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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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Gross Premium 9,326,114 9,373,296 Underwriting profit 6,885,353 6,867,039 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 creceivables (644,447) (534,121) Profit Before Taxation (574,441) (480,895) Profit After Taxation 2,414,272 676,798 Other comprehensive income (net of tax) Fair value loss on available for sale assets - - Fair value loss on available for sale assets - - - CONSOLIDATED STATEMENT OF FINANCIAL POSITION ASSETS 30 June 2020 31 December 2019 CONSOLIDATED STATEMENT OF FINANCIAL POSITION ASSETS 30 June 2020 31 December 2019 CONSOLIDATED STATEMENT OF CASH FLOW 31,365,565,050 33,150,778 <t< th=""><th></th><th colspan="2">Un-audited 30 June 2020</th><th>Un-audited 30 June 2019</th></t<>		Un-audited 30 June 2020		Un-audited 30 June 2019	
Underwriting profit		Us	hs.'000	Ushs.'000	
Investment and other income 2,061,903 1,848,085 Fair value loss on financial assets at fair value through profit of loss Net movement in Life and DAP funds (194,501) Management expenses and impairment provision (5,015,442) (5,963,146) Impairment provision on receivables (644,447) Froitis Before Taxation 2,988,713 1,157,694 Provision for Taxation Other camprehensive income (net of tax) Fair value loss on available for sale assets Total comprehensive income for the period 2,414,272 676,798 Basic earnings per share CONSOLIDATED STATEMENT OF FINANCIAL POSITION ASSETS 30 June 2020 31 December 2019 Non Current Assets 1,29,415,215 32,701,858 Total Assets 91,384,141 94,987,276 EQUITY AND LIABILITIES Shareholders' fund Non Current Liabilities Total Equity and Liabilities 16,153,164 17,614,161 Current Liabilities CONSOLIDATED STATEMENT OF CASH FLOW 30 June 2020 31 December 2019 Operating activities Net Cash flows (used in) / generated from operating activities Net Cash flows (used in) / generated from operating activities Net Cash flows (used in in financing activities Net Cash flow seen and cash equivalent At start of the period At start of the per	Gross Premium	9,3	326,114	9,373,296	
Fair value loss on financial assets at fair value through profit of loss Net movement in Life and DAP funds 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) Profit Before Taxation 2,988,713 1,157,694 Provision for Taxation 2,414,272 (676,798) Other comprehensive income (net of tax) Fair value loss on available for sale assets	Underwriting profit	6,8	385,353	6,867,039	
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) Profit Before Taxation 2,388,713 1,157,698 Profit After Taxation (574,441) (480,895) Profit After Taxation Other comprehensive income (net of tax) Fair value loss on available for sale assets	Investment and other income	2,0	61,903	1,848,085	
Management expenses and impairment provision (5,016,442) (5,963,146) (5,963,14	Fair value loss on financial assets at fair value through profit of loss	(1	03,153)	(652,585)	
Impairment provision on receivables (644,447) (534,121) Profit Before Taxation 2,988,713 1,157,694 Provision for Taxation (574,441) (480,895) Profit After Taxation 2,414,272 676,798 Other comprehensive income (net of tax) Fair value loss on available for sale assets Total comprehensive income for the period 2,414,272 676,798 Basic earnings per share 1.7 0.5 CONSOLIDATED STATEMENT OF FINANCIAL POSITION ASSETS 30 June 2020 31 December 2019 Non Current Assets 61,968,926 62,285,418 Current Assets 29,415,215 32,701,858 Total Assets 91,384,141 94,987,276 EQUITY AND LIABILITIES 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 Total Equity and Liabilities 91,384,141 94,987,276 CONSOLIDATED STATEMENT OF CASH FLOW 30 June 2020 31 December 2019 Operating activities 91,384,141 94,987,276 CONSOLIDATED STATEMENT OF CASH FLOW 30 June 2020 31 December 2019 Operating activities 194,608 175,924 Financing activities 194,608 175,924 Financing activities 194,608 175,924 Financing activities (1,604,285) 1,408,449 Movement in cash and cash equivalent 41,604,285 1,408,449 Net increase / (decrease) in cash and cash equivalent 41,604,49 Net increase / (decrease) in cash and cash equivalent 41,604,49 Net increase / (decrease) in cash and cash equivalent 41,604,49 Net increase / (decrease) in cash and cash equivalent 41,604,49 Net increase / (decrease) in cash and cash equivalent 41,604,49 Net increase / (decrease) in cash and cash equivalent 41,604,49 Net increase / (decrease) in cash and cash equivalent 41,604,49 Net increase / (decrease) in cash and cash equivalent 41,604,49 Net increase / (decrease) in cash and cash equivalent 41,604,49 Net increase / (decrease) in cash and cash equivalent	Net movement in Life and DAP funds	(1	94,501)	(407,577)	
Profit Before Taxation	Management expenses and impairment provision	(5,0	16,442)	(5,963,146)	
Profit Before Taxation	Impairment provision on receivables	(6	44.447)	(534.121)	
Profit After Taxation	Profit Before Taxation				
### Comprehensive income (net of tax) Fair value loss on available for sale assets - - - Total comprehensive income for the period 2,414,272 676,798 Basic earnings per share 1.7 0.5 CONSOLIDATED STATEMENT OF FINANCIAL POSITION ASSETS 30 June 2020 31 December 2019 Non Current Assets 61,968,926 62,285,418 Current Assets 29,415,215 32,701,858 Total Assets 91,384,141 94,987,276 EQUITY AND LIABILITIES 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 Total Equity and Liabilities 91,384,141 94,987,276 CONSOLIDATED STATEMENT OF CASH FLOW 30 June 2020 31 December 2019 Operating activities 194,608 175,924 Financing activities 194,6	Provision for Taxation	(5	74,441)	(480,895)	
### Comprehensive income (net of tax) Fair value loss on available for sale assets - - - Total comprehensive income for the period 2,414,272 676,798 Basic earnings per share 1.7 0.5 CONSOLIDATED STATEMENT OF FINANCIAL POSITION ASSETS 30 June 2020 31 December 2019 Non Current Assets 61,968,926 62,285,418 Current Assets 29,415,215 32,701,858 Total Assets 91,384,141 94,987,276 EQUITY AND LIABILITIES 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 Total Equity and Liabilities 91,384,141 94,987,276 CONSOLIDATED STATEMENT OF CASH FLOW 30 June 2020 31 December 2019 Operating activities 194,608 175,924 Financing activities 194	Drafit After Tayation	3.4	114 272	676 709	
Total comprehensive income for the period 2,414,272 676,798		2,-	+14,272	070,750	
Total comprehensive income for the period 2,414,272 676,798	Eair value loss on available for sale assets		_		
### Basic earnings per share ### CONSOLIDATED STATEMENT OF FINANCIAL POSITION ### ASSETS **Non Current Assets **Current Assets **Current Assets **Current Assets **December 2019 **Sparse of Equity and Liabilities **Shareholders' fund **Non Current Liabilities **Shareholders' fund **Non Current Liabilities **Shareholders' fund **Non Current Liabilities **Current Liabilities **Current Liabilities **Shareholders' fund **Non Current Liabilities **Current Liabilities **Shareholders' fund **Non Current Liabilities **Current Liabilities **Shareholders' fund **Non Current Liabilities **Current Liabilities **Current Liabilities **Shareholders' fund **Shareholders' fund **Shareholders' fund **Shareholders' fund **Shareholders' fund **35,565,050 **33,150,778 **A1,21,3164 **To,614,161 **To,614,	Tall talde 1033 on available 101 sale assets				
### Basic earnings per share ### CONSOLIDATED STATEMENT OF FINANCIAL POSITION ### ASSETS **Non Current Assets **Current Assets **Detail Assets **Pay 1,384,141 **Pay 87,276 ### EQUITY AND LIABILITIES **Shareholders' fund **Non Current Liabilities **Shareholders' fund **Non Current Liabilities **Current Liabilities **Current Liabilities **Current Liabilities **Current Liabilities **Current Liabilities **Consolidated Final Liabil					
### CONSOLIDATED STATEMENT OF FINANCIAL POSITION ### ASSETS **Non Current Assets** **Current Assets** **Current Assets** **December 2019** **Total Assets** **Pa,384,141** **Pa,987,276** ### ASSETS** **Pa,384,141** **Pa,987,276** **Pa,387,276**	Total comprehensive income for the period	2,2	114,272	6/6,/98	
ASSETS Non Current Assets 61,968,926 62,285,418 Current Assets 29,415,215 32,701,858 Total Assets 91,384,141 94,987,276 EQUITY AND LIABILITIES 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 Total Equity and Liabilities 91,384,141 94,987,276 CONSOLIDATED STATEMENT OF CASH FLOW 30 June 2020 31 December 2019 Operating activities Net Cash flows (used in) / generated from operating activities (1,798,531) 1,698,210 linvesting activities Net Cash flows generated from investing activities 194,608 175,924 Financing activities Net Cash flow used in financing activities (362) (465,685) Net (decrease) / increase in cash and cash equivalent At start of the period Net increase / (decrease) in cash and cash equivalent At start of the period Net increase / (decrease) in cash and cash equivalent (1,604,285) 1,408,449	Basic earnings per share		1.7	0.5	
ASSETS Non Current Assets Current Assets 29,415,215 32,701,858 Total Assets 91,384,141 94,987,276 EQUITY AND LIABILITIES 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 Total Equity and Liabilities 91,384,141 94,987,276 CONSOLIDATED STATEMENT OF CASH FLOW 30 June 2020 31 December 2019 Operating activities Net Cash flows (used in) / generated from operating activities (1,798,531) 1,698,210 Investing activities Net Cash flow spenerated from investing activities (1,798,531) 1,698,210 Investing activities Net Cash flow used in financing activities (362) (465,685) Net (decrease) / increase in cash and cash equivalent At start of the period Net increase / (decrease) in cash and cash equivalent At start of the period Net increase / (decrease) in cash and cash equivalent (1,604,285) 1,408,449	CONSOLIDATED STATEMENT OF FINANCIAL POSITION				
Current Assets 29,415,215 32,701,858 TOTAL Assets 91,384,141 94,987,276 EQUITY AND LIABILITIES 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 Total Equity and Liabilities CONSOLIDATED STATEMENT OF CASH FLOW Operating activities Net Cash flows (used in) / generated from operating activities (1,798,531) 1,698,210 Investing activities 194,608 175,924 Financing activities 194,608 175,924 Financing activities (362) (465,685) Net (decrease) / increase in cash and cash equivalent (1,604,285) 1,408,449 Movement in cash and cash equivalent 2,584,967 1,176,518 Net increase / (decrease) in cash and cash equivalent (1,604,285) 1,408,449	ASSETS	30 June	2020	31 December 2019	
### Total Assets ### 1,384,141 ### 94,987,276 ###################################	Non Current Assets	61,9	68,926	62,285,418	
EQUITY AND LIABILITIES 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 Total Equity and Liabilities 91,384,141 94,987,276 CONSOLIDATED STATEMENT OF CASH FLOW 30 June 2020 31 December 2019 Operating activities Net Cash flows (used in) / generated from operating activities (1,798,531) 1,698,210 Investing activities Net Cash flows generated from investing activities 194,608 175,924 Financing activities Net cash flow used in financing activities (362) (465,685) Net (decrease) / increase in cash and cash equivalent (1,604,285) 1,408,449 Movement in cash and cash equivalent 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	Current Assets	29,4	15,215	32,701,858	
Shareholders' fund 35,565,050 33,150,778	Total Assets	91,384,141		94,987,276	
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 Total Equity and Liabilities 91,384,141 94,987,276 CONSOLIDATED STATEMENT OF CASH FLOW 30 June 2020 31 December 2019 Operating activities Net Cash flows (used in) / generated from operating activities (1,798,531) 1,698,210 Investing activities Net Cash flows generated from investing activities 194,608 175,924 Financing activities Net cash flow used in financing activities (362) (465,685) Net (decrease) / increase in cash and cash equivalent (1,604,285) 1,408,449 Movement in cash and cash equivalent 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	EQUITY AND LIABILITIES				
Current Liabilities 39,665,927 44,222,337 Total Equity and Liabilities 91,384,141 94,987,276 CONSOLIDATED STATEMENT OF CASH FLOW 30 June 2020 31 December 2019 Operating activities Net Cash flows (used in) / generated from operating activities (1,798,531) 1,698,210 Investing activities Net Cash flows generated from investing activities 194,608 175,924 Financing activities Net Cash flow used in financing activities (362) (465,685) Net (decrease) / increase in cash and cash equivalent (1,604,285) 1,408,449 Movement in cash and cash equivalent 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	Shareholders' fund	35,5	65,050	33,150,778	
Total Equity and Liabilities 91,384,141 94,987,276 CONSOLIDATED STATEMENT OF CASH FLOW 30 June 2020 31 December 2019 Operating activities Net Cash flows (used in) / generated from operating activities (1,798,531) Investing activities Net Cash flows generated from investing activities 194,608 175,924 Financing activities Net cash flow used in financing activities (362) (465,685) Net (decrease) / increase in cash and cash equivalent (1,604,285) 1,408,449 Movement in cash and cash equivalent 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	Non Current Liabilities	16,1	53,164	17,614,161	
Total Equity and Liabilities 91,384,141 94,987,276 CONSOLIDATED STATEMENT OF CASH FLOW 30 June 2020 31 December 2019 Operating activities Net Cash flows (used in) / generated from operating activities (1,798,531) 1,698,210 Immesting activities Net Cash flows generated from investing activities 194,608 175,924 Financing activities Net cash flow used in financing activities (362) (465,685) Net (decrease) / increase in cash and cash equivalent (1,604,285) 1,408,449 Movement in cash and cash equivalent 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	Current Liabilities	39,6	65,927	44,222,337	
Operating activities Net Cash flows (used in) / generated from operating activities (1,798,531) 1,698,210 Investing activities Net Cash flows generated from investing activities 194,608 175,924 Financing activities Net cash flow used in financing activities (362) (465,685) (465,685) Net (decrease) / increase in cash and cash equivalent (1,604,285) 1,408,449 Movement in cash and cash equivalent 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	Total Equity and Liabilities				
Operating activities Net Cash flows (used in) / generated from operating activities (1,798,531) 1,698,210 Investing activities Net Cash flows generated from investing activities 194,608 175,924 Financing activities Net cash flow used in financing activities (362) (465,685) Net (decrease) / increase in cash and cash equivalent (1,604,285) 1,408,449 Movement in cash and cash equivalent 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	CONSOLIDATED STATEMENT OF CASH FLOW				
Net Cash flows (used in) / generated from operating activities (1,798,531) 1,698,210 Investing activities Net Cash flows generated from investing activities 194,608 175,924 Financing activities Net cash flow used in financing activities (362) (465,685) Net (decrease) / increase in cash and cash equivalent (1,604,285) 1,408,449 Movement in cash and cash equivalent 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		30 June	2020	31 December 2019	
Investing activities Net Cash flows generated from investing activities 194,608 175,924 Financing activities Net cash flow used in financing activities Net cash flow used in financing activities (362) (465,685) Net (decrease) / increase in cash and cash equivalent (1,604,285) (1,408,449) Movement in cash and cash equivalent 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	Operating activities				
Investing activities Net Cash flows generated from investing activities 194,608 175,924 Financing activities Net cash flow used in financing activities Net cash flow used in financing activities (362) (465,685) Net (decrease) / increase in cash and cash equivalent (1,604,285) (1,408,449) Movement in cash and cash equivalent 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	Net Cash flows (used in) / generated from operating activities	(1,7	98,531)	1,698,210	
Financing activities Net cash flow used in financing activities Net (decrease) / increase in cash and cash equivalent Movement in cash and cash equivalent At start of the period Net increase / (decrease) in cash and cash equivalent (1,604,285) 1,408,449 1,176,518 Net increase / (decrease) in cash and cash equivalent (1,604,285) 1,408,449	Investing activities				
Financing activities Net cash flow used in financing activities (362) (465,685) Net (decrease) / increase in cash and cash equivalent Movement in cash and cash equivalent 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	Net Cash flows generated from investing activities	194.608		175.924	
Net (decrease) / increase in cash and cash equivalent Movement in cash and cash equivalent 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	Financing activities	13-,000			
Movement in cash and cash equivalent 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	Net cash flow used in financing activities	(362)		(465,685)	
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	Net (decrease) / increase in cash and cash equivalent	(1,604,285)		1,408,449	
Net increase / (decrease) in cash and cash equivalent (1,604,285) 1,408,449	Movement in cash and cash equivalent				
	At start of the period	2,584,967		1,176,518	
At the end of the period QQD GQ2 22 EQA GC7	Net increase / (decrease) in cash and cash equivalent	(1,604,285)		1,408,449	
	Net increase / (decrease / in cash and cash equivalent	(1,0	04,203)	2,100,113	

4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

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

DR. ALAN SHONUBI BAYO FOLAYAN

CHAIRMAN 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 distruptions 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 incured, 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.