FINANCIAL SERVICES EQUITY RESEARCH

SING INVESTMENTS & FINANCE LTD

SGX: S35
Bloomberg: SIF:SP
ISIN code: SG1S02002305

Country: Singapore
Industry: Financial Services

30 October 2026

RECOMMENDATION: HOLD

Current price: S$1.48
Target price: S$1.70
Issued shares: 236.4 million (4 August 2026)
Market capitalisation: S$349.9 million
52-week range: S$1.45 – S$1.85

PRICE PERFORMANCE



COMPANY DESCRIPTION

Sing Investments & Finance Limited ("SIF") is a licensed finance company under the Finance Companies Act 1967. The Company provides a wide range of financial products and services, including deposit-taking, consumer financing, and corporate financing solutions, with a focus on serving small and medium-sized enterprises ("SME") in Singapore.

SIF operates four branches across Singapore. As at 30 June 2026, the Company had total assets of approximately S$3.77 billion and deposits and balances of customers of S$3.23 billion.

SUMMARY

For H1 FY2026 ended 30 June 2026, SIF's net interest income rose by 16.8% to S$41.6 million in H1 FY2026 from S$35.6 million in H1 FY2025. Profit attributable to shareholders rose by 16.0% to S$25.2 million in H1 FY2026 from S$21.7 million in H1 FY2025. Basic and diluted Earnings Per Share ("EPS") rose by 16.0% to 10.65 cents in H1 FY2026 from 9.18 cents in H1 FY2025. No interim dividend was declared for H1 FY2026.

RECOMMENDATION

Based on our estimates, SIF's net interest margin improved to 2.39% in H1 FY2026 from 2.13% in H1 FY2025, as funding costs declined at a faster pace than asset yields despite a lower interest rate environment. Looking ahead, global interest rates are expected to rise in the second half of the year, which should support higher lending yields. However, management has guided that net interest margins may come under pressure as funding costs are expected to increase faster than asset yields. As a result, we believe there are near-term headwinds to SIF's earnings growth despite our expectation that loan growth will continue to be supported by Singapore's resilient economic outlook.

Based on the peer average P/E multiple of 13.00x and Trailing Twelve-Months ("TTM") EPS of 19.46 cents, we estimate a target price of S$2.530. Based on the peer average P/B multiple of 0.43x and Net Asset Value ("NAV") per share of S$2.14, we estimate a target price of S$0.916. Based on the peer average yield of 4.53% and current dividend yield of 5.07%, we estimate a target price of S$1.655. By averaging the estimated target prices, we derive an overall target price of S$1.70.

The target price of S$1.70 represents an upside potential of 14.9% from the current share price of S$1.48. Potential upside catalysts include stronger-than-expected loan growth, potential net interest margin expansion, and improvements in asset quality. Potential upside catalysts include stronger-than-expected loan growth, potential net interest margin expansion, and improvements in asset quality. While SIF delivered a strong H1 FY2026 performance, we expect net interest margin pressure to moderate earnings growth going forward. As such, we initiate coverage on SIF with a Hold recommendation. However, downside risks include slower-than-expected loan growth, net interest margin compression and deteriorations in asset quality.

KEY FINANCIALS Year ended 31 December	Interest (S$ million)	Earnings [1] (S$ million)	EPS [2] (cents)	P/E (x)	DPS (cents)	Dividend Yield (%)	NAV per share (S$)	P/B (x)
2024 Actual	150.8	36.3	15.4	7.03	6.5	6.02%	2.0	0.55
2025 Actual	140.2	42.3	17.9	9.66	7.5	4.34%	2.1	0.82
2026 Projection	126.5	51.2	21.7	6.83	9.2	6.22%	2.1	0.69
2027 Projection	150.9	51.9	22.0	6.74	9.2	6.22%	-	-

Figures have been rounded. FY2026 & FY2027 P/E, P/B and dividend yield are based on the current share price of S$1.48. FY2024 & FY2025 PE, PB and dividend yield are based on the share price after the release of their financial results (FY2024: S$1.08, FY2025: S$1.73)
[1] Profit after tax attributable to owners of the Company.
[2] Earnings Per Share (basic & diluted).
Source: SIF, FPA

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TABLE OF CONTENTS

COMPANY OVERVIEW 3
(I) CORPORATE PROFILE 3
(II) OPERATIONS 3
(III) OVERVIEW OF SIF'S LOAN PORTFOLIO 4
(IV) SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS 5
INDUSTRY OUTLOOK 6
(I) SINGAPORE ECONOMY 6
(II) BORROWINGS FROM FINANCE COMPANIES 7
(III) INTEREST RATES 8
RECENT SHARE PRICE DEVELOPMENTS 10
FINANCIAL ANALYSIS 12
(I) FINANCIAL REVIEW 12
(II) CAPITAL MANAGEMENT 23
FINANCIAL PROJECTIONS 24
(I) NET INTEREST INCOME PROJECTION 24
(II) EARNINGS PROJECTION 28
VALUATION ANALYSIS 34
(I) PEER COMPARISON ANALYSIS 34
POTENTIAL CATALYSTS 37
(I) STRONGER-THAN-EXPECTED LOAN GROWTH 37
(II) NET INTEREST MARGIN EXPANSION 37
(III) IMPROVEMENT IN ASSET QUALITY 37
INVESTMENT RECOMMENDATION 38
RISKS TO TARGET PRICE 39
(I) SLOWER-THAN-EXPECTED LOAN GROWTH 39
(II) NET INTEREST MARGIN COMPRESSION 39
(III) DETERIORATION IN ASSET QUALITY 39
CORPORATE GOVERNANCE 40
(I) BOARD OF DIRECTORS 40
(II) REMUNERATION 42
SUSTAINABILITY INFORMATION 43
(I) ENVIRONMENTAL 46
(II) SOCIAL 47
(III) GOVERNANCE 48
DISCLOSURES/DISCLAIMERS 49

COMPANY OVERVIEW

(I) CORPORATE PROFILE

Sing Investments & Finance Limited ("SIF") is a licensed finance company under the Finance Companies Act 1967. The Company provides a wide range of financial products and services, including deposit-taking, consumer financing, and corporate financing solutions, with a focus on serving small and medium-sized enterprises ("SME") in Singapore.

SIF operates four branches across Singapore. As at 30 June 2026, the Company had total assets of approximately S$3.77 billion and deposits and balances of customers of S$3.23 billion.

(II) OPERATIONS

SIF's business model involves collecting customer deposits and deploying these funds into loans and other financing activities. The Company earns interest income on its loan book while paying interest on customer deposits. The difference between interest income and interest expense is known as net interest income, which represents SIF's primary source of earnings.

The services that SIF provides are shown in **Exhibit 1**.

Exhibit 1: Products & Services Offered by SIF

Products & Services	
Deposits	**Personal Financing**
Business Current Account	Housing Loan
Conveyancing Account	HDB Loan
Fixed Deposit Account	Car Loan
Online Fixed Deposit Account	Share Loan
GoSavers Account (online)	Commercial Property Loan
GIRO Saver Account	
Savings Account	**Other Services**
GoVault Account	SIF Mobile app
	SIF Online (browser)
Corporate/SME Financing	
Commercial Property Loan	
Land & Construction Loan	
Machinery Loan	
Government-Backed SME Loans	
Block Discounting Financing	
Floor Stock Financing	
Shipping Loan	
Account Receivables/Invoice Factoring	
Unsecured Business Loan	

Source: SIF, FPA

SIF has four offices located across Singapore, as shown in **Exhibit 2**.

Exhibit 2: Location of Offices

Offices	
Robinson (Head Office) 96 Robinson Road #01-01 SIF Building Singapore 068899	**Ang Mo Kio** Blk 715 Ang Mo Kio Ave 6 #01-4006 Singapore 560715
Bedok Blk 202 Bedok North Street 1 #01-479/481 Singapore 460202	**Jurong** Blk 131 Jurong Gateway Road #01-255 Singapore 600131

Source: SIF, FPA

(III) OVERVIEW OF SIF'S LOAN PORTFOLIO

In a corporate presentation in June 2026, SIF highlighted that its loan portfolio is predominantly collateralised and focused on Singapore-based borrowers. The Company primarily lends to established and profitable SMEs with growth potential, which helps to mitigate credit risk. In addition, more than half of SIF's loan exposure is concentrated in property loans and automotive financing, both of which are generally backed by tangible collateral. Given that these lending segments are typically secured by underlying assets such as real estate and vehicles, SIF benefits from a strong collateral position that supports asset quality and loss recovery in the event of borrower defaults.

SIF's loan portfolio is summarised in **Exhibit 3**.

Exhibit 3: Loan Portfolio as at 31 December 2025

Sector	Loan amount	%
Hire purchase/block discounting	524,617	18.76%
Housing loans secured by property under finance	55,419	1.98%
Building and construction	378,251	13.53%
Financial institutions, and investment and holding companies	1,289,560	46.12%
Professionals and individuals	88,424	3.16%
General commerce	178,878	6.40%
Transport, storage and communication	62,945	2.25%
Manufacturing	20,284	0.73%
Others	197,626	7.07%
Total	**2,796,004**	**100.00%**

Source: SIF, FPA

(IV) SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

As at 3 March 2026, SIF was controlled by the Lee family. Lee Sze Leong serves as the Company's Managing Director and CEO, while his brother, Lee Sze Siong, serves as Deputy Managing Director. Their brother, Lee Sze Hao, is the CEO of Sing Holdings Limited, a Singapore-listed property development and investment group.

F.H. Lee Holdings, the investment holding vehicle of the Lee family, owns a 30.13% stake in SIF. Accordingly, Lee Sze Leong, Lee Sze Siong, and Lee Sze Hao are deemed interested in this stake through their interests in F.H. Lee Holdings.

The substantial shareholders are summarised in **Exhibit 4**.

Exhibit 4: Substantial Shareholders

Substantial shareholders	Direct interest		Deemed interest		Total interest		As at
	No. of shares	%	No. of shares	%	No. of shares	%	
Lee Sze Leong	973,696	0.41%	71,241,002	30.13%	72,214,698	30.54%	03 Mar '26
Lee Sze Siong	1,081,713	0.46%	71,241,002	30.13%	72,322,715	30.59%	03 Mar '26
Lee Sze Hao	967,144	0.41%	71,241,002	30.13%	72,208,146	30.54%	03 Mar '26
F.H. Lee Holdings (Pte) Limited	66,973,652	28.3%	4,267,350	1.80%	71,241,002	30.13%	03 Mar '26

Source: SIF, FPA

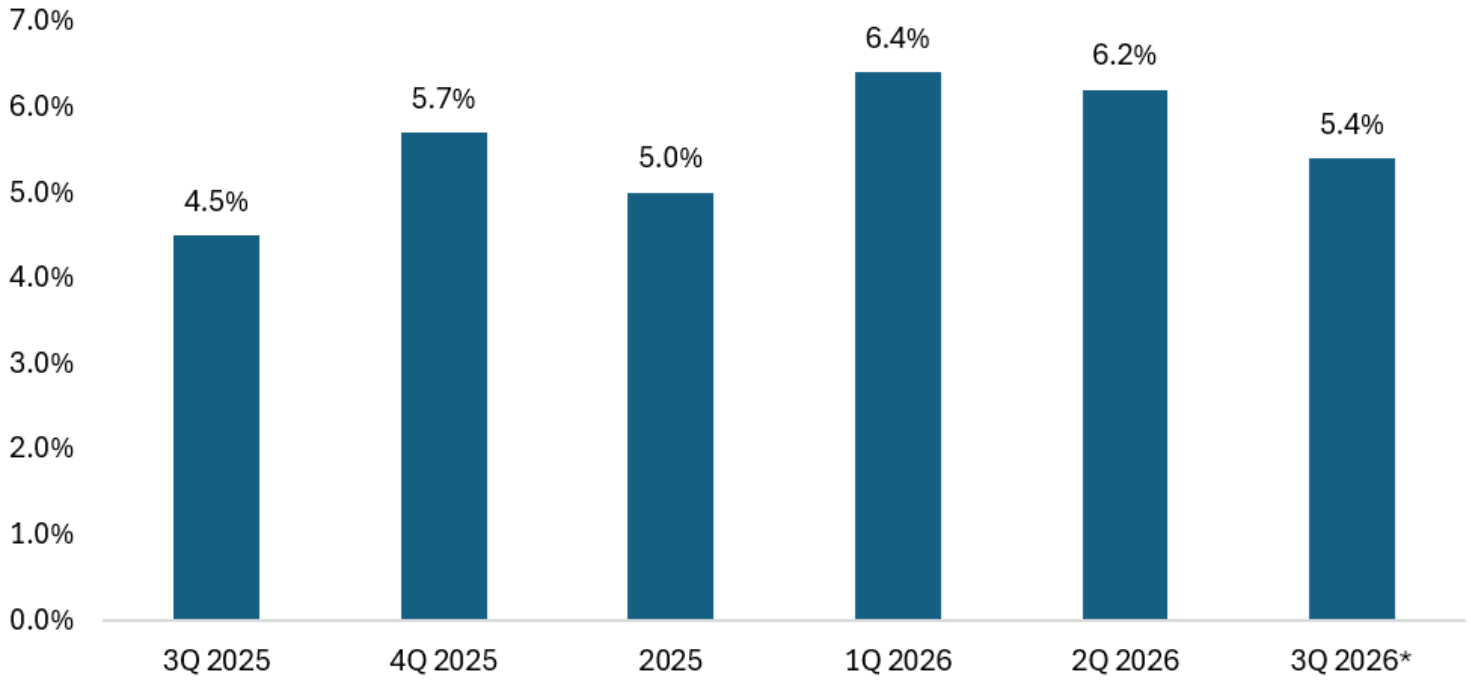
INDUSTRY OUTLOOK

(I) SINGAPORE ECONOMY

On 14 October 2026, the Ministry of Energy, Trade and Industry ("METI") announced that Singapore's economy grew by 5.4% year-on-year ("y-o-y") in Q3 2026, based on advance estimates, moderating from 6.2% y-o-y growth in the previous quarter as shown in **Exhibit 5**.

Notably, the cluster comprising the information & communications, finance & insurance, and professional services sectors expanded by 4.3% y-o-y in Q3 2026, easing from 5.1% y-o-y growth in the preceding quarter. Nevertheless, all sectors within the cluster recorded positive growth during the quarter. Growth in the information & communications sector was driven by the IT and information services segment, while growth in the professional services sector was largely supported by the architectural & engineering and technical testing & analysis services segments. Meanwhile, growth in the finance & insurance sector was led by the fund management and banking services segments.

Exhibit 5: Singapore's Economic Growth



Note: Q3 2026 figures are based on advance estimates.
Source: METI, FPA

Looking ahead, UOB[1] has raised its 2026 GDP growth forecast for Singapore to 5.7% from 5.0%, primarily reflecting the upward revision in H1 2026 GDP growth and the stronger-than-expected expansion in Q3 2026. For 2027, the bank expects GDP growth to moderate to 3.2%, driven by high base effects and a gradual easing of AI-related tailwinds. This is consistent with its expectation of slower growth in global AI-related capital expenditure ("CAPEX") in 2027 compared to 2026.

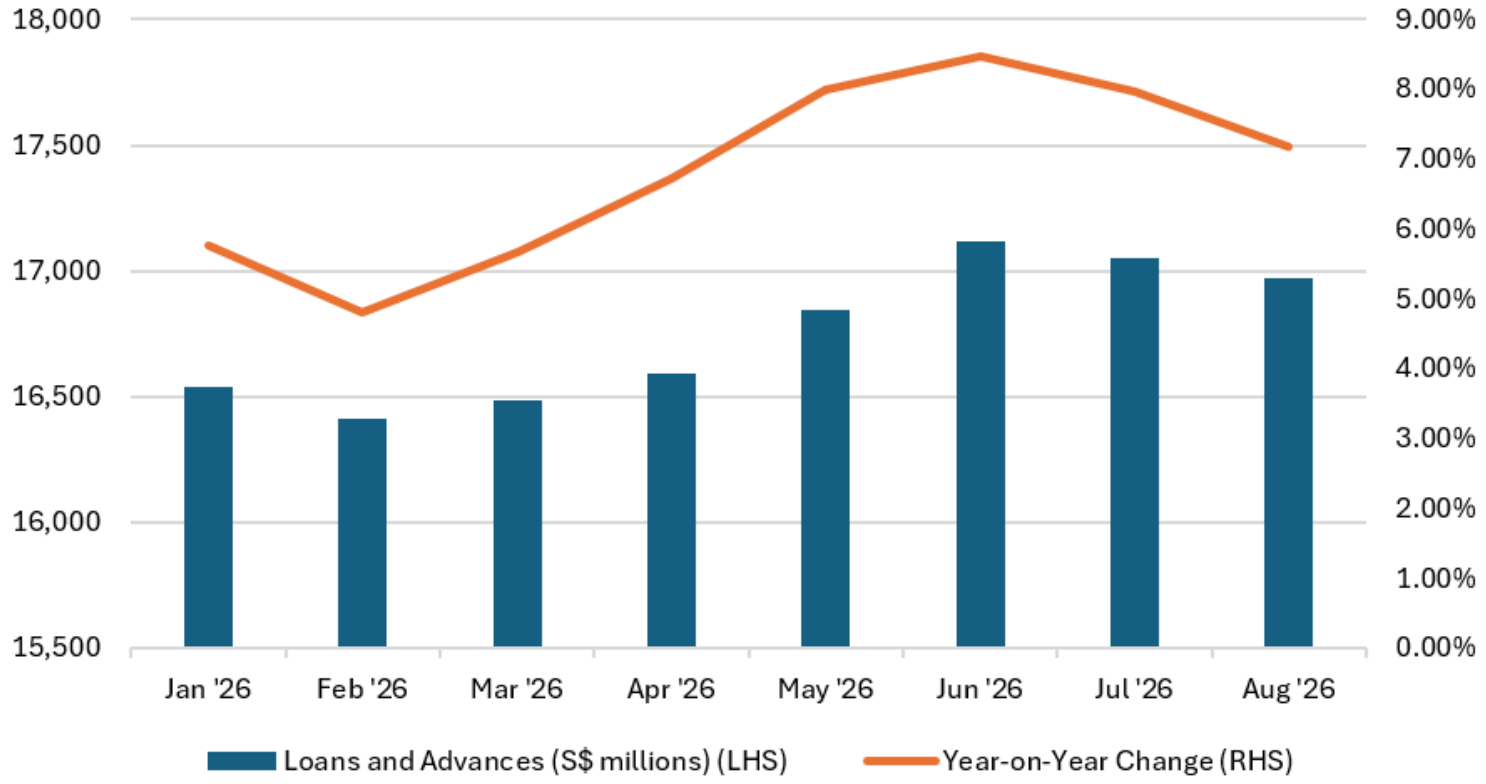
[1] UOB is a Singaporean regional bank headquartered in Singapore.

(II) BORROWINGS FROM FINANCE COMPANIES

According to data from the Monetary Authority of Singapore ("MAS"), total borrowings from finance companies, such as SIF, reached S$17.0 billion in August 2026, representing growth of 7.2% y-o-y from August 2025, as shown in **Exhibit 6**.

Although total borrowings eased marginally from a peak of S$17.1 billion in June 2026, the industry's loan book continues to expand on a y-o-y basis. We believe this reflects resilient demand for financing, which should remain supportive of loan growth for finance companies.

Exhibit 6: Borrowings from Finance Companies (2026 Year-to-Date)



Source: MAS, FPA

(III) INTEREST RATES

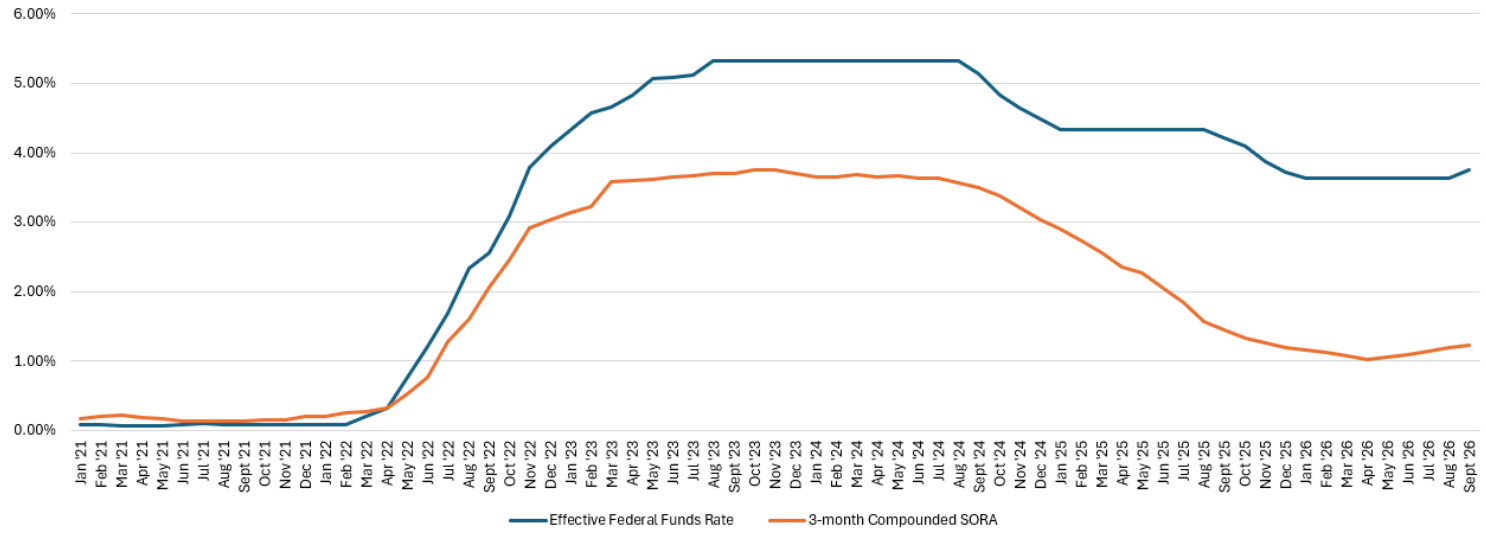
Interest rates play a critical role in shaping borrowing behaviour and spending decisions among households and businesses. When interest rates are low, borrowing becomes more affordable. This typically encourages households to take up mortgages or vehicle loans and prompts businesses to invest in expansion. Stronger borrowing activity contributes to loan growth, which in turn supports higher interest income for banks and other lenders.

Conversely, when interest rates are high, borrowing costs increase for both consumers and businesses, which typically dampens loan demand. Even so, lenders can still benefit in a high-interest-rate environment. Higher interest rates widen the spread between what lenders earn on their loans and what they pay on deposits, resulting in stronger net interest margins[1]. In such conditions, lenders often generate more income from their lending activities relative to their funding costs.

Central banks typically set a country's policy interest rates. However, unlike most central banks that target interest rates, MAS conducts monetary policy by managing the nominal exchange rate. This approach reflects the structure of Singapore's small and highly open economy, where gross exports and imports exceed 300% of GDP. In such an economy, the exchange rate has a much stronger influence on domestic inflation than interest rates.

As a result, domestic interest rates in Singapore are largely determined by global interest rates and by foreign market expectations of the Singapore dollar. Domestic benchmarks such as the Singapore Overnight Rate Average ("SORA") tend to move in line with the U.S. federal funds rate, as shown in **Exhibit 7**.

Exhibit 7: Effective Federal Funds Rate against 3-Month Compounded SORA



Source: MAS, Federal Reserve Bank of St. Louis, FPA

[1] Net interest margin measures the difference between the income generated by banks and the amount of interest paid out to their lenders, relative to the amount of their (interest-earning) assets.

On 16 September 2026, the U.S. Federal Reserve ("Fed") raised interest rates by 25 basis points to a target range of 3.75%–4.00% to combat inflation brought on my spiralling oil prices and other factors.

Looking ahead, Morgan Stanley[1]'s economists expect two 25-basis-point rate hikes in December 2026 and March 2027. Accordingly, we assume the policy rate will increase to 4.00%–4.25% in December 2026 and further to 4.25%–4.50% in March 2027.

A summary of the projected federal funds rate is shown in **Exhibit 8**.

Exhibit 8: Estimated Federal Funds Rate

	Lower bound	Upper bound	Average Rate
Jan 2025	4.25%	4.50%	4.38%
Feb 2025	4.25%	4.50%	4.38%
Mar 2025	4.25%	4.50%	4.38%
Apr 2025	4.25%	4.50%	4.38%
May 2025	4.25%	4.50%	4.38%
Jun 2025	4.25%	4.50%	4.38%
Jul 2025	4.25%	4.50%	4.38%
Aug 2025	4.25%	4.50%	4.38%
Sept 2025	**4.00%**	**4.25%**	**4.13%**
Oct 2025	**3.75%**	**4.00%**	**3.88%**
Nov 2025	3.75%	4.00%	3.88%
Dec 2025	**3.50%**	**3.75%**	**3.63%**
2025	-	-	**4.21%**

	Lower bound	Upper bound	Average Rate
Jan 2026	3.50%	3.75%	3.63%
Feb 2026	3.50%	3.75%	3.63%
Mar 2026	3.50%	3.75%	3.63%
Apr 2026	3.50%	3.75%	3.63%
May 2026	3.50%	3.75%	3.63%
Jun 2026	3.50%	3.75%	3.63%
Jul 2026	3.50%	3.75%	3.63%
Aug 2026	3.50%	3.75%	3.63%
Sept 2026	**3.75%**	**4.00%**	**3.88%**
Oct 2026	3.75%	4.00%	3.88%
Nov 2026	3.75%	4.00%	3.88%
Dec 2026	**4.00%**	**4.25%**	**4.13%**
2026	-	-	**3.73%**

	Lower bound	Upper bound	Average Rate
Jan 2027	4.00%	4.25%	4.13%
Feb 2027	4.00%	4.25%	4.13%
Mar 2027	**4.25%**	**4.50%**	**4.38%**
Apr 2027	4.25%	4.50%	4.38%
May 2027	4.25%	4.50%	4.38%
Jun 2027	4.25%	4.50%	4.38%
Jul 2027	4.25%	4.50%	4.38%
Aug 2027	4.25%	4.50%	4.38%
Sept 2027	4.25%	4.50%	4.38%
Oct 2027	4.25%	4.50%	4.38%
Nov 2027	4.25%	4.50%	4.38%
Dec 2027	4.25%	4.50%	4.38%
2027	-	-	**4.33%**

Source: Federal Reserve Bank of St. Louis, FPA estimates

With U.S. interest rates expected to increase over the medium term, we expect Singapore interest rates to trend higher as well. Consequently, borrowing costs are likely to rise, which may dampen credit demand and increase financing costs across the economy.

[1] Morgan Stanley is a global investment bank.

RECENT SHARE PRICE DEVELOPMENTS

Over the past year, SIF's share price fell by 8.6% to S$1.48 on 30 October 2026 from S$1.62 on 30 October 2025, as shown in **Exhibit 9**.

Exhibit 9: Share Price Performance (Last 12 Months)



Source: Yahoo Finance, FPA

SIF's share price rose steadily between 8 December 2025 and 23 February 2026, gaining 11.6% from S$1.55 to S$1.73. Notably, the Company did not release any material announcements during this period.

On 23 February 2026, SIF released its FY2025 full-year results. Net interest income rose by 16.4% to S$75.3 million in FY2025 from S$64.7 million in FY2024. Profit attributable to shareholders rose by 16.5% to S$42.3 million in FY2025 from S$36.3 million in FY2024. Despite the positive earnings performance, share price fell by 1.7% to S$1.70 on 24 February from S$1.73 on 23 February 2026.

On 25 March 2026, SIF released its FY2025 Annual Report ("AR") and proposed a dividend of 7.5 cents per ordinary share for FY2025, subject to shareholders' approval. The ex-dividend date was 28 April 2026. SIF's share price rose by 0.7% to S$1.55 on 26 March 2026 from S$1.54 on 25 March 2026.

SIF's share price reached a 52-week high of S$1.85 on 22 April 2026. Notably, the Company did not release any material announcements during this period. On 24 April 2026, SIF announced the results of its Annual General Meeting ("AGM"), during which shareholders approved the payment of a final dividend of 7.5 cents per ordinary share. SIF's share price subsequently declined by 3.3% to S$1.76 on 27 April 2026 from S$1.82 on 24 April 2026.

SIF's share price declined by 5.1% to S$1.67 on 28 April 2026 from S$1.76 on 27 April 2026, primarily due to the stock trading ex-dividend on 28 April 2026. As investors purchasing the shares on or after the ex-dividend date were no longer entitled to the FY2025 final dividend of 7.5 cents per share, the share price adjusted downwards to reflect the loss of the dividend entitlement. Notably, the share price fell by 9 cents, exceeding the 7.5-cent dividend.

On 4 August 2026, SIF released its H1 FY2026 results. Net interest income rose by 16.8% to S$41.6 million in H1 FY2026 from S$35.6 million in H1 FY2025. Profit attributable to shareholders rose by 16.0% to S$25.2 million in H1 FY2026 from S$21.7 million in H1 FY2025. Share price remain unchanged at S$1.58 on 5 August 2026 compared to 4 August 2026.

Share price declined by 2.5% to S$1.54 on 30 September 2026 from S$1.58 on 5 August 2026. However, the Company did not make any material announcements during this period that would explain the decline in its share price.

On 7 October 2026, Singapore banking stocks weakened after Citibank downgraded OCBC from "Neutral" to "Sell", citing the risk of net interest margin compression in Q3 2026 due to higher fixed deposit rates. The downgrade triggered a broader sell-off across the banking sector, affecting DBS and UOB as well. Negative sentiment towards lenders also extended to SIF, whose share price declined by 2.0% to S$1.50 on 8 October 2026 from S$1.53 on 7 October 2026.

FINANCIAL ANALYSIS

In this section, we review SIF's financial performance for H1 FY2026 ended 30 June 2026.

(I) FINANCIAL REVIEW

Net interest income:

SIF's interest income fell by 16.8% to S$60.8 million in H1 FY2026 from S$73.1 million in H1 FY2025, as shown in **Exhibit 10**. Interest expense fell by 48.8% to S$19.2 million in H1 FY2026 from S$37.4 million in H1 FY2025. As a result, net interest income rose by 16.8% to S$41.6 million in H1 FY2026 from S$35.6 million in H1 FY2025.

Exhibit 10: Net Interest Income (H1 FY2025 vs H1 FY2026)

S$'000	Actual		H1 FY2025 vs H1 FY2026	
	H1 FY2025 (ended 30 June)	H1 FY2026 (ended 30 Jun)	Absolute Change	Change (%)
Interest income & hiring charges	73,057	60,760	(12,297)	(16.83%)
Interest expense	(37,443)	(19,157)	18,286	(48.84%)
Net interest income & hiring charges	**35,614**	**41,603**	**5,989**	**16.82%**

Source: SIF, FPA

Average interest-earning assets rose by 4.1% to S$3.48 billion in H1 FY2026 from S$3.35 billion in H1 FY2025, as shown in **Exhibit 11**. Asset yield fell to 3.49% from 4.37%, in line with global interest rate trends.

Exhibit 11: Asset Yield (H1 FY2025 vs H1 FY2026)

S$'000	Actual		H1 FY2025 vs H1 FY2026	
	H1 FY2025 (ended 30 June)	H1 FY2026 (ended 30 Jun)	Absolute Change	Change (%)
Average[(1)]				
Cash and deposits with banks and MAS	202,207	190,917	(11,290)	(5.58%)
Singapore Government Securities and MAS Bills	432,631	452,788	20,157	4.66%
Loans and advances	2,711,023	2,840,151	129,128	4.76%
Average interest-earning assets	3,345,860	3,483,856	137,996	4.12%
Interest income & hiring charges	73,057	60,760	(12,297)	(16.83%)
Asset yield (annualised)	**4.37%**	**3.49%**	**-**	**-**

(1) Average is calculated based on the simple average of the opening and closing balances for the period.
Note: Asset yield figures are based on our own estimates.
Interest-earning assets = Cash and deposits with banks and MAS + Singapore Government Securities and MAS Bills + Loans & advances
Asset yield = (Interest income & hiring charges) ÷ (Average interest-earning assets)
Source: SIF, FPA

Average "deposits and balances of customers" or interest-bearing liabilities rose by 4.6% to S$3.10 billion in H1 FY2026 from S$2.96 billion in H1 FY2025, as shown in **Exhibit 12**. Cost of funds fell to 1.24% from 2.53%, in line with global interest rate trends.

Exhibit 12: Cost of Funds (H1 FY2025 vs H1 FY2026)

S$'000	Actual		H1 FY2025 vs H1 FY2026	
	H1 FY2025 (ended 30 June)	H1 FY2026 (ended 30 Jun)	Absolute Change	Change (%)
Average[(1)]				
Deposits and balances of customers	2,960,216	3,095,867	135,651	4.58%
Interest expense	(37,443)	(19,157)	18,286	(48.84%)
Cost of funds (annualised)	**(2.53%)**	**(1.24%)**	-	-

[(1)]Average is calculated based on the simple average of the opening and closing balances for the period.
Note: Cost of funds figures are based on our own estimates.
Cost of funds = (Interest expense) ÷ (Average interest-bearing liabilities)
Source: SIF, FPA

Based on our estimates, SIF's net interest margin expanded to 2.39% in H1 FY2026 from 2.13% in H1 FY2025, as shown in **Exhibit 13**. Despite a softer interest rate environment, net interest income grew strongly, driven by margin expansion. While both asset yields and funding costs declined during the period, the reduction in funding costs outpaced the decline in asset yields, resulting in an improvement in net interest margin.

Exhibit 13: Net Interest Margin (H1 FY2025 vs H1 FY2026)

S$'000	Actual		H1 FY2025 vs H1 FY2026	
	H1 FY2025 (ended 30 June)	H1 FY2026 (ended 30 Jun)	Absolute Change	Change (%)
Average interest-earning assets	3,345,860	3,483,856	137,996	4.12%
Net interest income & hiring charges	35,614	41,603	5,989	16.82%
Net interest margin (annualised)	**2.13%**	**2.39%**	-	-

Note: Net interest margin figures are based on our own estimates.
Net interest margin = (Interest income & hiring charges) ÷ (Average interest-earning assets)
Source: SIF, FPA

From FY2021 to FY2025, SIF's net interest margin expanded to 2.27% in FY2025 from 2.12% in FY2021. The trend in the Company's net interest margin over the period is shown in **Exhibit 14**.

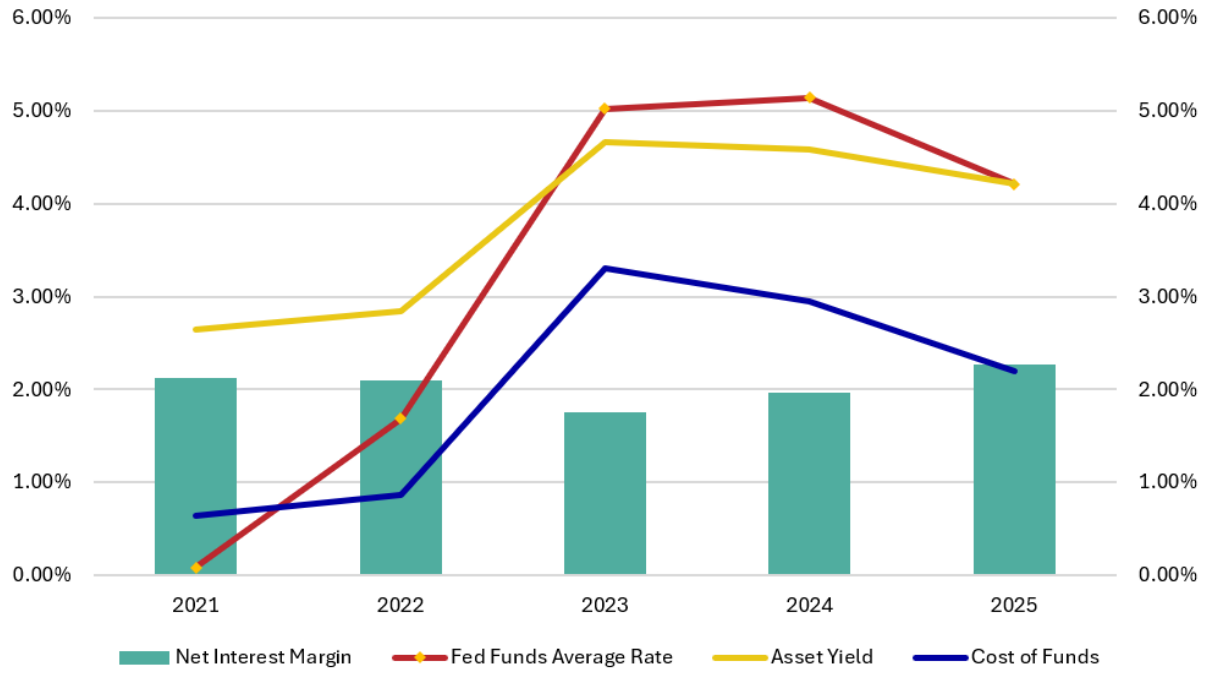
Exhibit 14: Net Interest Margin (FY2021 – FY2025)

	Actual				
S$'000	FY2021	FY2022	FY2023	FY2024	FY2025
Average					
Cash and deposits with banks and MAS	334,622	270,842	309,344	285,465	159,238
Singapore Government Securities and MAS Bills	324,423	349,437	393,020	442,044	435,358
Loans and advances	2,109,248	2,273,227	2,428,215	2,559,786	2,727,936
Average interest-earning assets	2,768,292	2,893,506	3,130,579	3,287,294	3,322,531
Interest income & hiring charges	73,392	82,228	145,776	150,790	140,156
Asset yield	**2.65%**	**2.84%**	**4.66%**	**4.59%**	**4.22%**
Deposits and balances of customers	2,286,087	2,447,466	2,753,814	2,916,965	2,942,955
Interest expense	(14,573)	(21,395)	(90,880)	(86,112)	(64,875)
Cost of funds	**(0.64%)**	**(0.87%)**	**(3.30%)**	**(2.95%)**	**(2.20%)**
Average interest-earning assets	2,768,292	2,893,506	3,130,579	3,287,294	3,322,531
Net interest & hiring charges	58,819	60,833	54,896	64,678	75,281
Net interest margin	**2.12%**	**2.10%**	**1.75%**	**1.97%**	**2.27%**

Source: SIF, FPA

Exhibit 15 illustrates the trends in asset yield, cost of funds and net interest margin relative to the U.S. Federal Funds Rate.

Exhibit 15: SIF's Financial Ratios against Federal Funds Rate (FY2021 – FY2025)



Source: SIF, Federal Reserve Bank of St. Louis, FPA

Non-interest income:

Non-interest income fell by 11.0% to S$4.6 million in H1 FY2026 from S$5.2 million in H1 FY2025, as shown in **Exhibit 16**.

Exhibit 16: Non-interest Income (H1 FY2025 vs H1 FY2026)

S$'000	Actual		H1 FY2025 vs H1 FY2026	
	H1 FY2025 (ended 30 June)	H1 FY2026 (ended 30 Jun)	Absolute Change	Change (%)
Fee and commissions	2,918	2,193	(725)	(24.85%)
Dividends	228	227	(1)	(0.44%)
Rental income from investment properties	2,003	2,087	84	4.19%
Other income	33	104	71	215.15%
Non-interest income	**5,182**	**4,611**	**(571)**	**(11.02%)**

Source: SIF, FPA

Non-interest income from FY2021 to FY2025 is shown in **Exhibit 17**.

Exhibit 17: Non-interest Income (FY2021 – FY2025)

S$'000	Actual				
	FY2021	FY2022	FY2023	FY2024	FY2025
Fee and commissions	2,163	1,648	2,086	3,305	5,824
Dividends	171	234	368	337	397
Rental income from investment properties	2,896	2,659	3,410	3,536	4,008
Other income	920	191	232	108	70
Non-interest income	**6,150**	**4,732**	**6,096**	**7,286**	**10,299**

Source: SIF, FPA

Operating expenses:

Total operating expenses rose by 6.0% to S$15.8 million in H1 FY2026 from S$14.9 million in H1 FY2025, as shown in **Exhibit 18**. The increase was driven by higher staff costs, which were partly mitigated by lower other operating expenses.

Exhibit 18: Operating Expenses (H1 FY2025 vs H1 FY2026)

S$'000	Actual		H1 FY2025 vs H1 FY2026	
	H1 FY2025 (ended 30 June)	H1 FY2026 (ended 30 Jun)	Absolute Change	Change (%)
Staff costs	(10,464)	(11,679)	(1,215)	11.61%
Depreciation of property, plant and equipment	(767)	(689)	78	(10.17%)
Depreciation of investment properties	(275)	(275)	-	-
Depreciation of right of use assets	(16)	(14)	2	(12.50%)
Other operating expenses	(3,392)	(3,148)	244	(7.19%)
Total operating expenses	**(14,914)**	**(15,805)**	**(891)**	**5.97%**

Source: SIF, FPA

Total operating expenses from FY2021 to FY2025 is shown in **Exhibit 19**.

Exhibit 19: Operating Expenses (FY2021 – FY2025)

S$'000	Actual				
	FY2021	FY2022	FY2023	FY2024	FY2025
Staff costs	(18,096)	(18,634)	(20,055)	(19,398)	(20,996)
Depreciation of property, plant and equipment	(1,823)	(2,022)	(2,005)	(1,932)	(1,497)
Depreciation of investment properties	(378)	(378)	(377)	(392)	(550)
Depreciation of right of use assets	(28)	(24)	(30)	(26)	(30)
Other operating expenses	(6,488)	(6,932)	(6,212)	(6,504)	(7,127)
Total operating expenses	**(26,813)**	**(27,990)**	**(28,679)**	**(28,252)**	**(30,200)**

Source: SIF, FPA

Profit from operations before allowances:

Profit from operations before allowances rose by 17.5% to S$30.4 million in H1 FY2026 from S$25.9 million in H1 FY2025, as shown in **Exhibit 20**.

Exhibit 20: Profit from Operations before Allowances (H1 FY2025 vs H1 FY2026)

S$'000	Actual		H1 FY2025 vs H1 FY2026	
	H1 FY2025 (ended 30 June)	H1 FY2026 (ended 30 Jun)	Absolute Change	Change (%)
Net interest & hiring charges	35,614	41,603	5,989	16.82%
Non-interest income	5,182	4,611	(571)	(11.02%)
Total operating expenses	(14,914)	(15,805)	(891)	5.97%
Profit from operations before allowances	**25,882**	**30,409**	**4,527**	**17.49%**

Source: SIF, FPA

Profit from operations before allowances from FY2021 to FY2025 is shown in **Exhibit 21**.

Exhibit 21: Profit from Operations before Allowances (FY2021 – FY2025)

S$'000	Actual				
	FY2021	FY2022	FY2023	FY2024	FY2025
Net interest & hiring charges	58,819	60,833	54,896	64,678	75,281
Non-interest income	6,150	4,732	6,096	7,286	10,299
Total operating expenses	(26,813)	(27,990)	(28,679)	(28,252)	(30,200)
Profit from operations before allowances	**38,156**	**37,575**	**32,313**	**43,712**	**55,380**

Source: SIF, FPA

Profit before tax:

Profit before tax rose by 16.0% to S$30.3 million in H1 FY2026 from S$26.1 million in H1 FY2025, as shown in **Exhibit 22**.

Exhibit 22: Profit before Tax (H1 FY2025 vs H1 FY2026)

S$'000	Actual		H1 FY2025 vs H1 FY2026	
	H1 FY2025 (ended 30 June)	H1 FY2026 (ended 30 Jun)	Absolute Change	Change (%)
Profit from operations before allowances	25,882	30,409	4,527	17.49%
(Allowances for credit losses)/Write back of allowances	255	(82)	(337)	n.m.
Profit before tax	**26,137**	**30,327**	**4,190**	**16.03%**

Source: SIF, FPA

Profit before tax from FY2021 to FY2025 is shown in **Exhibit 23**.

Exhibit 23: Profit before Tax (FY2021 – FY2025)

S$'000	Actual				
	FY2021	FY2022	FY2023	FY2024	FY2025
Profit from operations before allowances	38,156	37,575	32,313	43,712	55,380
(Allowances for credit losses)/Write back of allowances	(837)	6,495	7,500	(34)	(4,532)
Profit before tax	**37,319**	**44,070**	**39,813**	**43,678**	**50,848**

Source: SIF, FPA

Profit after tax:

Profit after tax rose by 16.0% to S$25.2 million in H1 FY2026 from S$21.7 million in H1 FY2025, as shown in **Exhibit 24**. The effective tax rate for both periods was 17.0%, in line with Singapore's corporate tax rate.

Exhibit 24: Profit after Tax (H1 FY2025 vs H1 FY2026)

S$'000	Actual		H1 FY2025 vs H1 FY2026	
	H1 FY2025 (ended 30 June)	H1 FY2026 (ended 30 Jun)	Absolute Change	Change (%)
Profit before tax	26,137	30,327	4,190	16.03%
Tax expense	(4,441)	(5,154)	(713)	16.05%
Profit after tax	**21,696**	**25,173**	**3,477**	**16.03%**
Calculated tax rate	*16.99%*	*16.99%*	-	-

Source: SIF, FPA

Profit after tax from FY2021 to FY2025 is shown in **Exhibit 25**.

Exhibit 25: Profit after Tax (FY2021 – FY2025)

S$'000	Actual				
	FY2021	FY2022	FY2023	FY2024	FY2025
Profit before tax	37,319	44,070	39,813	43,678	50,848
Tax expense	(5,886)	(6,867)	(6,603)	(7,338)	(8,525)
Profit after tax	**31,433**	**37,203**	**33,210**	**36,340**	**42,323**

Source: SIF, FPA

Earnings per share ("EPS"):

Basic & diluted EPS rose by 16.0% to 10.65 cents in H1 FY2026 from 9.18 cents in H1 FY2025.

SIF's EPS is summarised in **Exhibit 26**.

Exhibit 26: EPS (H1 FY2025 vs H1 FY2026)

S$'000	Actual		H1 FY2025 vs H1 FY2026	
	H1 FY2025 (ended 30 June)	H1 FY2026 (ended 30 Jun)	Absolute Change	Change (%)
Profit after tax	21,696	25,173	3,477	16.03%
Weighted average number of ordinary shares	236,438,622	236,438,622	-	-
Basic & diluted EPS (cents)	**9.18**	**10.65**	**1.47**	**16.03%**

Source: SIF, FPA

SIF's EPS from FY2021 to FY2025 is summarised in **Exhibit 27**.

Exhibit 27: EPS (FY2021 – FY2025)

S$'000	Actual				
	FY2021	FY2022	FY2023	FY2024	FY2025
Profit after tax	31,433	37,203	33,210	36,340	42,323
Weighted average number of ordinary shares	236,438,622	236,438,622	236,438,622	236,438,622	236,438,622
Basic & Diluted EPS (cents)	**13.29**	**15.73**	**14.05**	**15.37**	**17.90**

Source: SIF, FPA

Dividend per share ("DPS"):

SIF did not declare an interim dividend for H1 FY2026, as in previous years.

SIF's dividend schedule is shown in **Exhibit 28**.

Exhibit 28: DPS Schedule (FY2021 – FY2026)

	Actual					
S$ cents	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Interim dividend	-	-	-	-	-	-
Final dividend	5.30	6.70	6.00	6.50	7.50	NA
DPS	**5.30**	**6.70**	**6.00**	**6.50**	**7.50**	**0.00**

Source: SIF, FPA

According to SIF's AR, the Group does not have a fixed dividend payout ratio. In its response to the Securities Investors Association (Singapore) ("SIAS"), released on 14 April 2026, SIF noted that it typically aims to distribute 40% or more of its annual profit as dividends.

A summary of SIF's payout ratio between FY2021 and H1 FY2026 is shown in **Exhibit 29**.

Exhibit 29: Payout Ratio (FY2021 – H1 FY2026)

	Actual					
S$ cents	FY2021	FY2022	FY2023	FY2024	FY2025	H1 FY2026
Basic & diluted EPS	13.29	15.73	14.05	15.37	17.90	10.65
DPS	5.30	6.70	6.00	6.50	7.50	0.00
Payout ratio	*39.87%*	*42.58%*	*42.72%*	*42.29%*	*41.90%*	*0.00%*

Source: SIF, FPA

SIF's financial performance for H1 FY2025 and H1 FY2026 are summarised in **Exhibit 30**.

Exhibit 30: Financial Performance (H1 FY2025 vs H1 FY2026)

S$'000	Actual		H1 FY2025 vs H1 FY2026	
	H1 FY2025 (ended 30 June)	H1 FY2026 (ended 30 Jun)	Absolute Change	Change (%)
Interest income & hiring charges	73,057	60,760	(12,297)	(16.83%)
Interest expense	(37,443)	(19,157)	18,286	(48.84%)
Net interest income & hiring charges	**35,614**	**41,603**	**5,989**	**16.82%**
Fee and commissions	2,918	2,193	(725)	(24.85%)
Dividends	228	227	(1)	(0.44%)
Rental income from investment properties	2,003	2,087	84	4.19%
Other income	33	104	71	215.15%
Non-interest income	**5,182**	**4,611**	**(571)**	**(11.02%)**
Income before operating expenses	**40,796**	**46,214**	**5,418**	**13.28%**
Staff costs	(10,464)	(11,679)	(1,215)	11.61%
Depreciation of property, plant and equipment	(767)	(689)	78	(10.17%)
Depreciation of investment properties	(275)	(275)	-	-
Depreciation of right of use assets	(16)	(14)	2	(12.50%)
Other operating expenses	(3,392)	(3,148)	244	(7.19%)
Total operating expenses	**(14,914)**	**(15,805)**	**(891)**	**5.97%**
Profit from operations before allowances	**25,882**	**30,409**	**4,527**	**17.49%**
(Allowances for credit losses)/Write back of allowances	255	(82)	(337)	n.m.
Profit before tax	**26,137**	**30,327**	**4,190**	**16.03%**
Tax expense	(4,441)	(5,154)	(713)	16.05%
Profit after tax	**21,696**	**25,173**	**3,477**	**16.03%**
Weighted average number of ordinary shares	236,438,622	236,438,622	-	-
Basic EPS (cents)	**9.18**	**10.65**	**1.47**	**16.03%**
Diluted EPS (cents)	**9.18**	**10.65**	**1.47**	**16.03%**
DPS (cents)	**0.00**	**0.00**	**0.00**	**n.m.**
Payout ratio	***0.00%***	***0.00%***	-	-

Source: SIF, FPA

(II) CAPITAL MANAGEMENT

SIF's total loans and advances increased by 3.8% to S$2.89 billion in H1 FY2026 from S$2.79 billion in H2 FY2025, as shown in **Exhibit 31**. Management noted that this growth was achieved amid a highly competitive market environment. Customer deposits also grew by 9.3% to S$3.23 billion in H1 FY2026 from S$2.96 billion in H2 FY2025.

Exhibit 31: Summary of SIF's Balance Sheet (H2 FY2025 vs H1 FY2026)

S$'000	Actual		H2 FY2025 vs H1 FY2026	
	H2 FY2025 (ended 31 Dec)	H1 FY2026 (ended 30 Jun)	Absolute Change	Change (%)
Loans & advances	2,787,089	2,893,212	106,123	3.81%
Total assets	3,495,765	3,772,159	276,394	7.91%
Deposits and savings accounts of customers	2,958,141	3,233,592	275,451	9.31%
Total liabilities	2,999,632	3,266,213	266,581	8.89%
Equity attributable to owners of the Company	496,133	505,946	9,813	1.98%
No. of shares in issue	236,438,622	236,438,622	-	-
Net asset value per share (S$)	2.10	2.14	0.04	1.90%

Source: SIF, FPA

SIF's Capital Adequacy Ratio ("CAR") fell to 14.4% in H1 FY2026 from 15.2% in H2 FY2025, as shown in **Exhibit 32**. CAR is a financial metric used to assess a lender's ability to absorb potential losses and maintain financial stability. It is calculated as the ratio of a lender's regulatory capital to its risk-weighted assets.

Despite the decline, SIF's CAR remains comfortably above the minimum regulatory requirement of 12% for finance companies in Singapore.

Exhibit 32: Capital Adequacy Ratio

	Actual	
	H2 FY2025 (ended 31 Dec)	H1 FY2026 (ended 30 Jun)
Capital Adequacy Ratio	15.2%	14.4%

Source: SIF, FPA

FINANCIAL PROJECTIONS

(I) NET INTEREST INCOME PROJECTION

In Q3 2026, Singapore's economy grew by 5.4% y-o-y, moderating from 6.2% y-o-y in the previous quarter. Nevertheless, economic activity remains resilient despite ongoing geopolitical uncertainties. UOB has raised its 2026 GDP growth forecast to 5.7% from 5.0% and expects growth to moderate to 3.2% in 2027 (as referenced on page 6).

We believe this supportive macroeconomic environment should continue to underpin demand for financing. As such, we expect SIF's loans and advances to continue expanding over the medium term and assume loan growth will broadly track Singapore's GDP growth.

For interest-earning assets, we assume cash and deposits, as well as Singapore Government Securities, remain at H1 FY2026 levels throughout H2 FY2026 and FY2027. We forecast loans and advances to grow by 2.85% in H2 FY2026, based on half of our full-year growth assumption of 5.7%, followed by growth of 3.2% in FY2027. Accordingly, we project loans and advances to increase to S$2.92 billion by FY2026 and S$3.01 billion by FY2027. Consequently, total interest-earning assets are forecast to reach S$3.56 billion in FY2026 and S$3.66 billion in FY2027.

We also forecast deposits and savings accounts of customers to grow in line with loans and advances. Accordingly, deposits and savings accounts of customers are projected to increase to S$3.18 billion by FY2026 and S$3.29 billion by FY2027.

Our projections are summarised in **Exhibit 33**.

Exhibit 33: Forecasted Interest-Earning Assets & Interest-Bearing Liabilities for FY2026 & FY2027

S$'000	Actual	Forecast		
	H1 FY2026	H2 FY2026	FY2026	FY2027
Average				
Cash and deposits with banks and MAS	190,917	190,917	190,917	190,917
Growth		*0.00%*		*0.00%*
Singapore Government Securities and MAS Bills	452,788	452,788	452,788	452,788
Growth		*0.00%*		*0.00%*
Loans and advances	2,840,151	2,921,095	2,921,095	3,014,570
Growth		*2.85%*		*3.20%*
Average interest-earning assets	**3,483,856**	**3,564,800**	**3,564,800**	**3,658,275**
Growth		***2.32%***		***2.62%***
Average deposits & savings accounts of customers	**3,095,867**	**3,184,099**	**3,184,099**	**3,285,990**
Growth		***2.85%***		***3.20%***

Source: SIF, FPA

According to Morgan Stanley's projections, U.S. interest rates are expected to rise by 25 basis points in December 2026 and rise again by another 25 basis points in March 2027 (as referenced on page 9). Our projections are summarised in **Exhibit 34**.

Exhibit 34: Estimated Fed Funds Rate for FY2026 & FY2027

	Lower bound	Upper bound	Average Rate
Jan 2025	4.25%	4.50%	4.38%
Feb 2025	4.25%	4.50%	4.38%
Mar 2025	4.25%	4.50%	4.38%
Apr 2025	4.25%	4.50%	4.38%
May 2025	4.25%	4.50%	4.38%
Jun 2025	4.25%	4.50%	4.38%
Jul 2025	4.25%	4.50%	4.38%
Aug 2025	4.25%	4.50%	4.38%
Sept 2025	**4.00%**	**4.25%**	**4.13%**
Oct 2025	**3.75%**	**4.00%**	**3.88%**
Nov 2025	3.75%	4.00%	3.88%
Dec 2025	**3.50%**	**3.75%**	**3.63%**
2025	-	-	**4.21%**

	Lower bound	Upper bound	Average Rate
Jan 2026	3.50%	3.75%	3.63%
Feb 2026	3.50%	3.75%	3.63%
Mar 2026	3.50%	3.75%	3.63%
Apr 2026	3.50%	3.75%	3.63%
May 2026	3.50%	3.75%	3.63%
Jun 2026	3.50%	3.75%	3.63%
Jul 2026	3.50%	3.75%	3.63%
Aug 2026	3.50%	3.75%	3.63%
Sept 2026	**3.75%**	**4.00%**	**3.88%**
Oct 2026	3.75%	4.00%	3.88%
Nov 2026	3.75%	4.00%	3.88%
Dec 2026	**4.00%**	**4.25%**	**4.13%**
2026	-	-	**3.73%**

	Lower bound	Upper bound	Average Rate
Jan 2027	4.00%	4.25%	4.13%
Feb 2027	4.00%	4.25%	4.13%
Mar 2027	**4.25%**	**4.50%**	**4.38%**
Apr 2027	4.25%	4.50%	4.38%
May 2027	4.25%	4.50%	4.38%
Jun 2027	4.25%	4.50%	4.38%
Jul 2027	4.25%	4.50%	4.38%
Aug 2027	4.25%	4.50%	4.38%
Sept 2027	4.25%	4.50%	4.38%
Oct 2027	4.25%	4.50%	4.38%
Nov 2027	4.25%	4.50%	4.38%
Dec 2027	4.25%	4.50%	4.38%
2027	-	-	**4.33%**

Source: Federal Reserve Bank of St. Louis, FPA estimates

We calculated the proportion of increase in the average Fed Funds Rate, as shown in **Exhibit 35**.

Exhibit 35: Forecasted Average Fed Funds Rate for FY2026 & FY2027

	H1 FY2026	H2 FY2026	FY2026	FY2027
Average Fed Funds Rate	3.63%	3.83%	3.73%	4.33%
Proportion of (decline)/increase		*5.75%*		*16.20%*

Source: FPA

Given that SORA is influenced by global interest rate trends, we expect it to rise modestly following the anticipated U.S. rate hike in December 2026 and increase further in March 2027. Accordingly, we project asset yields and cost of funds to move broadly in line with SORA.

To assess the potential impact of these rate hikes, we estimated the corresponding changes in SORA, as shown in **Exhibit 36**. The SORA level on 30 June 2026 was used as a reference point. This analysis illustrates how movements in U.S. interest rates may translate into changes in the SORA and, in turn, affect SIF's asset yields and cost of funds.

Exhibit 36: Forecasted 3-Month Compounded SORA

	30 Jun 2026	H2 FY2026	FY2026	FY2027
3-Month Compounded SORA	1.08%	1.14%	1.14%	1.33%
Proportion of (decline)/increase		*5.75%*		*16.20%*

Source: MAS, FPA

We assume that when the SORA increases, SIF's asset yield would also move by the same proportion, as shown in **Exhibit 37**.

Exhibit 37: Forecasted Asset Yield for SIF in FY2026 & FY2027

	Actual	Forecast		
	H1 FY2026	H2 FY2026	FY2026	FY2027
SIF asset yield (annualised)	3.49%	3.69%	3.69%	4.29%
Proportion of (decline)/increase		*5.75%*		*16.20%*

Source: SIF, FPA

In its H1 FY2026 financial statements, SIF noted that, amid inflationary pressures, interest rates in Singapore are generally expected to trend upwards. Management also highlighted that higher funding costs could compress net interest margins if competitive conditions in the loan market persist for the remainder of 2026. Accordingly, we expect funding costs to rise at a faster pace than asset yields over our forecast period.

Historically, funding costs have demonstrated greater sensitivity to changes in interest rates than asset yields. Between H1 FY2025 and H1 FY2026, asset yields declined by 20.1% to 3.49% from 4.37%, while funding costs fell by 51.0% to 1.24% from 2.53%, as shown in **Exhibit 38**. This implies that movements in funding costs were approximately 2.5 times larger than those in asset yields, supporting our view that funding costs may reprice more rapidly than asset yields.

Exhibit 38: SIF's Asset Yield & Cost of Funds (H1 FY2025 vs H1 FY2026)

	H1 FY2025 (ended 30 June)	H1 FY2026 (ended 30 Jun)
SIF Asset yield (annualised)	4.37%	3.49%
Proportion of (decline)/increase		*(20.13%)*
SIF Cost of funds (annualised)	(2.53%)	(1.24%)
Proportion of (decline)/increase		*(51.08%)*
Ratio		**2.54x**

Source: SIF, FPA

SIF has commented that interest rates in Singapore are generally expected to trend upwards, potentially leading to higher funding costs and lower net interest margins. Historically, funding costs have been more sensitive to changes in interest rates than asset yields, moving approximately 2.5 times more over the period analysed. To reflect management's cautious outlook, we assume that funding costs will be three times as sensitive as asset yields over our forecast period. Our projections are shown in **Exhibit 39**. The figures are intended to serve as a proxy for illustrating the relative changes in asset yields and funding costs.

Exhibit 39: Forecasted Asset Yield & Cost of Funds for FY2026 & FY2027

	Actual	Forecast		
	H1 FY2026	H2 FY2026	FY2026	FY2027
SIF asset yield (annualised)	3.49%	3.69%	3.69%	4.29%
Proportion of (decline)/increase		*5.75%*		*16.20%*
SIF cost of funds (annualised)	(1.24%)	(1.45%)	(1.45%)	(2.16%)
Proportion of (decline)/increase		*17.25%*		*48.60%*

Source: SIF, FPA

Based on our assumptions for asset yields, funding costs, and balance sheet growth, we forecast net interest income to reach S$42.6 million in H2 FY2026, resulting in full-year FY2026 net interest income of S$84.2 million. We further project net interest income to increase to S$86.0 million in FY2027.

Nevertheless, net interest margin is expected to compress to 2.36% in FY2026 and 2.35% in FY2027.

Our projections are summarised in **Exhibit 40**.

Exhibit 40: Forecasted Net Interest Margin for FY2026 & FY2027

	Actual	Forecast		
S$'000	H1 FY2026	H2 FY2026	FY2026	FY2027
Average interest-earning assets	3,483,856	3,564,800	3,564,800	3,658,275
Interest income & hiring charges	60,760	65,747	126,507	150,855
Asset yield (annualised)	**3.49%**	**3.69%**	**3.55%**	**4.12%**
Proportion of (decline)/increase		*5.75%*		*16.20%*
Average deposits & savings accounts of customers	3,095,867	3,184,099	3,184,099	3,285,990
Interest expense	(19,157)	(23,102)	(42,259)	(64,806)
Cost of funds (annualised)	**(1.24%)**	**(1.45%)**	**(1.33%)**	**(1.97%)**
Proportion of (decline)/increase		*17.25%*		*48.60%*
Average interest-earning assets	3,483,856	3,564,800	3,564,800	3,658,275
Net interest income & hiring charges	41,603	42,645	84,248	86,049
Net interest margin (annualised)	**2.39%**	**2.39%**	**2.36%**	**2.35%**

Source: SIF, FPA

(II) EARNINGS PROJECTION

Non-interest income:

We project fees and commissions, dividend income, rental income, and other income to remain at H1 FY2026 levels in H2 FY2026. Subsequently, we expect non-interest income to remain broadly stable in FY2027.

Accordingly, we forecast non-interest income of S$9.2 million in FY2026 and FY2027.

Our projections are summarised in **Exhibit 41**.

Exhibit 41: Forecasted Non-Interest Income for FY2026 & FY2027

	Actual	Forecast		
S$'000	H1 FY2026	H2 FY2026	FY2026	FY2027
Fee and commissions	2,193	2,193	4,386	4,386
Dividends	227	227	454	454
Rental income from investment properties	2,087	2,087	4,174	4,174
Other income	104	104	208	208
Non-interest income	**4,611**	**4,611**	**9,222**	**9,222**

Source: SIF, FPA

Staff costs:

We project staff costs to remain at H1 FY2026 levels in H2 FY2026. Accordingly, staff costs are forecast to reach S$23.4 million in FY2026. For FY2027, we project staff costs to increase by 4.0%, in line with WTW[1]'s forecast for salary growth in 2027. As a result, staff costs are expected to rise to S$24.3 million in FY2027.

Our projections are summarised in **Exhibit 42**.

Exhibit 42: Forecasted Staff Costs for FY2026 & FY2027

	Actual	Forecast		
S$'000	H1 FY2026	H2 FY2026	FY2026	FY2027
Staff costs	(11,679)	(11,679)	(23,358)	(24,292)
Growth				*4.00%*

Source: SIF, FPA

[1] Willis Towers Watson is a British American multinational advisory, broking and solutions company. Its operations span commercial insurance brokerage and risk advisory, employee benefits and rewards consulting, retirement and actuarial services, and investment advice for pension funds and institutional investors.

Depreciation expense:

We project depreciation of PP&E, investment properties, and right-of-use assets to remain at H1 FY2026 levels in H2 FY2026. As such, we forecast FY2026 depreciation expense of S$1.4 million for PP&E, S$550,000 for investment properties, and S$28,000 for right-of-use assets. We expect these expenses to remain broadly unchanged in FY2027.

Our projections are summarised in **Exhibit 43**.

Exhibit 43: Forecasted Depreciation for FY2026 & FY2027

	Actual	Forecast		
S$'000	H1 FY2026	H2 FY2026	FY2026	FY2027
Depreciation of property, plant and equipment	(689)	(689)	(1,378)	(1,378)
Depreciation of investment properties	(275)	(275)	(550)	(550)
Depreciation of right of use assets	(14)	(14)	(28)	(28)

Source: SIF, FPA

Other operating expenses:

Other operating expenses comprise items such as audit fees, legal and professional fees, and Directors' fees. We project other operating expenses to remain at H1 FY2026 levels in H2 FY2026. Accordingly, other operating expenses are forecast to reach S$6.3 million in FY2026, and we expect them to remain broadly stable in FY2027.

Our projections are summarised in **Exhibit 44**.

Exhibit 44: Forecasted Other Operating Expenses for FY2026 & FY2027

	Actual	Forecast		
S$'000	H1 FY2026	H2 FY2026	FY2026	FY2027
Other operating expenses	(3,148)	(3,148)	(6,296)	(6,296)

Source: SIF, FPA

Total operating expenses:

Accordingly, we project total operating expenses to be S$31.6 million in FY2026 and S$32.5 million in FY2027, as shown in **Exhibit 45**.

Exhibit 45: Forecasted Total Operating Expenses for FY2026 & FY2027

	Actual	Forecast		
S$'000	H1 FY2026	H2 FY2026	FY2026	FY2027
Staff costs	(11,679)	(11,679)	(23,358)	(24,292)
Depreciation of property, plant and equipment	(689)	(689)	(1,378)	(1,378)
Depreciation of investment properties	(275)	(275)	(550)	(550)
Depreciation of right of use assets	(14)	(14)	(28)	(28)
Other operating expenses	(3,148)	(3,148)	(6,296)	(6,296)
Total operating expenses	**(15,805)**	**(15,805)**	**(31,610)**	**(32,544)**

Source: SIF, FPA

Profit from operations before allowances:

Profit from operations before allowances is forecast to reach S$31.5 million in H2 FY2026, bringing full-year FY2026 profit from operations before allowances to S$61.9 million. We further project profit from operations before allowances to increase to S$62.7 million in FY2027.

Our projections are summarised in **Exhibit 46**.

Exhibit 46: Forecasted Profit from Operations before Allowances in FY2026 & FY2027

	Actual	Forecast		
S$'000	H1 FY2026	H2 FY2026	FY2026	FY2027
Net interest income	41,603	42,645	84,248	86,049
Non-interest income	4,611	4,611	9,222	9,222
Total operating expenses	(15,805)	(15,805)	(31,610)	(32,544)
Profit from operations before allowances	**30,409**	**31,451**	**61,860**	**62,727**

Source: SIF, FPA

Profit before income tax:

In the Company's H1 FY2026 financial statements, management noted that asset quality remained robust despite continued loan growth. The non-performing loan ratio stood at 0.3% in H1 FY2026, with adequate credit allowances in place to cover expected losses.

Nevertheless, given the ongoing conflict in the Middle East and the uncertain global economic environment, we expect SIF to maintain a prudent provisioning approach. As such, we assume that allowances for credit losses will remain at H1 FY2026 levels in H2 FY2026. Accordingly, we forecast allowances for credit losses of S$164,000 in FY2026 and expect them to remain broadly stable in FY2027, as shown in **Exhibit 47**.

Exhibit 47: Forecasted Allowances for Impairment Losses on Loans for FY2026 & FY2027

	Actual	Forecast		
S$'000	H1 FY2026	H2 FY2026	FY2026	FY2027
(Allowances for credit losses)/Write back of allowances	(82)	(82)	(164)	(164)

Source: SIF, FPA

Accordingly, profit before tax is projected to be S$61.7 million in FY2026 and S$62.6 million in FY2027, as shown in **Exhibit 48**.

Exhibit 48: Forecasted Profit before Tax for FY2026 & FY2027

	Actual	Forecast		
S$'000	H1 FY2026	H2 FY2026	FY2026	FY2027
Profit from operations before allowances	30,409	31,451	61,860	62,727
(Allowances for credit losses)/Write back of allowances	(82)	(82)	(164)	(164)
Profit before tax	**30,327**	**31,369**	**61,696**	**62,563**

Source: SIF, FPA

Profit after tax:

We assume a tax rate of 17% for H2 FY2026 and FY2027, in line with Singapore's corporate income tax rate. Profit after tax is projected to reach S$26.0 million in H2 FY2026, S$51.2 million in FY2026 and S$51.9 million in FY2027, as shown in **Exhibit 49**.

Exhibit 49: Forecasted Profit after Tax for FY2026 & FY2027

	Actual	Forecast		
S$'000	H1 FY2026	H2 FY2026	FY2026	FY2027
Profit before tax	30,327	31,369	61,696	62,563
Tax expense	(5,154)	(5,333)	(10,487)	(10,636)
Profit after tax	**25,173**	**26,036**	**51,209**	**51,927**
Effective tax rate	*(16.99%)*	*(17.00%)*	*(17.00%)*	*(17.00%)*

Source: SIF, FPA

EPS:

We assume that the weighted average number of ordinary shares outstanding will remain unchanged from H1 FY2026 levels throughout our forecast period. Based on this assumption, we project basic and diluted EPS of 11.01 cents in H2 FY2026, 21.66 cents in FY2026, and 21.96 cents in FY2027, as shown in **Exhibit 50**.

Exhibit 50: Forecasted EPS for FY2026 & FY2027

	Actual	Forecast		
S$'000	H1 FY2026	H2 FY2026	FY2026	FY2027
Profit after tax	25,173	26,036	51,209	51,927
Weighted average number of ordinary shares	236,438,622	236,438,622	236,438,622	236,438,622
Basic & diluted EPS (cents)	10.65	11.01	21.66	21.96

Source: SIF, FPA

DPS:

SIF typically aims to distribute 40% or more of its annual profit as dividends (as referenced on page 21). As such, we forecast a dividend payout ratio of 42% for FY2026 and FY2027. Based on this assumption, we project DPS of 9.20 cents for both FY2026 and FY2027. Given that no interim dividend was declared in H1 FY2026, we expect SIF to declare a final dividend of 9.20 cents in H2 FY2026.

Our projections are summarised in **Exhibit 51**.

Exhibit 51: Forecasted DPS for FY2026 & FY2027

	Actual			Forecast	
S$ cents	FY2023	FY2024	FY2025	FY2026	FY2027
Basic & diluted EPS	15.73	14.05	15.37	21.66	21.96
Dividends	6.70	6.00	6.50	9.20	9.20
Payout ratio	*42.58%*	*42.72%*	*42.29%*	*42.48%*	*41.89%*

Source: SIF, FPA

Our projections are summarised in **Exhibit 52**.

Exhibit 52: Forecasted Financial Performance for FY2026 & FY2027

	Actual			Forecast	
S$'000	FY2023	FY2024	FY2025	FY2026	FY2027
Interest income & hiring charges	145,776	150,790	140,156	126,507	150,855
Interest expense	(90,880)	(86,112)	(64,875)	(42,259)	(64,806)
Net interest income & hiring charges	**54,896**	**64,678**	**75,281**	**84,248**	**86,049**
Fee and commissions	2,086	3,305	5,824	4,386	4,386
Dividends	368	337	397	454	454
Rental income from investment properties	3,410	3,536	4,008	4,174	4,174
Other income	232	108	70	208	208
Non-interest income	**6,096**	**7,286**	**10,299**	**9,222**	**9,222**
Income before operating expenses	**60,992**	**71,964**	**85,580**	**93,470**	**95,271**
Staff costs	(20,055)	(19,398)	(20,996)	(23,358)	(24,292)
Depreciation of property, plant and equipment	(2,005)	(1,932)	(1,497)	(1,378)	(1,378)
Depreciation of investment properties	(377)	(392)	(550)	(550)	(550)
Depreciation of right of use assets	(30)	(26)	(30)	(28)	(28)
Other operating expenses	(6,212)	(6,504)	(7,127)	(6,296)	(6,296)
Total operating expenses	**(28,679)**	**(28,252)**	**(30,200)**	**(31,610)**	**(32,544)**
Profit from operations before allowances	**32,313**	**43,712**	**55,380**	**61,860**	**62,727**
(Allowances for credit losses)/Write back of allowances	7,500	(34)	(4,532)	(164)	(164)
Profit before tax	**39,813**	**43,678**	**50,848**	**61,696**	**62,563**
Tax expense	**(6,603)**	**(7,338)**	**(8,525)**	**(10,487)**	**(10,636)**
Profit after tax	**33,210**	**36,340**	**42,323**	**51,209**	**51,927**
Weighted average number of ordinary shares	236,438,622	236,438,622	236,438,622	236,438,622	236,438,622
Basic EPS (cents)	**14.05**	**15.37**	**17.90**	**21.66**	**21.96**
Diluted EPS (cents)	**14.05**	**15.37**	**17.90**	**21.66**	**21.96**
DPS (cents)	**6.00**	**6.50**	**7.50**	**9.20**	**9.20**
Payout ratio	***42.72%***	***42.29%***	***41.90%***	***42.48%***	***41.89%***

Source: SIF, FPA

VALUATION ANALYSIS

(I) PEER COMPARISON ANALYSIS

We performed a peer comparison analysis to review how SIF is faring against industry peers in terms of current valuation metrics. We selected peer companies that are like SIF in terms of industry and business operations. Then, we compared SIF against its peers in terms of P/E multiple, P/B multiple and dividend yield.

Below, we list the selected peer companies to compare with SIF (along with a brief description of each company) as follows:

i. Hong Leong Finance Limited ("HLF"; SGX:S41)

HLF is a Singapore-based financial services company and a member of the Hong Leong Group Singapore. Its core business includes accepting public deposits & savings and offering a range of financing solutions such as corporate & consumer loans, government assistance for small and medium-sized enterprises ("SME"), corporate finance & advisory services. HLF operates through a network of 28 branches, and 13 SME centres located island wide.

ii. Singapura Finance Ltd ("SF"; SGX:S23)

SF is a Singapore-based financial services firm that offers loans for both consumers and corporates. Other services include savings and fixed deposits. The firm has seven branches located in populous areas to serve its client base that's spread throughout Singapore.

iii. IFS Capital Limited ("IFS"; SGX:I49)

IFS is a regional financial service company. The firm is a provider of commercial financing services such as property financing, term loans, working capital loans and government-assisted schemes to business enterprises. IFS also manages a diversified business portfolio from asset management to insurance and fintech.

The results of our peer comparison analysis are shown in **Exhibit 53**.

Exhibit 53: Peer Comparison Analysis

Company	Currency	Stock Symbol	Price (S$) as at 30 Oct '26	Market Cap (S$ million)	Diluted EPS (cents)[1]	P/E	DPS (cents)[2]	Dividend Yield (%)	NAV per share (S$)[3]	P/B
Sing Investments & Finance	SGD	S35	1.480	349.93	19.46	7.61	7.50	5.07%	2.14	0.69
Peer companies:										
Hong Leong Finance	SGD	S41	2.390	1,075.47	14.56	16.42	9.00	3.77%	4.72	0.51
Singapura Finance	SGD	S23	0.755	119.81	7.36	10.26	3.50	4.64%	1.67	0.45
IFS Capital	SGD	I49	0.154	57.90	1.25	12.32	0.80	5.19%	0.47	0.33
Peer average:		-	-	-	-	**13.00**	-	**4.53%**	-	**0.43**

[1] & [2] Trailing Twelve-Months ("TTM"). [3] Most recent financial statement.
Source: SGX Stock Screener, respective companies, FPA

(a) P/E multiple

Based on the results in **Exhibit 53**, SIF is currently trading at a P/E multiple of 7.61x which is lower than the peer average P/E of 13.00x. This suggests that SIF is undervalued at the current share price. Adopting a relative valuation approach, we estimate a target price of S$2.530 if SIF is to trade at the peer average P/E of 13.00x as follows:

$$\begin{aligned}\text{Estimated target price (P/E multiple)} &= \text{Peer average P/E} \times \text{TTM diluted EPS} \\ &= 13.00 \times \text{S\$0.1946} \\ &\approx \text{S\$2.530}\end{aligned}$$

The estimated target price of S$2.530 represents an upside potential of 70.9% from the current share price of S$1.48.

(b) P/B multiple

Based on the results in **Exhibit 53**, SIF is currently trading at a P/B multiple of 0.69x which is higher than the peer average P/B of 0.43x. This suggests that SIF is overvalued at the current share price. Adopting a relative valuation approach, we estimate a target price of S$0.916 if SIF is to trade at the peer average P/B of 0.43x as follows:

$$\begin{aligned}\text{Estimated target price (P/B multiple)} &= \text{Peer average P/B} \times \text{NAV per share} \\ &= 0.43 \times \text{S\$2.14} \\ &\approx \text{S\$0.916}\end{aligned}$$

The estimated target price of S$0.916 represents a downside potential of 38.1% from the current share price of S$1.48.

(c) Dividend yield

Based on the results in **Exhibit 53**, SIF's current dividend yield of 5.07% is more attractive than the peer average yield of 4.53%, which suggests that SIF is undervalued at the current share price. Adopting a relative valuation approach, we estimate a target price of S$1.655 if SIF is to trade at the peer average yield of 4.53% as follows:

$$\begin{aligned}\text{Estimated target price (Dividend yield)} &= \frac{\text{Current yield}}{\text{Peer average yield}} \times \text{Current share price} \\ &= \frac{5.07\%}{4.53\%} \times \text{S\$1.48} \\ &\approx \text{S\$1.655}\end{aligned}$$

The estimated target price of S$1.655 represents an upside potential of 11.8% from the current share price of S$1.48.

(d) Target price

From our analysis, SIF seems to be undervalued in terms of its P/E multiple and dividend yield but overvalued in terms of its P/B multiple. By averaging target prices based on P/E multiple, P/B multiple and dividend yield, we derive an overall target price of S$1.700 as follows:

$$\begin{aligned}\text{Overall target price} &= \frac{1}{3} \times [\text{Estimated target price (P/E multiple)} + \text{Estimated target price (P/B multiple)} + \\ &\quad \text{Estimated target price (Dividend yield)}] \\ &= \frac{1}{3} \times [\text{S\$2.530} + \text{S\$0.916} + \text{S\$1.655}] \\ &\approx \text{S\$1.700}\end{aligned}$$

The overall target price of S$1.700 represents an upside potential of 14.9% from the current share price of S$1.48.

POTENTIAL CATALYSTS

(I) STRONGER-THAN-EXPECTED LOAN GROWTH

Loans and advances grew by 3.8% to S$2.89 billion in H1 FY2026 from S$2.79 billion in H2 FY2025. Management noted that this growth was achieved despite a highly competitive operating environment. In our forecasts, we assume loan growth will broadly track Singapore's economic growth. However, should consumer and business confidence improve further amid a resilient economic backdrop, demand for housing loans and business financing could exceed our expectations. This would support stronger loan growth and, in turn, provide an uplift to SIF's net interest income and earnings.

(II) NET INTEREST MARGIN EXPANSION

SIF has guided that net interest margins may face pressure as funding costs are expected to rise faster than asset yields. In our forecasts, we assume net interest margin compression as a result of this trend. However, if funding costs increase more gradually than expected, net interest margin could expand instead. This would result in stronger-than-expected net interest income and earnings.

(III) IMPROVEMENT IN ASSET QUALITY

SIF's non-performing loan ratio stood at 0.3% in H1 FY2026, compared to 0.2% in H1 FY2025. While the ratio increased marginally, overall asset quality remains healthy and credit losses continue to be low. The Company has also maintained adequate credit allowances against potential losses.

Looking ahead, should economic conditions remain supportive and borrower repayment behaviour continue to improve, credit quality may exceed our expectations. In such a scenario, SIF could record write-backs of previously recognised impairment allowances, which would support stronger earnings growth.

INVESTMENT RECOMMENDATION

Based on our estimates, SIF's net interest margin improved to 2.39% in H1 FY2026 from 2.13% in H1 FY2025, as funding costs declined at a faster pace than asset yields despite a lower interest rate environment. Looking ahead, global interest rates are expected to rise in the second half of the year, which should support higher lending yields. However, management has guided that net interest margins may come under pressure as funding costs are expected to increase faster than asset yields. As a result, we believe there are near-term headwinds to SIF's earnings growth despite our expectation that loan growth will continue to be supported by Singapore's resilient economic outlook.

Based on the peer average P/E multiple of 13.00x and TTM EPS of 19.46 cents, we estimate a target price of S$2.530. Based on the peer average P/B multiple of 0.43x and NAV per share of S$2.14, we estimate a target price of S$0.916. Based on the peer average yield of 4.53% and current dividend yield of 5.07%, we estimate a target price of S$1.655. By averaging the estimated target prices, we derive an overall target price of S$1.700 as follows:

$$\begin{aligned}\text{Overall target price} &= \frac{1}{3} \times [\text{Estimated target price (P/E multiple)} + \text{Estimated target price (P/B multiple)} + \text{Estimated target price (Dividend yield)}] \\ &= \frac{1}{3} \times [\text{S\$2.530} + \text{S\$0.916} + \text{S\$1.655}] \\ &\approx \text{S\$1.700}\end{aligned}$$

The target price of S$1.700 represents an upside potential of 14.9% from the current share price of S$1.48. Potential upside catalysts include stronger-than-expected loan growth, potential net interest margin expansion, and improvements in asset quality.

While SIF delivered a strong H1 FY2026 performance, we expect net interest margin pressure to moderate earnings growth going forward. As such, we initiate coverage on SIF with a Hold recommendation.

Key risks to our target price are discussed on the next page.

RISKS TO TARGET PRICE

(I) SLOWER-THAN-EXPECTED LOAN GROWTH

If economic growth slows due to the ongoing conflict in the Middle East, consumer and business confidence may weaken. This could reduce demand for housing, commercial, and business loans as borrowers defer major purchases and investments. Consequently, SIF may experience slower-than-expected loan growth, which would weigh on net interest income and earnings growth.

(II) NET INTEREST MARGIN COMPRESSION

SIF has indicated that net interest margins may face pressure as funding costs are expected to reprice faster than asset yields. A key risk to our forecasts is that competition for deposits intensifies, forcing the Company to offer higher deposit rates to attract and retain funding. In such a scenario, funding costs could increase more rapidly than expected, while asset yields may not rise sufficiently to offset the increase.

Consequently, net interest margins could compress beyond our forecasts, leading to lower net interest income and weaker earnings growth.

(III) DETERIORATION IN ASSET QUALITY

Lenders such as SIF are required to recognise impairment allowances when there is an increased risk of borrowers defaulting on their loans. During periods of economic weakness, businesses and consumers may face greater financial stress, increasing the likelihood of loan delinquencies and defaults.

Should the ongoing conflict in the Middle East lead to a slowdown in economic activity, asset quality could deteriorate beyond our expectations. This may result in a higher level of non-performing loans, requiring SIF to increase its impairment allowances to cover potential credit losses.

Higher impairment allowances would weigh on net profit and could result in earnings falling below our forecasts. In addition, lower profitability may reduce the Company's capacity to pay dividends, which could negatively impact shareholder returns.

CORPORATE GOVERNANCE

(I) BOARD OF DIRECTORS

As at 23 February 2026, the Board comprises six Directors:

- Mr Michael Lau Hwai Keong: Chairman, Non-Executive and Independent Director
- Mr Lee Sze Leong: CEO, Managing Director and Non-Independent Director
- Mr Lee Sze Siong: Deputy Managing Director, Executive and Non-Independent Director
- Mr Joseph Toh Kian Leong: Non-Executive and Independent Director
- Ms Quan Wai Yee: Non-Executive and Independent Director
- Mr Kuha Boon Wee: Non-Executive and Independent Director

Mr Lau joined the Board on 2 January 2019. He was appointed Chairman of SIF on 27 April 2023 while remaining a Non-Executive and Independent Director. He is the Chairman of the Risk Management Committee, Chairman of the Nominating Committee and a member of the Remuneration Committee. Prior to his retirement in June 2025, Mr Lau was a Senior Managing Director, Advisory Services, at Octagon Advisors Pte Ltd, a business and risk management consultancy company. Before joining Octagon Advisors, he served as Executive Vice President, International, at UOB and as Advisor to Asia Pulp and Paper Ltd. Mr Lau has also held various positions at the MAS, where his last appointment was Senior Deputy Director (Development and Domestic Institutions). In addition, he served as Senior Manager (Institutional Sales) at J M Sassoon & Company, a stockbroking firm, and as Executive Vice President of The Central Depository (Pte) Limited ("CDP"), a subsidiary of the Stock Exchange of Singapore ("SGX"). Mr Lau holds a Bachelor of Business Administration (First Class Honours) from the National University of Singapore and is a Chartered Financial Analyst charterholder.

Mr Lee has served as a Director of SIF since 20 February 1989 and was appointed Managing Director and CEO in January 1997. He is member of the Nominating Committee and Risk Management Committee. Mr Lee was appointed Director of the Company's subsidiary, Sing Investments & Finance Nominees (Pte.) Ltd, in October 1983. He also serves as the Non-Executive Chairman of Sing Holdings Ltd, a company listed on the Mainboard of SGX. In recognition of his public service contributions, Mr Lee was awarded the Public Service Medal (Pingat Bakti Masyarakat) in 1997 and the Public Service Star (Bintang Bakti Masyarakat) in 2007. Mr Lee holds a Bachelor of Business Administration from the University of Hawaii at Manoa, United States.

Mr Lee joined the Company in 1986 and was appointed to the Board on 19 March 1997. He was subsequently appointed Deputy Managing Director on 1 July 2010. He is a member of the Risk Management Committee. Mr Lee oversees the Company's credit documentation and operations, credit control, finance, information technology support, product management, human resources, tenancy matters, and building maintenance. In addition, Mr Lee serves on the boards of F.H. Lee Holdings Pte Ltd and Sing Investments & Finance Nominees (Pte.) Ltd. Mr Lee holds a Bachelor of Business Administration from the University of Hawaii, United States, and a Master of Accounting from the University of Southern Queensland, Australia.

Mr Toh joined the Board on 2 January 2019. He serves as Chairman of the Audit Committee and is a member of the Nominating Committee. Mr Toh retired as a partner of Baker Tilly TFW LLP and currently provides audit consultancy services and conducts training courses. He is also a member of the Investigation and Disciplinary Panel of the Institute of Singapore Chartered Accountants. Mr Toh is a Fellow Chartered Accountant of the Institute of Singapore Chartered Accountants and a Fellow member of the Association of Chartered Certified Accountants.

Ms Quan joined the Board on 27 April 2021. She is a member of the Audit Committee, Remuneration Committee and Risk Management Committee. Ms Quan is a senior banking executive with more than 30 years of industry experience. Her career spans corporate banking (1987 to 1995), investment banking (1996 to 2011), and private banking (2011 to 2016), with significant expertise in risk management. Following her retirement in 2017, she has continued to provide consultancy services on credit risk and corporate governance matters on an ad hoc basis. Ms Quan holds a Bachelor of Business Administration from the National University of Singapore.

Mr Kuah joined the Board on 27 April 2023. He serves as Chairman of the Remuneration Committee and is a member of the Audit Committee. Mr Kuah is a Non-Executive, Non-Independent Director of MTQ Corporation Limited and an Independent, Non-Executive Director of The Hour Glass Limited. His extensive industry experience includes serving as Chief Executive Officer of South East Asia and Singapore Terminals, as well as Chief Financial Officer of PSA International Pte Ltd. Mr Kuah holds a Bachelor of Engineering degree from the Imperial College of Science and Technology, London. He is also a Fellow of the Institute of Chartered Accountants in England and Wales.

Audit Committee

- Mr Joseph Toh Kian Leong: Chairman
- Ms Quan Wai Yee: Member
- Mr Kuah Boon Wee: Member

Risk Management Committee

- Mr Michael Lau Hwai Keong: Chairman
- Ms Quan Wai Yee: Member
- Mr Lee Sze Leong: Member
- Mr Lee Sze Siong: Member

Nominating Committee

- Mr Michael Lau Hwai Keong: Chairman
- Mr Lee Sze Leong: Member
- Mr Joseph Toh Kian Leong: Member

Remuneration Committee

- Mr Kuah Boon Wee: Chairman
- Mr Michael Lau Hwai Keong: Member
- Ms Quan Wai Yee: Member

(II) REMUNERATION

The remuneration of Directors for FY2025 is shown in **Exhibit 54**.

Exhibit 54: Remuneration of Directors for FY2025

Name of Director	Total Remuneration	Basic Salary/ Employer's CPF/AWS	Variable Bonus	Directors' Fee	Other Benefits	Total
	$	%	%	%	%	%
Executive Directors						
Lee Sze Leong (Managing Director)	2,080,388	45.4%	46.7%	3.4%	4.5%	100%
Lee Sze Siong (Deputy Managing Director)	1,450,293	45.5%	46.6%	4.5%	3.4%	100%
Non-executive Directors						
Michael Lau Hwai Keong	110,000	–	–	100%	–	100%
Joseph Toh Kian Leong	70,000	–	–	100%	–	100%
Quan Wai Yee	70,000	–	–	100%	–	100%
Kuah Boon Wee	75,000	–	–	100%	–	100%

Source: SIF

SUSTAINABILITY INFORMATION

SIF's approach to sustainability involves integrating sustainability considerations into its business strategy and lending decisions. Environmental, Social and Governance ("ESG") risks and opportunities are assessed holistically and are subject to governance and oversight by the Company's management and Board.

Sustainability governance:

The sustainability governance structure of SIF is shown in **Exhibit 55**. The Board has overall responsibility for the Company's sustainability agenda and reporting, and is responsible for ensuring that the business is managed in a sustainable and responsible manner. The Board approves the material ESG factors, related policies, and the Enterprise-Wide Risk Management Framework ("EWRM"), which incorporates the Group's environmental and climate risk management practices. In addition, the Board is responsible for allocating adequate resources to support the achievement of the Company's ESG objectives through its long-term planning and annual budgeting processes.

To support the Board in its oversight of ESG matters, the Risk Management Committee ("RMC") oversees the EWRM and reviews and approves the Company's risk management policies and procedures. This includes defining SIF's risk appetite and overseeing the management of its risk exposures, including ESG-related risks. The RMC meets on a quarterly basis and reports ESG-related matters to the Audit Committee ("AC"), which has overall oversight responsibility for sustainability-related issues and reporting before matters are escalated to the Board where necessary.

Supporting the RMC is the Sustainability Steering Committee ("SSC"), which is responsible for reviewing, monitoring, and managing SIF's sustainability initiatives and material ESG factors. The SSC reports periodically to the RMC, which in turn reports to the AC and the Board on sustainability matters.

In addition, the Internal Audit function provides independent assurance over sustainability-related processes and controls. Through the Internal Audit function, the AC exercises independent oversight over compliance with sustainability policies, the quality of ESG data collected, and sustainability-related reporting and disclosure practices.

Exhibit 55: SIF's Sustainability Governance Structure



Source: SIF

Stakeholder engagement:

Stakeholder engagement refers to the process through which a company engages with groups that may influence, or be affected by, its business activities. Through regular engagement, SIF seeks to understand stakeholder expectations, identify material ESG issues, and incorporate stakeholder feedback into its decision-making processes. This helps management and the Board prioritise sustainability initiatives and address emerging ESG risks and opportunities. The Company's key stakeholder groups, engagement methods, and responses are summarised in **Exhibit 56**.

Exhibit 56: SIF's Stakeholder Engagement

Stakeholders	Engagement Channels	Areas of Interest	Our Responses
Customers	• Interactions at branches & face-to-face meetings • Regular engagements with relationship managers • Customer service hotline • Feedback via SIF mobile apps & website	• Digitally enabled services & products • Fair dealing • Competitive pricing & innovative products • Data privacy & security • Prompt service & complaint resolution	• SIF Retail & Corporate e-services apps, & company website • Active listening • Professional and ethical standards in business conduct • Strong data security • Good customer services and prompt resolution of feedback & complaints
Regulators	• Regular dialogues, updates & consultation • Input & support for implementation of laws, rules & regulations • Industry forums, survey portals & secured communication platforms	• Transparent, timely data & insights • Company, industry financial & operational stability • Key regulatory issues, including money laundering & terrorism, cyber security, anti-scam, artificial intelligence, 3rd party risk management and liquidity risk management	• Strong governance and controls to address regulatory priorities • Prompt, clear & comprehensive responses to maintain transparency & trust • Participation in dialogues, surveys & consultation • Strong capital and adequate liquidity
Employees	• One-to-one sessions • Feedback in the course of work and appraisals • Staff satisfaction survey and follow-ups • Communication and updates from management	• Personal & professional development • Opportunities for career progression • Work-life balance • Mutual trust & respect	• Fair & progressive HR policies • Support for flexible working arrangement • Training opportunities & career development • Talent management & retention
Investors	• Annual general and other shareholder meetings • Annual reports & result announcements • Updates & broadcasts through SingFinance websites	• Stable, sustainable growth & returns • Sound funding & strong capital • Strong corporate governance & transparency	• Competent & independent Board of Directors & management • Financial prudence & sustainable dividend pay-out • Robust corporate & risk governance • Timely disclosure & reporting
Community	• Community engagement programs • Partnership with charity & social service agencies • Sustainability reporting	• Good corporate citizenship • Financial support and donations in kind • Positive impacts on environment	• Responsible financing • Giving back through corporate social responsibility activities • Effort to reduce environmental footprints

Source: SIF

Materiality assessments:

Materiality assessment refers to the process of identifying and prioritising the ESG issues that are most relevant to a company's operations and stakeholders. At SIF, the SSC, comprising senior management personnel, assesses material ESG factors based on business relevance and stakeholder expectations. These factors are subsequently reviewed by the RMC and recommended to the AC and Board for approval. The material ESG factors are reviewed annually to ensure their continued relevance to the Group.

SIF's material factors are summarised in **Exhibit 57**.

Exhibit 57: SIF's Materiality Assessment

	Valuing Environment	Creating Values	Upholding Values
Pillars	We act as a responsible agent of change for our customers and ourselves to transition to a more sustainable environment	We aim to create values for all our stakeholders, including shareholders, customers and community	We strive to uphold our corporate values in our conduct of business with internal and external stakeholders.
Material Factors	Responsible Financing	Economic Value	Corporate Governance
	Low Carbon Transition	Service Digitisation	Risk Culture
	Environmental Footprint	Community Contribution	Talent Management

Source: SIF

(I) ENVIRONMENTAL

SIF's environmental strategy is centred on acting as a responsible agent of change for both its customers and its own operations in support of a more sustainable environment. As a financial institution, the Company's environmental impact arises mainly through its financing activities, where lending decisions can influence the transition towards more sustainable business practices. Accordingly, SIF's environmental efforts focus on three key areas: responsible financing, supporting the transition to a lower-carbon economy, and managing its own environmental footprint.

Responsible financing:

Responsible financing is one of SIF's key environmental priorities. The Company has incorporated environmental and climate-related considerations into its lending and risk management processes through its EWRM. ESG-related risks are assessed as part of the Company's credit evaluation and risk management framework, allowing SIF to better identify and manage environmental risks associated with its lending activities.

These practices help reduce the risk of lending to businesses that may be adversely affected by environmental regulations, climate-related events, or the transition towards a lower-carbon economy. Over time, this should support the quality and resilience of SIF's loan portfolio.

Moving forward, SIF intends to continue integrating ESG considerations into its lending and risk assessment processes while strengthening its ability to identify and manage environmental and climate-related risks.

Low carbon transition:

SIF recognises that climate change and the global transition towards a lower-carbon economy may have implications for its business, customers and loan portfolio. As part of its sustainability framework, the Company monitors climate-related risks and incorporates these considerations into its risk management processes.

Through its environmental and climate risk assessment processes, SIF seeks to identify industries and borrowers that may be exposed to transition risks arising from regulatory changes, evolving customer preferences, and shifts towards more sustainable business practices.

Going forward, the Company plans to continue enhancing its environmental risk management capabilities and align its governance and risk management practices with evolving sustainability expectations and regulatory requirements.

Environmental footprint:

SIF has undertaken several initiatives to reduce the environmental impact of its own operations. These efforts include improving resource efficiency, reducing paper consumption through digitalisation initiatives, and monitoring energy usage across its operations.

As a financial institution, SIF's direct environmental footprint is relatively modest compared to industrial companies. Nevertheless, the Company continues to encourage the responsible use of resources and seeks to minimise waste generation and resource consumption where possible.

These measures contribute to lower operational resource usage and support the Company's broader sustainability objectives. Looking ahead, SIF intends to continue promoting environmentally responsible practices across its operations while monitoring its environmental performance over time.

(II) SOCIAL

SIF's social strategy is centred on creating value for all its stakeholders, including shareholders, customers and the wider community. As a financial institution, the Company's social impact is driven primarily through its ability to generate sustainable economic value, provide quality financial services to customers, and contribute positively to the communities in which it operates. Accordingly, SIF's social efforts focus on three key areas: economic value, service digitalisation and community contribution.

Economic value:

Creating sustainable economic value is one of SIF's key social priorities. As a finance company, SIF contributes to Singapore's economy by providing financing solutions to individuals and SMEs, helping businesses access capital for growth, expansion and operational needs.

Through its lending activities, SIF supports economic development by facilitating business investments, home ownership and vehicle financing. The Company also creates value for shareholders through sustainable profitability and dividend distributions, while providing employment opportunities for its workforce.

By maintaining a prudent lending approach and focusing on long-term sustainability, SIF seeks to balance the interests of its various stakeholders while continuing to contribute to Singapore's economic development.

Moving forward, SIF intends to continue supporting its customers and the broader economy through responsible lending practices and the provision of accessible financing solutions.

Service digitalisation:

SIF recognises the growing importance of digitalisation in enhancing customer experience and improving operational efficiency. The Company continues to invest in digital initiatives aimed at making its products and services more accessible and convenient for customers.

The adoption of digital solutions enables customers to conduct transactions more efficiently, access financial information more conveniently and interact with the Company through multiple channels. In addition, digitalisation supports internal productivity improvements and streamlines various operational processes.

Beyond improving customer service, these initiatives also contribute to environmental sustainability by reducing reliance on paper-based processes and documentation.

Looking ahead, SIF intends to continue enhancing its digital capabilities and customer service offerings, leveraging technology to improve operational efficiency while delivering a better customer experience.

Community contribution:

SIF seeks to contribute positively to the communities in which it operates through various corporate social responsibility and community engagement initiatives. The Company encourages employee participation in community programmes and charitable activities, reflecting its commitment to being a responsible corporate citizen.

These initiatives allow SIF to support meaningful social causes while fostering stronger relationships with local communities. Community involvement also helps strengthen employee engagement by providing opportunities for staff to participate in volunteer and charitable activities.

Going forward, SIF intends to continue supporting community initiatives and encouraging employee participation in programmes that contribute to social well-being and community development.

(III) GOVERNANCE

SIF's governance strategy is centred on upholding its corporate values in the conduct of business with both internal and external stakeholders. As a financial institution, strong governance practices are essential in maintaining stakeholder trust, ensuring prudent risk management and supporting long-term business sustainability. Accordingly, SIF's governance efforts focus on three key areas: corporate governance, risk culture and talent management.

Corporate governance:

Corporate governance is a key pillar of SIF's sustainability framework. The Company has established a governance structure comprising the Board of Directors and various Board Committees to provide oversight of corporate governance, risk management, internal controls and sustainability matters. The Board is responsible for setting the strategic direction of the Company, approving key policies and ensuring that the business is conducted in a responsible and sustainable manner.

To support the Board in carrying out its responsibilities, SIF maintains dedicated committees including the Audit Committee, Risk Management Committee, Nominating Committee and Remuneration Committee. These committees provide oversight across areas such as financial reporting, internal controls, risk management, board composition and remuneration practices.

Through its governance framework, SIF seeks to promote accountability, transparency and ethical business conduct while ensuring compliance with regulatory requirements and corporate governance best practices.

Moving forward, the Company intends to continue strengthening its governance framework and aligning its practices with evolving regulatory requirements and stakeholder expectations.

Risk culture:

As a financial institution, risk management forms a core component of SIF's governance framework. The Company promotes a risk-aware culture through its EWRM, which enables risks to be identified, assessed, monitored and managed across the organisation.

SIF's risk management framework encompasses a broad range of risks, including credit, market, operational, liquidity, environmental and climate-related risks. Employees are expected to understand and manage risks within their respective areas of responsibility, while management and the Risk Management Committee provide oversight of the Company's overall risk profile.

By fostering a strong risk culture, SIF aims to support prudent decision-making and safeguard the long-term sustainability of its business. The Company intends to continue enhancing its risk management processes and maintaining a disciplined approach to risk oversight as the operating environment evolves.

Talent management:

SIF recognises that its employees are critical to the long-term success of the business. As such, the Company places emphasis on attracting, developing and retaining talent through fair employment practices, training and development programmes, and performance management initiatives.

The Company invests in employee development by providing training opportunities that enhance both technical competencies and professional skills. These programmes help employees adapt to changing business requirements while supporting their career development.

In addition, SIF seeks to provide a safe, inclusive and supportive working environment that promotes employee well-being and engagement. By investing in its workforce, the Company aims to build a sustainable talent pipeline capable of supporting future business growth.

Looking ahead, SIF intends to continue strengthening its talent development initiatives and enhancing employee capabilities to meet the evolving needs of the financial services industry.

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