



SUNU ASSURANCES NIGERIA PLC

**EARNINGS FORECAST
MARCH 31 2023**





SUNU ASSURANCES NIGERIA PLC

EARNING FORECAST FOR THE FIRST QUARTER 2023

ASSUMPTIONS

- 1 Gross Written Premium for the first quarter in 2022 is projected at N2.71 billion representing 20.07% growth over N2.25 billion in Q1 2021.
- 2 Gross claims incurred relating to businesses of 2023 underwriting year was projected based on 5 years claims experience.
- 3 Investment income arising from the placement with banks, treasury bills and statutory deposits with central bank was projected at an average rate on investment 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 The underwriting expenses were projected as indicated below:
 - (i) Commission expenses was projected at 22.9% of Gross Premium Income
 - (ii) Net claims incurred was arrived at after taking cognizance of claims recovered from reinsurers, salvages and adjustment for outstanding claims and related recoveries
 - (iii) Maintenance expenses was projected at 3.3% of gross premium written
- 6 Accretion to Contingency reserve was based on 3% of Gross Premium Written

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EARNING FORECAST FOR FIRST QUARTER 2023

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Gross Premium	2,705,070,815
Change in Unearned Premium	(1,407,177,838)
Net Written Premium	1,297,892,977
Outward reinsurance cost	(58,924,341)
Net Premium income	1,238,968,636
Commission Received	98,409,542
Total Revenue	1,337,378,178
Underwriting Expenses	
Commission Expenses	(297,217,492)
Maintenance Exps	(89,537,844)
Net claims incurred	(138,145,003)
Underwriting expenses	(524,900,339)
Net underwriting profit	812,477,839
Operating expenses	(576,328,870)
Net fair value gain(loss) on quoted shares	774,825
Net fair value gain(loss) on investment properties	1,977,559
Profit from Equity Resort Hotel	3,000,000
Impairment loss	(1,057,219)
Investment and other Income	84,398,209
Profit Before tax	325,242,344
Income tax expense	(144,537,061)
Profit After tax	180,705,283
Contingency Reserve	(81,152,124)
Retained Profit	99,553,159

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CASHFLOW FORECAST AS AT 31 MARCH 2023

Cashflow from Operating Activities

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Premium Received from policy holders	2,532,716,928
Reinsurance Claims Recovery	350,097,324
Commission paid	(517,583,796)
Reinsurance premium paid	(566,891,000)
Direct Claims paid	(603,723,663)
Cash paid to and on behalf of employees	(220,979,200)
Other operating cash payments	(461,560,465)
Interest & dividend received	12,391,792
Company's income tax paid	(286,229,404)
Net Cash flows from operating activities	238,238,516

Cash from Investing Activities

Purchase of fixed assets	(164,930,000)
Proceed from sale of fixed assets	2,760,956
(Purchase)/Redemption of investment	60,284,128
Net cash flows from investing activities	(101,884,917)

Cash Flow from Financing Activities

Dividend paid to shareholders	-
Financial Liabilities	-
Net cashflows from financing activities	-

Net increase/(decrease) in cash and cash equivalent	136,353,599
Cash and cash equivalent at the beginning of the year	3,892,822,003
Cash and cash equivalent at the end of the quarter	4,029,175,603

Cash and cash equivalent

Cash and bank balances	126,100,350
Short Term Placements	3,903,075,252
Cash and cash equivalent at the end of the quarter	4,029,175,603