

SICOM FINANCIAL SERVICES LTD

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED

31 MARCH 2025

SICOM Financial Services Ltd (the **Company**) has the pleasure to submit its Unaudited Interim Financial Report for the quarter ended 31 March 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.

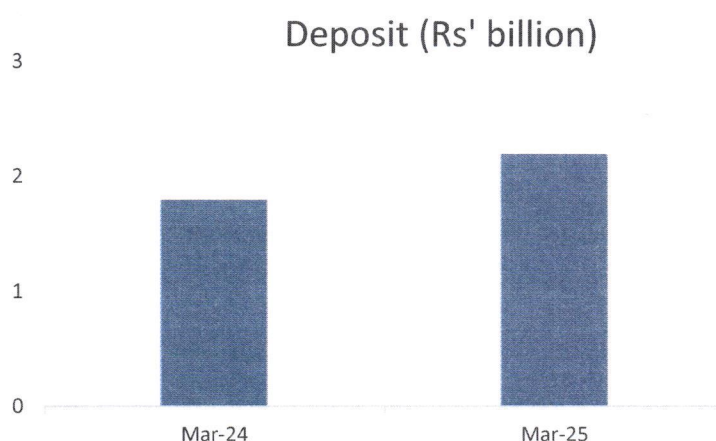
Accounting policies

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 2024.

Financial review

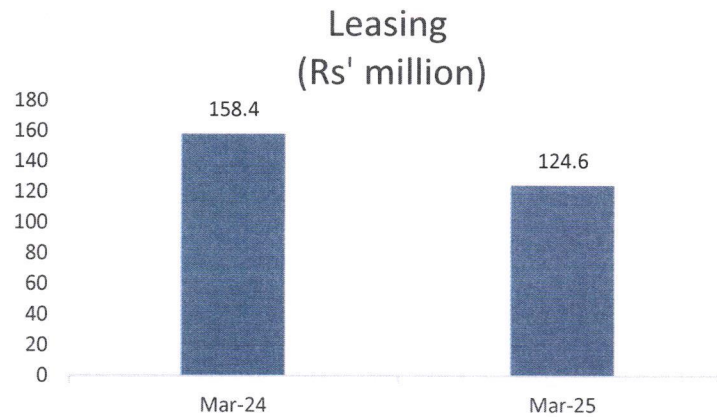
Deposits

Total deposits increased from Rs 1.9 billion as at 31 March 2024 to Rs 2.2 billion as at 31 March 2025.



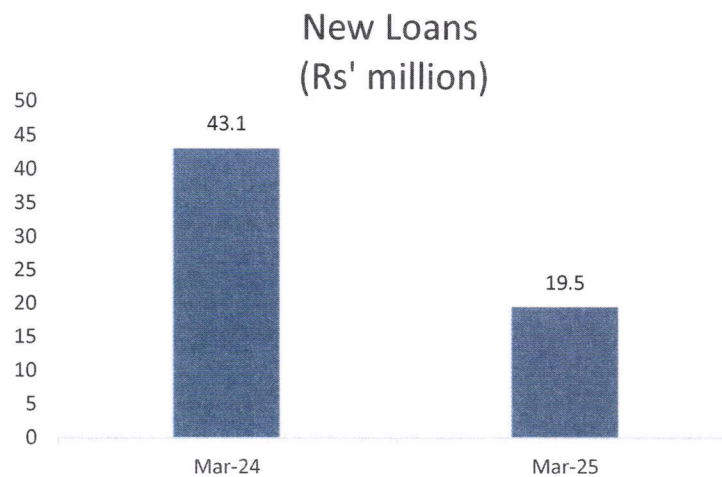
Leases

The amount of lease approved reached Rs 124.6 million for the quarter ended 31 March 2025 while for the same quarter last year an amount of Rs 158.4 million was approved as new leases, given increased market competition and pricing pressure.



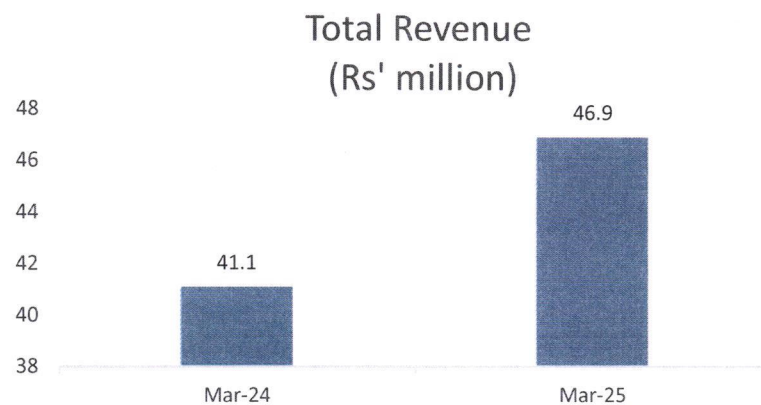
Personal Loans

The amount of new loans approved for the quarter ended 31 March 2025 reached Rs 19.5 million compared to Rs 43.1 million approved for the same quarter last year.



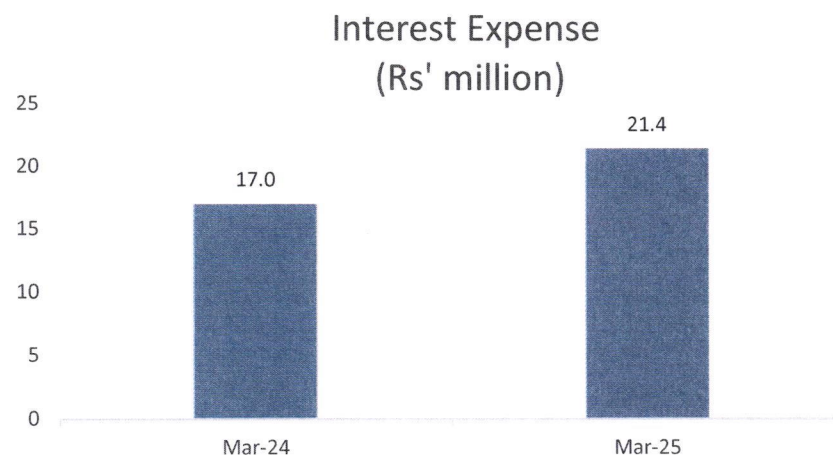
Revenue

Revenue from leasing activities increased to reach Rs 18.5 million for the quarter under review while it stood at Rs 14.6 million for the same quarter last year. The personal loan business brought in a revenue of Rs 12.0 million for the quarter ended 31 March 2025 as compared to Rs 11.8 million for the quarter ended 31 March 2024. Total revenue increased from Rs 46.9 million for the quarter ended 31 March 2024 to Rs 41.1 million for the quarter under review on the back of the good performance of the lease business.



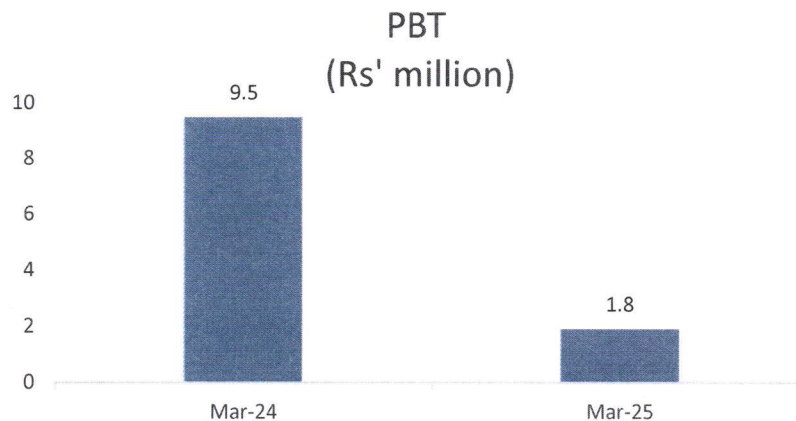
Interest expense

Interest paid to depositors increased from Rs 17.0 million for the quarter ended 31 March 2024 to Rs 21.4 million for the quarter under review due to new deposits mobilised bearing higher interest rates.



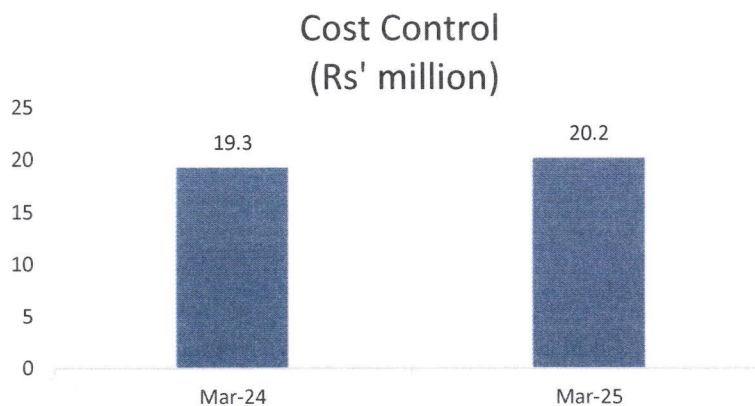
Profit Before Tax

Profit before tax reached Rs 1.8 million for the quarter ended 31 March 2025 as compared to Rs 9.5 million recorded for the quarter ended 31 March 2024 due to higher interest expense and volatile financial markets impacting negatively on fair value through Profit and Loss assets.



Cost Control

Non-interest expenses edged up from Rs 19.3 million for the quarter ended 31 March 2024 to reach Rs 20.2 million for the quarter under review mainly due to the Mauritius deposit insurance expense which became applicable as from December 2024.



Credit quality

Non-performing leases as a percentage of the total lease portfolio improved from 4.6% for the quarter ended 31 March 2024 to 2.4% for the quarter under review at the back of ongoing efforts to improve arrears management.

Sector Wise distribution of the Leasing Portfolio

	Mar-25
A - Agriculture, forestry and fishing	3,724,393.00
C - Manufacturing	36,835,000.00
D - Electricity, gas, steam and air conditioning supply	4,048,095.00
E - Water supply; sewerage, waste management and remediation activities	177,954.00
F - Construction	68,681,598.00
G - Wholesale and retail trade; and repair of motor vehicles and motorcycles	181,669,988.00
H - Transportation and storage	16,584,064.00
I - Accommodation and food service activities	16,960,526.00
J - Information and communication	15,962,792.00
L - Real estate activities	10,022,935.00
M - Professional, scientific and technical activities	38,794,382.00
N - Administrative and support service activities	73,649,184.00
P - Education	2,430,286.00
Q - Human health and social work activities	8,698,509.00
R - Arts, entertainment and recreation	874,998.00
S - Other service activities	8,063,580.00
Financial Auxilliaries and Other Financial Intermediaries	6,611,964.00
Households	682,112,940.00
	1,175,903,188.00

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')


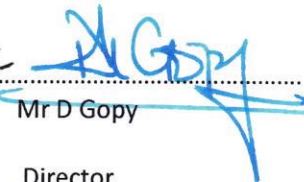

Capital structure

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

- Maintain a minimum capital adequacy ratio of 10% which was at 24.9% for quarter 31 March 2025 and 30.4% for quarter 31 March 2024.
- Maintain liquid assets equivalent to not less than 10% of deposit liabilities and for quarter 31 March 2025, this ratio stood at 30.2% (quarter 31 March 2024: 27.5%)

Prospects

The main areas of focus of the Company for the financial year ending 30 June 2025 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 N Ramdewar Mr D Gopy Mr M Chadieh
Group CEO	Director	Senior Executive Officer

Date : 15 MAY 2025

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

	31-Mar-25	30-Jun-24	31-Mar-24
	Rs.	Rs.	Rs.
ASSETS			
Cash and cash equivalents	85,542,901	98,156,521	74,510,245
Investment securities	179,426,493	176,758,621	178,446,114
Deposits with financial institutions	455,155,294	339,744,629	335,848,812
Loans and advances to customers	654,405,175	704,067,065	705,963,954
Asset held for sale	-	-	6,135,000
Equipment	148,463,540	136,971,891	120,009,072
Intangible assets	655,823	974,593	989,414
Net investment in finance leases	1,165,175,669	1,022,262,638	981,672,061
Other assets	52,400,859	46,735,457	32,843,304
Current tax asset	-	2,183,108	-
Deferred tax assets	792,464	792,464	3,646,374
Rights of use assets	10,955,713	10,795,221	11,163,240
TOTAL ASSETS	2,752,973,931	2,539,442,208	2,451,227,590
EQUITY AND LIABILITIES			
LIABILITIES			
Deposits from customers	2,194,841,633	1,991,934,932	1,898,731,693
Retirement benefit obligations	26,167,000	27,018,000	27,512,000
Dividend payable	-	21,868,264	-
Current tax liabilities	780,390	-	951,722
Other liabilities	38,628,128	18,730,505	30,210,736
Lease liabilities	12,387,836	11,417,139	11,743,934
TOTAL LIABILITIES	2,272,804,987	2,070,968,840	1,969,150,085
EQUITY			
Stated capital	200,000,000	200,000,000	200,000,000
Retained earnings	191,609,477	180,086,401	229,535,346
Other reserves	88,559,467	88,386,967	52,542,159
TOTAL EQUITY	480,168,944	468,473,368	482,077,505
TOTAL EQUITY AND LIABILITIES	2,752,973,931	2,539,442,208	2,451,227,590

SICOM FINANCIAL SERVICES LTD
STATEMENT OF PROFIT OR LOSS
AS AT 31 MARCH 2025

	Quarter ended 31-Mar-25	Quarter ended 31-Mar-24	Period ended 31-Mar-25 Rs	Year ended 30-Jun-24 Rs	Period ended 31-Mar-24 Rs
Interest income using EIR	17,587,834	17,239,404	52,693,029	69,228,002	52,045,485
Interest income on leases	18,505,403	14,599,261	53,600,605	56,435,023	40,726,461
Interest expense	(21,412,383)	(16,988,712)	(62,940,895)	(65,166,393)	(46,524,839)
Net interest income	14,680,854	14,849,953	43,352,739	60,496,632	46,247,107
Operating lease rental income	8,223,930	6,186,794	24,582,213	20,130,471	12,746,515
Fee and commission income	1,129,683	1,797,459	5,242,236	7,783,653	6,140,203
Dividend income	-	-	41,700	2,781,856	24,300
Other Income	1,473,656	1,319,087	3,666,677	5,084,937	4,074,951
Net gain arising on financial instruments measured at fair value	(3,508,165)	5,367,674	(481,058)	5,488,706	6,285,303
Operating income	21,999,958	29,520,967	76,404,507	101,766,255	75,518,379
Allowance for credit impairment	-	(767,822)	(947,694)	(1,048,681)	(1,700,000)
Fair value loss on repossessed assets	-	-	-	(609,000)	-
Personnel expenses	(5,870,115)	(7,158,209)	(17,370,233)	(24,414,222)	(17,472,694)
Other expenses	(8,006,847)	(7,657,997)	(26,054,429)	(31,184,173)	(31,222,775)
Depreciation and amortisation	(6,294,709)	(4,471,694)	(18,475,591)	(15,617,668)	(3,243,659)
Total Expenses	(20,171,671)	(20,055,722)	(62,847,947)	(72,873,744)	(53,639,128)
Profit before taxation	1,828,287	9,465,245	13,556,560	28,892,511	21,879,251
Income tax expense	(274,243)	(1,419,787)	(2,033,484)	(3,165,141)	(3,281,888)
Profit for the period	1,554,044	8,045,458	11,523,076	25,727,370	18,597,363

SICOM FINANCIAL SERVICES LTD
STATEMENT OF OTHER COMPREHENSIVE INCOME
AS AT 31 MARCH 2025

	#	Period ended 31-Mar-25	Year ended 30-Jun-24	Period ended 31-Mar-24
		Rs	Rs	Rs
Profit for the period		11,523,076	25,727,370	18,597,363
Other comprehensive income:				
<i>Items that will not be reclassified to profit or loss:</i>				
Remeasurement of post employment benefit obligations	-	-	1,314,000	-
Income tax relating to components of other comprehensive income	-	-	(223,380)	-
Increase in fair value of assets at FVOCI		172,500	136,500	93,000
Other comprehensive income for the period, net of tax		172,500	1,227,120	93,000
Total comprehensive income for the period		11,695,576	26,954,490	18,597,363

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

	Other reserves					
	Stated capital	Retained earnings	Statutory reserves	Investment revaluation	Actuarial losses	General Banking reserve
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At 1 July 2024	200,000,000	180,086,401	68,702,712	7,500	(18,103,589)	37,780,344
Profit for period	-	11,523,076	-	-	-	-
Other comprehensive income				172,500		
At 31 March 2025	200,000,000	191,609,477	68,702,712	180,000	(18,103,589)	37,780,344

480,168,944