

SICOM FINANCIAL SERVICES LTD
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED
31 DECEMBER 2025

SICOM Financial Services Ltd (the **Company**) has the pleasure to submit its Unaudited Interim Financial Report for the quarter ended 31 December 2025 (the **report**), as required under the Banking Act 2004.

This explanatory note, together with the accompanying report, have been prepared in accordance with the International Financial Reporting Standards and the requirements of the Guideline on Public Disclosure of Information.

Principal activities

The Company is engaged in depository, leasing and personal loan business activities. The Company also manages SICOM General Fund and SICOM Overseas Diversified Fund, which are constituted under the SICOM Unit Trust.

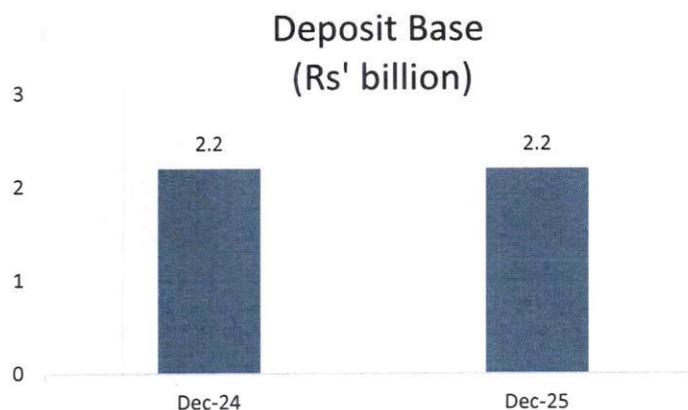
Accounting policies

The principal accounting policies and methods of computation adopted in the preparation of the report are the same as those used for the audited accounts for the financial year ended 30 June 2025.

Financial review

Deposits

Total deposits remained stable at Rs 2.2 billion for the quarter ended 31 December 2025.



Leases

The amount of lease approved reached Rs 131.1 million for the quarter ended 31 December 2025 while for the same quarter last year an amount of Rs 138.2 million was approved as new leases, given the increase in the price of motor vehicles in the current financial year as well as higher competition on the market.



Personal Loans

The amount of new loans approved for the quarter ended 30 December 2025 reached Rs 31.5 million compared to Rs 39.1 million for the same quarter last year. The high interest rate context negatively impacted this line of business for the period under review.



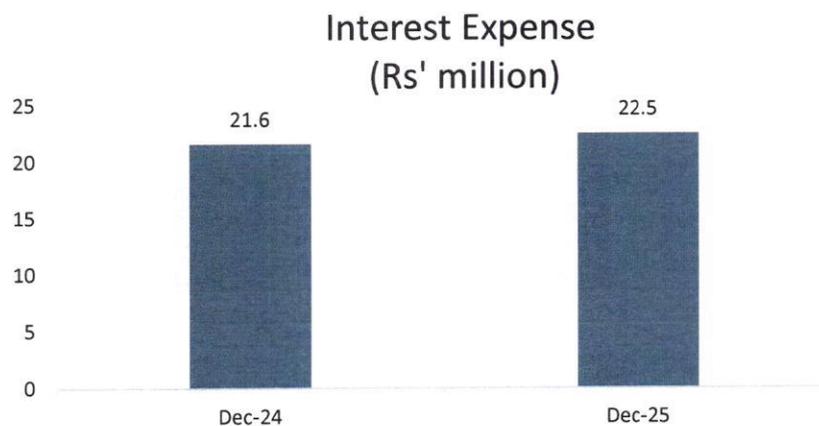
Revenue

Revenue from leasing activities increased to reach Rs 23.1 million for the quarter under review while it stood at Rs 17.9 million for the same quarter last year. The personal loan business brought in a revenue of Rs 11.4 million for the quarter ended 31 December 2025 as compared to Rs 12.0 million for the quarter ended 31 December 2024. Total revenue increased from Rs 48.3 million for the quarter ended 31 December 2024 to Rs 54.3 million for the quarter under review on the back of the good performance of the lease business.



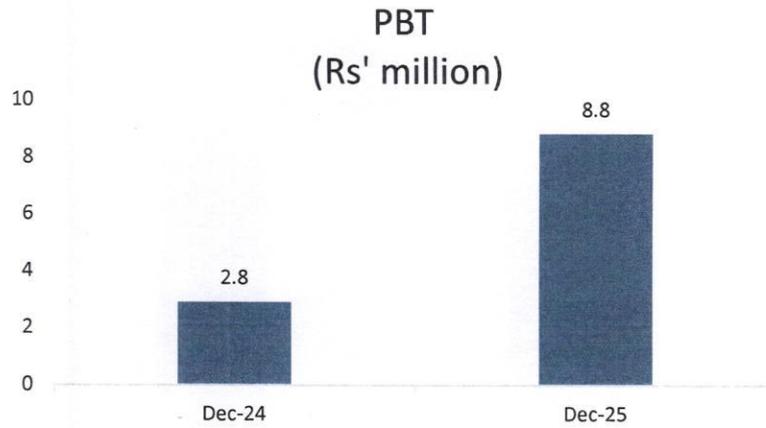
Interest expense

Interest paid to depositors increased from Rs 21.6 million for the quarter ended 31 December 2024 to Rs 22.5 million for the quarter under review due to new deposits mobilised bearing higher interest rates.



Profit Before Tax

Profit before tax reached Rs 8.8 million for the quarter ended 31 December 2025 as compared to Rs 2.8 million recorded for the quarter ended 31 December 2024. This good performance is mainly due to the impact of higher lease disbursements during the quarter ended 30 June 2025 and good control on expenses.



Cost Control

Non-interest expenses decreased from Rs 23.8 million for the quarter ended 31 December 2024 to reach Rs 22.9 million for the quarter under review.



Credit quality

Non-performing leases as a percentage of the total lease portfolio improved from 2.6% for the quarter ended 31 December 2024 to 1.8% for the quarter under review on the back of ongoing efforts to improve arrears management.

Sector Wise distribution of the Leasing Portfolio

| | |
|--|-----------------------------|
| A - Agriculture, forestry and fishing | 3,478,025 |
| C - Manufacturing | 41,684,486 |
| D - Electricity, gas, steam and air conditioning supply | 4,949,954 |
| E - Water supply; sewerage, waste management and remediation activities | 72,393 |
| F-Construction | 72,932,752 |
| G - Wholesale and retail trade; and repair of motor vehicles and motorcycles | 179,826,910 |
| H - Transportation and storage | 33,358,699 |
| I - Accommodation and food service activities | 23,544,565 |
| J - Information and communication | 17,286,784 |
| L - Real estate activities | 6,234,097 |
| M - Professional, scientific and technical activities | 71,693,731 |
| N - Administrative and support service activities | 86,739,890 |
| P - Education | 3,398,263 |
| Q - Human health and social work activities | 8,472,256 |
| R - Arts, entertainment and recreation | 567,053 |
| S - Other service activities | 6,859,071 |
| Financial Auxilliaries and Other Financial Intermediaries | 1,387,230 |
| Households | 788,208,207 |
| | <u>1,350,694,366</u> |

The major risks faced by the Company and how these are mitigated have been detailed below:

| Risks | How risk is mitigated? |
|--------------------|---|
| Credit | <ul style="list-style-type: none"> Underwriting policy and procedures Credit concentration limits and credit mandates Regular reviews of lease and loan exposures Regular reviews of credit policy and other related policies |
| Liquidity risk | <ul style="list-style-type: none"> Limits such as liquidity ratio, capital adequacy ratio, depositors' concentration, lease to deposits ratio Matching of tenors of leases and loans with deposits/liquidity gap Maintain a high percentage of liquid assets |
| Interest rate risk | <ul style="list-style-type: none"> Proper mix in fixed and floating rates of assets and liabilities |
| Operational risk | <ul style="list-style-type: none"> Regular internal audits and compliance inspections Business Continuity Plan in place Regular training of staff |

Risk management policies and controls (cont')

Capital structure

As a non-bank deposit taking institution, the Company is required to:

- Maintain a minimum capital adequacy ratio of 10% which was at 23.6% for quarter 31 December 2025 and 25.0 % for quarter 31 December 2024.
- Maintain liquid assets equivalent to not less than 10% of deposit liabilities and for quarter 31 December 2025, this ratio stood at 25.0% (quarter 31 December 2024: 29.7%)

Prospects

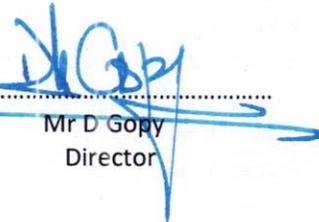
The main areas of focus of the Company for the financial year ending 30 June 2026 are to continue increasing the sale of its products and services through different sales and marketing initiatives, to further digitalise its operations, consolidate its arrears management system, improve operational efficiency and enhance its asset/liability management to improve its interest margin.



Mrs L D Borthosow
Chairperson
Audit Committee



Mrs N Ramdewar
Group CEO



Mr D Gopy
Director

Date : 16 - Feb - 2026

SICOM FINANCIAL SERVICES LTD
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

| | 31-Dec-25 | 30-Jun-25 | 31-Dec-24 |
|--------------------------------------|----------------------|----------------------|----------------------|
| | Rs | Rs | Rs |
| ASSETS | | | |
| Cash and cash equivalents | 73,628,698 | 21,887,780 | 170,006,247 |
| Investment securities | 185,368,182 | 180,139,550 | 182,203,280 |
| Deposits with financial institutions | 362,449,435 | 460,510,487 | 347,684,234 |
| Loans and advances to customers | 614,684,406 | 643,395,051 | 680,353,962 |
| Equipment | 146,318,048 | 154,432,366 | 154,886,061 |
| Intangible assets | 391,521 | 598,037 | 794,800 |
| Net investment in finance leases | 1,345,551,983 | 1,245,615,672 | 1,120,654,192 |
| Other assets | 67,400,182 | 55,988,347 | 58,956,707 |
| Deferred tax assets | - | - | 792,464 |
| Rights of use assets | 9,706,178 | 10,538,138 | 11,371,693 |
| TOTAL ASSETS | 2,805,498,633 | 2,773,105,428 | 2,727,703,640 |
| EQUITY AND LIABILITIES | | | |
| LIABILITIES | | | |
| Deposits from customers | 2,234,702,662 | 2,208,729,293 | 2,156,379,130 |
| Retirement benefit obligations | 25,767,000 | 25,767,000 | 27,018,000 |
| Dividend | - | 19,221,956 | 21,868,264 |
| Current tax liabilities | 1,966,578 | 5,825,427 | 716,569 |
| Deferred tax liabilities | 416,298 | 416,298 | - |
| Other liabilities | 38,385,494 | 27,539,083 | 30,246,556 |
| Lease liabilities | 11,252,891 | 12,087,174 | 12,854,221 |
| TOTAL LIABILITIES | 2,312,490,923 | 2,299,586,231 | 2,249,082,740 |
| EQUITY | | | |
| Stated capital | 200,000,000 | 200,000,000 | 200,000,000 |
| Retained earnings | 199,895,999 | 180,086,401 | 190,055,433 |
| Other reserves | 93,111,711 | 93,432,796 | 88,565,467 |
| TOTAL EQUITY | 493,007,710 | 473,519,197 | 478,620,900 |
| TOTAL EQUITY AND LIABILITIES | 2,805,498,633 | 2,773,105,428 | 2,727,703,640 |

SICOM FINANCIAL SERVICES LTD
STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED 31 DECEMBER 2025

| | Quarter ended 31 Dec 2025 Rs | Quarter ended 31 Dec 2024 Rs | Period ended 31 Dec 2025 Rs | Year ended 30 June 2025 Rs | Period ended 31 Dec 2024 Rs |
|----------------------------------|------------------------------------|------------------------------------|-----------------------------------|----------------------------------|-----------------------------------|
| Interest income using EIR | 17,319,076 | 17,545,792 | 35,009,375 | 71,073,097 | 35,105,195 |
| Interest income on leases | 23,107,162 | 17,928,552 | 45,485,263 | 73,573,423 | 35,095,202 |
| Interest expense | (22,493,123) | (21,622,169) | (44,728,960) | (85,252,984) | (41,528,512) |
| Net interest income | 17,933,115 | 13,852,175 | 35,765,678 | 59,393,536 | 28,671,885 |
| Operating lease rental income | 9,673,927 | 8,497,696 | 18,738,895 | 33,816,679 | 16,358,283 |
| Fee and commission income | 1,123,481 | 1,854,252 | 2,288,842 | 7,986,400 | 4,112,553 |
| Loss on disposal | - | - | (521,890) | (556,292) | - |
| Dividend income | 25056 | 15,000 | 54,456 | 2,608,515 | 41,700 |
| Other Income | 1,456,387 | 960,728 | 2,621,743 | 4,934,347 | 2,193,021 |
| Net Fair Value Movement on FVTPL | 1,552,812 | 1,504,417 | 3,482,740 | 1,218,625 | 3,027,107 |
| Operating income | 31,764,778 | 26,684,268 | 62,430,464 | 109,401,810 | 54,404,549 |
| Allowance for credit impairment | (218,691) | (347,694) | (75,031) | 3,634,130 | (947,694) |
| Personnel expenses | (7,462,665) | (6,720,875) | (12,532,421) | (26,189,476) | (11,500,118) |
| Other expenses | (15,265,667) | (16,770,939) | (30,688,655) | (55,720,200) | (30,228,464) |
| Total Expenses | (22,947,023) | (23,839,508) | (43,296,107) | (78,275,546) | (42,676,276) |
| Profit before taxation | 8,817,755 | 2,844,760 | 19,134,357 | 31,126,264 | 11,728,273 |
| Income tax expense | 2,222,731 | (426,714) | 675,241 | (8,512,198) | (1,759,241) |
| Profit for the period | 11,040,486 | 2,418,046 | 19,809,598 | 22,614,066 | 9,969,032 |

SICOM FINANCIAL SERVICES LTD
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2025

| | Period ended 31-Dec-25 | Year ended 30-Jun-25 | Period ended 31-Dec-24 |
|---|-----------------------------------|-------------------------|---------------------------|
| | Rs | Rs | Rs |
| Profit for the period | 19,809,598 | 22,614,066 | 9,969,032 |
| Other comprehensive income: | | | |
| <i>Items that will not be reclassified to profit or loss:</i> | | | |
| Remeasurement of post employment benefit obligations | - | 1,912,000 | - |
| Income tax relating to components of other comprehensive income | - | (363,280) | - |
| Increase in fair value of assets at FVOCI | (321,085) | 105,000 | 178,500 |
| Other comprehensive income for the period, net of tax | (321,085) | 1,653,720 | 178,500 |
| Total comprehensive income for the period | 19,488,513 | 24,267,786 | 10,147,532 |

SICOM FINANCIAL SERVICES LTD.
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2025

| | <u>Other reserves</u> | | | | | | Total |
|----------------------------|-----------------------|--------------------------|---------------------------|-------------------------------|-------------------------|--------------------------------|--------------------|
| | Stated capital | Retained earnings | Statutory reserves | Investment revaluation | Actuarial losses | General Banking reserve | |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | |
| At 1 July 2025 | 200,000,000 | 180,086,401 | 72,094,821 | 112,500 | (16,554,869) | 37,780,344 | 473,519,197 |
| Profit for period | - | 19,809,598 | - | - | - | - | 19,809,598 |
| Other comprehensive income | - | - | - | (321,085) | - | - | (321,085) |
| At 31 December 2025 | 200,000,000 | 199,895,999 | 72,094,821 | (208,585) | (16,554,869) | 37,780,344 | 493,007,710 |

SICOM FINANCIAL SERVICES LTD
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2025

| | 31-Dec-25 | 30-Jun-25 | 31-Dec-24 |
|---|---------------------|----------------------|---------------------|
| | Rs. | Rs. | Rs. |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before income tax | 19,134,356 | 31,126,264 | 11,728,273 |
| Adjustments for: | | | |
| Net impairment (gains)/losses on financial assets | 75,031 | (3,634,130) | 947,694 |
| Interest income | (80,494,639) | (144,646,520) | (70,200,397) |
| Interest expense | 44,728,960 | 85,252,984 | 41,528,512 |
| Dividend income | (54,456) | (2,608,515) | (41,700) |
| Movement in retirement benefit obligations | - | 1,512,000 | - |
| Depreciation on equipment | 13,933,648 | 24,761,508 | 12,001,089 |
| Amortisation of intangible assets | 206,516 | 459,438 | 179,793 |
| Depreciation on right-of-use assets | 831,960 | 2,175,491 | 1,341,936 |
| Net gain arising on financial assets measured at FVTPL | (3,482,740) | (1,218,625) | (3,027,107) |
| Loss on disposal of repossessed leased assets | 521,890 | 559,292 | - |
| | (4,599,474) | (6,260,814) | (5,541,907) |
| Changes in: | | | |
| Other liabilities | 10,846,411 | 8,671,367 | 11,535,921 |
| Other assets | (11,420,852) | (9,467,958) | (12,221,250) |
| Net investment in finance leases | (99,008,717) | (222,658,904) | (100,801,354) |
| Loans and advances disbursed | (72,308,000) | (126,789,700) | (69,511,700) |
| Proceeds from loans and advances | 93,681,827 | 187,537,616 | 93,224,803 |
| Deposits from customers (net) | (4,265,907) | 171,185,607 | 141,849,740 |
| | (87,074,712) | 2,217,214 | 58,534,253 |
| Interest received | 81,190,678 | 136,536,565 | 61,634,377 |
| Dividend received | 2,591,873 | 2,802,317 | 2,789,451 |
| Interest paid | (14,489,689) | (38,825,491) | (18,995,804) |
| Retirement benefits paid | - | (851,000) | - |
| Income tax (paid)/refund | (3,190,284) | 341,819 | 1,140,435 |
| Net cash (used in) /generated from operating activities | (20,972,134) | 102,221,424 | 105,102,712 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Additions to deposits with financial institutions | - | (150,000,000) | - |
| Repayment of deposits with financial institutions | 100,000,000 | 40,000,000 | - |
| Purchase of investment securities | (2,267,421) | (2,454,922) | (2,439,656) |
| Purchase of equipment | (8,544,395) | (43,971,983) | (30,401,368) |
| Purchase of intangible assets | - | (82,882) | - |
| Proceeds from disposal of equipment | 2,725,065 | 1,750,000 | 500,000 |
| Disposal of repossessed leased assets | 1,116,111 | 205,000 | - |
| Net cash generated from /(used in) investing activities | 93,029,360 | (154,554,787) | (32,341,024) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Dividend paid | (19,221,956) | (21,868,264) | - |
| Repayment of lease liabilities | (1,094,352) | (2,067,113) | (911,962) |
| Net cash (used in)/ generated from financing activities | (20,316,308) | (23,935,377) | (911,962) |
| INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 51,740,918 | (76,268,740) | 71,849,726 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD | 21,887,780 | 98,156,521 | 98,156,521 |
| CASH AND CASH EQUIVALENTS AT END | 73,628,698 | 21,887,780 | 170,006,247 |