



SUNU ASSURANCES NIGERIA PLC

**EARNINGS FORECAST
DECEMBER 31 2022**



SUNU ASSURANCES NIGERIA PLC

EARNING FORECAST FOR THE FOURTH QUARTER 2022

ASSUMPTIONS

- 1 Gross Premium Written for 2022 was projected at N5.82 billion representing 19.43% growth over N4.87 billion in 2021.
- 2 Gross claims incurred relating to 2022 businesses were projected based on 5 years claims experience.
- 3 Investment income arising from the placement with banks, treasury bills and statutory deposit with the Central Bank were projected at an average rate of 6.1%, 6.4% and 2.5% 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 28.09% 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 14.52% of Reinsurance expenses
 - (ii) Commission expenses was projected at 18.78% of Gross Premium Income
 - (iii) Net claims expenses 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 4.27% of gross premium written
- 7 Accretion to Contingency reserve was based on 3% of Gross Premium Written

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EARNING FORECAST FOR FOURTH QUARTER 2022

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Gross Premium Written	5,817,420,157
Change in Unearned Premium	(319,958,109)
Gross Premium Income	5,497,462,048
Reinsurance Expenses	(1,544,237,089)
Net Premium income	3,953,224,959
Commission Received	224,223,225
Total Revenue	4,177,448,184
Underwriting Expenses	
Commission Expenses	(1,032,423,373)
Maintenance Exps	(248,403,841)
Net claims expenses	(946,797,378)
Underwriting expenses	(2,227,624,591)
Underwriting profit	1,949,823,593
Operating expenses	(1,694,514,504)
Net fair value gain(loss) on quoted shares	4,593,000
Net fair value gain(loss) on investment properties	-
Net realised gains on assets	4,274,000
Profit from Equity Resort Hotel	4,350,000
Impairment loss	(9,988,291)
Investment and other Income	384,531,472
Profit Before tax	643,069,270
Income tax expense	(290,782,337)
Profit After tax	352,286,933
Contingency Reserve	(174,522,605)
Retained Profit	177,764,328

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CASHFLOW FORECAST AS AT 31 DECEMBER 2022

Cashflow from Operating Activities	₦
Premium Received from policy holders	5,811,494,000
Reinsurance Claims Recovery	613,015,000
Commission paid	(1,094,544,727)
Reinsurance premium paid	(1,325,281,000)
Direct Claims paid	(1,487,302,079)
Cash paid to and on behalf of employees	(714,823,608)
Other operating cash payments	(1,130,446,028)
Interest & dividend received	151,120,189
Company's income tax paid	(143,515,000)
Net Cash flows from operating activities	<u>679,716,747</u>
Cash from Investing Activities	
Purchase of fixed assets	(212,491,131)
Proceed from sale of fixed assets	-
(Purchase)/Redemption of investment	561,213,052
Net cash flows from investing activities	<u>348,721,921</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	1,028,438,667
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>3,924,229,667</u>
Cash and cash equivalent	
Cash and bank balances	103,249,946
Short Term Placements	3,820,979,722
Cash and cash equivalent at the end of the quarter	<u>3,924,229,667</u>