



NIC HOLDINGS LIMITED

(Formerly National Insurance Corporation Limited)

PUBLICATION OF SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS OF NIC HOLDINGS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2022

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS TO THE MEMBERS OF NIC HOLDINGS LIMITED

Opinion
The summary consolidated and separate financial statements, which comprise the summary consolidated and separate statement of financial position as at 31 December 2022 and the summary consolidated and separate statement of comprehensive income, summary consolidated statement of changes in equity and summary consolidated and separate statement of cash flows for the year then ended, are derived from the audited consolidated and separate financial statements of NIC

Holdings Limited for the year ended 31 December 2022. In our opinion, the accompanying summary consolidated and separate financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements, in accordance with the Insurance Act, 2017 Laws of Uganda.

Summary Consolidated and Separate Financial Statements
The summary consolidated and separate financial statements do not contain all the disclosures required by International Financial Reporting Standards (IFRS Standards), the Insurance Act, 2017 Laws of Uganda and the Companies Act, 2012 Laws of Uganda. Reading the summary consolidated and separate financial statements and the auditor's report thereon, therefore, is not

a substitute for reading the audited consolidated and separate financial statements and the auditor's report thereon.

The Audited Consolidated and Separate Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated and separate financial statements in our report dated 26 May 2023. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period.

Directors' Responsibility for the Summary Consolidated and Separate Financial Statements

The directors are responsible for the preparation of the summary consolidated and separate financial statements in accordance with section 105(2) of the Insurance Act, 2017 Laws of Uganda and Uganda Securities Exchange Listing Rules 2003 (as amended 2005).

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary consolidated and separate financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements based on our procedures,

which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

KPMG Certified Public Accountants
3rd Floor, Rwenzori Courts
Plot 2 & 4, Nakasero Road
PO Box 3509 Kampala, Uganda

Date: 26th May, 2023

SUMMARY CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Group			Company		
	31 December, 2022 Ushs '000	Restated 31 December, 2022 Ushs '000	Restated 1 January, 2021 Ushs '000	31 December, 2022 Ushs '000	31 December, 2021 Ushs '000	1 January, 2021 Ushs '000
ASSETS						
Cash and bank balances	1,133,232	608,195	1,161,853	2,248	-	-
Other receivables and prepayments	3,283,978	1,914,828	2,155,484	2,476,802	596,364	599,039
Premium receivables	8,704,040	9,451,381	6,452,685	-	-	-
Gross deferred acquisition costs	2,038,725	1,881,552	1,528,675	-	-	-
Financial Assets:						
At fair value through Profit or loss	3,201,685	2,782,855	2,069,609	-	-	-
At fair value through OCI	6,318,913	5,502,620	5,223,276	-	-	-
At amortized cost	23,740,799	9,776,662	8,116,325	-	-	-
Reinsurance Assets	9,096,122	9,138,256	9,634,357	-	-	-
Investment in Subsidiaries	-	-	38,701,250	10,685,765	10,685,765	10,685,765
Investment Properties	54,718,749	52,149,999	19,144,999	10,677,966	-	-
Property and equipment	12,517,001	11,493,525	6,901,169	-	-	-
Intangible assets	95,364	126,624	203,672	-	-	-
Statutory deposits	1,301,427	1,209,287	760,388	-	-	-
Total Assets	126,150,035	106,035,784	102,053,742	23,842,781	11,282,129	11,284,804
EQUITY						
Authorized						
3,000,000,000 (2021: 2,000,000,000) ordinary shares of Ushs5 each.	15,000,000	10,000,000	10,000,000	15,000,000	10,000,000	10,000,000
Issued and fully paid shares	10,618,348	7,078,899	7,078,899	10,618,348	7,078,899	7,078,899
Share premium	67,417	3,606,866	3,606,866	67,417	3,606,866	3,606,866
Contingency reserve	6,875,926	5,923,930	5,426,059	-	-	-
Capital Reserves	2,661,522	2,401,829	2,282,393	-	-	-
Retained earnings	23,119,370	18,836,796	16,232,855	(549,722)	-	-
Deposit for Shares	710,000	-	-	-	-	-
Fair value reserve	10,866	566,544	504,670	-	-	-
Assets revaluation reserve	944,355	330,441	263,829	-	-	-
Shareholders equity	45,007,804	38,745,305	35,395,571	10,136,043	10,685,765	10,685,765
LIABILITIES						
Insurance Contract Liabilities	21,198,183	20,628,592	18,353,002	-	-	-
Investment Contract Liabilities	5,124,518	5,466,329	7,351,680	-	-	-
Payable arising from Reinsurance Contracts	8,343,694	7,684,570	6,765,672	-	-	-
Deferred reinsurance commission income	1,329,508	1,300,312	1,123,824	-	-	-
Other payables and Accruals	25,586,281	21,883,584	23,817,040	1,919,254	-	-
Income tax payable	4,622,625	5,688,888	5,574,547	8,760	-	-
Dividend payable	593,992	596,364	599,039	596,364	599,039	599,039
Loans and Borrowings	11,184,732	-	-	11,184,732	-	-
Deferred tax liabilities	3,158,698	4,041,840	3,073,367	-	-	-
Total liabilities	81,142,231	67,290,479	66,658,171	13,706,738	596,364	599,039
Total equity and liabilities	126,150,035	106,035,784	102,053,742	23,842,781	11,282,129	11,284,804

SUMMARY CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	Group		Company	
	2022 Ushs '000	2021 Ushs '000	2022 Ushs '000	2021
Operating activities:				
Net cash flows generated from/(used in) operating activities	2,301,279	(2,506,618)	(502,135)	2,675
Investing activities:				
Net cash flows (used in)/ generated from investing activities	(13,041,547)	2,250,996	(10,677,966)	-
Financial activities:				
Net cash flows generated from/ (used in) financing activities	11,261,409	(287,232)	11,182,360	(2,675)
Net increase/ (decrease) in cash and cash equivalents	521,141	(542,854)	2,259	-
Movement in cash and cash equivalents:				
At start of the year	621,129	1,161,853	-	-
Net increase/(decrease) in cash and cash equivalents	521,141	(542,854)	2,259	-
Foreign exchange difference	5,284	2,130	-	-
At end of the year	1,147,564	621,129	2,259	-

NOTICE OF THE 22ND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 22nd virtual Annual General Meeting of NIC Holdings Limited ("the Company") will be held on Thursday, 20th July, 2023 at 2.00 pm prompt to transact the following businesses:

ORDINARY BUSINESS

- To lay before the members the financial statements for the year ended 31st December 2022 together with the reports of the Directors thereon.
- To declare a dividend.
- To re-elect or elect Directors in place of the Directors who shall be retiring.
- To re-appoint KPMG, Certified Public Accountants, 3rd Floor, Rwenzori Courts, Plot 2 & 4, Nakasero, Kampala as external auditors of the Company for the year ending 31st December, 2023 and to authorize Directors to determine their remuneration.

SPECIAL BUSINESS

- To approve the remuneration of Directors.
- To consider and if thought fit approve, as Special Resolutions, the following amendments to the Memorandum and Articles of Association:
 - To insert the following new clauses 7 and 8 in the Articles of Association:
 - All unissued shares of the Company shall be offered to existing shareholders pro rata to their shareholding unless issued for the acquisition of assets.

Subject to any applicable law, the shareholders in general meeting may authorize the directors to issue any unissued shares and/or give options to subscribe for unissued shares as the directors in their discretion may think fit, provided this has been approved by the Uganda Securities Exchange.

- The power to issue new shares shall, in the case of any fraction of a share, be exercised so that the fraction may be sold for the benefit of the shareholder entitled to it in such manner as the directors may determine.
- To renumber the rest of the Articles of Association accordingly.
- To amend clause 16 of the Articles as proposed below (the words added have been underlined):
 - The Company shall have a first and paramount lien upon the shares registered in the name of each member and articles 11 to 14 of table "A" shall apply, but so that the lien shall not apply to fully paid-up shares provided that any such lien upon partly paid shares shall be limited to the amounts owing on the partly paid shares.

16. The Company shall have a first and paramount lien upon the shares registered in the name of each member and articles 11 to 14 of table "A" shall apply, but so that the lien shall not apply to fully paid-up shares provided that any such lien upon partly paid shares shall be limited to the amounts owing on the partly paid shares.

number. A link to the registration portal shall also be emailed to every shareholder using the email addresses or sent by sms to the telephone numbers already registered in the database of the Company and/or its Registrars. For assistance, shareholders should call the following helpline (+256417119900/+256417119947) between 9.00 am and 5.00pm EAT Monday to Friday or send email to nicagm@image.co.ke; eedu@nic.co.ug.

iii) Registration for the AGM opens on 19th June, 2023 and will close on 18th July, 2023 at 5.00pm (Kampala time).

PROXY

- A Member of the Company entitled to attend and vote at the General Meeting is entitled to appoint

a proxy to attend and vote instead of him/her. A proxy need not also be a Member. For the appointment to be valid, a completed proxy form must be deposited or emailed to the Company Secretary, NIC Holdings Limited, Plot 3 Pilkington Road, P. O. Box 7134, Kampala, Uganda (Email: eedu@nic.co.ug), not less than 48 hours before the time fixed for holding the meeting.

(b) The Proxy form and other documents for the AGM may be downloaded from the Company's website www.nic.co.ug.

- To also amend clause 17 of the Articles by inserting a concluding sentence as underlined below:

17. Subject to any special condition in the allotment of shares, all calls on shares shall be made by and at the discretion of the directors and shall be payable at such time and place and by instalments or otherwise as the directors may appoint and articles 15 to 21 of the table "A" shall apply. Provided that the directors shall not have power to make any difference between holders of the same class of share in the amount of calls to be paid and the time of payment of such calls or in any other respect whatever.

- To insert the following new clause 39 in the renumbered Articles of Association:

39. The directors shall be required to send the notice of general meetings to the Listing and Membership Committee of the Uganda Securities Exchange or any other lawful authority at the same time as the notices are sent to the shareholders of the Company.

- Finally, to amend clause 42 of the Articles of Association as proposed below (the words added have been underlined).

42. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. The quorum for the general meeting of the shareholders shall be the presence of at least three (3) members entitled to attend and vote who shall together hold not less than 51% ordinary shares of the Company present in person or by proxy.

Dated this 26th day of May, 2023

BY ORDER OF THE BOARD
ELIAS EDU, ESQ.
COMPANY SECRETARY

v) CLOSURE OF REGISTER OF MEMBERS

In accordance with Rule 36(2)(b) Uganda Securities Exchange Listing Rules, 2021 the Register of Members and Transfer Books of the Company will be closed on 14th July, 2023 to enable the Registrars update the records in preparation for the AGM.

vi) FINAL DIVIDEND

The Board recommends for the approval of shareholders a final dividend payment of Shs1/- (One Shilling) for every ordinary share held at the close of register on 31st August, 2023 out of the profit for the year ended 31st December, 2022 subject to withholding tax at the appropriate rate. If the recommended dividend is approved by shareholders, payment will be made by 14th September, 2023 to those Members entitled to dividend.

vii) GENERAL INFORMATION

- Shareholders are advised to notify the Company Secretary in writing of any change(s) in their Postal addresses, Bank accounts and other details. The new information supplied will be used in future transactions.
- For general enquiries including any question regarding dividend payments, shareholders are please requested to call the Company Secretary on +256417119900 or send email to eedu@nic.co.ug.
- Shareholders are advised to open Securities Central Depository (SCD) accounts in order to fully participate in share transactions. Interested shareholders may contact any registered stockbroker for information on how to open SCD accounts