



NICO Holdings Plc

SUMMARY AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

HIGHLIGHTS

PROFIT AFTER TAX INCREASES BY **141%** TO MK323.5 BILLION

REVENUE INCREASES BY **74%** TO MK919.3 BILLION

DIVIDENDS INCREASE BY **100%** TO MK41.8 BILLION



	GROUP		COMPANY	
	31-Dec-25 MK'million	Restated 31-Dec-24 MK'million	31-Dec-25 MK'million	Restated 31-Dec-24 MK'million
SUMMARY STATEMENTS OF COMPREHENSIVE INCOME				
Insurance revenue	177,132	145,874	-	-
Insurance service expenses	(52,539)	(53,298)	-	-
Net expense from reinsurance contracts held	(48,870)	-	-	-
Insurance service result	75,723	64,189	-	-
Net insurance finance expense	(6,814)	(13,630)	-	-
Revenue from non-insurance operations	742,208	383,285	59,381	24,334
Other income	3,915	1,056	92	880
Share of profit from associate and joint venture companies	1,618	1,128	1,618	1,128
Depreciation and amortisation	(11,140)	(7,789)	(149)	(74)
Impairment losses on financial assets	(38,486)	(4,725)	-	-
Other finance costs	(3,065)	(3,658)	(906)	(326)
Operating expenses	(292,571)	(209,391)	(12,354)	(7,872)
Profit before income tax	471,388	210,465	47,682	18,070
Income tax expense	(147,880)	(76,072)	(4,409)	(1,252)
Profit for the year	323,508	134,393	43,273	16,818
Attributable to non-controlling interest	155,675	62,384	-	-
Attributable to shareholders of the parent company	167,833	72,009	43,273	16,818
	323,508	134,393	43,273	16,818
Other comprehensive income				
Items that will never be reclassified to profit or loss				
Profit on available for sale assets	20,698	4,569	1,672	491
Revaluation of property and equipment	1,327	270	250	-
Items that are or may be reclassified to profit or loss				
Translation difference on foreign subsidiary	656	(203)	-	92
Total other comprehensive income for the year after tax	22,681	4,636	1,922	583
Total comprehensive income for the year	346,189	139,029	45,195	17,401
Attributable to non-controlling interest	165,404	64,370	-	-
Attributable to shareholders of the parent company	180,785	74,659	45,195	17,401
	346,189	139,029	45,195	17,401
Dividend paid to shareholders of the parent company	(27,119)	(12,517)	(27,119)	(12,517)
Earnings per share (Kwacha)	160.90	69.04	-	-
Dividend paid per share (Kwacha)	26.00	12.00	26.00	12.00
Number of shares in issue ('000)	1,043,041	1,043,041	1,043,041	1,043,041
SUMMARY STATEMENTS OF FINANCIAL POSITION				
ASSETS	4,207,412	2,428,935	75,595	37,484
Cash and cash equivalents	280,137	281,853	24,043	6,652
Trade and other receivables	32,884	30,131	5,577	2,460
Loans and advances to customers	349,933	234,942	-	-
Client funds under management	564,135	275,506	-	-
Reinsurance contract assets	37,234	38,583	-	-
Other investments and loans receivable	107,808	129,765	2	2
Inventories	1,360	649	-	-
Investment in associate and joint venture companies	16,468	14,796	16,468	14,796
Investment in government securities	1,051,892	753,061	-	-
Investment in subsidiaries	-	-	22,623	9,212
Investment in equity shares	1,668,665	601,217	4,967	3,295
Investment properties	7,459	6,114	312	246
Deferred tax assets	25,283	322,784	883	536
Right-of-use assets	2,490	3,775	-	2
Intangible assets	17,301	17,676	12	23
Property and equipment	44,363	31,053	375	260
LIABILITIES	3,662,011	2,154,356	26,766	6,731
Deposits and customer accounts	991,040	645,471	-	-
Trade and other payables	271,991	322,784	12,295	6,255
Client funds payable	493,509	236,895	-	-
Insurance contract liabilities	1,812,699	901,701	-	-
Reinsurance contract liabilities	98	49	-	-
Interest-bearing loans and borrowings	48,078	23,471	14,068	458
Lease liabilities	6,948	7,448	403	18
Deferred tax liabilities	37,648	16,537	-	-
EQUITY	545,401	274,579	48,829	30,753
Issued share capital	52	52	52	52
Reserves	299,652	153,665	48,777	30,701
Non-controlling interest	245,697	120,862	-	-
TOTAL EQUITY AND LIABILITIES	4,207,412	2,428,935	75,595	37,484
SUMMARY STATEMENTS OF CHANGES IN EQUITY				
Balance as at the beginning of the year	274,579	161,006	30,753	25,868
Net profit for the year	323,508	134,393	43,273	16,818
Other comprehensive income	22,681	4,636	1,922	583
Dividends paid	(64,220)	(25,456)	(27,119)	(12,516)
Other transactions with owners of company	(11,147)	-	-	-
Balance as at the end of the year	545,401	274,579	48,829	30,753
SUMMARY STATEMENTS OF CASH FLOWS				
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before Tax	471,388	214,123	47,682	18,070
Adjustment for non cash items included within the income statement	(1,408,898)	(405,968)	(52,583)	(19,995)
Changes in operating assets	(717,375)	(514,869)	(3,560)	(644)
Changes in operating liabilities	1,426,245	705,763	1,209	1,506
Cash used in operations	(228,640)	(1,019,913)	(7,252)	(1,063)
Interest received banking business	386,621	234,220	-	-
Interest paid banking business component	(118,042)	(79,481)	-	-
Interest paid-other	110,558	-	-	-
Interest received-other	(71,074)	(38,895)	-	-
Tax refund	855	8,005	855	-
Income tax paid	(127,476)	(51,767)	(134)	(441)
Net cash (used in) / generated from operating activities	(47,198)	(17,131)	(6,531)	(1,504)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of property and equipment	1,430	175	-	52
Proceeds from disposal of investment	805	-	805	-
Additions to property and equipment and intangible assets	(21,685)	(24,438)	(191)	(239)
Additions to investment properties	-	(56)	-	-
Investment in associate	-	(10,156)	-	(10,156)
Additional investment in subsidiary	9,988	-	(10,910)	-
Dividends received from equity investments	195	9,011	44,526	15,644
Dividends received from Joint venture	195	-	195	526
Additions to investment in government securities	(36,244)	(19,509)	-	-
Disposal of investment in government securities	73,732	40,437	-	-
Additions to loans and debentures	-	(2,000)	-	-
Proceeds from disposal of loans and debentures	83	1,623	-	-
Additions to equity shares	(15,014)	(32,617)	-	-
Proceeds from disposal of equity shares	-	8,508	-	-
Interest received	75,680	60,591	1,861	1,756
Net cash generated from investing activities	88,970	31,569	36,286	7,983

	GOUPE		COMPANY	
	31-Dec-25 MK'million	Restated 31-Dec-24 MK'million	31-Dec-25 MK'million	Restated 31-Dec-24 MK'million
CASH FLOWS FROM FINANCING ACTIVITIES				
Long term borrowings raised	26,209	20,513	10,800	-
Capital repayment of long-term borrowings	(9,319)	(7,117)	(458)	(899)
Interest repayment on long term borrowings	-	-	(55)	(326)
Capital repayment of lease liabilities	(1,282)	(993)	(8)	(39)
Acquisition of non-controlling interest	(8,991)	-	-	-
Transaction cost on acquisition of non controlling interest	(84)	-	-	-
Dividend paid	(46,663)	(24,503)	(22,647)	(12,235)
Net cash used in financing activities	(40,130)	(12,100)	(12,368)	(13,499)
Net increase/(decrease) in cash and cash equivalents	1,642	90,600	17,386	(7,420)
Cash and cash equivalents at 1 January	273,199	182,382	6,652	14,051
Effects of changes in exchange rates	(260)	217	4	21
Cash and cash equivalents at 31 December	274,581*	273,199*	24,043	6,652
*Cash and cash equivalents as reported in the consolidated summary statement of financial position amount to K280.1 billion (2024: K281.9 billion). This balance includes unrealized fair value gains on short-term deposits of K5.6 billion (2024: K 8.7 billion), which represents non-cash items. Accordingly, these gains have been excluded from the cash and cash equivalents balance of K 274.6 billion (2024: 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 measurement and recognition requirements of 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 (ICAM).				
The summary financial statements have been derived from the Annual Financial Statements, which the Board of Directors approved on 20 March 2026 and are available on the company's website, www.nicomw.com.				
CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES				
Reversal of deferred tax liability on listed equities				
In preparing the Group's financial statements for the year ended 31 December 2025, Directors applied judgment in determining the appropriate accounting treatment relating to Capital Gains Tax (CGT) on listed shares.				
CGT law was enacted on 30 December 2025 and, in accordance with IAS 12 Income Taxes, a deferred tax provision was initially recognised at the reporting date.				
Subsequent to year-end, the Government announced on 27 February 2026 its intention to withdraw CGT and replace it with a 2% final withholding tax on the gross proceeds from the sale of listed shares. While this change had not yet been substantively enacted at the date of approval of the financial statements, Directors considered the announcement to provide clear evidence of the direction of tax policy and the practical non-crystallisation of the CGT liability.				
Directors assessed that retaining the deferred tax provision would result in the recognition of a material liability that is not expected to crystallise in practice, thereby understating profit, equity, and policyholder returns, particularly within the Group's life insurance operations.				
In this context, Directors concluded that the strict application of the requirements of IAS 10 Events after the Reporting Period would not result in a fair presentation of the Group's financial position. Accordingly, Directors applied the fair presentation principles in IAS 1 Presentation of Financial Statements, which recognise that, in rare circumstances, departure from a specific requirement may be necessary to avoid misleading financial statements.				
The Group's external auditors have taken a different view, concluding that the CGT repeal after the reporting date constitutes a non-adjusting event and that the deferred tax provision should therefore be retained as at 31 December 2025. As a result of this difference in interpretation, the auditors have issued a qualified audit opinion.				
The Group has provided detailed disclosures in the financial statements explaining the nature of this matter, the judgements applied, and the financial impact.				
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.				
1. Restatement of correction of accounting treatment – Investment in Associates				
During the preparation of the Group financial statements for the year ended 31 December 2025, management identified that an investment acquired during the year ended 31 December 2024 had been incorrectly accounted for as a financial asset measured at fair value through profit or loss. Upon reassessment, management determined that, when considering the combined direct shareholding of the Company and indirect shareholding, through its subsidiary, the Group has significant influence over the investee. Accordingly, the investment meets the definition of an associate and should have been accounted for using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures rather than being measured at fair value under IFRS 9 Financial Instruments.				
As a result, the previously recognised fair value gain recorded in other comprehensive income in the prior year has been reversed and the investment has been recognised as an investment in associate, initially measured at cost and subsequently adjusted to recognise the Group's share of the associate's post-acquisition results.				
This correction has been accounted for retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Comparative information for the year ended 31 December 2024 has therefore been restated.				
2. Restatement of policyholder tax				
During the year, the Group revised the presentation of policyholder tax in accordance with the applicable requirements of IFRS 17 (paragraphs 65, 83 and 121) and IAS 12. In the prior period, an amount of MK12.7 billion relating to policyholder tax was incorrectly netted off within insurance revenue. Under the updated interpretation, this amount is presented gross in insurance revenue, with a corresponding income tax expense recognised in accordance with IAS 12. This has resulted in a prior year restatement, increasing comparative insurance revenue by MK12.7 billion, and increasing comparative income tax expense by the same amount. The restatement does not impact total profit for the year 2024 and total equity as the amounts fully offset.				
3. Restatement of fair value gains and losses arising on equity instruments designated at fair value through other comprehensive income				
In the prior year, the Group incorrectly presented fair value gains and losses on equity instruments designated at fair value through other comprehensive income (FVOCI) within items that may be reclassified subsequently to profit or loss. In accordance with IFRS 9, such amounts should be presented within items that will not be reclassified subsequently to profit or loss, as they are not recyclable on disposal. The Group has corrected this presentation error by reclassifying the affected amounts within other comprehensive income. The correction has been applied retrospectively in line with IAS 8. This restatement impacts presentation only and has no effect on profit or loss, total other comprehensive income, total equity, or net assets.				
4. Restatement of presentation of bank interest fees and other income and other income from banking operations				
In the current year, the Group reviewed the presentation of income from banking operations in order to comply with the requirements of IAS 1 Presentation of Financial Statements (paragraph 82) and IFRS 7 Financial Instruments: Disclosures of Financial Instruments (paragraph 20). Previously, the Group presented income from banking operations as a single line item, which included both interest income using the effective interest method (EIR) and other income from banking operations.				
At the same time, previously reported interest income has been renamed to Investment income: effective interest income.				
To enhance transparency and ensure compliance with IFRS, the Group has restated the comparative figures to present interest income measures using the EIR method separately and clearly from other income. This restatement has no impact on the total profit or loss or equity previously reported.				
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 2025.				
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 associate companies in Malawi and Mozambique.				

	GOUPE		COMPANY	
	31-Dec-25 MK'million	Restated 31-Dec-24 MK'million	31-Dec-25 MK'million	Restated 31-Dec-24 MK'million
ECONOMIC OVERVIEW				
The NICO Group delivered strong growth in 2025 despite operating in a challenging macroeconomic environment in Malawi. Economic activity was constrained by persistent foreign exchange shortages, intermittent fuel supply disruptions, erratic electricity generation, and adverse weather conditions in some parts of the country that negatively impacted agricultural production. These factors contributed to elevated inflationary pressures and sustained high interest rates throughout the year.				
GROUP RESULTS				
Gross revenue for the year ended 31 December 2025 increased by 74% to MK919.3 billion, compared to MK 529.2 billion in 2024, primarily driven by the banking and life insurance businesses. Consolidated profit after tax, excluding other comprehensive income, increased by 141% to MK 323.5 billion, up from MK 134.4 billion in 2024. The consolidated profit after tax, excluding other comprehensive income, that is attributable to owners of the parent company (NICO Holdings plc), increased by 133% to MK167.8 billion, up from MK72.0 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 149% to MK 346.2 billion, compared to MK 139.0 billion in 2024. The consolidated profit after tax, along with other comprehensive income, attributable to owners of the parent company, increased by 142% to MK180.7 billion, up from MK74.7 billion.				
SEGMENTAL PERFORMANCE				
Banking				
NBS Bank Plc delivered another very impressive performance in the year driven by growth in money market investments, loan book and non-interest income. Profit after tax grew by 106% to MK150.4 billion from MK73.0 billion in 2024.				
The Bank's balance sheet grew by 29% in 2025 to MK1.54 trillion (2024: MK1.2 trillion). The Bank registered a 43% growth in customer deposits to MK1.04 trillion (2024: MK726.7 billion). Loans and advances grew by 49% to close at MK 349.9 billion (2024: MK 234.9 billion).				
Net interest income grew by 92% to MK 307.7 billion (2024: MK 160.3 billion), driven by increases in money market investments and the loan book. Non-interest revenue grew by 147% to MK111.0 billion (2024: MK45.2 billion) mainly due to an increase in trade finance and foreign exchange trading income. Impairment charges rose to MK38.4 billion, up by 71% from MK4.7 billion in 2024, mainly due to increased IFRS 9 impairments. The Bank's internal assessment of the level of credit risk associated with some classes of financial instruments indicated that an additional provision was necessary. As a result, the provision increased significantly.				
Life Insurance				
NICO Life Insurance Company Limited registered a 61% increase in total insurance revenue to MK 88.1 billion (2024: MK 54.7 billion). This growth was attributed to organic growth, new business, and investment returns. The business registered a profit after-tax growth of 246% to MK 155.6 billion (2024: MK 44.9 billion). The growth in profitability was attributed to business growth and better investment returns from fixed-income instruments and listed equities.				
The associate company in Mozambique registered a 24% decrease in after-tax profit to MK2.0 billion (2024: MK 2.7 billion). The decrease in profitability was due to post-election disruptions within the first half of the year that adversely affected business operations. NICO Holdings Plc's 34.3% share of the profit after tax was MK703.5 million, which represented a 24% decrease compared to the MK931.5 million profit after tax in 2024.				
General Insurance				
The general insurance business in Malawi registered insurance revenue growth of 21% to MK 49.5 billion (2024: MK 40.9 billion). Revenue growth was driven by both organic growth and new business. The business registered an after-tax profit growth of 22%, MK7.0 billion (2024: MK5.8 billion). The year's growth in profitability was due to improved loss ratio and an increase in investment income.				
The business in Zambia registered insurance revenue growth of 23% to MK 47.6 billion (2024: MK38.8 billion). The increase in revenue was due to both organic growth and new business. The business registered a profit after-tax growth of 51% to MK1.0 billion (2024: MK8719.2 million). The profitability in the year was attributable to improved loss ratio and an increase in investment income.				
Asset Management				