



SUMMARY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024



ZIKUMVEKA KUMBUYOKO?

ONE NICO

Are your valuables protected? NICO General's comprehensive insurance solutions are tailored to protect your assets in the case of sudden and unforeseeable events.

Safeguard your valuables, secure your future.

#OneNICO #NoOneLeftBehind

SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | 2024 K'000 | 2023 K'000 |
|---|--------------------|--------------------|
| Insurance revenue | 40,851,275 | 26,549,999 |
| Insurance service expenses | (24,927,512) | (27,904,649) |
| Net expenses from reinsurance contracts held | (8,492,080) | 3,322,575 |
| Net insurance service result | 7,431,683 | 1,967,925 |
| Finance expense from insurance contracts issued | (4,557,675) | (2,327,307) |
| Finance income from reinsurance contracts held | 3,658,917 | 1,452,779 |
| Investment income | 4,522,713 | 2,597,849 |
| Other income | 40,181 | 170,041 |
| Net Investment and other income | 3,664,136 | 1,893,362 |
| Net insurance and investment result | 11,095,819 | 3,861,287 |
| Other finance costs | (119,033) | (130,867) |
| Other operating expenses | (1,799,912) | (1,372,056) |
| Net other operating expenses | (1,918,945) | (1,502,923) |
| Profit before taxation | 9,176,874 | 2,358,364 |
| Income tax expense | (2,725,706) | (694,118) |
| Profit for the period | 6,451,168 | 1,664,246 |
| Other comprehensive income | | |
| Change in fair value of financial assets available for sale | 4,111,563 | 2,819,011 |
| Total comprehensive income for the year | 10,562,731 | 4,483,257 |

SUMMARY STATEMENT OF FINANCIAL POSITION

| | 2024 31st December K'000 | Restated 2023 31st December K'000 | Restated 2023 1st January K'000 |
|-------------------------------------|--------------------------------|--|--|
| ASSETS | | | |
| Cash and cash equivalents | 12,153,381 | 14,256,506 | 9,710,931 |
| Investment in equity shares | 10,866,413 | 6,754,850 | 3,935,839 |
| Investment in Government securities | 12,298,463 | 3,547,376 | 4,741,752 |
| Reinsurance contract assets | 29,148,182 | 28,927,195 | 22,135,027 |
| Other receivables | 2,552,633 | 857,956 | 1,036,533 |
| Deferred tax asset | 1,711,798 | 1,938,438 | 1,110,253 |
| Intangible assets | 35,667 | 114,666 | 163,461 |
| Right of use assets | 59,022 | 127,268 | 385,490 |
| Property and equipment | 251,933 | 315,639 | 247,092 |
| Total assets | 69,077,492 | 56,839,894 | 43,466,378 |
| LIABILITIES | | | |
| Insurance contract liabilities | 46,603,971 | 43,102,478 | 33,515,186 |
| Lease liabilities | 271,528 | 480,779 | 670,191 |
| Other current liabilities | 2,060,977 | 1,174,954 | 974,892 |
| Current tax liability | 1,269,511 | 872,909 | 80,592 |
| Total Liabilities | 50,205,987 | 45,631,120 | 35,240,861 |
| EQUITY | | | |
| Share capital | 9,000 | 9,000 | 9,000 |
| Share premium | 1,195,618 | 1,195,618 | 1,195,618 |
| Retained earnings | 7,101,822 | 3,550,654 | 3,386,408 |
| Other reserves | 10,565,065 | 6,453,502 | 3,634,491 |
| Total Equity | 18,871,505 | 11,208,774 | 8,225,517 |
| Total equity and liabilities | 69,077,492 | 56,839,894 | 43,466,378 |

SUMMARY STATEMENT OF CHANGES IN EQUITY

| | 2024 K'000 | 2023 K'000 |
|---------------------------------|-------------------|-------------------|
| At beginning of the year | 11,208,774 | 9,884,168 |
| Prior year adjustment | - | (1,658,651) |
| Profit for the year | 6,451,168 | 1,664,246 |
| Other comprehensive Income | 4,111,563 | 2,819,011 |
| Dividend paid to shareholders | (2,900,000) | (1,500,000) |
| At end of the year | 18,871,505 | 11,208,774 |

SUMMARY STATEMENT OF CASH FLOWS

| | 2024 K'000 | 2023 K'000 |
|---|--------------------|--------------------|
| Cash flows from operating activities | | |
| Cash generated from operations | 6,579,479 | 2,751,262 |
| Income taxes paid | (2,082,295) | (718,589) |
| Net cash from operating activities | 4,497,184 | 2,032,673 |
| Cash flows from investing activities | | |
| Proceeds from disposal of property and equipment | 586 | 36,836 |
| Interest and dividend received | 4,109,234 | 2,555,837 |
| Additions to property and equipment | (12,504) | (142,917) |
| Proceeds from disposal of Government securities | - | 1,332,786 |
| Acquisition of Government securities | (8,259,826) | - |
| Net cash from investing activities | (4,162,510) | 3,782,542 |
| Cash flows from financing activities | | |
| Repayment of lease liabilities | (322,233) | (130,397) |
| Dividend paid | (2,150,300) | (1,258,518) |
| | (2,472,533) | (1,388,915) |
| Net increase / (decrease) in cash and cash equivalents | (2,137,859) | 4,426,300 |
| Cash and cash equivalents at start of the year | 14,256,506 | 9,710,931 |
| Effects of exchange rate changes on cash and cash equivalents | 34,734 | 119,275 |
| Cash and cash equivalents at end of the year | 12,153,381 | 14,256,506 |

INTRODUCTION

NICO General Insurance Company Limited is a short term insurance company that offers comprehensive range of products such as motor, accident and property insurance. The company is owned by NICO Holdings plc (51%) and Sanlam Allianz Africa Proprietary Limited (49%).

BASIS OF PREPARATION

The directors have prepared the summary financial statements to meet the requirements of the Financial Services Act, 2010. The directors have considered the requirements of the Financial Services Act, 2010 and believe that the summary statement of financial position, summary statement of profit or loss and other comprehensive income, summary statement of changes in equity and summary statement 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 measurement and recognition requirements of IFRS Accounting Standards as issued by the International Accounting Standards Board, IAS 29 directive as issued by the Institute of Chartered Accountants in Malawi and the requirements of the Companies Act, 2013.

The summary financial statements have been derived from the Annual Financial Statements which were approved by the board of directors on 27 March 2025, and are available at the company's registered office.

BUSINESS OVERVIEW

The Board of NICO General Insurance Company Limited is pleased with the continued support the company has received from its clients and is pleased to present the summary audited financial results of the year.

The business operating environment for the year 2024 was challenging with rising inflation and slow down in economic activity. The year saw El Nino induced weather conditions which severely impacted agricultural output leading to low GDP growth and high inflation which impacted insurance premium generation and claims payment costs.

The market has also been impacted by shortage of foreign exchange, despite the Malawi Kwacha remaining stable in the year, this has resulted in an increased cost of settling claims and cost of doing business has gone up.

Despite these challenges affecting the general insurance market new opportunities are also emerging for stakeholder value creation.

PERFORMANCE

Insurance revenue grew by 54% from K26.5Billion in 2023 to K40.9Billion in 2024 and revenue growth was due to acquisition of new business and growth in existing business especially motor insurance business. Net Insurance Service result grew by 278% from K1.9Billion in 2023 to K7.4Billion in 2024, largely on account of growth in revenues and lower frequency of weather related claims compared to the year 2023 which experienced cyclone Freddy claims. However the claims environment remained challenging as motor repair costs increased sharply. The company's re insurance programme provided effective protection on the fire portfolio against large losses and natural disasters.

Profit before tax grew by 289% from K2.4Billion to K9.2Billion, on account of improvement in the underwriting result and good investment performance.

OUTLOOK*

The economy is recovering with projected GDP growth of 3.2% for 2025. The company remains optimistic that it will remain dominantly competitive and improve performance in 2025. The company is geared to manage the various risks impacting the insurance market including adverse weather conditions and natural disasters.

We will continue to pursue the strategy to grow the business and service our esteemed customers better in 2025 and beyond and we will drive customer offering through clear engagement, innovation and working professionally.

BY ORDER OF THE BOARD

Chifundo Chiundira
Chairman
*Unaudited

Donbell S. Mandala
Chief Executive Officer

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF NICO GENERAL INSURANCE COMPANY LIMITED

Opinion

The summary financial statements, which comprise the summary statement of financial position as at 31 December 2024 and the summary statement of profit or loss and other comprehensive income, the summary statement of changes in equity and the summary statement of cash flows for the year then ended and related notes, are derived from the audited financial statements of NICO General Insurance Company Limited for the year ended 31 December, 2024.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements of NICO General Insurance Company Limited, and the basis described on the basis of preparation paragraph.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by IFRS Accounting Standards as issued by the International Accounting Standards Board. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The Audited Financial Statements and our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 28th March 2025. That report also includes the communication of key audit matters. Key audit matters are those matters that in our professional judgment, were of most significance in our audit of the financial statements of the current year

Directors' Responsibility for the Summary Financial Statements

The directors are responsible for the preparation of the summary financial statements in accordance with the basis described on the basis of preparation paragraph.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited 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
14 April 2025

Deloitte.