



**NIC HOLDINGS LIMITED**  
**UNAUDITED RESULTS FOR THE HALF YEAR TO 30 JUNE 2020**

The Board of Directors of NIC Holdings Limited is pleased to announce the following unaudited results for the six months period ended 30 June 2020

**1. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

|  | Un-audited<br>30 June<br>2020<br>Ushs.'000 | Un-audited<br>30 June<br>2019<br>Ushs.'000 |
|--|--|--|
| Gross Premium  | 9,326,114                                  | 9,373,296                                  |
| <b>Underwriting profit</b>   | <b>6,885,353</b>                           | <b>6,867,039</b>                           |
| Investment and other income  | 2,061,903                                  | 1,848,085                                  |
| Fair value loss on financial assets at fair value through profit of loss | (103,153)                                  | (652,585)                                  |
| Net movement in Life and DAP funds                                       | (194,501)                                  | (407,577)                                  |
| Management expenses and impairment provision                             | (5,016,442)                                | (5,963,146)                                |
| Impairment provision on receivables                                      | (644,447)                                  | (534,121)                                  |
| <b>Profit Before Taxation</b>  | <b>2,988,713</b>                           | <b>1,157,694</b>                           |
| Provision for Taxation   | (574,441)                                  | (480,895)                                  |
| <b>Profit After Taxation</b>   | <b>2,414,272</b>                           | <b>676,798</b>                             |
| Other comprehensive income (net of tax)                                  |  |  |
| Fair value loss on available for sale assets                             | -  | -  |
| <b>Total comprehensive income for the period</b>                         | <b>2,414,272</b>                           | <b>676,798</b>                             |
| <b>Basic earnings per share</b>  | <b>1.7</b>                                 | <b>0.5</b>                                 |

**2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

| ASSETS                              | 30 June<br>2020   | 31 December<br>2019 |
|-------------------------------------|-------------------|---------------------|
| Non Current Assets                  | 61,968,926        | 62,285,418          |
| Current Assets                      | 29,415,215        | 32,701,858          |
| <b>Total Assets</b>                 | <b>91,384,141</b> | <b>94,987,276</b>   |
| <b>EQUITY AND LIABILITIES</b>       |                   |                     |
| Shareholders' fund                  | 35,565,050        | 33,150,778          |
| Non Current Liabilities             | 16,153,164        | 17,614,161          |
| Current Liabilities                 | 39,665,927        | 44,222,337          |
| <b>Total Equity and Liabilities</b> | <b>91,384,141</b> | <b>94,987,276</b>   |

**CONSOLIDATED STATEMENT OF CASH FLOW**

|  | 30 June<br>2020    | 31 December<br>2019 |
|--|--------------------|---------------------|
| <b>3. Operating activities</b>                                 |                    |                     |
| Net Cash flows (used in) / generated from operating activities | (1,798,531)        | 1,698,210           |
| <b>Investing activities</b>                                    |                    |                     |
| Net Cash flows generated from investing activities             | 194,608            | 175,924             |
| <b>Financing activities</b>                                    |                    |                     |
| Net cash flow used in financing activities                     | (362)              | (465,685)           |
| <b>Net (decrease) / increase in cash and cash equivalent</b>   | <b>(1,604,285)</b> | <b>1,408,449</b>    |
| <b>Movement in cash and cash equivalent</b>                    |                    |                     |
| At start of the period   | 2,584,967          | 1,176,518           |
| Net increase / (decrease) in cash and cash equivalent          | (1,604,285)        | 1,408,449           |
| At the end of the period                                       | <b>980,682</b>     | <b>2,584,967</b>    |

**4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

|                                   | Share<br>Capital<br>Ushs.'000 | Share<br>Premium<br>Ushs.'000 | Revenue<br>Reserve<br>Ushs.'000 | Fair Value &<br>Revaluation<br>Reserves<br>Ushs.'000 | Capital<br>Reserve<br>Ushs.'000 | Contingency<br>Reserves<br>Ushs.'000 | Total<br>Ushs.'000 |
|-----------------------------------|-------------------------------|-------------------------------|---------------------------------|--|---------------------------------|--------------------------------------|--------------------|
| At 31 December 2019               | 7,078,899                     | 3,606,866                     | 14,942,741                      | 516,057  | 2,110,250                       | 4,895,965                            | 33,150,778         |
| Profit for the period             |                               |                               | 2,414,272                       |  |                                 |                                      | 2,414,272          |
| To capital reserve                |                               |                               | (129,721)                       |  | 129,721                         |                                      | -                  |
| To contingency reserve            |                               |                               | (389,163)                       |  |                                 | 389,163                              | -                  |
| To contingency reserve- Life Fund |                               |                               | (6,925)                         |  |                                 | 6,925                                | -                  |
| Other Comprehensive Income        |                               |                               |                                 | -  |                                 |                                      | -                  |
| <b>At the end of the period</b>   | <b>7,078,899</b>              | <b>3,606,866</b>              | <b>16,831,204</b>               | <b>516,057</b>                                       | <b>2,239,971</b>                | <b>5,292,053</b>                     | <b>35,565,050</b>  |

The unaudited results for the six months period ended 30 June 2020 was approved by the Board on 28th September 2020.

**DR. ALAN SHONUBI**

*CHAIRMAN*

**BAYO FOLAYAN**

*MANAGING DIRECTOR*

**PERFORMANCE REVIEW**

The gross premium written for the group declined marginally by 1% to Ushs 9.33 billion for the period ended 30 June 2020 from Ushs 9.37 billion written in comparable period in 2019. The impact of various measures instituted by the Government to curtail the spread of COVID-19 pandemic caused business disruptions and resulted in the decline in gross written premium for the period. The closure of schools and country-wide lockdown severely affected the Long-term business thereby recording a drop of 28% in gross written premium, while the Non-Life business had a minimal growth of 3%. Necessary measures have been put in place to turn around the negative growth in the second half of 2020. Notwithstanding, the underwriting profit before management expenses was slightly better than the underwriting profit achieved in comparable period in 2019. Increases in interest income and gains from asset disposal and foreign currency transactions all contributed to the 12% growth in investment and other income. Due to greater focus and control, management expenses reduced by 16% in the current period when compared to the 30 June 2019 figures. Profit before tax and profit after tax for the period increased by 158% and 257% respectively owing to reduction in net claims incurred, decrease in management expenses and increase in investment and other income. Shareholders equity grew by 7% as a result of the retained earnings for the period from Ushs33.15 billion as at 31 December 2019 to Ushs 35.57 billion as at 30th June 2020.

**CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The group will remain committed to the sustainability goals that have been the hallmark of our corporate interventions; making sure that our operations continue to impact positively on the community in which we operate. Our corporate social responsibility ("CSR") initiatives are veritable tools through which we impact positively on the community and our CSR objectives are geared towards sports. We continued our ongoing support to the Uganda national football team, the Uganda Cranes. This sponsorship also extends to the Federation of Uganda Football Federations (FUFA). The group extended sponsorship of FUFA to the FUFA Junior League and FUFA drum to support grassroot football development in Uganda. One of the highpoints of the group's sponsorship was the donation of a 30 KVA three-phase electricity generator to FUFA to support the administration of Football in Uganda. The long running sponsorship yielded remarkable positive results when the Cranes, for the first time, qualified back to back for the African Nations Cup (AFCON) finals in 2017 and 2019. The sponsorship of FUFA and Uganda Cranes is in addition to the traditional support to Uganda National Netball team, the She Cranes as well as the NIC Netball team who have remained good ambassadors of the NIC brand.

**FUTURE OUTLOOK**

Despite the challenging business environment arising from the full implementation of the "no premium, no cover" principles pursuant to the provisions of the Insurance Act, 2017 which had been further compounded by the lockdown of business activities occasioned by the COVID-19 pandemic, the Company's premium income grew by a modest margin of 3%. The Company has been able to weather the storm of the COVID-19 pandemic because of the prescient decision to embark on an aggressive optimisation and upgrade of the Information Communication Technology platforms. The optimisation process enabled the seamless migration of business activities to the online platforms during the strict lockdown. The Board is hopeful that, with the measures taken, the Company is ahead of the curve in managing the impact of the pandemic. During the half year, the Company's non-life subsidiary secured the regulator's approval to launch the group's novel trade facilitation product which with the existing life and nonlife products will consolidate and improve on the modest growth experienced in the half year even as the world emerges from the impact of the coronavirus pandemic.

NIC has applied the same accounting policies in these interim financial statements as those applied in the Company's annual financial statements. The financial statements have been prepared in accordance with the International Accounting Standards and IFRS.