

NIC HOLDINGS LIMITED
(Formerly National Insurance Corporation Limited)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	General Insurance Business Ushs'000	Long-term Insurance Business Ushs'000	Total Group 2016 Ushs'000	Total Group 2015 Ushs'000
Income				
Gross premiums written	12,832,629	1,050,155	13,882,784	11,320,423
Reinsurance cost	(5,026,578)	(52,572)	(5,079,150)	(2,962,692)
Net written premium	7,806,051	997,583	8,803,634	8,357,731
Changes in unearned premium	(48,355)	-	(48,355)	(1,515,899)
Net premium income	7,757,696	997,583	8,755,279	6,841,832
Investment & Interest income	1,481,276	218,877	1,700,153	1,882,796
Fees & Commission income	1,344,038	9,527	1,353,565	516,213
Other income	2,067,547	-	2,067,547	1,146,620
Fair value (loss)/gains through profit or loss	(316,158)	(35,000)	(351,158)	4,505,464
Total income	12,334,399	1,190,987	13,525,386	14,892,925
Net claims incurred	(465,818)	(557,914)	(1,023,732)	(1,045,171)
Commissions expenses	(2,038,036)	(155,511)	(2,193,547)	(1,132,688)
Other underwriting expenses	(2,407,728)	(37,800)	(2,445,528)	(2,270,440)
Management expenses & impairment loss provision	(5,895,073)	(714,072)	(6,609,145)	(7,155,328)
Total expenses	(10,806,655)	(1,465,297)	(12,271,952)	(11,603,807)
Profit before taxation	1,527,744	(274,310)	1,253,434	3,289,118
Taxation charge	(417,416)	100,998	(316,418)	(1,368,544)
Profit after taxation	1,110,328	(173,312)	937,016	1,920,574
Other comprehensive income				
Fair value gain on available for sale assets	1,720,079	-	1,720,079	12,409
Revaluation gain on property and equipment	77,599	-	77,599	277,730
Deferred tax on revaluation gain on property and equipment	(539,303)	-	(539,303)	(83,319)
	1,258,375	-	1,258,375	206,820
Total Comprehensive Income	2,368,703	(173,312)	2,195,391	2,127,394
Earnings Per Share (Ushs) - Basic			1.55	1.50

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	General Insurance Business Ushs'000	Long-term Insurance Business Ushs'000	Total Group 2016 Ushs'000	Total Group 2015 Ushs'000
ASSETS				
Cash and bank balances	530,947	123,498	654,445	543,196
Financial Assets:				
Fair value through Profit or loss	1,127,155	1,991,300	3,118,455	3,743,259
Available for sale	2,156,147	4,693,399	6,849,546	1,775,311
Held to Maturity	3,493,523	1,223,831	4,717,354	5,087,165
Loans and Receivables	52,507	108,524	161,031	173,797
Premium receivables	6,561,778	-	6,561,778	4,618,369
Reinsurance Assets	4,863,567	117,002	4,980,569	6,245,905
Deferred acquisition costs	635,056	-	635,056	221,571
Investment in Other Related Parties	30,660	-	30,660	30,660
Investment Properties	37,849,999	24,880,000	62,729,999	64,164,999
Property and equipment	4,280,436	61,334	4,341,770	4,221,641
Other receivables and prepayments	1,795,380	953,447	2,748,827	2,377,857
Statutory deposits	488,800	363,147	851,947	789,414
Total Assets	63,865,955	34,515,482	98,381,437	93,993,144
EQUITY				
Authorized				
2,000,000,000 ordinary shares of Ushs 5 each.	5,000,000	5,000,000	10,000,000	10,000,000
Issued and fully paid shares	4,043,899	3,035,000	7,078,899	7,078,899
Share premium	1,820,758	1,786,108	3,606,866	3,606,866
Contingency reserve	4,043,898	137,809	4,181,707	3,854,882
Capital Reserves	1,960,558	-	1,960,558	1,838,531
Actuarial Contingency reserve	-	1,154,628	1,154,628	-
Retained earnings	16,265,353	(318,639)	15,946,714	16,748,010
Fair value reserve	1,204,055	-	1,204,055	115,818
Assets revaluation reserve	248,731	-	248,731	194,411
Shareholders equity	29,587,252	5,794,906	35,382,158	33,437,417
LIABILITIES				
Insurance Contract Liabilities	11,557,736	2,077,831	13,635,567	15,304,167
Investment Contract Liabilities	-	17,374,668	17,374,668	17,842,635
Payable arising from Reinsurance Contracts	4,109,739	160,288	4,270,027	3,094,308
Other payables and Accruals	7,025,007	5,230,076	12,255,083	10,401,994
Income tax payable	810,197	414,682	1,224,879	919,088
Dividend payable	1,087,743	-	1,087,743	1,042,406
Deferred tax liabilities	4,688,281	3,072,164	7,760,445	7,351,129
Loans and Borrowings	5,000,000	390,867	5,390,867	4,600,000
Total liabilities	34,278,703	28,720,576	62,999,279	60,555,727
Total equity and liabilities	63,865,955	34,515,482	98,381,437	93,993,144

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	General Insurance Business Ushs'000	Long-term Insurance Business Ushs'000	Total Group 2016 Ushs'000	Total Group 2015 Ushs'000
Operation activities:				
Net cash flows (used in) / generated from operating activities	1,622,758	(2,062,612)	(439,854)	1,084,761
Net cash flows from investing activities	(611,311)	1,741,990	1,130,679	(1,032,578)
Financial activities:				
Net cash flows from financing activities	(970,443)	390,867	(579,576)	(635,107)
Net increase / (decrease) in cash and cash equivalents	41,004	70,245	111,249	(582,924)
Movement in cash and cash equivalents:				
At start of the year	489,943	53,253	543,196	1,126,120
Net increase / (decrease) in cash and cash equivalents	41,004	70,245	111,249	(582,924)
At end of the year	530,947	123,498	654,445	543,196

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Share Capital Ushs'000	Share Premium Ushs'000	Capital Reserve Ushs'000	Retained Earnings Ushs'000	Revaluation & Fair Value Reserve Ushs'000	Contingency Reserve Ushs'000	Actuarial Contingency Reserve Ushs'000	Total Ushs'000
At 1 January 2016	7,078,899	3,606,866	1,838,531	16,748,010	310,229	3,854,882	-	33,437,417
Profit for the year	-	-	-	937,016	-	-	-	937,016
Dividend declared during the year	-	-	-	(1,415,780)	-	-	-	(1,415,780)
Transfer to contingency reserve	-	-	-	(316,323)	-	316,323	-	-
Transfer to capital reserve	-	-	122,027	(122,027)	-	-	-	-
Transfer from Life Fund to contingency reserve	-	-	-	-	-	10,502	-	10,502
Other comprehensive income	-	-	-	-	1,258,375	-	-	1,258,375
Reclassification	-	-	-	115,818	(115,818)	-	-	-
Actuarial contingency reserve	-	-	-	-	-	-	1,154,628	1,154,628
At 31 December 2016	7,078,899	3,606,866	1,960,558	15,946,714	1,452,786	4,181,707	1,154,628	35,382,158

Ratios	2016	2015
Solvency ratio	1418%	1580%
Claims ratio	12%	13%
Management expense ratio	65%	83%

NOTICE OF THE 16TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 16th Annual General Meeting of NIC Holdings Limited ("the Company") will be held at the Golf Course Hotel, Kampala, Uganda on Thursday, 7th September, 2017 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 2016 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 appoint/re-appoint External Auditors of the Company for the year ending 31st December, 2017 and to authorize Directors to determine their remuneration.

SPECIAL BUSINESS

- To approve the remuneration of Directors.

Dated this 27th day of April, 2017

BY ORDER OF THE BOARD


ELIAS EDU, ESQ.
COMPANY SECRETARY

NOTES:

i) 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 with the Company Secretary, NIC Holdings Limited, Plot 3 Pilkington Road, P. O. Box 7134, Kampala, Uganda, not less than 48 hours before the time fixed for holding the meeting.

ii) DIVIDEND

The Board recommends for the approval of shareholders a payment of Shs1/- (One Shilling) for every ordinary share held at the close of register on 15th September, 2017 out of the retained earnings as at 31st December 2016 subject to withholding tax at the appropriate rate.

iii) DIVIDEND WARRANTS


If the recommended dividend is approved by shareholders, the dividend warrants will be posted by 2nd October, 2017 to those Members whose names appear in the Company's Register of Members at the close of register.

iv) GENERAL

- Shareholders are requested to carry some personal identification and proof of their shareholding to the Annual General Meeting.
- All Shareholders are advised to notify the Company Secretary in writing of any changes in their Postal addresses, Bank accounts and other details. The new information supplied will be used in future transactions.
- For general enquiries, please call the Company Secretary on +256414258001/5 or send email to edu@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 stock broker for information on how to open SCD accounts.

The financial statements were approved by the Board of Directors on 27th April 2017 and were signed on behalf of the Board by:


Mr. Bayo Folan
Managing Director


Dr. Martin Alikor
Chairman



This is an extract of the consolidated financial statements that were audited by Messrs Deloitte and Touche Certified Public Accountants who issued an unqualified opinion.

A copy of the annual report can be obtained at the following addresses: Office of the Company Secretary, NIC Holdings Ltd, Plot 3, Pilkington Road, P O Box 7134, Kampala, Uganda or at www.nic.co.ug.