



NIC HOLDINGS LIMITED

UNAUDITED RESULTS FOR THE HALF YEAR TO 30 JUNE 2018

The Board of Directors of NIC Holdings Limited is pleased to announce the following unaudited results for the six months period ended 30 June 2018

1. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Un-audited 30 June 2018 Ushs.'000	Un-audited 30 June 2017 Ushs.'000
Gross Premium	6,901,102	7,836,102
Underwriting profit	4,807,682	5,605,209
Investment and other income	1,596,099	1,253,348
Management expenses	(3,319,089)	(2,410,422)
Profit Before Taxation	3,084,692	4,448,136
Provision for Taxation	(460,075)	(630,866)
Profit After Taxation	2,624,617	3,817,270
Other comprehensive income (net of tax)		
Fair value loss on available for sale assets	-	(9,441)
	-	(9,441)
Total comprehensive income for the period	2,624,617	3,807,829
Basic earnings per share	1.9	2.7

2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 June 2018	31 December 2017
Equity	41,311,982	38,679,697
Non Current Liabilities	27,375,236	29,268,622
Non Current Assets	69,237,190	73,094,522
Current Assets	29,306,466	35,728,395
Current Liabilities	29,856,438	40,874,598
Net Current assets	(549,972)	(5,146,203)

3. CONSOLIDATED STATEMENT OF CASH FLOW

	30 June 2018	31 December 2017
Operating activities		
Net Cash flows generated from / (used in) operating activities	4,263,018	(2,902,197)
Investing activities		
Net Cash flows (used in) / generated from investing activities	2,354,908	3,730,979
Financing activities		
Net cash flow used in financing activities	(6,274,953)	(923,859)
Net increase in cash and cash equivalent	342,973	(95,077)
Movement in cash and cash equivalent		
At start of the period	559,368	654,445
Net increase / (decrease) in cash and cash equivalent	342,973	(95,077)
At the end of the period	902,341	559,368

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 2017	7,078,899	3,606,866	16,118,622	1,935,952	2,052,274	7,887,084	38,679,697
Profit for the period			2,624,617				2,624,617
To capital reserve			(109,584)		109,584		-
To contingency reserve			(122,688)			122,688	-
To contingency reserve- Life Fund						7,668	7,668
Other Comprehensive Income							-
At the end of the period	7,078,899	3,606,866	18,510,967	1,935,952	2,161,858	8,017,440	41,311,982

The unaudited results for the six months period ended 30 June 2018 was approved by the Board on 27th September 2018.

DR. MARTIN ALIKER
CHAIRMAN

ELIAS EDU
AG. MANAGING DIRECTOR

PERFORMANCE REVIEW

The group recorded a decline of 12% in gross premium income for the reported period when compared to 2017 half year figure. The decline mainly affected the non-life insurance business whose gross premium dropped from Ushs7.20 billion in the first half of 2017 to Ushs6.13 billion in 2018 (15%). The decline, which was due in part to some delayed business renewals, has however been reversed in the 3rd quarter. The long-term insurance business on the other hand recorded a growth of 20% in gross premium income from Ushs641.09 million in the first half of 2017 to Ushs766.72 million for the period under review. The company will continue to leverage on the opportunities available for the long-term business. The growth of 27% in investment and other income was due to on-going restructuring of the group's investment assets which has resulted in improved liquidity for investment purpose. Profit before tax and profit after tax declined by 31% for the period. The increase in management expenses, which contributed to the decline in profits was impacted by increased staff cost, annual general meeting expenses, supervisory levy and interest expenses. However, Shareholders equity grew by 7% from Ushs38.68 billion as at 31 December 2017 to Ushs 41.31 billion as at 30th June 2018. The net current assets of the group also improved to 1:1 [2017: 0.9 : 1].

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

We have remained committed to our sustainability goals; making sure that our operations continue to impact positively on the public. Our corporate social responsibility ("CSR") initiatives are veritable tools through which we impact positively on the community in which we operate. Although our CSR objectives are geared towards sports, we have extended the impact in other areas with lasting impact on human capital development index. This year, we extended the social benefits to the Nazareth Children's home, an orphanage based in Masaka, through the donation of food items to help with the basic nutritional needs of the orphanage. This is in addition to the traditional support towards sports development in Uganda through sponsorship of the Uganda National Football team, the Uganda Cranes and the sponsorship of the Uganda National Netball team, the She Cranes as well as NIC's Netball team who have remained good ambassadors of the NIC brand.

FUTURE OUTLOOK

The restructuring of the group's assets has improved investment income whilst positioning the insurance subsidiaries towards meeting the yearnings of the clients. The introduction of risk-based insurance supervision has further underscored the importance of liquid assets portfolio. Management will therefore continue to implement the approved assets restructuring initiatives whilst pursuing all other initiatives to grow the insurance business. The expected areas of growth are the special risks including oil & gas insurance where the non-life insurance subsidiary is a member of the oil & gas consortium, the group and individual life products as well as bancassurance where the group has signed agreements with some financial institutions who have already rolled out their bancassurance services.

DIVIDEND

The Directors did not approve interim dividend."