Other operating cash payments	(723,217,015)
Interest & dividend received	127,196,420
Company's income tax paid	(139,937,747)
Net Cash flows from operating activities	<u>1,173,623,752</u>
Cash from Investing Activities	
Purchase of fixed assets	(207,085,131)
Proceed from sale of fixed assets	-
(Purchase)/Redemption of investment	341,916,757
Net cash flows from investing activities	<u>134,831,626</u>
Cash Flow from Financing Activities	
Dividend paid to shareholders	-
Financial Liabilities	-
Net cashflows from financing activities	<u>-</u>
Net increase/(decrease) in cash and cash equivalent	1,308,455,378
Cash and cash equivalent at the beginning of the year	2,895,791,000
Cash and cash equivalent at the end of the quarter	<u>4,204,246,378</u>
Cash and cash equivalent	
Cash and bank balances	146,813,021
Short Term Placements	4,057,433,357
Cash and cash equivalent at the end of the quarter	<u>4,204,246,378</u>