

SICOM FINANCIAL SERVICES LTD
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED
31 MARCH 2026

SICOM Financial Services Ltd (the **Company**) has the pleasure to submit its Unaudited Interim Financial Report for the quarter ended 31 March 2026 (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.

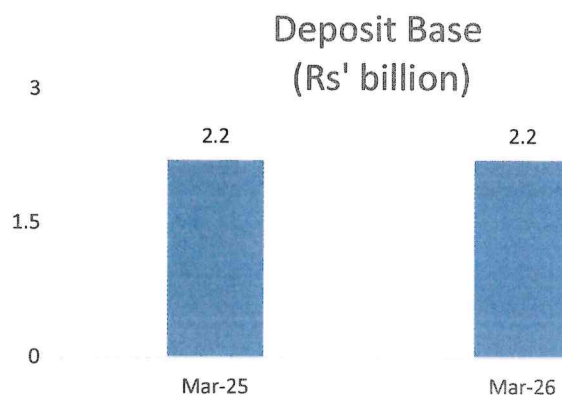
Accounting policies

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 March 2026.



Leases

The amount of lease approved reached Rs 106.6 million for the quarter ended 31 March 2026 while for the same quarter last year an amount of Rs 124.6 million was approved as new leases, mainly due to the increase in the price of motor vehicles during the current financial year.



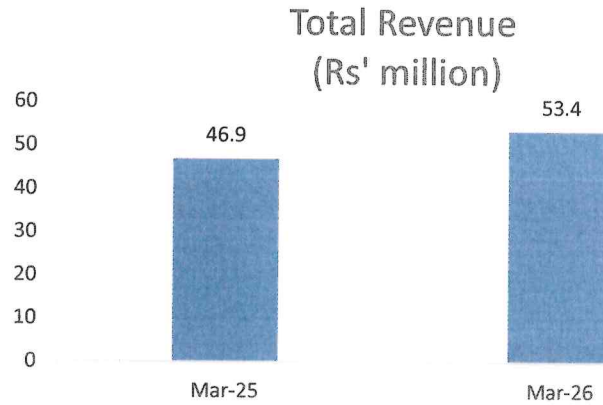
Personal Loans

The amount of new loans approved for the quarter ended 31 March 2026 reached Rs 31.8 million compared to Rs 19.5 million approved for the same quarter last year.



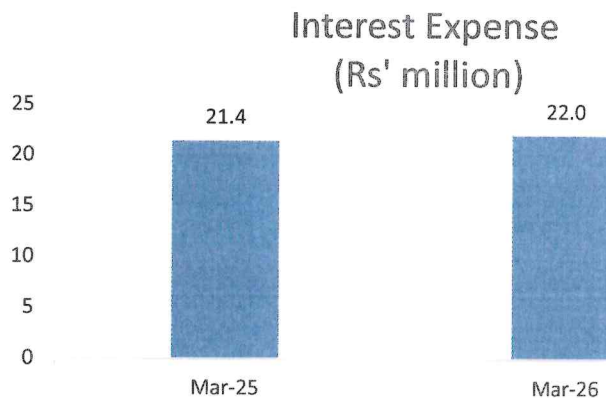
Revenue

Revenue from leasing activities increased to reach Rs 23.8 million for the quarter under review while it stood at Rs 18.5 million for the same quarter last year. The personal loan business brought in a revenue of Rs 11.1 million for the quarter ended 31 March 2026 as compared to Rs 12.0 million for the quarter ended 31 March 2025. Total revenue increased from Rs 46.9 million for the quarter ended 31 March 2025 to Rs 53.4 million for the quarter under review.



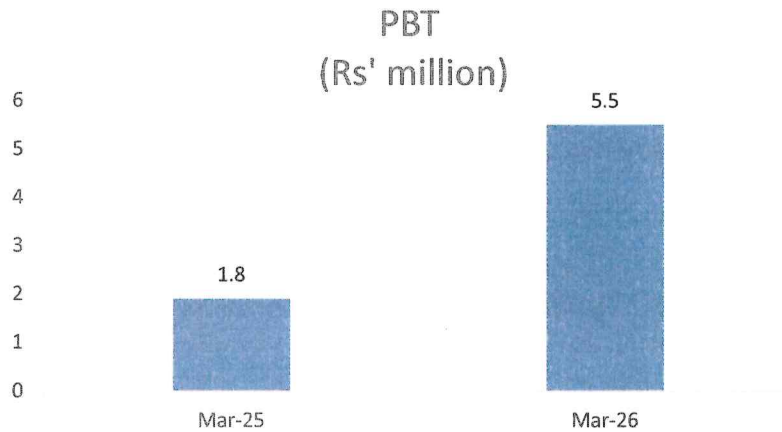
Interest expense

Interest paid to depositors increased slightly from Rs 21.4 million for the quarter ended 31 March 2025 to Rs 22.0 million for the quarter under review due to new deposits mobilised bearing higher interest rates.



Profit Before Tax

Profit before tax reached Rs 5.5 million for the quarter ended 31 March 2026 as compared to Rs 1.8 million recorded for the quarter ended 31 March 2025. This good performance is mainly due to the positive impact of the lease business.



Cost Control

Non-interest expenses edged up from Rs 20.2 million for the quarter ended 31 March 2025 to reach Rs 23.0 million for the quarter under review mainly due to the increased depreciation on operating lease assets.



Credit quality

Non-performing leases as a percentage of the total lease portfolio improved from 2.4 % for the quarter ended 31 March 2025 to 1.9% for the quarter under review on the back of ongoing efforts to improve arrears management.

Sector Wise distribution of the Leasing Portfolio

	Mar-26
	Rs
A - Agriculture, forestry and fishing	3,904,337
C - Manufacturing	41,889,545
D - Electricity, gas, steam and air conditioning supply	5,640,576
E - Water supply; sewerage, waste management and remediation activities	36,184
F - Construction	68,763,720
G - Wholesale and retail trade; and repair of motor vehicles and motorcycles	180,111,527
H - Transportation and storage	31,907,178
I - Accommodation and food service activities	25,797,156
J - Information and communication	19,031,513
L - Real estate activities	5,530,045
M - Professional, scientific and technical activities	71,751,841
N - Administrative and support service activities	100,659,286
P - Education	3,265,840
Q - Human health and social work activities	10,842,514
R - Arts, entertainment and recreation	525,208
S - Other service activities	8,389,057
Financial Auxilliaries and Other Financial Intermediaries	1,328,908
Households	786,795,845
	<u>1,366,170,279</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')

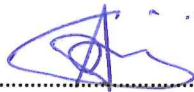
Capital structure

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 March 2026 and 24.9% for quarter 31 March 2025.
- Maintain liquid assets equivalent to not less than 10% of deposit liabilities and for quarter 31 March 2026, this ratio stood at 23.8% (quarter 31 March 2025: 30.2%)

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 : 15-MAY-2026

SICOM FINANCIAL SERVICES LTD
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026

	31-Mar-26	30-Jun-25	31-Mar-25
	Rs.	Rs.	Rs.
Cash and cash equivalents	88,781,647	21,887,780	85,542,901
Investment securities	183,111,681	180,139,550	179,426,493
Deposits with financial institutions	314,191,608	460,510,487	455,155,294
Loans and advances to customers	604,828,221	643,395,051	654,405,175
Equipment	152,373,902	154,432,366	148,463,540
Intangible assets	297,658	598,037	655,823
Net investment in finance leases	1,360,133,809	1,245,615,672	1,165,175,669
Other assets	49,622,895	55,988,347	52,400,859
Deferred tax assets	-	-	792,464
Rights of use assets	9,290,198	10,538,138	10,955,713
TOTAL ASSETS	<u>2,762,631,619</u>	<u>2,773,105,428</u>	<u>2,752,973,931</u>
EQUITY AND LIABILITIES			
LIABILITIES			
Deposits from customers	2,200,379,448	2,208,729,293	2,194,841,633
Retirement benefit obligations	25,767,000	25,767,000	26,167,000
Dividend payable	-	19,221,956	-
Current tax liabilities	1,873,366	5,825,427	780,390
Deferred tax liabilities	416,298	416,298	-
Other liabilities	25,771,029	27,539,083	38,628,128
Lease liabilities	10,828,670	12,087,174	12,387,836
TOTAL LIABILITIES	<u>2,265,035,811</u>	<u>2,299,586,231</u>	<u>2,272,804,987</u>
EQUITY			
Stated capital	200,000,000	200,000,000	200,000,000
Retained earnings	204,558,840	180,086,401	191,609,477
Other reserves	93,036,968	93,432,796	88,559,467
TOTAL EQUITY	<u>497,595,808</u>	<u>473,519,197</u>	<u>480,168,944</u>
TOTAL EQUITY AND LIABILITIES	<u>2,762,631,619</u>	<u>2,773,105,428</u>	<u>2,752,973,931</u>

SICOM FINANCIAL SERVICES LTD
STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED 31 MARCH 2026

	Quarter ended 31-Mar-26	Quarter ended 31-Mar-25	Period ended 31-Mar-26	Period ended 31-Mar-25	Period ended 30-Jun-25
	Rs	Rs	Rs	Rs	Rs
Interest income using EIR	16,896,471	17,587,834	51,905,846	52,693,029	71,073,097
Interest income on finance lease receivables	23,798,699	18,505,403	69,283,962	53,600,605	73,573,423
Interest expense	(22,007,948)	(21,412,383)	(66,736,908)	(62,940,895)	(85,252,984)
Net interest income	18,687,222	14,680,854	54,452,900	43,352,739	59,393,536
Operating lease rental income	9,979,875	8,223,930	28,718,770	24,582,213	33,816,679
Fee and commission income	1,813,340	1,129,683	4,102,182	5,242,236	7,986,400
Gain on disposal	-	-	(521,890)	-	(556,292)
Dividend income	-	-	54,456	41,700	2,608,515
Other Income	889,816	1,473,656	3,511,559	3,666,677	4,934,347
Net (loss)/ gain arising on financial asset measured at FVTPL	(2,918,546)	(3,508,165)	564,194	(481,058)	1,218,625
Operating income	28,451,707	21,999,958	90,882,171	76,404,507	109,401,810
Net impairment (loss)/ gains on financial assets	(802,110)	-	(877,141)	(947,694)	3,634,130
Personnel expenses	(6,203,065)	(5,870,115)	(18,735,486)	(17,370,233)	(26,189,476)
Other expenses	(15,960,836)	(14,301,556)	(46,649,491)	(44,530,020)	(55,720,200)
Total Expenses	(22,966,011)	(20,171,671)	(66,262,118)	(62,847,947)	(78,275,546)
Profit before taxation	5,485,696	1,828,287	24,620,053	13,556,560	31,126,264
Income tax expense	(822,855)	(274,243)	(147,614)	(2,033,484)	(8,512,198)
Profit for the period	4,662,841	1,554,044	24,472,439	11,523,076	22,614,066

SICOM FINANCIAL SERVICES LTD
STATEMENT OF OTHER COMPREHENSIVE INCOME
AS AT 31 MARCH 2026

	<u>Period ended</u> <u>31-Mar-26</u>	<u>Year ended</u> <u>30-Jun-25</u>	<u>Period ended</u> <u>31-Mar-25</u>
	Rs	Rs	Rs
Profit for the period	24,472,439	22,614,066	11,523,076
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	<u>(395,828)</u>	<u>105,000</u>	<u>172,500</u>
Other comprehensive income for the period, net of tax	<u>(395,828)</u>	<u>1,653,720</u>	<u>172,500</u>
Total comprehensive income for the period	<u><u>24,076,611</u></u>	<u><u>24,267,786</u></u>	<u><u>11,695,576</u></u>

SICOM FINANCIAL SERVICES LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2026

	<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	-	24,472,439	-	-	-	-	24,472,439
Other comprehensive income	-	-	-	(395,828)	-	-	(395,828)
At 31 March 2026	200,000,000	204,558,840	72,094,821	(283,328)	(16,554,869)	37,780,344	497,595,808

SICOM FINANCIAL SERVICES LTD
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2026

	31-Mar-26	30-Jun-25	31-Mar-25
	Rs.	Rs.	Rs.
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax	24,620,053	31,126,264	13,556,560
Adjustments for:			
Net impairment (gains)/losses on financial assets	877,141	(3,634,130)	947,694
Interest income	(121,189,808)	(144,646,520)	(106,293,634)
Interest expense	66,736,908	85,252,984	62,940,895
Dividend income	(54,456)	(2,608,515)	(41,700)
Movement in retirement benefit obligations	-	1,512,000	-
Depreciation on equipment	21,071,632	24,761,508	16,398,905
Amortisation of intangible assets	300,382	459,438	318,770
Depreciation on right-of-use assets	1,247,940	2,175,491	1,757,916
Net gain arising on financial assets measured at FVTPL	(564,194)	(1,218,625)	481,058
Loss on disposal of repossessed leased assets	521,890	559,292	-
	(6,432,512)	(6,260,814)	(9,933,536)
Changes in:			
Other liabilities	(1,768,054)	8,671,367	19,897,623
Other assets	6,365,452	(9,467,958)	(5,665,402)
Net investment in finance leases	(114,536,999)	(222,658,904)	(142,606,255)
Loans and advances disbursed	(101,818,000)	(126,789,700)	(86,364,700)
Proceeds from loans and advances	140,965,097	187,537,616	137,061,541
Deposits from customers (net)	(44,373,916)	171,185,607	172,529,357
	(121,598,932)	2,217,214	84,918,628
Interest received	111,552,100	136,536,565	97,403,047
Dividend received	2,591,873	2,802,317	2,789,451
Interest paid	(30,522,974)	(38,825,491)	(32,563,552)
Retirement benefits paid	-	(851,000)	(851,000)
Income tax (paid)/refund	(4,100,235)	341,819	954,716
Net cash (used in) /generated from operating activities	(42,078,168)	102,221,424	152,651,290
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to deposits with financial institutions	-	(150,000,000)	(150,000,000)
Repayment of deposits with financial institutions	150,000,000	40,000,000	40,000,000
Purchase of investment securities	(2,267,421)	(2,454,922)	(2,454,922)
Purchase of equipment	(21,738,236)	(43,971,983)	(31,384,579)
Purchase of intangible assets	-	(82,882)	-
Proceeds from disposal of equipment	2,725,065	1,750,000	1,750,000
Disposal of repossessed leased assets	1,116,111	205,000	-
Net cash generated from /(used in) investing activities	129,835,519	(154,554,787)	(142,089,501)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid	(19,221,956)	(21,868,264)	(21,868,264)
Repayment of lease liabilities	(1,641,528)	(2,067,113)	(1,307,145)
Net cash (used in)/ generated from financing activities	(20,863,484)	(23,935,377)	(23,175,409)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	66,893,867	(76,268,740)	(12,613,620)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	21,887,780	98,156,521	98,156,521
CASH AND CASH EQUIVALENTS AT END	88,781,647	21,887,780	85,542,901