# UNAUDITED SUMMARY CONSOLIDATED (GROUP) AND SEPARATE FIANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

NICO Holdings plc

**FINANCIAL HIGHLIGHTS** | SIX MONTHS ENDED 30 JUNE 2025

- PROFIT AFTER TAX **MK124.9 BILLION** UP BY **153%**
- REVENUE **MK384.4 BILLION** UP BY **90%**
- TOTAL ASSETS **MK3.175 TRILLION** UP BY **57%**
- FIRST INTERIM DIVIDENDS **MK6.258 BILLION** UP BY **100%**
- EARNINGS PER SHARE **MK62.00** UP BY **145%**

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## SUMMARY STATEMENTS OF COMPREHENSIVE INCOME

| | GROUP | | | COMPANY | | |
|---|---|---|---|---|---|---|
| | Unaudited 6 months to 30-Jun-25 MK'million | Unaudited 6 months to 30-Jun-24 MK'million | Audited 12 months to 31-Dec-24 MK'million | Unaudited 6 months to 30-Jun-25 MK'million | Unaudited 6 months to 30-Jun-24 MK'million | Audited 12 months to 31-Dec-24 MK'million |
| Insurance revenue | 59,897 | 47,176 | 133,160 | - | - | - |
| Insurance service expenses | (25,648) | (19,264) | (53,298) | - | - | - |
| Net (expense)/income from reinsurance contracts held | (20,228) | (18,493) | (28,387) | - | - | - |
| **Insurance service result** | **14,021** | **9,419** | **51,475** | **-** | **-** | **-** |
| Net insurance finance (expense)/income | (1,066) | 1,737 | (13,630) | - | - | - |
| Revenue from non-insurance operations | 324,540 | 155,419 | 383,285 | 30,318 | 10,849 | 24,334 |
| Other income | 217 | 117 | 1,056 | 55 | 21 | 880 |
| Share of profit from associate and Joint Ventures companies | 287 | 683 | 1,128 | 287 | 683 | 1,128 |
| Depreciation and ammortisation | (4,823) | (3,095) | (7,789) | (66) | (30) | (74) |
| Impairment losses on financial assets | (7,978) | (3,894) | (4,725) | - | - | - |
| Other finance costs | (1,119) | (1,066) | (3,658) | (93) | (193) | (326) |
| Operating expenses | (131,236) | (83,019) | (209,391) | (4,539) | (3,069) | (7,872) |
| **Profit before income tax** | **192,843** | **76,301** | **197,751** | **25,962** | **8,261** | **18,070** |
| Income tax expense | (67,934) | (27,017) | (63,358) | (2,680) | (516) | (1,252) |
| **Profit for the period** | **124,909** | **49,284** | **134,393** | **23,282** | **7,745** | **16,818** |
| Attributable to non-controlling interest | 60,034 | 22,852 | 62,384 | - | - | - |
| Attributable to shareholders of the parent company | 64,875 | 26,432 | 72,009 | 23,282 | 7,745 | 16,818 |
| | **124,909** | **49,284** | **134,393** | **23,282** | **7,745** | **16,818** |
| **Other comprehensive income** | | | | | | |
| Items that will never be reclassified to profit or loss | | | | | | |
| Revaluation of property and equipment | - | (434) | 270 | - | - | - |
| **Items that are or may be reclassified to profit or loss** | | | | | | |
| Profit on available for sale assets | 9,207 | 865 | 6,456 | - | - | 2,378 |
| Translation difference on foreign operations | 690 | (222) | (203) | - | - | 92 |
| **Total other comprehensive income for the period after tax** | **9,897** | **209** | **6,523** | **-** | **-** | **2,470** |
| **Total comprehensive income for the period** | **134,806** | **49,493** | **140,916** | **23,282** | **7,745** | **19,288** |
| Attributable to non-controlling interest | 64,915 | 22,952 | 64,370 | - | - | - |
| Attributable to shareholders of the parent company | 69,891 | 26,541 | 76,546 | 23,282 | 7,745 | 19,288 |
| | **134,806** | **49,493** | **140,916** | **23,282** | **7,745** | **19,288** |
| Dividend paid to shareholders of the parent company | (10,430) | (4,172) | (12,517) | (10,430) | (4,172) | (12,517) |
| Earnings per share (Kwacha) | 62.00 | 25.34 | 69.04 | - | - | - |
| Dividend paid per share (Kwacha) | 10 | 4 | 12 | 10 | 4 | 12 |
| Number of shares in issue ('000) | 1,043,041 | 1,043,041 | 1,043,041 | 1,043,041 | 1,043,041 | 1,043,041 |

## SUMMARY STATEMENTS OF FINANCIAL POSITION

| | GROUP | | | COMPANY | | |
|---|---|---|---|---|---|---|
| | Unaudited As at 30-Jun-25 MK'million | Unaudited As at 30-Jun-24 MK'million | Audited As at 31-Dec-24 MK'million | Unaudited As at 30-Jun-25 MK'million | Unaudited As at 30-Jun-24 MK'million | Audited As at 31-Dec-24 MK'million |
| **ASSETS** | **3,174,857** | **2,020,658** | **2,430,822** | **50,578** | **31,482** | **39,372** |
| Cash and cash equivalents | 347,382 | 289,533 | 281,853 | 8,506 | 14,170 | 6,652 |
| Trade and other receivables | 37,106 | 22,944 | 30,131 | 2,672 | 3,046 | 2,461 |
| Loans and advances to customers | 276,564 | 185,231 | 234,942 | - | - | - |
| Client funds under management | 420,052 | 208,619 | 275,506 | - | - | - |
| Reinsurance contract assets | 41,317 | 38,411 | 38,583 | - | - | - |
| Other investments and loans receivable | 53,983 | 119,268 | 129,765 | 2 | 2 | 2 |
| Inventories | 972 | 537 | 649 | - | - | - |
| Investment in associate and joint venture companies | 4,251 | 2,139 | 4,114 | 4,251 | 2,139 | 4,114 |
| Investment in government securities | 928,023 | 682,902 | 753,061 | - | - | - |
| Investment in subsidiaries | - | - | - | 18,203 | 9,063 | 9,212 |
| Investment in equity shares | 993,438 | 414,520 | 613,787 | 15,864 | 2,736 | 15,864 |
| Investment properties | 6,114 | 4,914 | 6,114 | 246 | 206 | 246 |
| Deferred tax assets | 7,589 | 7,614 | 9,813 | 129 | - | 536 |
| Right-of-use assets | 3,396 | 4,614 | 3,775 | 366 | 16 | 2 |
| Intangible assets | 18,284 | 13,912 | 17,676 | 18 | 29 | 23 |
| Property and equipment | 36,386 | 25,500 | 31,053 | 321 | 75 | 260 |
| **LIABILITIES** | **2,804,674** | **1,821,803** | **2,154,356** | **5,086** | **3,603** | **6,732** |
| Deposits and customer accounts | 848,510 | 632,011 | 645,471 | - | - | - |
| Trade and other payables | 262,446 | 244,024 | 322,784 | 4,682 | 2,643 | 6,256 |
| Client funds payable | 396,305 | 203,638 | 236,895 | - | - | - |
| Insurance contract liabilities | 1,236,917 | 720,340 | 901,701 | - | - | - |
| Reinsurance contract liabilities | 148 | - | 49 | - | - | - |
| Interest-bearing loans and borrowings | 34,613 | 8,993 | 23,471 | - | 917 | 458 |
| Lease liabilities | 7,356 | 7,686 | 7,448 | 404 | 43 | 18 |
| Deferred tax liabilities | 18,379 | 5,111 | 16,537 | - | - | - |
| **EQUITY** | **370,183** | **198,855** | **276,466** | **45,492** | **27,879** | **32,640** |
| Issued share capital | 52 | 52 | 52 | 52 | 52 | 52 |
| Reserves | 207,357 | 112,388 | 155,552 | 45,440 | 27,827 | 32,588 |
| Non-controlling interest | 162,774 | 86,415 | 120,862 | - | - | - |
| **TOTAL EQUITY AND LIABILITIES** | **3,174,857** | **2,020,658** | **2,430,822** | **50,578** | **31,482** | **39,372** |

## SUMMARY STATEMENTS OF CHANGES IN EQUITY

| | GROUP | | | COMPANY | | |
|---|---|---|---|---|---|---|
| | Unaudited 6 months to 30-Jun-25 MK'million | Unaudited 6 months to 30-Jun-24 MK'million | Audited 12 months to 31-Dec-24 MK'million | Unaudited 6 months to 30-Jun-25 MK'million | Unaudited 6 months to 30-Jun-24 MK'million | Audited 12 months to 31-Dec-24 MK'million |
| Balance as at the beginning of the period | 276,466 | 161,463 | 161,006 | 32,640 | 24,306 | 25,868 |
| Net profit for the year | 124,909 | 49,284 | 134,393 | 23,282 | 7,745 | 16,818 |
| Other comprehensive income | 9,897 | 209 | 6,523 | - | - | 2,470 |
| Dividends paid | (32,098) | (12,101) | (25,456) | (10,430) | (4,172) | (12,516) |
| Other transactions with owners of company | (8,991) | - | - | - | - | - |
| **Balance as at the end of the period** | **370,183** | **198,855** | **276,466** | **45,492** | **27,879** | **32,640** |

## SUMMARY STATEMENTS OF CASH FLOWS

| | GROUP | | | COMPANY | | |
|---|---|---|---|---|---|---|
| | Unaudited 6 months to 30-Jun-25 MK'million | Unaudited 6 months to 30-Jun-24 MK'million | Audited 12 months to 31-Dec-24 MK'million | Unaudited 6 months to 30-Jun-25 MK'million | Unaudited 6 months to 30-Jun-24 MK'million | Audited 12 months to 31-Dec-24 MK'million |
| **Operating activities** | | | | | | |
| Cash receipts from customers | 402,656 | 227,100 | 351,100 | 2,771 | 1,622 | 5,226 |
| Cash payments to clients, employees and suppliers | (275,503) | (137,645) | (185,181) | (6,137) | (3,556) | (6,115) |
| Increase in operating assets-banking business | (146,683) | (258,454) | (460,643) | - | - | - |
| Increase in operating liabilities-banking business | 56,996 | 276,613 | 423,349 | - | - | - |
| Interest paid | (4,700) | (654) | (3,889) | (55) | (194) | (347) |
| Income taxes paid and refunds | (47,513) | (23,731) | (46,169) | (1,537) | (405) | (1,865) |
| **Cash flows (used in)/generated from operating activities** | **(14,747)** | **83,229** | **78,567** | **(4,958)** | **(2,533)** | **(3,101)** |
| **Investing Activities** | | | | | | |
| Interest received | 44,966 | 45,984 | 60,591 | 579 | 1,204 | 2,131 |
| Dividends received | 6,277 | 3,733 | 11,418 | 26,084 | 7,160 | 17,067 |
| Additions to property and equipment and intangible assets | (10,711) | (11,773) | (24,438) | (93) | (30) | (239) |
| Net disposal of government securities | 25,217 | 3,498 | 11,050 | - | - | - |
| Net disposal/(additions) of equity shares | 46,141 | (3,231) | (34,791) | (8,991) | - | (10,156) |
| Net disposal/(additions) of loans and debentures | 42 | 40 | (377) | - | - | - |
| Other investing activities | 47 | 73 | 119 | - | - | 52 |
| **Cash flows generated from investing activities** | **111,979** | **38,324** | **23,572** | **17,579** | **8,334** | **8,855** |
| **Financing Activities** | | | | | | |
| Net proceeds from long term borrowings | (978) | (4,241) | 13,396 | (458) | (441) | (900) |
| Dividends paid | (22,198) | (8,667) | (24,503) | (10,302) | (5,238) | (12,235) |
| Cash paid for acquisition of additional interest in subsidiary | (8,991) | - | - | - | - | - |
| Other financing activities | (784) | (1,693) | (993) | (7) | (14) | (39) |
| **Cash flows used in financing activities** | **(32,951)** | **(14,601)** | **(12,100)** | **(10,767)** | **(5,693)** | **(13,174)** |
| **Net increase/(decrease) in cash and cash equivalents** | **64,281** | **106,952** | **90,039** | **1,854** | **108** | **(7,420)** |
| **Cash and cash equivalents at the beginning of the period** | **273,198** | **182,382** | **182,382** | **6,652** | **14,051** | **14,051** |
| Effects of changes in exchange rates | 111 | 199 | 778 | - | 11 | 21 |
| **Cash and cash equivalents at end of the period** | ***337,590** | **289,533** | **273,199** | **8,506** | **14,170** | **6,652** |

*Cash and cash equivalents as reported in the consolidated summary statement of financial position amount to K347.4 billion. This balance includes unrealised fair value gains on short-term deposits of K9.8 billion, which represent non-cash items. Accordingly, these gains have been excluded from the cash and cash equivalents balance of K337.6 billion reported in the statement of cash flows.

## OVERVIEW

The Directors are pleased to report on the unaudited consolidated results of NICO Holdings PLC, its subsidiaries, joint venture, and associate companies ("NICO Group") for the half year ended 30 June 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 an associate company in Mozambique.

## GROUP RESULTS

Gross revenue for the half year ended 30 June 2025 increased by 90% to MK384.4 billion compared to MK202.6 billion for the same period in 2024. Consolidated profit after tax excluding other comprehensive income increased by 153% to MK124.9 billion compared to MK49.3 billion for the same period 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 145% to MK64.9 billion compared to MK26.4 billion for the same period in 2024. The growth in the Group's profitability was driven by the strong performance of the banking and life insurance businesses. Consolidated profit after tax, along with other comprehensive income increased by 172% to MK134.8 billion, up from MK49.5 billion recorded for the same period in 2024.The consolidated profit after tax, along with other comprehensive income, attributable to owners of the parent company increased by 164% to MK69.9 billion, up from MK26.5 billion.

## SEGMENTAL PERFORMANCE

### Banking

NBS Bank Plc delivered a strong performance in the six months to 30 June 2025, driven by growth of loan book and money market instruments which resulted in growth in interest income, higher volume of transactions on digital platforms and an increase in the volume and value of forex transactions also contributed to growth of non-interest revenues. The Bank's consolidated profit after tax grew by 124% to MK73.2 billion (June 2024:MK32.6 billion).

The Bank grew its balance sheet size by 36% in 2025 to MK1.327 trillion (June 2024: MK972.9 billion). The Bank registered a 33% growth in customer deposits to MK864.1 billion (June 2024: MK648.6 billion). Loans and advances grew by 49%, closing at MK276.6 billion (June 2024: MK185.2 billion).

Net interest income grew by 81% to MK122.8 billion (June 2024: MK67.9 billion). Non-interest revenue grew by 208% to MK69.9 billion (June 2024: MK22.6 billion). Impairment provisions rose to MK7.98 billion, up by 103% from MK3.9 billion in the same period last year due to the growth of the loan book which triggered additional provisions under International Financial Reporting Standards. Other contributing factors to the increase in impairment provisions were impact of withdrawal of aid by some development partners and the downgrade of exposures within the SME segment.

### Life Insurance

NICO Life Insurance Company Limited registered total insurance revenue growth of 75% to MK18.9 billion (June 2024: MK10.8 billion). This growth was attributed to organic growth, new business and increase in investment returns. The business registered a profit after tax growth of 291% to MK43.0 billion (June 2024: MK11.0 billion). The increase in profitability was attributed to business growth and the impact of higher investment returns from listed equities.

The associate company in Mozambique registered a 70% decrease in profit after tax to MK506.9 million (June 2024: MK1.67 billion). The decrease in profitability was due to post-election disruptions that adversely affected business operations. NICO Holdings Plc's 34.3% share of the profit after tax was MK173.8 million, which represented a 70% decrease compared to the MK573.6 million profit after tax in 2024.

### General Insurance

The general insurance business in Malawi registered insurance revenue growth of 11% to MK21.8 billion (June 2024: MK19.56 billion). The revenue growth was due to both organic growth and new business. The business registered profit after tax growth of 125% to MK2.7 billion (June 2024: MK1.2 billion). The increase in profit after tax was due to the impact of higher investment returns from money market investments.

The business in Zambia registered insurance revenue growth of 76% to MK29.5 billion (June 2024:MK16.8 billion). The growth in premiums was due to both organic growth and new business. The business registered a profit after tax of MK648.7 million compared to the prior year profit after tax of MK631.8 million for the same period in 2024. The profitability in the first half of the year was attributable to growth in premiums; however, this was negatively affected by foreign currency exchange losses.

### 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 110% to MK2.900 trillion (June 2024: MK1.380 trillion). Total income grew by 97% to MK11.8 (June 2024:MK6.0 billion), largely due to growth in Assets Under Management (AUM). The business registered a profit after tax growth of 159% to MK5.7 billion (June 2024:MK2.2 billion).

### 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 revenue growth of 70% to MK5.1 billion (June 2024:MK3.0 billion). The revenue growth was driven by new business and pension contribution arrears received from various schemes. The business registered profit after tax growth of 216% to MK1.6 billion (June 2024:MK504.1 million).

### 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 revenue growth of 12% to MK5.6 billion (June 2024: MK5.0 billion). The growth in revenue was driven by the growth of ICT management services and sales of software licenses. The business registered a profit after tax growth of 42% to MK 720.0 million (June 2024:MK 508.0 million).

### Segmental Contribution to Group Profit After Tax

| | 30-Jun-2025 MK' Million (6 Months) | 30-Jun-2024 MK' Million (6 Months) | 31-Dec-2024 MK' Million (12 Months) |
|---|---|---|---|
| Banking | 73,248 | 32,645 | 72,991 |
| Life Insurance | 43,016 | 11,032 | 44,936 |
| Asset Management | 5,692 | 2,227 | 7,024 |
| General Insurance Malawi | 2,666 | 1,225 | 5,824 |
| Pension Administration | 1,594 | 504 | 1,504 |
| Information Technology Services | 720 | 508 | 1,012 |
| General Insurance Zambia | 649 | 632 | 719 |
| Other Segments | 263 | (47) | 432 |
| Holding Company | 22,995 | 7,745 | 16,818 |
| **Total** | **150,843** | **56,471** | **151,260** |
| Elimination of dividend income from group companies on consolidation | (25,934) | (7,187) | (16,866) |
| **Group profit after tax** | **124,909** | **49,284** | **134,394** |

## DIVIDEND

After taking consideration of future investments and capital requirements, the Board of directors resolved to pay a first interim dividend of MK6.00 per share (MK6.258 billion), (2023: MK3 per share, MK3.129 billion), a 100% increase from prior year. The first interim dividend will be paid on 22 September 2025 to the shareholders appearing on the Register of Members as at close of business on Friday 19 September 2025. The Register of Members will be closed from 20 September 2025 to 22 September 2025, and no transfers will be registered during that time.

## OUTLOOK

The Reserve Bank of Malawi projects economic growth of 2.8% in 2025, up from 1.7% in 2024. The first half of the year was characterised by low foreign exchange reserves, fuel shortages, and inflation remaining above policy targets despite some seasonal easing during the harvest. A food deficit in the 2024/25 agricultural season could reignite inflationary pressures in the second half, constraining scope for monetary policy easing and keeping interest rates elevated.

The business environment is expected to remain challenging, with persistent inflation, tight liquidity, and market uncertainty. In response, the Group remains committed to safeguarding shareholder value by strengthening risk management, driving operational efficiency, and executing strategies that ensure the Group's long-term resilience.

Dr. Ellias Ngalande
**CHAIRMAN**

Mr. Vizenge Kumwenda
**GROUP MANAGING DIRECTOR**