



NIC HOLDINGS LIMITED

UNAUDITED RESULTS FOR THE HALF YEAR TO 30 JUNE 2023

The Board of Directors of NIC Holdings Limited is pleased to announce the following unaudited results for the six months period ended 30 June 2023

1. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Un-audited 30 June 2023 Ushs.'000	Un-audited 30 June 2022 Ushs.'000
Gross written premium	15,894,031	15,655,349
Underwriting profit	9,852,340	8,216,360
Investment and other income	2,582,249	1,995,679
Fair value gain/(loss) on financial assets at fair value through profit & loss	43,886	721,568
Net movement in Life and DAP funds	-	(645,847)
Management expenses and Finance Cost	(7,144,236)	(6,166,844)
Finance Cost- Loan interest	(760,350)	-
Finance Cost- Lease interest	(120,374)	(96,279)
Impairment provision on receivables	(281,923)	(825,288)
Profit Before Taxation	4,171,592	3,199,350
Provision for Taxation	(576,623)	(616,705)
Profit After Taxation	3,594,969	2,582,646
Other comprehensive income (net of tax)	-	-
Fair value gain on financial assets through OCI	(14,830)	288,476
	(14,830)	288,476
Total comprehensive income for the period	3,580,139	2,871,122
Basic earnings per share(Ushs)	1.69	1.22

2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 June 2023 Ushs.'000	31 December 2022 Ushs.'000
ASSETS		
Cash and Cash equivalent	1,128,113	1,133,232
Other receivables and prepayments	2,729,320	3,283,978
Premium receivables	12,786,659	8,704,040
Deferred acquisition costs	774,179	2,038,725
Financial Assets:		
Fair value through Profit or loss	3,226,464	3,201,685
Fair value through OCI	6,316,834	6,318,913
At amortized cost	16,328,494	23,740,799
Reinsurance Assets	2,547,700	9,096,122
Investment Properties	54,718,750	54,718,749
Property and equipment & ROU Assets	14,981,405	12,517,001
Intangible Assets	79,939	95,364
Statutory deposits	1,034,598	1,301,427
TOTAL ASSETS	116,652,455	126,150,035
LIABILITIES		
Insurance Contract Liabilities	12,185,676	21,198,183
Investment Contract Liabilities	4,865,414	5,124,518
Payable arising from Reinsurance Contracts	8,433,097	8,343,694
Deferred reinsurance commission income	375,869	1,329,508
Other payables and Accruals	24,099,532	25,586,281
Income tax payable	5,209,029	4,622,625
Dividend payable	593,992	593,992
Loans and Borrowings	8,378,918	11,184,732
Deferred tax liabilities	3,072,754	3,158,698
TOTAL LIABILITIES	67,214,281	81,142,231
NET ASSETS	49,438,174	45,007,804
EQUITY		
Share capital	10,618,348	10,618,348
Share premium	67,417	67,417
Contingency reserve	7,518,865	6,875,926
Deposit for shares	1,555,000	710,000
Capital Reserves	2,878,157	2,661,522
Retained earnings	25,859,996	23,119,370
Fair value reserve	(3,964)	10,866
Assets revaluation reserves	944,355	944,355
SHAREHOLDERS' FUNDS	49,438,174	45,007,804

3. CONSOLIDATED STATEMENT OF CASH FLOW

	30 June 2023 Ushs.'000	31 December 2022 Ushs.'000
Operating activities		
Net Cash flows generated from/ (used in) operating activities	(2,380,752)	3,442,423
Investing activities		
Net Cash flows (used in)/generated from investing activities	4,836,446	(14,809,746)
Financing activities		
Net cash flow used in financing activities	(2,460,813)	11,892,361
Net increase/ (decrease) in cash and cash equivalent	(5,119)	525,038
Movement in cash and cash equivalent		
At start of the period	1,133,232	608,194
Net increase / (decrease) in cash and cash equivalent	(5,119)	525,038
At the end of the period	1,128,113	1,133,232

4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital Ushs.'000	Share Premium Ushs.'000	Revenue Reserve 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 2022	10,618,348	67,417	710,000	23,119,370	955,221	2,661,522	6,875,926	45,007,804
Profit for the period	-	-	3,594,969	3,594,969	-	-	-	3,594,969
To capital reserve	-	-	(216,635)	(216,635)	-	216,635	-	-
To contingency reserve	-	-	(642,939)	(642,939)	-	-	642,939	-
Other Comprehensive Income	-	-	-	-	(14,830)	-	-	(14,830)
Reclassification adjustments	-	-	845,000	5,231	-	-	-	5,231
Deposit for shares	-	-	-	-	-	-	-	845,000
At 30 June 2023	10,618,348	67,417	1,555,000	25,859,996	940,391	2,878,157	7,518,865	49,438,174

The unaudited results for the six months period ended 30 June, 2023 was approved by the Board on 26th September, 2023.

DR. ALAN SHONUBI
CHAIRMAN

PERFORMANCE REVIEW

The group recorded moderate growth of 2% in gross written premium from Ushs 15.66 billion for the period ended 30 June 2022 to Ushs 15.89 billion in the current period. This translated to improvement in underwriting results to Ushs 9.85 billion for the period ended 30 June 2023 from Ushs 8.22 billion for the period ended 30 June 2022. Profit before tax and profit after tax for the period increased by 30% and 39% respectively due to better underwriting results and 29% increase in investment and other income. Shareholders equity grew by 10% to Ushs 49.44 billion as at 30 June, 2023 from Ushs 41.54 billion as at 31 December 2022 as a result of the total comprehensive income for the period.

INTERIM DIVIDEND

The Board has not approved the payment of interim dividend based on the half year 2023 un-audited financial statements.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The NIC group has remained committed to our corporate social responsibility and sustainability agenda because we believe that over the years, they have been instrumental to our progress and business growth. Over the years, we have continued with our support to the NIC Netball team which extended its dominance of netball in the region by being crowned the champions of East Africa, for a record 20th time! During the half year under review, we also continued our partnership with the Federation of Uganda Football Associations (FUFA) and remained the official insurer of the national football team, the Uganda Cranes. Our support for sports development is in addition to our proud intervention in other critical areas. We are proud to partner with some of the nation's most inspiring and influential organizations such as Joint Clinical Research Center (JCRC) which we recently supported in providing critical care to a vulnerable HIV patient with a token sum of Ushs 20 million.

INCREASE IN PAID UP SHARE CAPITAL BY WAY OF RIGHTS ISSUE

At the 21st (hybrid) Annual General Meeting of the Company held on 14th July, 2022 shareholders approved a resolution authorizing the Board of Directors to increase

BAYO FOLAYAN
MANAGING DIRECTOR

the Company's paid-up share capital from Ushs 10,618,347,885/- to any amount up to Ushs30,226,191,025/-. The Rights Issue process effectively commenced in September, 2022 with the appointment of Crested Capital as Lead Transaction Adviser. The Board also appointed Kyagaba & Otatiina Advocates also known as Dentons as Reporting Solicitors, Messrs BDO, Certified Public Accountants as Reporting Accountants and SCD Registrars as the Registrars, all collectively referred to as Transaction Advisers. The Transaction Advisers will issue public announcements when the Company's Prospectus for the Rights Issue has been approved by the regulatory bodies. In the meantime, the Board is happy to inform esteemed shareholders and the public that the Company received a "No Objection" to the Rights Issue from the Insurance Regulatory Authority.

FUTURE OUTLOOK

Despite the challenging business environment caused by lingering the impact of the war between Russia and Ukraine which led to increase in the price of commodities and other macroeconomic factors, the group's gross written premium has continued to grow. This as the life business continues to suffer the impact of the suspension of the NIC Life insurance licence due to the delay in appointing a Managing Director/Chief Executive Officer. Although the life business premium declined by 54%, the group still recorded a net positive 2% growth in the half year ended 30th June, 2023 due to the 9% growth in the non-life premium. The Board of NIC Life is already implementing a recovery plan and hopes to regain its growth momentum in the shortest possible time. Our group has continued to leverage on the improvements in our ICT infrastructure and systems in delivering highly professional and customer centric insurance services. The Board is happy to note the wide public acceptance of the new digital sales platform which has brought the groups time tested insurance services closer to the public at the click of a button via the URL: <https://my.nic.co.ug/>. As the group continues to innovate and re-invent itself the Board hopes to continue to steer the Company and its subsidiaries in the direction of sustainable growth. The Board will remain steadfast to the group's sustainability agenda of promoting inclusive stakeholder involvement through promotion of sports and girlchild empowerment.