



SUNU ASSURANCES NIGERIA PLC

**EARNINGS FORECAST
JUNE 30 2023**



SUNU ASSURANCES NIGERIA PLC

EARNING FORECAST FOR THE PERIOD ENDING 30TH JUNE 2023

ASSUMPTIONS

- 1 Gross Written Premium for the half year 2023 is projected at N4.3 billion representing 57.7% growth over N2.7 billion projected in Q1 2023.
- 2 Gross claims incurred relating to 2023 businesses were projected based on 5 years claims experience.
- 3 Investment income arising from the placement with banks, treasury bills and fixed interest Government securities was projected an average 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 22.29% of Gross Premium Income. The projections were based on the 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 20.85% of Re-insurance expenses
 - (ii) Commission expenses was projected at 21.88% of Gross Premium Income
 - (iii) Net claims incurred was arrived at after taking cognizance of claims recovered from reinsurers, salvages and adjustment of outstanding claims and related recoveries
 - (iv) Maintenance expenses was projected at 3.86% of gross premium written
- 7 Accretion to Contingency reserve was based on 3% of Gross Premium Written

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	₦
Gross Written Premium	4,265,144,266
Change in Unearned Premium	(1,232,200,179)
Net Written Premium	3,032,944,088
Outward reinsurance cost	(676,043,237)
Net Premium income	2,356,900,851
Commission Received	140,955,015
Total Revenue	2,497,855,865
Underwriting Expenses	
Commission Expenses	(663,608,166)
Maintenance Exps	(164,634,569)
Net claims incurred	(525,588,890)
Underwriting expenses	(1,353,831,625)
Net underwriting profit	1,144,024,241
Operating expenses	(1,096,450,338)
Net fair value gain(loss) on quoted shares	2,076,404
Net fair value gain(loss) on investment properties	3,954,525
Profit from Equity Resort Hotel	6,000,000
Impairment loss	7,625,103
Investment and other Income	298,133,584
Profit Before tax	365,363,518
Income tax expense	(120,569,961)
Profit After tax	244,793,557
Contingency Reserve	(127,954,328)
Retained Profit	116,839,229

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CASHFLOW FORECAST AS AT THE PERIOD ENDING 30TH JUNE 2023

Cashflow from Operating Activities	₦
Premium Received from policy holders	4,301,390,013
Reinsurance Claims Recovery	203,674,684
Commission paid	(813,778,659)
Reinsurance premium paid	(636,344,000)
Direct Claims paid	(1,207,746,888)
Cash paid to and on behalf of employees	(437,950,122)
Other operating cash payments	(658,598,774)
Interest & dividend received	45,458,363
Company's income tax paid	(263,298,343)
Net Cash flows from operating activities	<u>532,806,272</u>
 Cash from Investing Activities	
Purchase of fixed assets	(258,620,000)
Proceed from sale of fixed assets	3,568,706
(Purchase)/Redemption of investment	129,773,103
Net cash flows from investing activities	<u>(125,278,191)</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	407,528,081
Cash and cash equivalent at the beginning of the year	4,101,391,646
Cash and cash equivalent at the end of the period	<u>4,508,919,727</u>
 Cash and cash equivalent	
Cash and bank balances	91,511,395
Short Term Placements	4,417,408,331
Cash and cash equivalent at the end of the period	<u>4,508,919,727</u>