



SUMMARY STATEMENT OF COMPREHENSIVE INCOME

	2024 K'm	2023 K'm
Insurance revenue	54,650	28,114
Insurance service expenses	(12,943)	(22,800)
Insurance service result from insurance contracts issued	41,707	5,314
Reinsurance premiums paid	(1,066)	(741)
Net amounts recovered from reinsurance contracts	371	503
Net expenses from reinsurance contracts held	(695)	(238)
Insurance service result	41,012	5,076
Investment results		
Gains and income from investment assets measured at fair value through profit or loss	257,637	188,806
Change in carrying value of underlying items from the insurance contracts issued	(269,924)	(179,256)
Net finance (expense)/ income	(12,287)	9,550
Investment assets (FVTPL) and other income	19,124	12,356
Other finance expenses	(459)	(391)
Net investment service result	6,378	21,515
Net insurance and investment service result	47,390	26,591
Other income	234	84
Profit before tax	47,624	26,675
Taxation	(2,688)	(955)
Profit for the year	44,936	25,720
Other comprehensive income		
Revaluation of property and equipment	781	487
Deferred tax	(434)	242
Total comprehensive income for the year	45,283	26,449

SUMMARY STATEMENT OF FINANCIAL POSITION

	2024 K'm	2023 K'm
ASSETS		
Cash and cash equivalents*	150,566	90,383
Investment in Government securities	187,774	187,815
Loans receivables	22,248	1,846
Other receivables	1,242	1,092
Investment in shares	586,926	374,848
Current tax receivable	527	8,180
Investment properties	5,377	4,292
Right of use of assets	147	14
Intangible assets	442	407
Property and equipment	4,650	3,479
Deferred tax	-	3,968
Total assets	959,899	676,324
Liabilities		
Insurance contract liabilities	838,526	594,357
Reinsurance contract liabilities	49	305
Lease liabilities	147	22
Net amounts due to related parties	3,610	3,592
Deferred tax	3,303	-
Other payables	6,514	4,630
Total liabilities	852,149	602,906
Equity		
Share capital and premium	1,391	1,391
Revaluation reserve	1,867	1,520
Retained earnings	104,492	70,507
Total equity	107,750	73,418
Total equity and liabilities	959,899	676,324

*The cash and cash equivalents as per summary statement of financial position include the fair value movement on fixed deposits.

SUMMARY STATEMENT OF CHANGES IN EQUITY

	2024 K'm	2023 K'm
At the beginning of the year	73,418	53,753
Total comprehensive income for the year	45,283	26,449
IFRS 17 Transition adjustment	449	-
Dividend paid	(11,400)	(6,784)
Balance at the end of the year	107,750	73,418

SUMMARY STATEMENT OF CASH FLOWS

	2024 K'm	2023 K'm
Net cash from/(used in) operating activities	20,624	(673)
Net cash from investing activities	44,229	29,298
Net cash used in financing activities	(11,555)	(2,086)
Net increase in cash and cash equivalents	53,298	26,539
Cash and cash equivalents at the beginning of the year*	88,613	62,074
Cash and cash equivalents at the end of the year*	141,911	88,613

*The cash and cash equivalents as per summary statement of cashflows excludes the fair value movements on fixed deposits.

INTRODUCTION

NICO Life Insurance Company Limited is a life insurance company that offers a comprehensive range of products such as group and individual life insurance, annuity, and deposit administration. The Company is co-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 believe that the summary statements of comprehensive income, financial position, changes in equity and cash flows are sufficient to meet the requirements of the users of the summary financial statements.

The summary financial statements have been 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 IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM).

The summary financial statements have been derived from the audited financial statements which were approved by the Board of Directors on 28 March 2025 and are available at the company's registered office.

ECONOMIC HIGHLIGHTS*

The economy is estimated to have grown by 1.8% in 2024, an increase from 1.5% realized in 2023. The year-on-year average inflation rate for 2024 was 32.3% compared to 28.8% in 2023. The Monetary Policy rate was at 26% by year-end.

In the year under review, Malawi faced significant challenges and economic expansion was constrained by severe foreign currency shortages, fuel scarcity, adverse weather conditions caused by the El Niño climate phenomenon, which negatively impacted agricultural production. These challenges exacerbated macroeconomic imbalances, contributing to consecutive poor harvests and rising food prices. The decline in food production, particularly maize, led to food insecurity, resulting into higher inflation.

The all-type Treasury Bill yield increased from 17.87% recorded in 2023 to 20.67% in 2024. The Malawi All Share Index (MASI) of the stock market had a positive return of 55.06% (2023: 78.85%)

PERFORMANCE

Insurance revenue at K54.7 billion was 95% higher than the K28.1 billion recorded during the same period last year. This growth was driven by business expansion and retention initiatives implemented within the year, as well as the impact of changes in investment market conditions.

Total comprehensive income of K45.3 billion represented a 71% increase compared to the prior year. This growth was driven by higher investment returns earned during the year, along with increased business volumes and favorable claims experience.

The total fund increased by 42% from K676 billion as of 31 December 2023 to K960 billion as of 31 December 2024. This impressive growth is attributed to substantial investment returns and premiums earned during the year.

APPRECIATION

We extend our heartfelt appreciation to all our valued clients, and stakeholders, including the Regulator, for their unwavering support throughout the year under review. Your trust and confidence in our services have played a pivotal role in our success. We are committed to providing you with excellent service and innovative solutions to meet your needs. Thank you for being an integral part of our journey of making a difference in people's lives.

OUTLOOK*

The economy is expected to grow with a projected GDP of 3.2% in 2025 up from 1.8% in the previous year. Recovery will be driven by higher agricultural output compared to 2024 and improved rainfall, positively impacting the manufacturing and transport industries. Headline inflation is estimated to increase to 32.3% in 2025. The Monetary Policy Committee's tight stance aims to counter inflationary pressures, suggesting sustained high-interest rates in 2025.

The Company's focus remains on providing a positive customer experience by enhancing operational efficiency and effectiveness through robust systems while also developing innovative products that meet customer needs.

The Company will continue leveraging synergies within the NICO and Sanlam Groups.

Vizege M. Kumwenda
Chairman
28 April 2025

John S. Melrose
Director

Wise Chigudu
Chief Executive Officer

*Unaudited

CERTIFICATE OF THE ACTUARY

I hereby certify that to the best of my knowledge and belief the liabilities under un-matured individual life, funeral, industrial, deposit administration and group life policies issued by NICO Life Insurance Company Limited do not exceed the amount of the life insurance fund as at 31 December 2024.

Edwin Splinter
FASSA
17 April 2025

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the shareholders of NICO Life 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 comprehensive income, the summary statement of changes in equity and the summary statement of cash flows for the year then ended, are derived from the audited financial statements of NICO Life 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 Life 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, IAS 29 Directive as issued by Institute of Chartered Accountants in Malawi (ICAM) and the requirements of Companies Act, 2013 of Malawi. 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 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 28 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
29 April 2025

Deloitte.

