



Everyone deserves timely and accurate financial knowledge to achieve financial freedom. NICO Group is not leaving anyone behind in this financial journey.

#OneNICO #NoOneLeftBehind

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF NICO HOLDINGS PLC

Opinion

The summary consolidated and separate financial statements, which comprise the summary consolidated and separate statements of financial position as at 31 December 2024 and the summary consolidated and separate statements of comprehensive income, summary consolidated and separate statements of changes in equity and summary consolidated and separate statements of cash flows for the year then ended and related notes, are derived from the audited consolidated and separate financial statements of NICO Holdings plc for the year ended 31 December 2024.

In our opinion, the accompanying summary consolidated and separate financial statements are a fair summary of the audited consolidated and separate financial statements, and on basis described in the basis of preparation paragraph.

Other Information

We have not audited future financial performance and expectations expressed by Directors included in the commentary in the accompanying summary consolidated and separate financial statements and accordingly do not express any opinion thereon.

Summary Financial Statements

The summary consolidated and separate financial statements do not contain all the disclosures required by IFRS Accounting Standards as issued by the International Accounting Standards Board and the IAS 29 directive as Issued by the Institute of Chartered Accountants in Malawi and the requirements of the companies Act, 2013 of Malawi. Reading the summary consolidated and separate financial statements and the auditor's report thereon, therefore, is not a substitute for reading the consolidated and separate audited financial statements and the auditor's report thereon. The summary consolidated and separate financial statements and the audited consolidated and separate financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the consolidated and separate audited financial statements.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated and separate financial statements in our report dated 24 April 2025. That report also includes the communication of key audit matters. Key audit matters are those matters that in our professional judgement were of most significance in our audit of the consolidated and separate financial statements of the current year.

Director's Responsibility for the Summary Financial Statements

The Directors are responsible for the preparation of the summary consolidated and separate financial statements on the basis described in Basis of Preparation paragraph.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary consolidated and separate financial statements are a fair summary of the audited consolidated and separate financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised) Engagements to Report on Summary Financial Statements.

Chartered Accountants
Christopher Kapenda
Partner
25 April 2025

SUMMARY AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

HIGHLIGHTS

PROFIT AFTER TAX INCREASES BY **129%** TO MK134.4 BILLION

REVENUE INCREASES BY **83%** TO MK516.4 BILLION

DIVIDENDS INCREASE BY **100%** TO MK20.8 BILLION





SUMMARY AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024



	CONSOLIDATED		SEPARATE	
	31-Dec-24 MK'million	Restated 31-Dec-23 MK'million	31-Dec-24 MK'million	Restated 31-Dec-23 MK'million
SUMMARY STATEMENTS OF COMPREHENSIVE INCOME				
Insurance revenue	133,160	81,006	-	-
Insurance service expenses	(53,298)	(69,907)	-	-
Net expense from reinsurance contracts held	(28,387)	(2,348)	-	-
Insurance service result	51,475	8,751	-	-
Net insurance finance income and expense	(13,630)	7,841 ¹	-	-
Revenue from non-insurance operations	383,285	201,114	24,334	20,140
Other income	1,056	119	880	19
Share of profit from associate and Joint Ventures companies	1,128	504	1,128	504
Depreciation and amortisation	(7,789)	(4,654)	(74)	(54)
Impairment losses on financial assets	(4,725)	(4,564)	-	-
Other finance costs	(3,658)	(1,163)	(326)	(483)
Operating expenses	(209,391)	(124,362)	(7,872)	(5,222)
Profit before income tax	197,751	83,587	18,070	14,904
Income tax expense	(63,358)	(24,870) ¹	(1,252)	(1,205)
Profit for the year	134,393	58,717	16,818	13,699
Attributable to non-controlling interest	62,384	27,805	-	-
Attributable to shareholders of the parent company	72,009	30,912	16,818	13,699
	134,393	58,717	16,818	13,699
Other comprehensive income				
Items that will never be reclassified to profit or loss				
Revaluation of property and equipment	270	729	-	-
Items that are or may be reclassified to profit or loss				
Profit on available for sale assets	6,456	3,451	2,378	653
Translation difference on foreign operations	(203)	2,018 ²	92	1,329 ²
Total other comprehensive income for the year after tax	6,523	6,198	2,470	1,982
Total comprehensive income for the year	140,916	64,915	19,288	15,681
Attributable to non-controlling interest	64,370	29,756	-	-
Attributable to shareholders of the parent company	76,546	35,159	19,288	15,681
	140,916	64,915	19,288	15,681
Dividend paid to shareholders of the parent company*	(12,517)	(9,388)	(12,517)	(9,388)
Earnings per share (Kwacha)	69.04	29.64	-	-
Dividend paid per share (Kwacha)	12.00	9.00	12.00	9.00
Number of shares in issue ('000)	1,043,041	1,043,041	1,043,041	1,043,041

* The dividend amount disclosed in the Statement of Comprehensive Income differs from the amount reflected under cash flows from financing activities in the Statement of Cash Flows. The dividends in the cash flow statement includes only the dividends actually paid, while the dividends disclosed in the Statement of Comprehensive Income represents dividends payable for the current and prior year. A portion of these dividends, relating to foreign shareholders, remained unpaid at year-end.

	CONSOLIDATED			SEPARATE	
	31-Dec-24 MK'million	Restated 31-Dec-23 MK'million	Restated 1-Jan-23 MK'million	31-Dec-24 MK'million	Restated 31-Dec-23 MK'million
SUMMARY STATEMENTS OF FINANCIAL POSITION					
ASSETS	2,430,822	1,567,224	1,131,896	39,372	31,784
Cash and cash equivalents	281,853	182,382	96,525	6,652	14,051
Trade and other receivables	30,131	15,961	15,792	2,461	2,119
Loans and advances to customers	234,942	153,816	137,796	-	-
Client funds under management	275,506	170,614	134,739	-	-
Reinsurance contract assets	38,583	38,988 ¹	27,414 ¹	-	-
Other investments and loans receivable	129,765	93,377	60,350	2	2
Inventories	649	561	212	-	-
Investment in associate and joint venture companies	4,114	3,419 ²	1,879	4,114	3,419 ²
Investment in government securities	753,061	473,677	396,697	-	-
Investment in subsidiaries	-	-	-	9,212	9,063
Investment in equity shares	613,787	384,573	227,015	15,864	2,804
Investment properties	6,114	4,914	4,454	246	206
Deferred tax assets	9,813	10,875	7,426	536	-
Right-of-use assets	3,775	3,823	3,151	2	29
Intangible assets	17,676	10,781	5,736	23	35
Property and equipment	31,053	19,463	12,710	260	56
LIABILITIES	2,154,356	1,406,218	1,014,866	6,732	5,916
Deposits and customer accounts	645,471	497,745	355,830	-	-
Trade and other payables	322,784	65,042	47,722	6,256	4,501
Client funds payable	236,895	167,831	134,736	-	-
Insurance contract liabilities	901,701	653,300	458,276	-	-
Reinsurance contract liabilities	49	305	5	-	-
Interest-bearing loans and borrowings	23,471	9,927	9,407	458	1,358
Lease liabilities	7,448	6,795	5,063	18	57
Deferred tax liabilities	16,537	5,273	3,827	-	-
EQUITY	276,466	161,006	117,030	32,640	25,868
Issued share capital	52	52	52	52	52
Reserves	155,552	91,523 ^{1,2}	65,986 ¹	32,588	25,816 ²
Non-controlling interest	120,862	69,431 ¹	50,992 ¹	-	-
TOTAL EQUITY AND LIABILITIES	2,430,822	1,567,224	1,131,896	39,372	31,784

	CONSOLIDATED		SEPARATE	
	31-Dec-24 MK'million	Restated 31-Dec-23 MK'million	31-Dec-24 MK'million	Restated 31-Dec-23 MK'million
SUMMARY STATEMENTS OF CHANGES IN EQUITY				
Balance as at the beginning of the year	161,006	118,454	25,868	19,341
Prior period adjustments-correction of errors	-	(1,659) ¹	-	-
Net profit for the year	134,393	58,717	16,818	13,699
Other comprehensive income	6,523	6,198 ²	2,470	2,215 ²
Dividends paid	(25,456)	(20,704)	(12,516)	(9,387)
Balance as at the end of the year	276,466	161,006	32,640	25,868
SUMMARY STATEMENTS OF CASH FLOWS				
Operating activities				
Cash receipts from customers	351,100	251,433 ³	5,226	3,633
Cash payments to clients, employees and suppliers	(185,181)	(219,939) ³	(6,115)	(5,601)
Increase in operating assets - banking business	(460,643)	(108,262) ³	-	-
Increase in operating liabilities - banking business	423,349	163,878 ³	-	-
Interest paid	(3,889)	(2,387)	(347)	(533)
Income taxes paid and refunds	(46,169)	(25,153)	(1,865)	(710)
Cash flows generated from(used in) operating activities	78,567	59,570	(3,101)	(3,211)
Investing Activities				
Interest received	60,591	65,053	2,131	1,417
Dividends received	11,418	8,518	17,067	15,274
Additions to property and equipment and intangible assets	(24,438)	(14,881)	(239)	(54)
Net (additions)/disposal of government securities	11,050	(7,848) ³	-	-
Net disposal/(additions) of equity shares	(34,791)	(12,293)	(10,156)	-
Net (additions)/disposal of loans and debentures	(377)	(623)	-	-
Other investing activities	119	(24)	52	-
Cash flows generated from investing activities	23,572	37,902	8,855	16,637
Financing Activities				
Net proceeds from long term borrowings	13,396	797	(900)	(934)
Dividends paid	(24,503)	(14,466)	(12,235)	(8,101)
Other financing activities	(993)	(1,732)	(39)	(53)
Cash flows used in financing activities	(12,100)	(15,401)	(13,174)	(9,088)
Net increase in cash and cash equivalents	90,039	82,071	(7,420)	4,338
Cash and cash equivalents at 1 January	182,382	96,525	14,051	9,642
Effects of changes in exchange rates	778	3,786	21	71
Cash and cash equivalents at 31 December	*273,199	182,382	6,652	14,051

*Cash and cash equivalents as reported in the consolidated summary statement of financial position amount to K281.9 billion. This balance includes unrealised fair value gains on short-term deposits of K8.7 billion, which represent non-cash items. Accordingly, these gains have been excluded from the cash and cash equivalents balance of K273.2 billion reported in the statement of cash flows.

BASIS OF PREPARATION

The Directors have prepared the summary consolidated and separate financial statements to meet the listing requirements of the Malawi Stock Exchange. The Directors believe that the summary consolidated and separate statements of financial position, summary consolidated and separate statements of comprehensive income, summary consolidated and separate statements of changes in equity and summary consolidated and separate statements of cash flows are sufficient to meet the requirements of the users of the summary financial statements. The amounts in the summary financial statements are prepared in accordance with the framework, concepts and the measurements and recognition requirements of IFRS Accounting Standards as issued by International Accounting Standards Board and the IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM).

The summary financial statements have been derived from the Annual Financial Statements which were approved by the Board of Directors on 17 April 2025 and is available on the company's website, www.nicomw.com.

RESTATEMENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

During the year the Group restated its prior year consolidated and separate financial statements to correct some prior period misstatements as summarized below.

- Restatement of correction in relation to a prior period omission of non-performance risk related reinsurance contracts.**
Following adoption in the last financial year of the new IFRS Accounting Standard for insurance contracts, IFRS 17, the Group noted an omission relating to non-performance risk in relation to reinsurance contract assets. Actuaries have computed the relevant amounts and adjustments have been made to reinsurance contract assets (MK2.8 billion decrease for the year 2023, MK2.3 billion decrease for 2022 and prior periods), deferred tax asset (MK865.2 million increase for the year 2023 and MK170.8 million increase for 2022 and prior periods) and net finance income/(expenses) from reinsurance contracts held (decrease of MK514.6 million for the year 2023).
- Restatement – Correction of Omission in Retranslation of Investment in a Foreign Operation.**
The Group holds an equity-accounted investment in an associate that qualifies as a foreign operation, Sanlam Mozambique Vida Companhia de Seguros, S.A. In accordance with IAS 28 Investments in Associates and Joint Ventures, and IAS 21 The Effects of Changes in Foreign Exchange Rates, the carrying amount of such an investment should be adjusted not only for the Group's share of profit after tax, other comprehensive income, and dividends, but also for foreign currency exchange differences arising on translation of the net investment. In prior periods the Group omitted to translate the carrying amount of the investment into the Group's presentation currency and to recognise the related foreign currency translation differences in other comprehensive income. The previously reported amounts for investment in associate company and translation difference in foreign operations have been adjusted upwards by MK1.56 billion in both the Consolidated and separate financial statements for the year ended 31 December 2023. This correction has no impact on the previously reported profit for the year but affects the presentation of other comprehensive income and the carrying amount of the investment in the statement of financial position.
- Restatement – Reclassification of Cash Flows Relating to Investments in Government Securities**
Reclassification of Cash Flows Relating to Investments in Government Securities and Disclosure of Changes in Working Capital for the Banking Business.
During the year, the Group reviewed the classification of cash flows arising from investments in government securities in its consolidated statement of cash flows. It was noted that, while such investments are part of the normal trading activities of the Group's banking subsidiary, similar investments in other subsidiaries are held for investing purposes. To align with the requirements of IAS 7 Statement of Cash Flows and better reflect the nature of the transactions, the Group has reclassified the net cash flows relating to investments in government securities by the banking subsidiary from investing activities to operating activities. This change has been applied retrospectively, and the comparative figures have been restated accordingly. This reclassification has no impact on the overall net change in cash and cash equivalents for the year.

Furthermore, to comply with the requirements of IAS 7 the Group has amended the presentation of changes in the working capital amounts of operating assets and liabilities from the banking subsidiary. Previously, the net movement was presented as part of cash receipts and payments within operating activities. In the current year, and retrospectively for comparatives, these changes have been disclosed separately.

OVERVIEW
The Directors are pleased to report on the audited consolidated results of NICO Holdings PLC and its subsidiaries, joint venture, and associate companies ("NICO Group") for the year ended 31 December 2024.

NATURE OF ACTIVITIES
The core business of the NICO Group is General Insurance, Life Insurance, Pension Services, Banking, Corporate Finance Advisory and Asset Management. The NICO Group through its portfolio investments also owns substantial investments in property, listed and unlisted equity investments across various industries in the Malawi economy. The Group carries out its business through subsidiaries in Malawi and Zambia, a joint venture company in Malawi and an associate company in Mozambique.

ECONOMIC OVERVIEW
The NICO Group experienced remarkable growth in 2024 despite challenging economic conditions in Malawi. The country's economic development faced obstacles from several factors, including severe shortages of foreign currency, fiscal slippages, fuel scarcity, and drought-like conditions caused by the El Niño weather phenomenon, which negatively affected agricultural production. Consequently, inflation and interest rates remained high throughout the year. This led the Monetary Policy Committee to raise the policy rate from 24.0% at the beginning of the year to 26.0% at year-end.

GROUP RESULTS
Gross revenue for the year ended 31 December 2024 increased by 83% to MK516.4 billion, compared to MK282.1 billion in 2023, primarily driven by the banking and life insurance businesses. Profit after tax, excluding other comprehensive income, increased by 129% to MK134.4 billion, up from MK58.6 billion in 2023. The consolidated profit after tax, excluding other comprehensive income, that is attributable to owners of the parent company (NICO Holdings plc), increased by 134% to MK72.0 billion, up from MK30.8 billion. This outstanding result was largely attributed to strong performances in the banking and life insurance businesses. The rest of the businesses also registered significant profit growth in the year. Consolidated profit after tax, along with other comprehensive income, increased by 117% to MK140.9 billion, compared to MK64.9 billion in 2023. The consolidated profit after tax, along with other comprehensive income, attributable to owners of the parent company increased by 118% to MK76.5 billion, up from MK35.2 billion.

SEGMENTAL PERFORMANCE
Banking
NBS Bank Plc delivered a very strong performance in the year driven by growth in money market investments, loan book and non-interest income. Profit after tax grew by 148% to MK73.0 billion from MK29.4 billion in 2023.

The Bank grew its balance sheet size by 82% in 2024 to MK1.2 trillion (2023: MK657.7 billion). The Bank registered a 35% growth in customer deposits to MK726.7 billion (2023: MK538.5 billion). Loans and advances grew by 53% to close at MK234.9 billion (2023: MK153.8 billion).

Net interest income grew by 137% to MK160.3 billion (2023: MK 67.7 billion) due to the growth in money market investments and loan book. Non-interest revenue grew by 30% to MK45.2 billion (2023: MK34.9 billion) mainly due to increase in trade finance, foreign exchange trading income and increased adoption of digital platforms which drove transaction volumes. Impairment charges rose to MK4.7 billion, up by only 2% from MK4.6 billion in 2023.

Life Insurance
NICO Life Insurance Company Limited registered total insurance revenue growth of 94% to MK 54.7 billion (2023:MK28.1 billion). This growth was attributed to organic growth, new business and investment returns. The business registered a 75% growth in profit after tax to MK 44.9 billion (2023: MK25.7 billion). The growth in profitability was mainly due to good claims experience in the period and better investment returns from fixed-income instruments and listed equities.

The associate company in Mozambique registered gross insurance revenue growth of 73% to MK30.8 billion (2023:MK17.8 billion). This growth was attributed to organic growth and new business. The business registered a 98% growth in profit after tax to MK2.7 billion (2023: MK1.37 billion). The growth in profitability was due to better claims ratio recorded in the year and increase in investment income. NICO Holdings Plc's 34.3% share of the profit after tax was MK931.5 million which represented 98% growth compared to MK469.9 million profit after tax in 2023.

General Insurance
The general insurance business in Malawi registered insurance revenue growth of 54% to MK40.9 billion (2023: MK26.5 billion). The revenue growth was due to both organic growth and new business. The business registered profit after tax of MK5.8 billion, an increase of 410% when compared to MK1.1 billion profit for the prior year. The strong profitability in the year was due to improved loss ratio and increase in investment income.

The business in Zambia registered insurance revenue growth of 43% to MK37.7 billion (2023: MK26.3 billion). The increase in revenue was due to both organic growth and new business. The business registered a profit after tax of MK179.2 million which represented 165% improvement in profitability compared to the MK1.1 billion loss after tax registered in the prior year. Management actions in line with a turnaround strategy ensured profitability in the period through improved loss ratio, favourable outcomes from reinsurance arrangements and cost containment measures.

Asset Management
NICO Asset Managers Limited ("NAML") specialises in portfolio management and investment advisory services and has over the years delivered above market returns and financial solutions to a wide range of clients.

NAML registered growth in assets under management of 46% in the year to MK1.8 trillion (2023: MK1.2 trillion). Total income at MK17.1 billion was 75% above the previous year's income of MK9.7 billion largely due to growth in Assets Under Management (AUM) and improved interest margins realised on the AUM. Profit after tax for the year at MK7.0 billion was 100% higher than the MK3.5 billion profit registered in 2023.

Pension Administration
NICO Pension Services Limited is licenced to offer pension administration services and act as a corporate trustee for pension schemes.

The Company registered 39% growth in revenue in the year to MK7.0 billion (2023: MK 5.0 billion) driven by an increase in administration fees from new business, organic growth, increase in pension funds under management and pension contribution arrears received from various schemes. The business registered profit after tax of MK 1.5 billion in the year which was 73% higher than the MK870.0 million profit registered in 2023.

Information Technology Services
NICO Technologies Limited is a leading technology services company offering a wide array of ICT services, including Managed IT Services, Digital Transformation, and IT Security.

The Company registered a 63% growth in revenue in the year to MK9.8 billion (2023: MK6.0 billion) driven by the growth of ICT management services, ICT infrastructure services, and sales of software licenses. The business registered a profit after tax of MK1.0 billion in the year, which was 183% higher than the MK357.4 million profit registered in 2023.

	Segmental Contribution to Group Profit After Tax		
	31-Dec-2024 MK' Million	Restated 31-Dec-2023 MK' Million	Growth %
Banking	72,991	29,378	148%
Life insurance	44,936	25,719	75%
Asset management	7,024	3,452	103%
General insurance- Malawi	5,824	1,142	410%
Pension administration	1,504	870	73%
Information technology services	1,012	357	183%
General insurance- Zambia	719	(1,057)	168%
Other segments	432	(76)	668%
Holding company	16,818	13,699	23%
Total	151,260	73,484	106%
Elimination of dividend income from group companies	(16,866)	(14,921)	(13%)
Group profit after tax	134,394	58,563	129%

STRATEGIC ALLIANCES
The Group continues to strengthen its relationships with its strategic partners, such as SanlamAllianz, Africap LLC, Botswana Insurance Holdings Ltd (BIHL), Rabo Bank of the Netherlands, and Eris Properties Group of South Africa.

CORPORATE SOCIAL RESPONSIBILITY
In 2024, NICO Group invested MK1.2 billion in Corporate Social Responsibility (CSR) initiatives to empower communities.

- Education:** MK401 million for school infrastructure, scholarships, and skills development.
- Thought Leadership:** MK375 million for economic forums, industry partnerships, and leadership events.
- Sports:** MK200 million supporting netball, football, digital skills training, and youth sports.
- Arts & Culture:** MK166 million for creative arts, cultural events, and entertainment.
- Health & Community Service:** MK40 million for healthcare and social initiatives.
- Disaster Relief:** MK28 million in flood aid for Dwangwa, Chikwawa, and Karonga.

Through these efforts, NICO Group continues to drive meaningful social and economic change in Malawi.