

SICOM FINANCIAL SERVICES LTD
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED
30 SEPTEMBER 2025

SICOM Financial Services Ltd (the **Company**) has the pleasure to submit its Unaudited Interim Financial Report for the quarter ended 30 September 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.

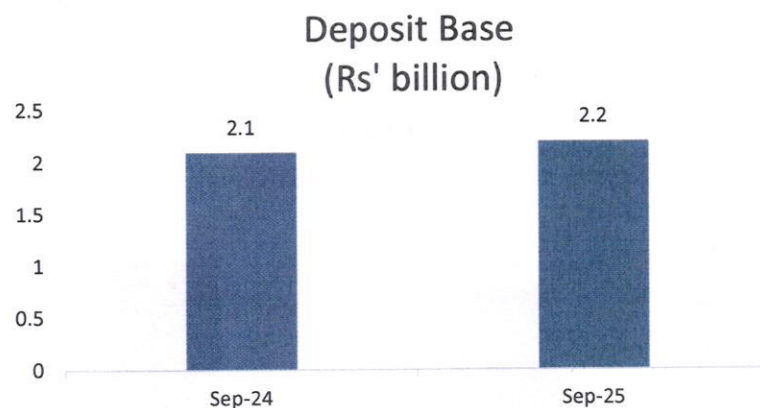
Accounting policies

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

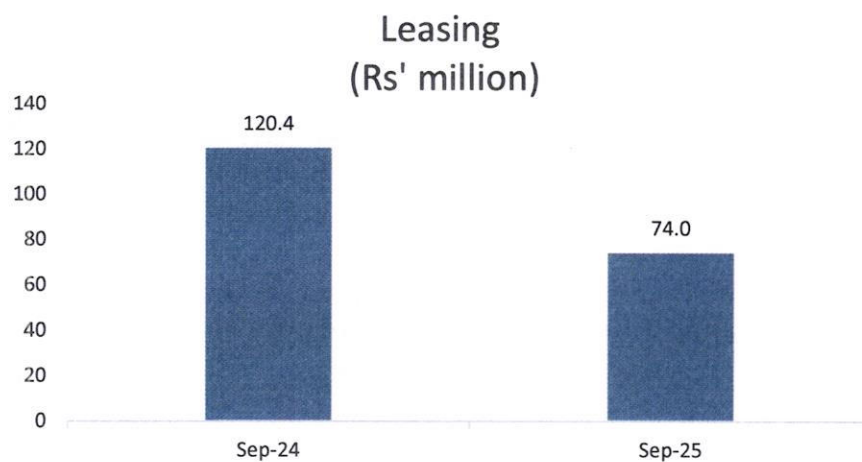
Deposits

Total deposits increased to reach Rs 2.2 billion as at 30 September 2025 as compared to Rs 2.1 billion as at 30 September 2024.



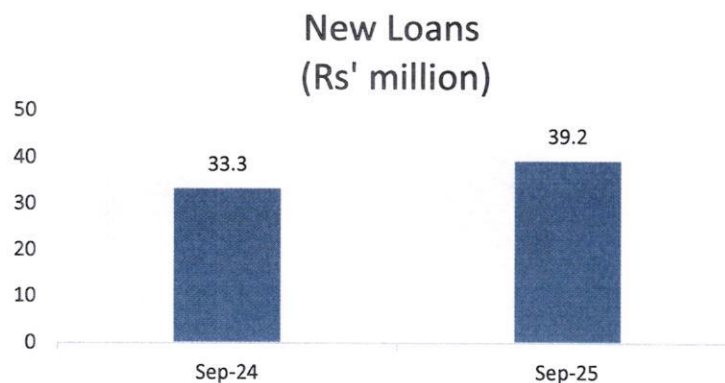
Leases

The amount of lease approved reached Rs 74.0 million for the quarter ended 30 September 2025 while for the same quarter last year an amount of Rs 120.4 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.



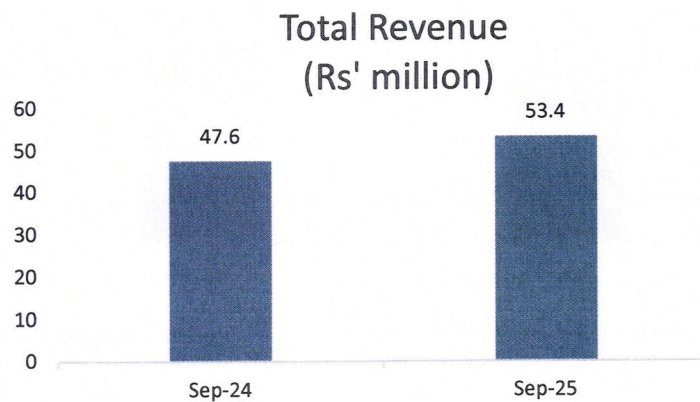
Personal Loans

There was a positive growth in the amount of new loans approved for the quarter ended 30 September 2025 which reached Rs 39.2 million compared to Rs 33.3 million for the same quarter last year.



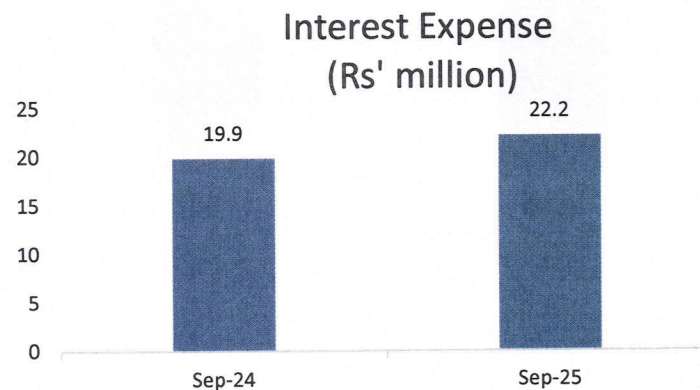
Revenue

Revenue from leasing activities increased to reach Rs 22.4 million for the quarter under review while it stood at Rs 17.2 million for the same quarter last year. The personal loan business brought in a revenue of Rs 11.4 million for the quarter ended 30 September 2025 as compared to Rs 12.0 million for the quarter ended 30 September 2024. Total revenue increased from Rs 47.6 million for the quarter ended 30 September 2025 to Rs 53.4 million for the quarter under review on the back of the good performance of the lease business.



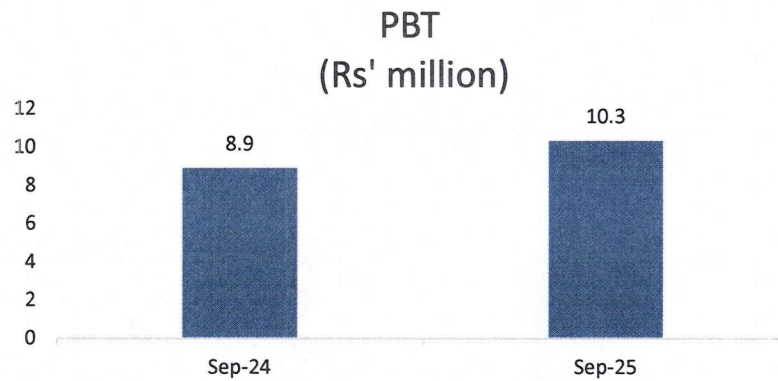
Interest expense

Interest paid to depositors increased from Rs 19.9 million for the quarter ended 30 September 2024 to Rs 22.2 million for the quarter under review due to new deposits mobilised bearing higher interest rates.



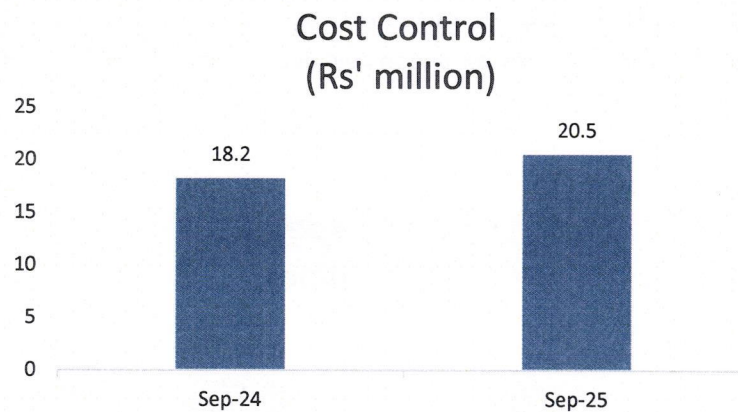
Profit Before Tax

Profit before tax reached Rs 10.3 million for the quarter ended 30 September 2025 as compared to Rs 8.9 million recorded for the quarter ended 30 September 2024.



Cost Control

Non-interest expenses edged up from Rs 18.2 million for the quarter ended 30 September 2024 to reach Rs 20.5 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 30 September 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

	30-Sept-25
A. - Agriculture, forestry and fishing	3,975,003
C - Manufacturing	45,230,309
D - Electricity, gas, steam and air conditioning supply	5,353,361
E - Water supply; sewerage, waste management and remediation activities	108,086
F-Construction	73,662,538
G - Wholesale and retail trade; and repair of motor vehicles and motorcycles	186,303,137
H - Transportation and storage	25,216,781
I - Accommodation and food service activities	23,821,082
J - Information and communication	18,106,890
L - Real estate activities	6,859,480
M - Professional, scientific and technical activities	67,501,647
N - Administrative and support service activities	85,185,690
P - Education	3,528,102
Q - Human health and social work activities	9,050,502
R - Arts, entertainment and recreation	656,340
S - Other service activities	7,174,228
Financial Auxiliaries and Other Financial Intermediaries	1,444,687
Households	784,663,585
	1,347,841,448

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

Risks	How risk is mitigated?
Credit	- 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	- 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	Proper mix in fixed and floating rates of assets and liabilities
Operational risk	- Regular internal audits and compliance inspections - Business Continuity Plan in place - Regular training of staff

Risk management policies and controls (cont')

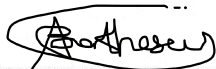
Capital structure

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

- Maintain a minimum capital adequacy ratio of 10% which was at 23.5% for quarter 30 September 2025 and 25.9 % for quarter 30 September 2024.
- Maintain liquid assets equivalent to not less than 10% of deposit liabilities and for quarter 30 September 2025, this ratio stood at 24.1% (quarter 30 September 2024: 29.9%)

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 : 17.11.2025

SICOM FINANCIAL SERVICES LTD
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025

	30-Sept-25	30-Jun-25	30-Sept-24
	Rs	Rs	Rs
ASSETS			
Cash and cash equivalents	52,134,322	21,887,780	169,696,034
Investment securities	182,804,676	180,139,550	181,520,931
Deposits with financial institutions	358,074,842	460,510,487	343,694,217
Loans and advances to customers	637,192,211	643,395,051	691,697,180
Equipment	147,632,919	154,432,366	157,263,596
Intangible assets	473,557	598,037	831,986
Net investment in finance leases	1,342,919,796	1,245,615,672	1,077,253,596
Other assets	59,463,955	55,988,347	51,022,047
Current tax assets	-	-	850,580
Deferred tax assets	-	-	792,465
Rights of use assets	10,122,158	10,538,138	10,427,202
TOTAL ASSETS	2,790,818,436	2,773,105,428	2,685,049,834
EQUITY AND LIABILITIES			
LIABILITIES			
Deposits from customers	2,209,654,835	2,208,729,293	2,125,951,911
Retirement benefit obligations	25,767,000	25,767,000	27,018,000
Dividend	19,221,956	19,221,956	21,868,264
Current tax liabilities	7,372,917	5,825,427	-
Deferred tax liabilities	416,298	416,298	-
Other liabilities	34,424,747	27,539,083	23,051,149
Lease liabilities	11,672,374	12,087,174	11,086,656
TOTAL LIABILITIES	2,308,530,127	2,299,586,231	2,208,975,980
EQUITY			
Stated capital	200,000,000	200,000,000	200,000,000
Retained earnings	188,855,513	180,086,401	187,637,387
Other reserves	93,432,796	93,432,796	88,436,467
TOTAL EQUITY	482,288,309	473,519,197	476,073,854
TOTAL EQUITY AND LIABILITIES	2,790,818,436	2,773,105,428	2,685,049,834

SICOM FINANCIAL SERVICES LTD
STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED 30 SEPTEMBER 2025

	Period ended 30 Sept 2025 Rs	Year ended 30 June 2025 Rs	Period ended 30 Sept 2024 Rs
Interest income using EIR	17,690,299	71,073,097	17,559,403
Interest income on leases	22,378,101	73,573,423	17,166,650
Interest expense	(22,235,837)	(85,252,984)	(19,906,343)
Net interest income	17,832,563	59,393,536	14,819,710
Operating lease rental income	9,064,968	33,816,679	7,860,587
Fee and commission income	1,165,361	7,986,400	2,258,301
Gain on disposal	(521,890)	(556,292)	-
Dividend income	29,400	2,608,515	26,700
Other Income	1,165,356	4,934,347	1,232,293
Net Fair Value Movement on FVTPL	1,929,928	1,218,625	1,522,690
Operating income	30,665,686	109,401,810	27,720,281
Allowance for credit impairment	143,660	3,634,130	(600,000)
Personnel expenses	(5,069,756)	(26,189,476)	(4,779,243)
Other expenses	(15,422,988)	(55,720,200)	(13,457,525)
Total Expenses	(20,349,084)	(78,275,546)	(18,836,768)
Profit before taxation	10,316,602	31,126,264	8,883,513
Income tax expense	(1,547,490)	(8,512,198)	(1,332,527)
Profit for the period	8,769,112	22,614,066	7,550,986

SICOM FINANCIAL SERVICES LTD
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2025

	Period ended 30-Sept-25	Year ended 30-Jun-25	Period ended 30-Sept-24
	Rs	Rs	Rs
Profit for the period	8,769,112	22,614,066	7,550,986
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	-	105,000	49,500
Other comprehensive income for the period, net of tax	-	1,653,720	49,500
Total comprehensive income for the period	8,769,112	24,267,786	7,550,986

SICOM FINANCIAL SERVICES LTD.
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2025

	Other reserves						Total
	Stated capital	Retained earnings	Statutory reserves	Investment revaluation	Actuarial losses	General Banking reserve	
	Rs.	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	-	8,769,112	-	-	-	-	8,769,112
At 30 September 2025	200,000,000	188,855,513	72,094,821	112,500	(16,554,869)	37,780,344	482,288,309

SICOM FINANCIAL SERVICES LTD
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2025

	30-Sept-25	30-Jun-25	30-Sept-24
	Rs.	Rs.	Rs.
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax	10,316,602	31,126,264	8,883,513
Adjustments for:			
Net impairment (gains)/losses on financial assets	(143,660)	(3,634,130)	600,000
Interest income	(40,068,400)	(144,646,520)	(34,726,053)
Interest expense	22,235,837	85,252,984	19,906,343
Dividend income	(29,400)	(2,608,515)	(26,700)
Movement in retirement benefit obligations	-	1,512,000	-
Depreciation on equipment	6,799,448	24,761,508	5,677,638
Amortisation of intangible assets	124,480	459,438	142,607
Depreciation on right-of-use assets	415,980	2,175,491	368,019
Fair value loss on repossessed assets	-	-	-
Net gain arising on financial assets measured at FVTPL	(1,929,928)	(1,218,625)	(1,522,690)
Loss on disposal of repossessed leased assets	521,890	559,292	-
	(1,757,151)	(6,260,814)	(697,323)
Changes in:			
Other liabilities	6,906,609	8,671,367	4,320,644
Other assets	(3,475,608)	(9,467,958)	(4,286,590)
Net investment in finance leases	(96,928,629)	(222,658,904)	(56,855,405)
Loans and advances disbursed	(38,378,000)	(126,789,700)	(32,750,000)
Proceeds from loans and advances	41,755,161	187,537,616	45,119,885
Deposits from customers (net)	(13,660,159)	171,185,607	121,986,591
	(105,537,777)	2,217,214	76,837,802
Interest received	42,865,520	136,536,565	31,431,213
Dividend received	-	2,802,317	26,700
Interest paid	(7,650,136)	(38,825,491)	(7,875,955)
Retirement benefits paid	-	(851,000)	-
Income tax refund	-	341,819	-
Net cash (used in) /generated from operating activities	(70,322,393)	102,221,424	100,419,760
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	-	(2,454,922)	(2,454,922)
Purchase of equipment	-	(43,971,983)	(25,969,343)
Purchase of intangible assets	-	(82,882)	-
Proceeds from disposal of equipment	-	1,750,000	-
Disposal of repossessed leased assets	1,116,111	205,000	-
Net cash generated from /(used in) investing activities	101,116,111	(154,554,787)	(28,424,265)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid	-	(21,868,264)	-
Repayment of lease liabilities	(547,176)	(2,067,113)	(455,982)
Net cash used in financing activities	(547,176)	(23,935,377)	(455,982)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	30,246,542	(76,268,740)	71,539,513
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	21,887,780	98,156,521	98,156,521
CASH AND CASH EQUIVALENTS AT END	52,134,322	21,887,780	169,696,034