

SUMMARY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

HIGHLIGHTS

INSURANCE REVENUE
GREW BY
21%
TO MK49.5 BILLION

NET INSURANCE
SERVICE RESULT
GREW BY
25%
TO MK9.3 BILLION

PROFIT
BEFORE TAX
GREW BY
17%
TO MK10.8 BILLION

SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2025	2024
	K'000	K'000
Insurance revenue	49,507,250	40,851,275
Insurance service expenses	(14,013,482)	(24,927,512)
Net expenses from reinsurance contracts held	(26,240,705)	(8,492,080)
Net insurance service result	9,253,063	7,431,683
Interest revenue on amortized cost instruments	4,145,224	2,603,749
Other interest and similar income	2,326,903	2,077,322
Gains / (loss) on financial assets designated at FVTPL	1,270	(24,310)
Investment management expenses	(259,055)	(134,048)
Net Investment income	6,214,342	4,522,713
Finance expense from insurance contracts issued	(5,340,513)	(4,557,675)
Finance income from reinsurance contracts held	2,873,010	3,658,917
Net insurance finance expenses	(2,467,503)	(898,758)
Net insurance and investment result	12,999,902	11,055,638
Other income	74,977	40,181
Other finance costs	(114,764)	(119,033)
Other operating expenses	(2,186,169)	(1,799,912)
Net other operating expenses	(2,225,956)	(1,878,764)
Profit before taxation	10,773,946	9,176,874
Income tax expense	(3,684,955)	(2,725,706)
Profit for the year	7,088,991	6,451,168
Other comprehensive income		
Changes in the fair value of financial investments at fair value through other comprehensive income	28,701,607	4,111,563
Deferred tax	(9,169,320)	-
	19,532,287	4,111,563
Total comprehensive income for the year	26,621,278	10,562,731

SUMMARY STATEMENT OF FINANCIAL POSITION

	2025	2024
	31st December	31st December
	K'000	K'000
ASSETS		
Cash and cash equivalents	29,259,944	12,426,130
Investment in equity shares	39,568,020	10,866,413
Investment in Government securities	7,971,967	12,298,463
Reinsurance contract assets	20,537,224	29,148,182
Other receivables	796,047	2,279,884
Deferred tax Asset	-	1,711,798
Intangible assets	32,652	35,667
Right of use assets	117,351	59,022
Property and equipment	306,474	251,933
Total assets	98,589,679	69,077,492
LIABILITIES		
Insurance contract liabilities	39,319,914	46,603,971
Lease liabilities	297,597	271,528
Other current liabilities	9,110,576	2,060,977
Current tax liability	1,661,763	1,269,511
Deferred tax liability	7,757,046	-
Total Liabilities	58,146,896	50,205,987
EQUITY		
Share capital	9,000	9,000
Share premium	1,195,618	1,195,618
Retained earnings	9,140,813	7,101,822
Other reserves	30,097,352	10,565,065
Total Equity	40,442,783	18,871,505
Total equity and liabilities	98,589,679	69,077,492

SUMMARY STATEMENT OF CHANGES IN EQUITY

	2025	2024
	K'000	K'000
At beginning of the year	18,871,505	11,208,774
Profit for the year	7,088,991	6,451,168
Other comprehensive Income	28,701,607	4,111,563
Dividend paid to shareholders	(5,050,000)	(2,900,000)
Deferred tax on investments in equity	(9,169,320)	-
At end of the year	40,442,783	18,871,505

SUMMARY STATEMENT OF CASH FLOWS

	2025	2024
	K'000	K'000
Cash flows from operating activities	22,137,925	2,247,111
Income taxes paid	(2,993,179)	(2,082,295)
Net cash from operating activities	19,144,746	164,816
Cash flows from investing activities		
Dividends received from equity Instruments designated at FVTOCI	315,992	238,040
Proceeds from sale of property and equipment	132	586
Acquisition of property and equipment	(144,505)	(12,504)
Net cash from investing activities	171,619	226,122
Cash flows from financing activities		
Repayment of lease liabilities	(247,775)	(322,233)
Dividend paid	(2,193,000)	(2,150,300)
Net cash used in financing activities	(2,440,775)	(2,472,533)
Net increase in cash and cash equivalents	16,875,590	(2,081,595)
Cash and cash equivalents at 1 January	12,426,130	14,472,991
Effects of exchange fluctuations on cash held	(41,776)	34,734
Cash and cash equivalents at 31 December	29,259,944	12,426,130

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 of South Africa (49%).

BASIS OF PREPARATION

The directors have prepared the summary financial statements to meet the requirements of the Financial Services Act, 2024 and the Insurance act of 2025. The directors have considered the requirements of the Financial Services Act, 2024 and the Insurance Act 2025 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.

The summary financial statements have been derived from the Annual Financial Statements which were approved by the board of directors on 16th of March 2026.

BUSINESS OVERVIEW

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

The business operating environment for the year 2025 was challenging with rising inflation and slow down of 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 high claims payment costs.

The market was also impacted by shortage of foreign exchange, despite the Malawi kwacha remaining stable in the year and cost of doing business has remained high.

Despite the challenges affecting the general insurance market, the company focused on mining new opportunities to mitigate the risks and continue to create stakeholder value. The business has been exposed to high reinsurance risk as a result of delays to remit re insurance premiums due to shortages of forex.

PERFORMANCE

Insurance revenue grew by 21% from K40.8 Billion in 2024 to K49.5 Billion in 2025 and premium growth was driven by acquisition of new business and growth in existing portfolios. Net Insurance Service result grew by 25% from K7.4 Billion in 2024 to K9.3 Billion in 2025. The growth in business is attributed to strong growth in motor, accident and liability insurance classes driven by solid growth through our broker partner businesses. The business saw favourable claims experience with moderate weather induced claims in the year.

Underwriting action plans implemented in the past years have significantly improved the risk profile and rating strengths of the current book and this has created positive earnings momentum during the year. As a result the company maintained the AA rating issued by GCR Credit Rating Agency signifying high claims paying ability.

Investment performance improved significantly in the year recording a growth of 37%, as a result of improvements in interest rates in the year and investment fund growth due to the implementation of the Cash and Carry following the Insurance act 2025 enactment. Profit before tax grew by 17% from K9.2 Billion to K10.8 Billion, on improvement in the investment performance, due to better interest rates on the money market.

Other comprehensive income grew by 376% on account of good performance of the equity holdings on the Malawi Stock Exchange, which has also strengthened capital levels and improvements in solvency of the business which has remained way above regulatory limits.

OUTLOOK*

Looking ahead to 2026, the Ministry of Finance, Economic planning and Decentralisation projects GDP growth of 3.8% and the company anticipates a decline in inflation mainly due to easing of food prices and anticipated improvements in agriculture production.

Despite the positive outlook economic growth may be constrained by persistent foreign exchange shortages, high fuel costs may weaken household incomes and this may dampen demand for insurance products. Global geopolitical tensions and conflicts pose risks to the domestic economy particularly increase in global oil prices and supply chain disruptions, which may also impact insurance business.

The Company will continue to pursue its strategy to grow the business and service its esteemed customers better in 2026 and beyond. The company will drive its customer offering through clear engagement, innovation and working professionally.

BY ORDER OF THE BOARD


Chifundo Chiundira
Chairman


Donbell S. Mandala
Chief Executive Officer

*Unaudited

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 2025, 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, 2025.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements of NICO General Insurance Company Limited, and on 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 30 March 2026. 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 audited financial statements, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.



Chartered Accountants
Christopher Kapenda
Partner

10 April 2026

Deloitte