



NICO HOLDINGS LIMITED

(Registration number 1377)
("Nico" or "the Company")

CONSOLIDATED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2003

SUMMARY STATEMENT OF INCOME

	Half year Ended 30/06/03 (unaudited) K'000	Half year Ended 30/06/02 (unaudited) K'000	12 months Ended 31/12/02 (audited) K'000
	(Note 1)		
Gross Income	872,769	1,141,284	1,633,771
General Insurance premiums	616,397	504,790	1,112,280
Life assurance and pension premium	256,372	258,632	521,491
Fee and Interest income	1,029,510	377,862	2,009,332
Operating profit / (loss)	(74)	34,603	138,872
Net investment income	462,681	393,550	1,013,278
Valuation surplus from Life fund net of tax	-	-	-
Profit/ Surplus before exceptional item	462,607	428,153	179,578
Exceptional item	-	26,976	29,038
Transfer to Life reserves	(261,166)	(290,655)	595,188
Profit before taxation	201,441	164,474	586,000
Taxation	(13,310)	(20,170)	(72,904)
Profit after taxation	188,130	144,304	513,096
(Profit)/Loss attributable to minority interest	(22,527)	(21,396)	(78,216)
Profit attributable to shareholders	165,603	122,908	434,881
Dividend paid	(70,000)	0	(70,000)
Retained profit	95,603	122,908	364,881
Earnings per share (tambala) (Note 3)	15.88	30.73	108.72
Price to Book Value per share (Note 3)	39.92	31.73	21.50
Dividend per share (tambala)	6.71	-	17.50

BALANCE SHEET

	K'000	K'000	K'000
ASSETS EMPLOYED	8,150,082	6,200,753	6,827,564
Goodwill	5,019	13,936	5,736
Fixed assets	502,042	234,678	455,125
Investments	5,461,661	4,191,193	3,935,841
Inventory	5,429	15,590	8,307
Insurance receivables	559,957	412,352	504,561
Mortgage & other advances	736,973	655,208	715,333
Other receivables	473,217	467,511	497,790
Tax recoverable	23,748	26,087	38,676
Cash and bank	381,462	184,198	666,195
LIABILITIES	(4,172,192)	(3,032,577)	(3,191,745)
Reinsurance payables	(102,857)	(108,570)	(124,339)
Technical reserves	(613,121)	(539,872)	(567,272)
Savings & other deposits	(3,038,906)	(2,083,263)	(2,294,041)
Interest payable	(95,646)	(104,179)	-
Taxation	(20,821)	(14,177)	(27,090)
Other payables	(300,841)	(182,516)	(179,004)
Bank Overdraft	-	-	-
Life assurance & pension assets	-	-	-
NET ASSETS	3,977,890	3,168,176	3,635,818
FINANCED BY			
Ordinary Shareholders' funds	1,045,259	630,306	930,172
Share capital (1.043 billion shares)	52,152	20,000	20,000
Reserves	993,107	610,306	910,172
Minority interest	151,799	99,506	171,850
Life assurance and pension funds	2,679,411	2,114,164	2,418,698
Loans	74,686	289,878	115,098
Deferred tax	26,734	34,322	-
TOTAL FUNDS	3,977,890	3,168,176	3,635,818

NOTES:

- Results for the half year to 30/06/2003 for the NICO Holdings Group are prepared on a line by line consolidation of all subsidiary operations.
- Nico Zambia effective 1st January 2003 became a 100% owned subsidiary of NICO
- Earning per share and price to book value per share is based on 1043041096 shares of 5 tambala in 2003 and 400000000 shares of 5 tambala in 2002

PERFORMANCE OVERVIEW

Group operations for the half year resulted in profit after tax and minority interest of K166 million compared to K123 million, being 35% up on 2002.

The General Insurance business mainly suffered from non-payment of premiums from some of the large Government institutions as a result of which substantial provisions against bad and doubtful debts have been provided for. Premium income also came under pressure from competition and impact of ailing economy. Major portion of the premiums due is recoverable once the concerned institutions have received their budget allocations for the 2003-04 budget year.

NICO Zambia continued to make good progress and has maintained its trend on profitability. Premium collection continues to be one of the major problems. Though the value of the Zambian Kwacha dropped in January by 12%, it has now regained its value by 4% and the trend continues

NICO Life operations continue to make good progress. However it is yet to regain lost business due to major business closures and job losses the economy experienced in 2002. Individual life business is registering commendable growth. The result being achieved under the current difficult economic environment is seen as satisfactory.

New Building Society continues to play an important role in the overall profitability of the Group. The business volume was 27% up on last year. Profits at K89 million were 77% up on 2002. Indications are that remaining months of this year will be good.

The Society is currently in the process of converting to a commercial bank. The necessary formalities are being complied with to achieve this within the shortest time. In line with the conversion the head office of the Society is transferring to Blantyre to be located at Gnnery Corner building which will also house a state of the art model branch, to be functional soon.

NICO Technologies Ltd continue to make major inroad into this highly competitive and technical sector of the business. However the business volumes are yet to reach the critical level to breakeven. Nevertheless the company's contribution to the group through IT support is significant.

NICO Corporate Finance Ltd continues to play a vital role in placing the group investments and maximizing yield. However the profit contribution has been affected by escalating costs and reduced level of activity.

PROSPECTS

Prospects for the Group for the remainder of the year look good. Much value is anticipated from the NBS operations in particular. Regional expansion opportunities are being actively pursued and it is hoped that NICO will enter one or two of the matured East African Insurance markets very soon.

DIVIDEND

Directors are pleased to recommend payment of first interim dividend of K50 million (2002 - K30 million) or .048 tambala per share on 1043041096 shares of 5 tambala par value. Dividend shall be payable to all persons registered at the close of business on 19th September and, shall be paid by the 22nd September

ON BEHALF OF THE BOARD:

G.A. JAFFU - CHAIRMAN

F.L. MLUSU - MANAGING DIRECTOR

27th August 2003

**Registered office:
NICO House
3 Stewart Street
Blantyre**



THE NATIONAL INSURANCE COMPANY LIMITED

DECLARATION OF DIVIDEND

At the meeting of the Board of Directors of the National Insurance Company Limited held on 24th July 2001, an interim dividend of MK20 million or 20 tambala per share was declared.

It was resolved that the interim dividend be payable to all persons registered as shareholders at the close of business on Friday, 5th October 2001.

The register of members will be closed from 5th October 2001 to 19th October 2001 both dates inclusive and no transfers will be registered during that time.

Payment date is Monday, 22nd October 2001.

DATE: 28th September, 2001.

BY ORDER OF THE BOARD

**BETTY KACELENGA (MRS)
COMPANY SECRETARY**