

FINANCIAL SERVICES RESEARCH

Singapore Financial Services Market View



Source: Retail Banker International

Summary

Singapore's financial services sector remained resilient in 2025, with the finance and insurance sector expanding by 4.3%, moderating from 7.3% in 2024. Growth was driven mainly by the banking and insurance segments, supported by sustained credit intermediation under accommodative financial conditions and robust performance in life insurance. In contrast, the fund management segment saw more subdued activity, reflecting weaker global market conditions.

Looking ahead, the Monetary Authority of Singapore ("MAS") expects the finance & insurance sector to remain supported by broadly accommodative macroeconomic and financial conditions in 2026. A low-interest-rate environment, driven by expectations that the U.S. Federal Reserve will hold rates steady should encourage borrowing and sustain loan demand, particularly in the early part of the year. MAS also anticipates that loan growth will stay resilient before moderating as the year progresses, reflecting a more cautious economic outlook. Over the medium term, the financial services sector is projected to grow at a Compounded Annual Growth Rate ("CAGR") of 4.0% from 2024 to 2029, highlighting its sustained expansion potential.

Beyond cyclical drivers, structural forces continue to strengthen Singapore's role as a global financial hub. Digitalisation and the growing adoption of AI tools are enhancing the sector's capabilities. Simultaneously, Singapore's position as a leading wealth management centre continues to draw significant capital inflows, supported by its strong institutional infrastructure, and reputation as a safe and progressive financial centre. This inflow of high-net-worth wealth fuels activity across the ecosystem, benefiting banks, wealth managers, insurers, and payment providers alike.

While low interest rates may place some pressure on banks' net interest margins, this is offset in part by stronger loan demand, and continued momentum in wealth-related and digital financial services. Taken together, these dynamics position Singapore's financial services sector for steady and broad-based growth. The combination of a supportive macroeconomic backdrop, rising digital innovation, and deepening global wealth flows reinforces Singapore's standing as a resilient financial centre.

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In this overview of Singapore's financial services industry, we will begin by introducing the ecosystem before discussing the market outlook.

INTRODUCTION TO THE ECOSYSTEM

The MAS is the country's central bank and integrated financial regulator. MAS classifies financial institutions in Singapore into five broad sectors: banking, capital markets, financial advisory, insurance, and payments.

Banking:

Entities under the banking sector consist of deposit-taking institutions, which include full banks, wholesale banks, merchant banks, and finance companies.

Capital markets:

Entities under capital markets include fund managers, Real Estate Investment Trusts ("REITs") managers, corporate finance advisers, trustees, dealers, credit rating agencies and financial advisers. They provide a range of capital market services such as dealing in securities, trading in futures contracts, leveraged foreign exchange trading, advising on corporate finance, fund management, REIT management, securities financing, custodial services for securities, and credit rating services.

Financial advisory:

Entities under the financial advisory sector include licensed financial advisers and exempt financial advisers. They provide services such as advising on investment products, issuing research reports on investment products, and arranging life insurance policies.

Insurance:

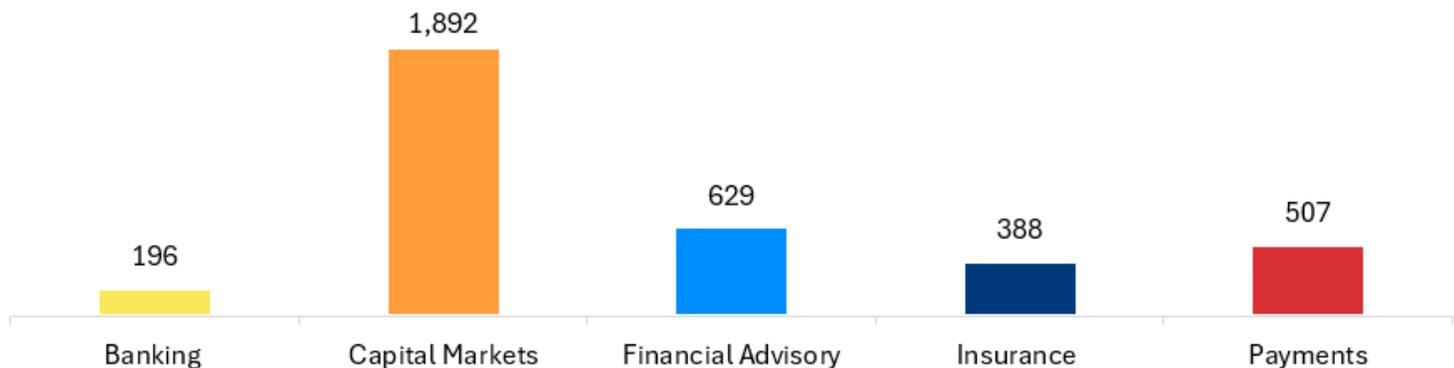
Entities in this sector consist of insurance brokers, licensed insurers, authorised reinsurers, and registered insurance brokers. Licensed insurers may conduct direct life or general insurance, reinsurance, or captive insurance business. Insurance brokers may operate in Singapore as either registered or approved insurance brokers.

Payments:

Entities in this sector include payment service providers and operators of payment systems, including clearing and settlement systems. Services offered include account issuance, domestic and cross-border money transfers, merchant acquisition, e-money issuance, digital payment token services, and money-changing services.

The ecosystem of financial institutions in Singapore is summarised in **Exhibit 1**.

Exhibit 1: Types of Financial Institutions in Singapore (as at 20 February 2026)



Note: Financial institutions may hold multiple licenses.

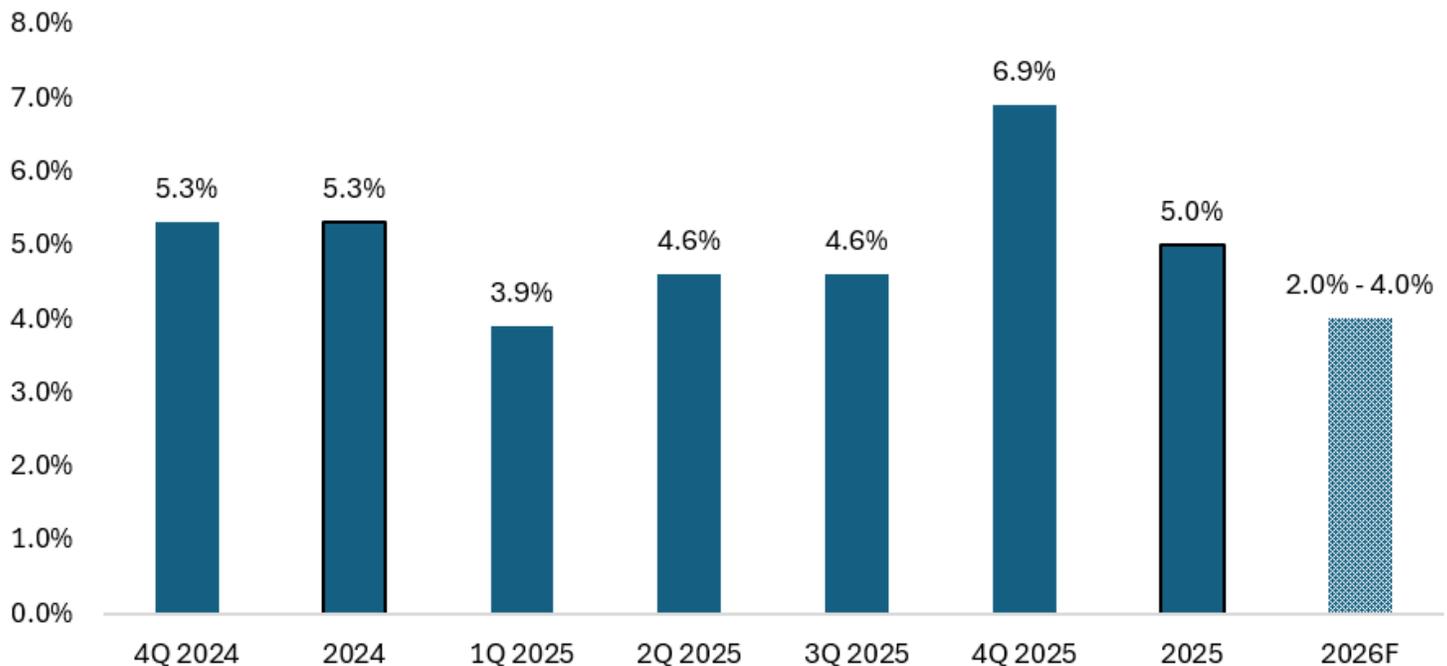
Source: MAS, FPA

SINGAPORE ECONOMIC OUTLOOK

(I) OVERALL ECONOMIC GROWTH

On 10 February 2026, the Ministry of Trade and Industry (“MTI”) announced that the Singapore economy expanded by 5.0% in 2025 as shown in **Exhibit 2**. In 4Q 2025, the economy grew by 6.9% year-on-year (“y-o-y”), faster than the 4.6% y-o-y growth in 3Q 2025. The 5.0% GDP growth in 2025 was mainly driven by the manufacturing, wholesale trade and finance & insurance sectors. In particular, the electronics cluster of the manufacturing sector and the machinery, equipment & supplies segment of the wholesale trade sector grew robustly on account of strong AI-related electronics demand. Meanwhile, the finance & insurance sector saw broad-based growth across all segments amidst largely accommodative financial conditions. By contrast, the food & beverage services sector contracted, partly due to a decline in the sales volume of restaurants amidst shifts in dining preferences.

Exhibit 2: Singapore’s GDP Y-o-Y Growth



Source: MTI, FPA

For 2026, MTI has raised the GDP growth forecast to a range of 2.0–4.0%, up from the earlier projection of 1.0–3.0%. This revision reflects a more positive global environment. Major economies performed better than expected in Q4 2025, and global trade stayed resilient despite U.S. tariffs. Strong AI-driven investment, supply chain adjustments that helped divert trade flows, and supportive global financial conditions contributed to the stronger momentum entering 2026.

Global growth in 2026 is expected to be underpinned by continued AI-related capital spending, together with expansionary fiscal policies in large economies including the U.S., Germany, and Japan. However, risks to the outlook remain, including the possibility of renewed tariff escalations, geopolitical tensions, or a significant reduction in AI-related spending that could weaken business and consumer sentiment and cause volatility in global financial markets.

Within Singapore, the outlook for manufacturing and trade-related services has improved. The electronics industry is expected to continue expanding because of strong semiconductor demand from data centres, which will benefit related clusters such as precision engineering and machinery-related trade. Transport engineering, supported by healthy aerospace and marine order books, should also remain stable. Outward-oriented services, including information and communications and the finance and insurance sector, are projected to see steady growth. Among domestic sectors, construction is expected to grow due to ongoing public sector projects and new private residential launches. In comparison, consumer-focused sectors such as retail and food and beverage services may continue to experience weaker performance due to overseas spending by residents and evolving consumer preferences.

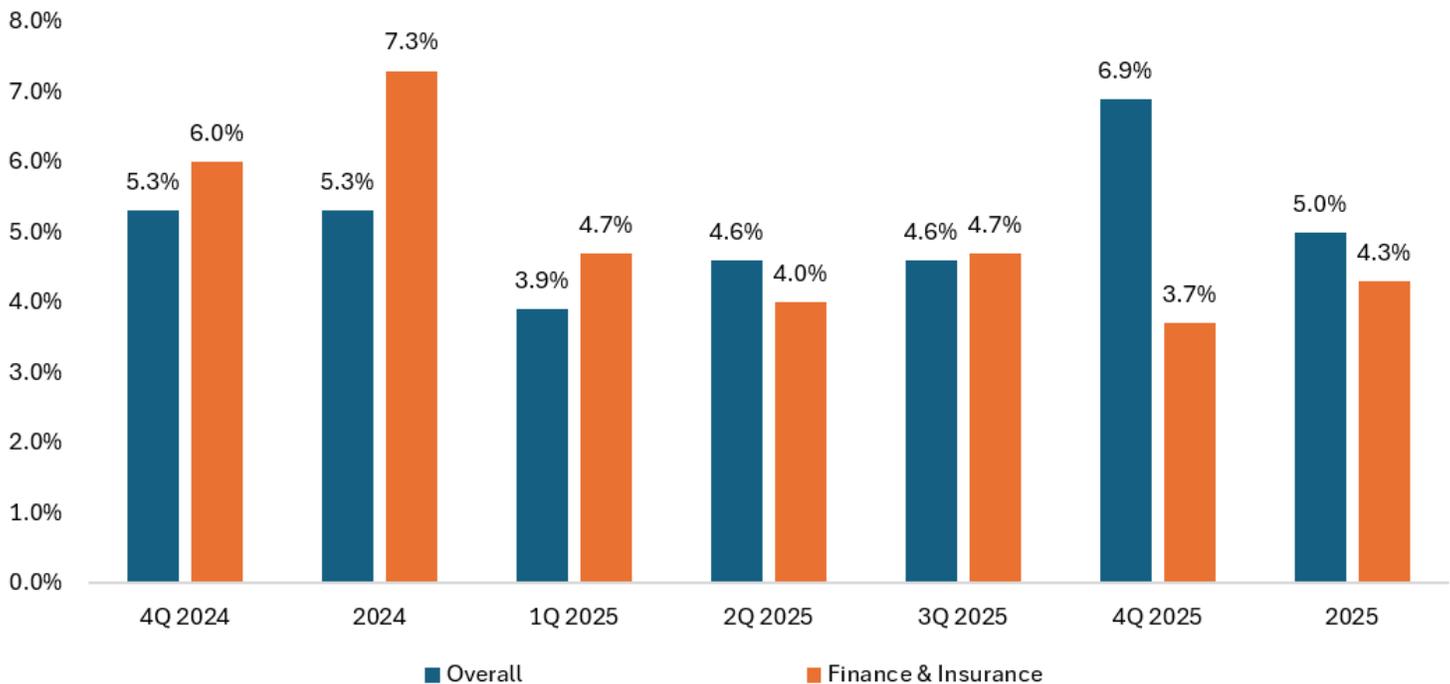
In its Macroeconomic Review released in January 2026, MAS also noted that the sustainability of the global Artificial Intelligence (“AI”) boom will be a key driver of Singapore’s GDP growth in 2026, together with steady expansions across other major sectors. MAS also highlighted that the AI boom is closely linked to financial channels because financial intermediaries support the ecosystem through investment and credit flows. Optimism around AI has lifted equity valuations and reduced financing costs for AI firms, creating a self-reinforcing cycle of investment. Some AI companies have also indicated a greater reliance on debt financing to support capital expenditure plans, which MAS has flagged as an area that warrants close monitoring. MAS also cautioned that downside risks exist. If AI technologies fail to deliver the anticipated productivity improvements, firms may scale back AI-related capital spending, which could dampen growth momentum.

(II) FINANCIAL SERVICES

The finance & insurance sector grew by 3.7% y-o-y in 4Q 2025, moderating from the 4.7% expansion recorded in 3Q 2025, as shown in **Exhibit 3**. Growth in the sector was driven mainly by the banking and insurance segments, even as the fund management segment delivered a more subdued performance. Banks benefited from sustained credit intermediation activity amid accommodative financial conditions, while growth in the insurance segment was supported by strong performance in life insurance. In contrast, the fund management segment was weighed down by the pullback in global equity markets in November.

For the full year, the finance & insurance sector expanded by 4.3% in 2025, easing from the 7.3% growth recorded in 2024.

Exhibit 3: Information & Communications, Finance & Insurance and Professional Services Y-o-Y Growth



Source: MTI, FPA

Looking at the sector's full-year performance, banking grew by 4.4% in 2025 (as shown in **Exhibit 4**) as domestic credit intermediation strengthened. Loans to residents rose 6.1%, driven by a turnaround in lending to the manufacturing sector, although this was partially offset by weaker loans to business services. Consumer lending, including housing loans, also picked up during the year. Externally, loans to non-residents increased 3.4%, supported by stronger lending to the Americas.

Auxiliary financial services expanded by 5.0% in 2025, led mainly by payment players, which benefited from higher spending in the region.

The fund management segment grew 5.1% for the year, as accommodative financial conditions and improving sentiments boosted net fees and commissions earned by fund managers.

Looking ahead, MTI expects the finance & insurance sector to register steady growth in 2026.

Exhibit 4: Growth Breakdown of the Finance & Insurance Sector in 2025

FINANCE & INSURANCE

SEGMENTS	Nominal Value Added Share (%)	Real Growth (%)
Banking	40.7	4.4
Activities Auxiliary to Financial Services	21.1	5.0
Fund Management	14.0	5.1
Insurance	15.4	2.5
Others	8.7	3.9

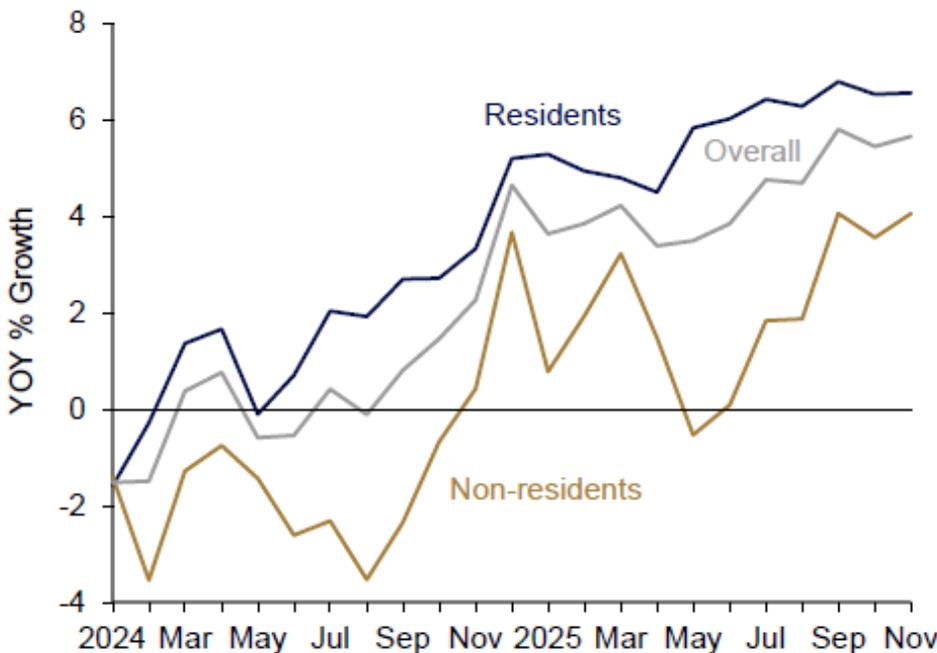
Source: MTI

MARKET OUTLOOK

In its recent Macroeconomic Review, MAS noted that the finance & insurance sector is expected to remain supported by broadly accommodative macroeconomic and financial conditions. Recent monetary easing has strengthened credit intermediation, with overall loans rising by 5.7% y-o-y in November as shown in **Exhibit 5**. Although major economies appear to be nearing the end of their monetary easing cycles, loan growth in Singapore is projected to stay resilient in the early part of 2026 before moderating later in the year. The other auxiliary activities segment, which consists largely of payment service providers, is also expected to expand at a steady pace, supported by firm regional consumption and stable payments activity.

Market Research Singapore¹ also noted that the Singapore financial services sector is expected to grow at a CAGR of 4.0% from 2024 to 2029. This projected growth underscores the sector’s continued importance and resilience, supported by advances in digital banking, fintech innovation, and regulatory support.

Exhibit 5: Growth in Loans to Residents and Non-residents



Source: MAS

¹ Market Research Singapore is a firm that provides advisory services across Asian markets for large companies and government agencies.

DRIVERS

(I) INTEREST RATES

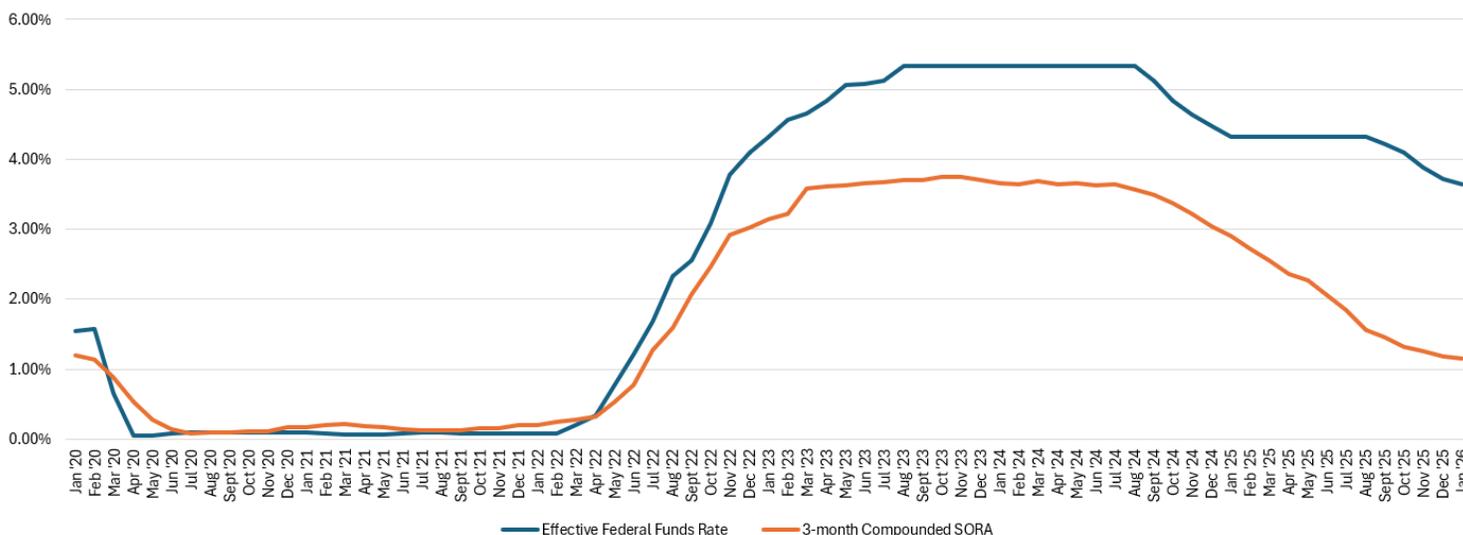
Interest rates play a critical role in shaping borrowing behaviour and spending decisions among households and businesses. When interest rates are low, borrowing becomes more affordable. This typically encourages households to take up mortgages or vehicle loans and prompts businesses to invest in expansion. 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. This tends to dampen loan demand. Even so, banks can still benefit in a high-interest rate environment. Higher interest rates widen the spread between what banks earn on their investments and what they pay on deposits, resulting in stronger net interest margins¹. In such conditions, banks often generate more income from their lending and investment 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 6**.

Exhibit 6: Effective Federal Funds Rate against 3-Month Compounded SORA²



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.

² The 3-month compounded SORA is widely used as a benchmark interest rate for determine floating-rate home loans.

On 28 January 2026, the U.S. Federal Reserve (“Fed”) kept its policy rate unchanged at 3.50%–3.75%. The Fed noted that economic activity continued to expand at a solid pace, with GDP growing 2.3% y-o-y in 3Q 2025. Job gains remained modest, as nonfarm payrolls rose by 50,000 in December 2025, while the unemployment rate showed signs of stabilisation at 4.4%. Inflation, however, remained somewhat elevated, with core PCE increasing 2.8% y-o-y in November 2025.

J.P. Morgan¹ Global Research no longer expects the Fed to cut rates in 2026. J.P. Morgan noted that the U.S. economy appears to have settled into a slower but stable equilibrium, with both labour supply and demand growing at a moderated pace. As a result, the Fed is projected to maintain the federal funds rate at 3.50%–3.75% for the rest of 2026 as shown in **Exhibit 7**.

Looking further ahead, J.P. Morgan expects a 0.25% rate hike in 3Q 2027, which would lift the upper bound of the policy rate to 4.0%.

Therefore, if Singapore’s interest rates continue to move in line with the U.S. federal funds rate, domestic interest rates are likely to remain low in 2026. UOB expects the SORA to bottom out at around 1% before gradually rising towards 1.39% by the end of 2026. A sustained low interest-rate environment would support borrowing demand by making loans more affordable for both consumers and businesses, potentially strengthening overall credit growth.

Exhibit 7: Projected Federal Funds Rate in 2026

2026	Lower bound	Upper bound
January	3.50%	3.75%
February	3.50%	3.75%
March	3.50%	3.75%
April	3.50%	3.75%
May	3.50%	3.75%
June	3.50%	3.75%
July	3.50%	3.75%
August	3.50%	3.75%
September	3.50%	3.75%
October	3.50%	3.75%
November	3.50%	3.75%
December	3.50%	3.75%

Source: J.P. Morgan, FPA

¹ J.P. Morgan is a global investment bank.

(II) LOAN GROWTH

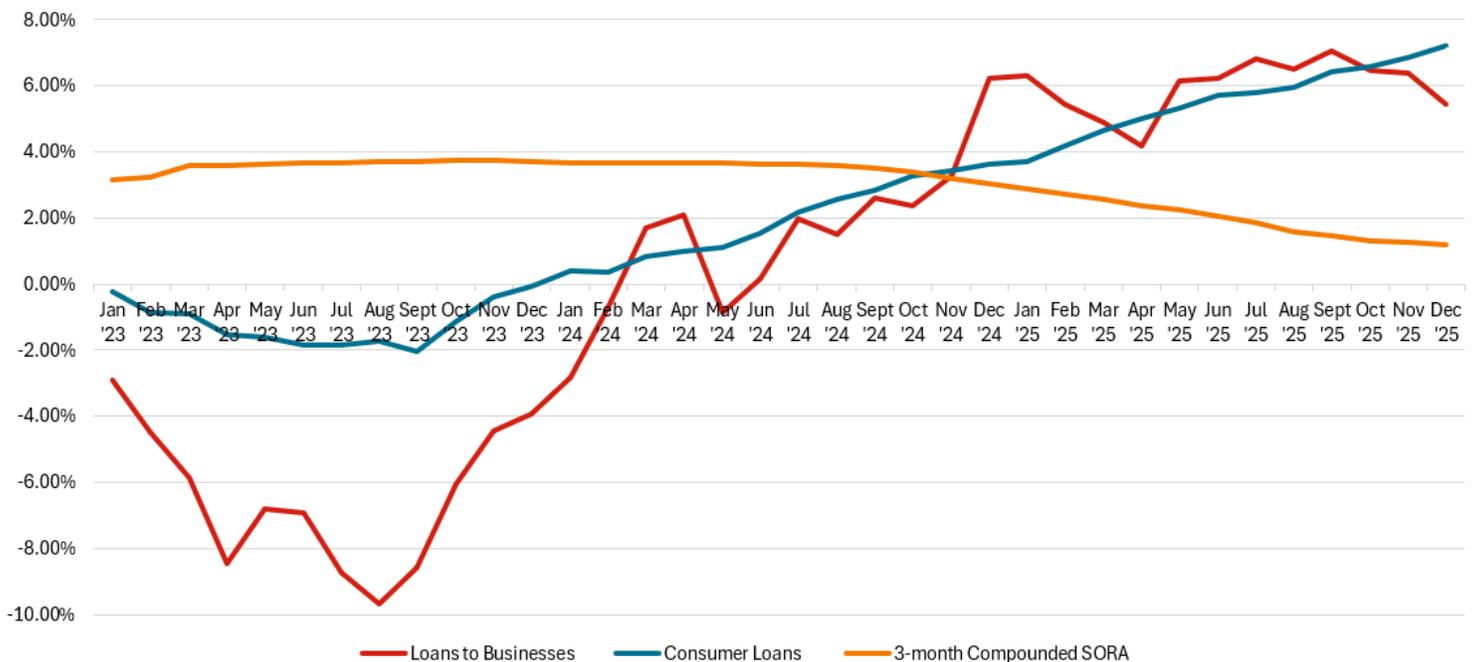
Loans play a central role in the profitability of the financial services industry, particularly for lenders such as banks and finance companies. These institutions earn interest income from borrowers, and naturally, a larger loan book contributes to higher revenues.

According to The Business Times, Singapore’s bank lending in December 2025 recorded the strongest monthly increase since December 2024, driven primarily by business loans. Loans and advances, including bills financing by commercial banks to residents, rose 1.5% month-on-month (“m-o-m”) to S\$886.1 billion in December, up from S\$873.1 billion in November. Business loans increased 2% m-o-m to S\$538.7 billion, while consumer loans grew 0.8% m-o-m to S\$347.4 billion. Loan growth may have been supported by the lower interest rate environment and the easing U.S. tariff concerns in the second half of 2025. This relationship is reflected in the movement of the 3-month compounded SORA, where its decline coincided with an increase in y-o-y growth for both consumer and business loans, as shown in **Exhibit 8**.

Independent economist Song Seng Wun observed that growth in business loans remained consistent as Singapore’s economy performed better than expected in 2025. However, he expects Singapore’s economic growth to be slower in 2026 following the stronger-than-anticipated performance in 2025.

MAS also projects that loan growth in Singapore will remain resilient in the early part of 2026 before moderating later in the year. While lower interest rates are expected to continue supporting loan demand, this momentum may ease as the economic outlook becomes more cautious in 2026.

Exhibit 8: Consumer and Business Loan Y-o-Y Growth vs 3-Month Compounded SORA



Source: Singapore Department of Statistics, FPA

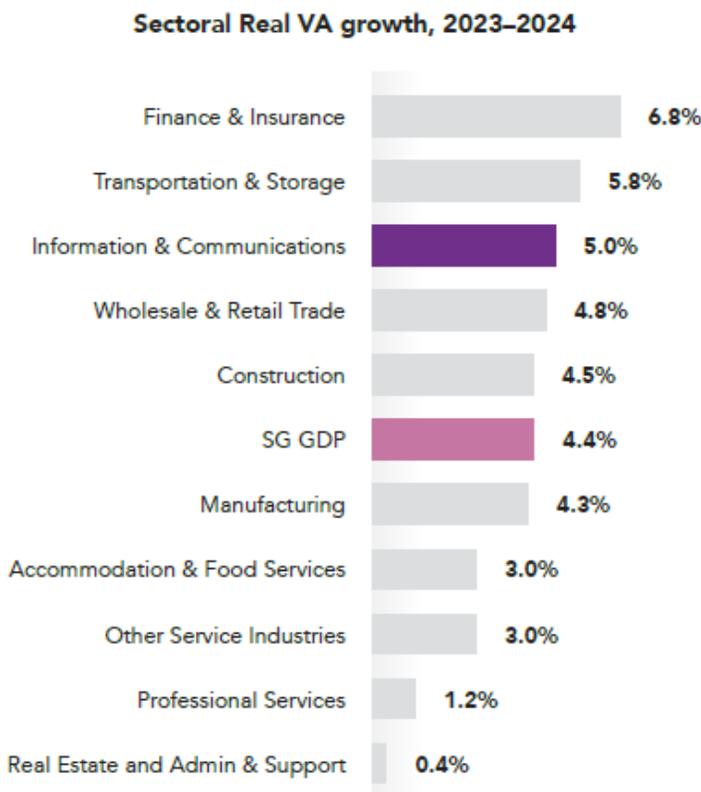
(III) DIGITALISATION

Digitalisation is a key driver of Singapore’s financial services sector, supporting productivity, innovation, and long-term growth. According to the Singapore Digital Economy Report 2025, Singapore’s digital economy contributed 18.6% of GDP in 2024 (S\$128.1 billion), up from 18.0% in 2023 (S\$116.1 billion). The finance & insurance sector recorded the fastest growth within the digital economy at 6.8% in 2024 (as shown in **Exhibit 9**) and was its largest contributor outside of the information & communications sector, adding about S\$35.1 billion to GDP.

Adoption of digital tools and AI is also rising. More than 95% of Small & Medium-sized Enterprises (“SMEs”) adopted at least one digital area¹ in 2024, and financial institutions are increasingly integrating AI in areas such as fraud detection and risk modelling, strengthening the sector’s digital capabilities.

Together, the expanding digital economy and growing use of AI underscore digitalisation as an important, sustained driver of Singapore’s financial services industry.

Exhibit 9: Sectoral Real Value-Added Growth (2023 – 2024)



Source: Singapore Department of Statistics

¹ Digital adoption rate refers to the percentage of firms that adopted at least one out of the six digital areas, namely Cybersecurity, Cloud, E-payment, E-commerce, Data Analytics and AI.

(IV) WEALTH MANAGEMENT

Singapore has firmly established itself as one of the world's leading wealth management centres, both globally and within Asia. According to the Deloitte International Wealth Management Centre Rankings 2024, it is the second most competitive international wealth management hub, while the Boston Consulting Group's Global Wealth Report 2025 identifies it as the fastest-growing cross-border wealth booking centre. This strong momentum is reflected in MAS data showing that private banking client assets in Singapore rose by 19% in 2024. The trend is further supported by findings cited in *The Business Times*, which reported that the total wealth of billionaires residing in Singapore surged by 66.4% to US\$258.8 billion in 2025, making Singapore the third-largest wealth market in the Asia-Pacific region after China and India. According to UBS, this increase was driven not only by new billionaire residents relocating to Singapore but also by strong local equity market performance and a resilient currency.

Sentiment across the private wealth industry also remains strongly positive. Insights from the 2025 Bloomberg Intelligence Asia Private Wealth Survey, which gathered responses from 100 senior industry professionals across Hong Kong and Singapore, highlight rising regional affluence, a growing need for diversification in the face of geopolitical uncertainty, and China's widening access to overseas markets as key drivers of the industry's growth. The survey indicates that cross-border wealth managed in Hong Kong and Singapore is expected to expand by roughly 12% annually over the next five years, surpassing the global average growth rate of 10%.

MAS has emphasised that Singapore's position as a sound and progressive financial centre offers unparalleled opportunities for wealth preservation and long-term asset growth. The breadth and depth of institutions here also give investors ready access to global and regional financial markets while providing a full suite of wealth management services to meet their needs.

As more high-net-worth individuals and families choose to manage their wealth in Singapore, the effects cascade across the entire financial services industry. Banks benefit from rising deposit inflows and asset-management fees, financial advisors experience increased demand for planning and structuring services, payment firms see higher transaction volumes, and insurance brokers facilitate larger and more complex policies. In this way, the continued expansion of the wealth management industry reinforces growth across all segments of Singapore's financial services landscape.

IMPACT ON SGX-LISTED PLAYERS

We highlight selected SGX-listed financial firms and how they are adapting to key sector drivers.

(I) GREAT EASTERN HOLDINGS (“GE”; SGX:G07)

GE is a Singapore-based insurance company and a subsidiary of Overseas-Chinese Banking Corporate Limited (“OCBC”). As at 24 February 2026, it had a market capitalisation of S\$15.2 billion. For FY2025, profit attributable to shareholders rose 21% to S\$1,207.1 million, up from S\$995.3 million a year earlier. This growth was mainly driven by favourable investment performance.

A lower interest rate environment may compress investment yields on insurers’ fixed-income portfolios, potentially weighing on investment income. To capture longer-term structural opportunities, GE’s CEO has highlighted wealth creation and inter-generational wealth transfer as key strategic themes. GE, already strong in the mass-market and affluent segments, sees scope to move further into the high-net-worth space by leveraging OCBC’s wider group network. The company has also introduced an Index Universal Life product to meet the legacy-planning needs of affluent customers.

On the digitalisation front, GE continues to enhance its customer journey through technology. Its mobile app has been upgraded with new features that allow customers to manage policy conversions, nominations, and claims digitally. To date, about 680,000 customers in Singapore have downloaded the app, giving it a high satisfaction rating of 4.75 out of 5. The app was recognised at the Singapore Business Review National Business Awards 2024 for its user-centric design.

(II) UNITED OVERSEAS INSURANCE LIMITED (“UOI”; SGX:U13)

UOI is a Singapore-based general insurer and a member of the United Overseas Bank (“UOB”) Group. As at 24 February 2026, it had a market capitalisation of S\$501.5 million. For FY2025, profit attributable to shareholders rose 8% to S\$32.3 million, up from S\$29.8 million the year before, supported by net insurance and non-underwriting income as well as a tax refund relating to prior tax assessments.

As with other insurers, a lower interest rate environment may reduce investment yields on its fixed-income portfolios. On 13 August 2025, UOI announced a strategic business transformation aimed at accelerating growth and meeting evolving customer needs. The plan includes increasing technology investments by almost 50% from 2023 levels by 2029 and expanding talent acquisition by more than 60% across Singapore and the region. As part of this transformation, UOI is rolling out a suite of digital initiatives to enhance customer journeys and modernise its technology infrastructure. Key initiatives include a digital intermediary portal launching in August 2025 to help intermediaries reach underserved customer segments, fully digitalised motor and travel insurance journeys, with plans to extend digital capabilities across all products by 2026, and omni-channel engagement, enabling customers to interact with the company through messaging platforms such as WhatsApp.

A comparative overview of selected insurance companies is shown in **Exhibit 10**.

Exhibit 10: Peer Comparison Table

Company	Currency	Stock Symbol	Price (S\$) as at 24 Feb '26	Market Cap (S\$ million)	P/E	Dividend Yield (%)	P/B
Great Eastern	SGD	G07	16.02	15,165.00	7.42	3.19%	1.50
UOI	SGD	U13	8.18	501.47	25.93	1.77%	1.03
Peer average:		-	-	-	16.68	2.48%	1.27

Source: Yahoo Finance, FPA

(III) HONG LEONG FINANCE LIMITED (“HLF”; SGX:S41)

HLF, a finance company within Hong Leong Group Singapore, had a market capitalisation of S\$1.2 billion as at 24 February 2026. In 1H FY2025, profit attributable to shareholders fell 38.7% to S\$32.2 million, down from S\$52.6 million a year earlier, as net interest margins compressed to 1.3%. This margin compression stemmed from a sharper decline in interest yields on loans and liquid assets relative to the reduction in deposit costs amid falling benchmark rates.

The low-interest rate environment is expected to continue putting pressure on HLF's net interest margin, although lower rates may help support loan demand. To enhance customer engagement and improve service delivery, HLF launched HLF Digital on 15 September 2025. The mobile app offers customers round-the-clock access to financial transactions through an integrated omnichannel experience, complementing in-person services at branches and through relationship managers. Customer feedback has been positive, particularly regarding the app's convenience and ease of use.

(IV) SING INVESTMENTS & FINANCE LIMITED (“SIF”; SGX:S35)

SIF is a Singapore-based finance company offering loans and credit services to individuals and businesses. As at 24 February 2026, it had a market capitalisation of S\$402.0 million. In FY2025, profit after tax rose 16% to S\$42.3 million, up from S\$36.3 million a year earlier. Net interest margin improved to 2.27% from 1.99%, supported by strong double-digit growth in both net interest income and non-interest income, which reached new highs.

While the continued low-interest-rate environment is likely to place pressure on SIF's net interest margin, lower rates may also help stimulate loan demand. On the digitalisation front, SIF participated in the Financial Transparency Corridor (“FTC”), launched by MAS and the National Bank of Cambodia in June 2024. The initiative enables secure information exchange between financial institutions to support cross-border Small and Medium-sized Enterprises (“SME”) financing through digital trade networks such as Business Sans Borders (“BSB”). SIF joined the FTC as one of the three pioneering Singapore financiers and was onboarded as a BSB financier, marking a significant milestone in its digital journey and strengthening its ability to finance SMEs engaged in cross-border trade.

(V) SINGAPURA FINANCE (“SF”; SGX:S23)

SF is a Singapore-based finance company offering loan products to both consumers and corporates. As at 24 February 2026, it had a market capitalisation of S\$130.1 million. In FY2025, profit after tax rose 50.2% to S\$9.2 million, up from S\$6.1 million a year earlier. Net interest margin improved to 2.08% in FY2025 from 1.87% previously. The stronger performance in FY2025 was supported by higher net interest income and a write-back of allowances for loan losses.

FPA has initiated coverage on SF, and its financial performance for FY2024 and FY2025 is summarised in **Exhibit 11**.

Exhibit 11: SF's Financial Performance (FY2024 vs FY2025)

S\$'000	Actual		FY2024 vs FY2025	
	FY2024 (ended 31 Dec)	FY2025 (ended 31 Dec)	Absolute Change	Change (%)
Interest income & hiring charges	53,971	56,742	2,771	5.13%
Interest expense	(30,723)	(27,506)	3,217	(10.47%)
Net interest & hiring charges	23,248	29,236	5,988	25.76%
Fee and commission income	542	461	(81)	(14.94%)
Other operating income	441	371	(70)	(15.87%)
Income before operating expenses	24,231	30,068	5,837	24.09%
Staff costs	(9,352)	(10,685)	(1,333)	14.25%
Depreciation of property, plant and equipment	(1,415)	(1,891)	(476)	33.64%
Other operating expenses	(5,633)	(7,091)	(1,458)	25.88%
Profit from operations before allowances	7,831	10,401	2,570	32.82%
Allowances for impairment losses on loans and advances	(494)	582	1,076	n.m.
Profit before tax	7,337	10,983	3,646	49.69%
Tax expense	(1,243)	(1,832)	(589)	47.39%
Profit after tax	6,094	9,151	3,057	50.16%
Weighted average number of ordinary shares ('000)	158,685,890	158,685,890	-	-
Basic EPS (cents)	3.84	5.77	1.93	50.16%
Diluted EPS (cents)	3.84	5.77	1.93	50.16%

Source: SF, FPA

Total assets rose 16.5% to S\$1.5 billion in FY2025, up from S\$1.3 billion in FY2024, as shown in **Exhibit 12**. SF's loans & advances increased 18.7% to S\$1.2 billion in FY2025, compared with S\$983 million in the previous year. In line with the higher loan book, total customer deposits grew 20.7% to S\$1.2 billion from S\$1.0 billion over the same period.

Exhibit 12: SF's Balance Sheet (31 December 2024 & 31 December 2025)

S\$'000	Actual		FY2024 vs FY2025	
	FY2024 (ended 31 Dec)	FY2025 (ended 31 Dec)	Absolute Change	Change (%)
Loans & advances	982,832	1,166,219	183,387	18.66%
Total assets	1,313,720	1,530,047	216,327	16.47%
Deposits and savings accounts of customers	1,031,864	1,245,215	213,351	20.68%
Total liabilities	1,059,159	1,265,864	206,705	19.52%
Equity attributable to owners of the Company	254,561	264,183	9,622	3.78%
No. of shares in issue	158,685,890	158,685,890	-	-
Net asset value per share (S\$)	1.60	1.66	0.06	3.75%

Source: SF, FPA

With the continued low-interest-rate environment, pressure on SF's net interest margin is expected to persist, although loan volume growth may help offset this. On the digitalisation front, SF noted in its 2024 Annual Report that it had enhanced its online services, SFL Go & SFL IBiz, to improve customer experience. The company also continued expanding its digital touchpoints while prioritising transaction security.

A comparative overview of selected finance companies is shown in **Exhibit 13**.

Exhibit 13: Peer Comparison Table

Company	Currency	Stock Symbol	Price (S\$) as at 24 Feb '26	Market Cap (S\$ million)	P/E	Dividend Yield (%)	P/B
Hong Leong Finance	SGD	S41	2.74	1,220.33	19.28	4.69%	0.58
Sing Investments & Finance	SGD	S35	1.70	401.95	8.30	3.89%	0.83
Singapura Finance	SGD	S23	0.82	130.12	18.59	2.56%	0.48
Peer average:		-	-	-	15.39	3.71%	0.63

Source: Yahoo Finance, FPA

CONCLUSION

Singapore's financial services sector remained resilient in 2025, with the finance and insurance sector expanding by 4.3%, moderating from 7.3% in 2024. Growth was driven mainly by the banking and insurance segments, supported by sustained credit intermediation under accommodative financial conditions and robust performance in life insurance. In contrast, the fund management segment saw more subdued activity, reflecting weaker global market conditions.

Looking ahead, the MAS expects the finance & insurance sector to remain supported by broadly accommodative macroeconomic and financial conditions in 2026. A low-interest-rate environment, driven by expectations that the U.S. Federal Reserve will hold rates steady should encourage borrowing and sustain loan demand, particularly in the early part of the year. MAS also anticipates that loan growth will stay resilient before moderating as the year progresses, reflecting a more cautious economic outlook. Over the medium term, the financial services sector is projected to grow at a CAGR of 4.0% from 2024 to 2029, highlighting its sustained expansion potential.

Beyond cyclical drivers, structural forces continue to strengthen Singapore's role as a global financial hub. Digitalisation and the growing adoption of AI tools are enhancing the sector's capabilities. Simultaneously, Singapore's position as a leading wealth management centre continues to draw significant capital inflows, supported by its strong institutional infrastructure, and reputation as a safe and progressive financial centre. This inflow of high-net-worth wealth fuels activity across the ecosystem, benefiting banks, wealth managers, insurers, and payment providers alike.

While low interest rates may place some pressure on banks' net interest margins, this is offset in part by stronger loan demand, and continued momentum in wealth-related and digital financial services. Taken together, these dynamics position Singapore's financial services sector for steady and broad-based growth. The combination of a supportive macroeconomic backdrop, rising digital innovation, and deepening global wealth flows reinforces Singapore's standing as a resilient financial centre.

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