



# NIC HOLDINGS LIMITED

## UNAUDITED RESULTS FOR THE HALF YEAR TO 30 JUNE 2019

The Board of Directors of NIC Holdings Limited is pleased to announce the following unaudited results for the six months period ended 30 June 2019

1. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		
	Un-audited 30 June 2019 Ushs.'000	Un-audited 30 June 2018 Ushs.'000
Gross Premium	9,373,296	6,901,102
<b>Underwriting profit</b>	<b>6,867,039</b>	<b>6,456,017</b>
Investment and other income	1,848,085	2,434,158
Fair value loss on financial assets at fair value through profit or loss (652,585)	(1,324,800)	(1,324,800)
Net movement in Life and DAP funds	407,577	(442,873)
Management expenses and impairment provision	(5,963,146)	(5,325,853)
Impairment provision on receivables	(534,121)	(280,980)
<b>Profit Before Taxation</b>	<b>1,157,694</b>	<b>1,515,669</b>
Provision for Taxation	(480,895)	(460,075)
<b>Profit After Taxation</b>	<b>676,798</b>	<b>1,055,594</b>
<b>Other comprehensive income (net of tax)</b>		
Fair value loss on available for sale assets	-	-
	-	-
<b>Total comprehensive income for the period</b>	<b>676,798</b>	<b>1,055,594</b>
<b>Basic earnings per share</b>	<b>0.5</b>	<b>0.7</b>
2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
	30 June 2019	31 Dec. 2018
Equity	36,253,650	35,567,222
Non Current Liabilities	25,302,695	38,324,556
Non Current Assets	61,071,205	69,312,528
Current Assets	30,608,021	31,659,316
Current Liabilities	30,122,880	27,080,066
Net Current assets	485,141	4,579,250
CONSOLIDATED STATEMENT OF CASH FLOW		
	30 June 2019	31 Dec. 2018
3. OPERATING ACTIVITIES		
Net Cash flows generated from / (used in) operating activities	(8,729,238)	3,655,935
<b>Investing activities</b>		
Net Cash flows (used in) / generated from investing activities	7,567,196	3,335,235
<b>Financing activities</b>		
Net cash flow used in financing activities	781,422	(6,371,211)
Net increase in cash and cash equivalent	(380,620)	619,959
<b>Movement in cash and cash equivalent</b>		
<b>At start of the period</b>	<b>1,179,327</b>	<b>559,368</b>
Net increase / (decrease) in cash and cash equivalent	(380,620)	619,959
<b>At the end of the period</b>	<b>798,707</b>	<b>1,179,327</b>

4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY							
	Share Capital Ushs.'000	Share Premium Ushs.'000	Revenue Reserve Ushs.'000	Fair Value & Revaluation Reserves Ushs.'000	Capital Reserve Ushs.'000	Contingency Reserves Ushs.'000	Total Ushs.'000
At 31 December 2018	7,078,899	3,606,866	17,686,038	240,461	2,110,250	4,844,708	35,567,222
Profit for the period			676,798				676,798
To capital reserve			(108,351)		108,351		-
To contingency reserve			(168,206)		-	168,206	-
To contingency reserve- Life Fund						9,630	9,630
Other Comprehensive Income				-			-
At the end of the period	7,078,899	3,606,866	18,086,279	240,461	2,218,601	5,022,544	36,253,650

The unaudited results for the six months period ended 30 June 2019 was approved by the Board on 20th September 2019.

DR. ALAN SHONUBI  
CHAIRMAN

BAYO FOLAYAN  
MANAGING DIRECTOR

### PERFORMANCE REVIEW

The gross premium written for the group grew by 36% to Ushs 9.37 billion for the period ended 30 June 2019 when compared to Ushs 6.90 billion written in comparable period in 2018. The General and Long-term businesses recorded growth in gross written premium of 37% and 26% respectively. The growth was driven largely by performance of new products introduced during the year and the rejuvenation of the marketing workforce. The company will strive to improve on this growth trajectory in subsequent periods. There was a drop in investment and other income by 24% due substantially to decline in rental income. Sustained marketing activities, with positive impact on the gross written premium, resulted in the 12% increase in management expenses. Profit before tax and profit after tax for the period declined by 24% and 36% respectively. The increases in incurred claims, management expenses, impairment provision on receivables and fair value loss on financial assets at fair value through profit or loss accounted for the decline in profit. However, Shareholders equity had a moderate growth of 2% from Ushs35.57 billion as at 31 December 2018 to Ushs 36.25 billion as at 30th June 2019. The current ratio of the group remained 1:1 [2018: 1 : 1].

### 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). This year, we extended our sponsorship of FUFA to the FUFA Junior League and FUFA drum to support grassroots football development in Uganda. The long running sponsorship of FUFA and the Uganda Cranes is already yielding positive results as the latter, 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

The restructuring of the group's assets has improved liquidity profile and enabled the group to exit some liabilities including the Makerere University DAP liability. The amicable resolution of the Makerere University DAP suit has created the required goodwill which should give new impetus to the group's marketing efforts. With the unexpected delay in the final investment decision to unlock insurance opportunities in the oil and gas sector, the group is focusing on new areas in agriculture, trade receivables whilst consolidating the gains made in group and individual life products as well as other classes of non-life insurance which have been the main stay of the group over the years. The group has already signed up partnerships with financial institutions on bancassurance services with a view to improving the distribution of its time-tested life and non-life insurance products.

"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."