

Sky Capital and Financial Allied International Limited

2025 Final Entity Rating Report

 **Agusto&Co.**

Research, Credit Ratings, Credit Risk Management

Sky Capital and Financial Allied International Limited

Long Term Rating: *A financial institution of satisfactory financial condition and adequate capacity to meet its obligations as and when they fall due relative to all other issuers in the same country.*

Bbb+ _(GIN)

Short Term Rating:

A2 _(GIN)

Outlook: Stable

Issue Date: 05 May 2026

Expiry Date: 31 August 2026

Previous Rating: N/A

Industry: Banking

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RATING RATIONALE

Agusto & Co. assigns “**Bbb+**_(GIN)” (long term) and “**A2**_(GIN)” (short term) ratings to Sky Capital and Financial Allied International Limited (“**Sky Capital Group**” or “**the Group**”), reflecting strong support of the shareholder, SIFAX Group of Companies Limited (SIFAX Group), a conglomerate with a growing franchise across African countries. The good liquidity profile and improved profitability, bolstered by the performance of the two banking subsidiaries, Skye Bank Guinea S.A. (‘SB Guinea’ or ‘SBG’) and Sky Bank Sierra Leone Limited (‘SB Sierra Leone’ or ‘SBSL’), also supported the assigned ratings. However, rising funding costs and the concentrated loan book constrained the assigned ratings. Given that SB Guinea accounts for 83.4% and 70.5% of the Group’s asset base and earnings respectively, we have assessed the Group’s credit profile primarily using the Guinean national rating scale.

Sky Capital Group is the financial services arm of SIFAX Group, a Nigerian conglomerate with interests in maritime logistics, aviation, oil and gas, energy, transport and logistics, hospitality, and financial services. The Group provides banking, asset management, insurance brokerage, and microfinance services, although the banking subsidiaries in Guinea and Sierra Leone are the most dominant and together accounted for 95.9% of the total assets and 96.7% of profit before taxation as at FYE 2024. The Group benefits from the affiliation with SIFAX Group through access to established businesses across Africa.

As at 31 December 2024, the Group’s total assets stood at ₦851.2 billion, a 3.5 times surge on the back of the uptick in deposit liabilities. As at the same date, the loan book stood at ₦230 billion, representing 27.1% of total assets and reflecting a 163.5% year-on-year growth driven largely by increased lending activities by SB Guinea and SB Sierra Leone. The loan book is concentrated by sector and obligor. As at FYE 2024, exposures to the construction, telecoms and general commerce sectors accounted for 57.9% (FYE 2023: 39.1%) of SB Sierra Leone’s loan book. Similarly, businesses in the mining, construction and transportation sectors represented 57.5% (FYE 2023: 43%) of SB Guinea’s loan book. Thus, the Group is vulnerable to the peculiar challenges of these sectors, although we note that the loan book reflects the structure of the Guinean and Sierra Leonean economies. Obligor concentration is also significant, as 20 customers represented 63% (FYE 2023: 67.5%) and 97.1% (FYE 2023: 60.5%) of the credit exposures of SBG and SBSL, respectively, as at FYE 2024.

As at FYE 2024, Sky Capital Group's stage 3 loans stood at ₦6.1 billion (FYE 2023: ₦5.8 billion), reflecting the heightened risk environment. The elevated impaired loans were largely attributable to stress within key obligors and sectoral exposures, particularly in mining, construction and general commerce segments across the Guinea and Sierra Leone portfolios. As at the same date, SBG accounted for 42.6% of the stage 3 loans and SBSL contributed 12.9%, while Sky Capital Finance Limited (the Group's finance house subsidiary engaged in lending and structured finance activities), represented the remaining 44.6%. Nonetheless, the impaired loan ratio dipped to 2.6%, from 7% in the prior year, lower than our 5% maximum threshold, due to the faster growth in the loan portfolio. However, without the loan growth, the impaired loan ratio would have been higher at 7.4%. Relative to industry benchmarks, the Group's impaired loan ratio compares favourably, particularly in SB Guinea with an impaired loan ratio of 0.7% (FYE 2023: 2.3%), lower than the average 7.3% in the Guinean banking industry. Similarly, SB Sierra Leone's 0.1% (FYE 2023: 4.9%) stage 3 loan ratio was below the 17.6% Sierra Leone banking industry average as at FYE 2024. As at the same date, the cumulative loan loss provisions for SBG and SBSL covered 100% (FYE 2023: 22%) and 9.4 times (FYE 2023: 0.7 time) of stage 3 loans, both above our 80% threshold. Thus, moderating the impact of potential write-offs on future profitability. Overall, we view Sky Capital Group's asset quality acceptable and we believe the prevailing uncertainties in the global economy and headwinds in many African countries will further test the resilience of the Group's risk management framework.

As at FYE 2024, the shareholders' funds and capital adequacy ratio (CAR) stood at ₦66.3 billion (FYE 2023: ₦30.2 billion) and 18.3% (FYE 2023: 23.1%) respectively. As at the same date, the shareholders' funds and CAR of the subsidiaries exceeded the applicable regulatory minimum. Subsequent to the review period, the Group's CAR improved to 35% as at 30 September 2025, exceeding our 15% minimum threshold. As at 31 December 2025, SB Sierra Leone's NLe124 million paid-up capital reflects a NLe146 million shortfall based on the NLe270 million minimum paid-up capital proposed by the Bank of Sierra Leone (BSL). Similarly, Sky Capital Asset Management Limited's shareholders' funds stood at ₦412.6 million as at FYE 2024, reflecting a potential capital deficit of ₦1.6 billion based on the Securities and Exchange Commission's proposed minimum of ₦2 billion. Capitalisation of retained profits and capital injection by SIFAX Group are expected to resolve the potential capital deficits before the 30 June 2027 and 31 December 2027 deadline for both the asset management business and SB Sierra Leone respectively. Overall, we consider the Group's capitalisation good for current business risks. However, this is moderated by emerging capital requirements at the subsidiary levels, which may necessitate timely capital injections to ensure full regulatory compliance.

As at FYE 2024, the deposit liabilities stood at ₦685.6 billion, a 4.3 times year-on-year expansion. The growth was largely driven by the various deposit mobilisation strategies of the banking subsidiaries. As at the same date, low-cost (demand and savings) deposits accounted for 54.9% (FYE 2023: 52.1%) of total deposit liabilities, reflecting an improving funding mix. As a result, the weighted average cost of funds (WACF) declined by 116 basis points to 5.2%, notwithstanding the elevated interest rate environment in the Group's operating countries. Subsequent to the year-end, in the nine months ended 30 September 2025, the WACF moderated further to 3.6%, reflecting the effectiveness of the low-cost deposit liabilities generation strategy and the moderating impact of the expansionary

policies of the monetary authorities in the Republic of Guinea and Sierra Leone.

The Group’s liquidity position was strengthened by additional allocation to treasury securities, given the relatively high yield environment during the year under review. Thus, the liquidity ratio at 106% exceeded our 30% minimum benchmark as at FYE 2024. Subsequent to the year-end, as at 30 September 2025, the liquidity ratio remained good at 95.2%. Similarly, the liquidity ratios of SB Guinea (383%) and SB Sierra Leone (87.5%) stood above their respective regulatory benchmarks and our minimum threshold. We consider the liquidity position good to support short-term obligations.

In FY 2024, the high-yield environment and the expansion in the earning assets bolstered profitability. Net interest spread improved to 70.6% (FY 2023: 62.8%), although non-interest income remained relatively stable at ₦9.6 billion. Thus, net earnings surged by 212.2% to ₦61.8 billion and moderated the cost-to-income ratio (CIR) to 44.3% (FY 2023: 52.3%) despite the 164.9% increase in operating expenses. Overall, pre-tax profit spiked by 264.1% to ₦34.4 billion, although the pre-tax return on assets (ROA) remained stable at 6.3% due to the enlarged asset base. The pre-tax return on equity rose to 114.9% (FYE 2023: 100.2%), higher than the 18.6% blended average annual inflation rate in Guinea and Sierra Leone in 2024. Subsequent to the year-end, in the nine months ended 30 September 2025, the annualised ROA and ROE decreased to 4.4% and 64.4% respectively, reflecting the 38.2% contraction in the loan portfolio and the downward trend in interest rates. Nonetheless, the ROE remained above the 8.3% average inflation rate within the operating countries during the same period. We consider the Group’s performance good, and we believe the various business expansion and growth initiatives will sustain profitability.

Based on the foregoing, Agusto & Co. hereby attaches a **stable** outlook to the rating of Sky Capital and Financial Allied International Limited.

Strengths

- Good brand franchise with presence in selected African countries
- Strong shareholders’ support
- Good liquidity profile
- Low funding costs
- Good profitability

Weaknesses

- Sectoral and obligor concentration in the loan book
- Depositor concentration in the deposit portfolio

Challenges

- Managing cross border risks given the Group’s operation in different countries
- Navigating regulatory headwinds

Table 1: Background Information

| Financial Data | 31 December 2023 (audited) | 31 December 2024 (audited) | 30 September 2025 (Unaudited) |
|--|-------------------------------|-------------------------------|----------------------------------|
| Total assets & contingents | ₦241.9 billion | ₦851.2 billion | ₦514.5 billion |
| Gross loans and advances | ₦87.5 billion | ₦230.6 billion | ₦142.6 billion |
| Net earnings | ₦19.8 billion | ₦61.8 billion | ₦38.5 billion |
| Pre-tax return on average assets (ROA) | 6.3% | 6.3% | 4.4%* |
| Pre-tax return on average equity (ROE) | 100.2% | 114.9% | 48.4%* |

*annualised

PROFILE

Sky Capital & Financial Allied International Limited (“Sky Capital Group” or “the Group”) was incorporated on 12 March 2019 and commenced operations on 1 May 2019. Sky Capital Group is the financial services division of SIFAX Group of Companies Limited (**‘SIFAX Group’**), a conglomerate established in 1988 with operations in Nigeria and some select African countries, traversing the maritime, aviation, oil and gas, energy, transport and logistics, hospitality and financial services sectors.

Table 2: Subsidiaries of SIFAX Group

| Subsidiaries | Sector | Country of Operation | Equity Stake |
|---|--------------------|--|--------------|
| SIFAX Offdock Nigeria Limited | Maritime | Nigeria | 100% |
| SIFAX Global Shipping & Logistics Services Limited | Maritime | Nigeria, United States of America | 100% |
| SIFAX Shipping ICT Limited | Maritime | Nigeria | 100% |
| SIFAX Logistics Company Limited | Haulage/Logistics | Nigeria, Ghana | 99.9% |
| Mac-Folly Hospitality Limited | Hospitality | Nigeria | 99.5% |
| SIFAX Nigeria Limited | Maritime | Nigeria | 99% |
| SIFAX Oil And Gas Limited | Oil & Gas | Nigeria | 95% |
| SIFAX Marine Limited | Maritime | Nigeria | 90% |
| SIFAX Shipping Company Limited | Maritime | Nigeria | 80% |
| Skyway Aviation Handling Company Plc | Aviation | Nigeria | 77.8% |
| Sky Capital and Financial Allied International Limited | Financial Services | Nigeria, Gambia, Guinea and Sierra Leone | 70% |
| Ocean & Cargo Terminal Services Limited | Maritime | Nigeria | 60% |
| Ports & Cargo Handling Services Limited | Maritime | Nigeria | 57% |
| SIFAX C & I Marine Limited | Maritime | Nigeria | 50% |

Sky Capital Group has interests in the banking, asset management, insurance brokerage and microfinance sectors across Nigeria, Sierra Leone, Guinea and Gambia. The Group has pursued a growth strategy anchored on acquisitions and regional expansion, particularly in West Africa. The Group’s entry into banking operations is driven by the divestment by the defunct Skye Bank Plc and Bank PHB Plc from foreign subsidiaries. As at 31 December 2025, the Group has six subsidiaries (four fully owned subsidiaries and a majority stake in two other subsidiaries) and an affiliate company, Bloom Bank Africa Gambia Limited.

Table 3: Subsidiaries of Sky Capital Group

| Subsidiaries | Ownership Interest | Share of Total Assets | Share of PBT |
|--------------------------------------|--------------------|-----------------------|--------------|
| Skye Bank Guinea S.A | 72.7% | 83.4% | 83.1% |
| Sky Bank Sierra Leone Limited | 100% | 12.4% | 13.6% |
| Sky Finance Limited | 100% | 3.5% | 1.8% |
| Sky Capital Asset Management Limited | 100% | 0.6% | 0.8% |
| TRM Insurance Brokers Limited | 50% | 0.1% | 0.7% |
| Total | | 100% | 100% |

Skye Bank Guinea S.A. ('SB Guinea' or 'SBG') is a commercial bank operating in the Republic of Guinea and commenced operations in 2010 as a subsidiary of the defunct Skye Bank Plc. In November 2022, Sky Capital Group acquired a 72.7% stake in SBG, which provides a range of banking services, including corporate lending, trade finance, and treasury operations, with a focus on mining-related value chains, petroleum distribution, and infrastructure financing. As at 31 December 2024, SBG's total assets and contingents stood at GNF5.1 trillion (₦917 billion @ ₦0.18/GNF), the largest within Sky Capital Group. SB Guinea also generated GNF161.4 billion (₦28.8 billion @ ₦0.18/GNF) as the profit before taxation in FY 2024. SB Guinea operates as one of the top 5 largest banks in Guinea based on total assets, with nine branches spread across the country. The head office is situated at 5th Avenue, Immeuble Immovie/UGAR, Sandervalia, Kaloum, Conakry, Republic of Guinea.

Sky Bank Sierra Leone Limited ('SB Sierra Leone' or 'SBSL') was licensed in August 2009 by the Bank of Sierra Leone as a subsidiary of the defunct Skye Bank Plc. In 2019, Skye Bank Plc divested from SBSL, and Sky Capital Group acquired an 100% stake. SBSL offers retail and corporate banking services, with a strategic focus on mining, trade finance and digital banking solutions. As at 31 December 2024, SB Sierra Leone's total assets and contingents stood at NLe2 billion (₦136.6 billion @ ₦67.7/NLe), the second largest within Sky Capital Group and one of the ten largest banks in Sierra Leone. SBSL generated NLe69 million (₦4.7 billion @ ₦67.7/NLe) as profit before taxation in FY 2024. SB Sierra Leone has six branches and the head office is located at 31 Siaka Stevens Street, Freetown, Sierra Leone.

Sky Finance Limited (Sky Finance) was incorporated in March 2019 and commenced operations in May 2019. Sky Finance provide structured lending, leasing, and other credit solutions to individuals and small-to-medium enterprises (SMEs). Sky Finance Limited complements the Group's banking operations by targeting niche financing opportunities within the Nigerian market. As at 31 December 2024, Sky Finance's total assets stood at ₦29.7 billion and generated a pre-tax profit of ₦614.9 million during the year under review. Sky Finance Limited's head office is located at 10, Anifowose, off Adeola Odeku Street, Victoria Island, Lagos, Nigeria.

Sky Capital Asset Management Limited (Sky CAM) was incorporated in 2019 and commenced business operations in January 2023. Sky CAM provide portfolio and fund management services to institutional and individual clients. The company generates fee-based income through asset management mandates and plays a key role in diversifying the Group's revenue away from core banking activities. Sky CAM's total assets stood at ₦5.2 billion as at 31 December 2024, with a pre-tax profit of ₦290 million during the same period. Sky Capital Asset Management Limited's head office is located at 10, Anifowose, off Adeola Odeku Street, Victoria Island, Lagos, Nigeria.

TRM Insurance Brokers Limited ('TRM Insurance') was incorporated in 2004 and licensed by the National Insurance Commission (NAICOM) and Nigerian Council of Registered Insurance Brokers (NCRIB). TRM Insurance

provides insurance brokerage and risk advisory services, acting as an intermediary between clients and insurance companies while also supporting the Group's financial services ecosystem by offering risk management solutions and generating non-interest income through commissions and fees. As at FYE 2024, TRM Insurance had total assets of ₦745.2 million and reported a pre-tax profit of ₦243.6 million. The head office is also located at 10, Anifowose, off Adeola Odeku Street, Victoria Island, Lagos, Nigeria.

Bloom Bank Africa Gambia Limited ('Bloom Bank Gambia' or 'BBAG') was incorporated in 2008 as Skye Bank Gambia Limited. The Bank was subsequently acquired and rebranded in 2018 by Oakwood Green Capital. BBAG is a commercial bank operating in Gambia and serves as an affiliate within Sky Capital Group's broader financial services portfolio, with the Group holding a 34.2% equity stake. The Bank provides retail and corporate banking services, supporting key sectors such as trade, tourism and general commerce, while contributing to the Group's regional expansion strategy in West Africa. The head office is located at 70 Kairaba Avenue, KSMD, The Gambia.

Awacash Microfinance Bank Limited ('Awacash MFB') is a unit microfinance bank licensed by the Central Bank of Nigeria. Awacash MFB was incorporated in August 2022 as a private company limited by shares, while the Group acquired a 100% stake in 2024. Awacash MFB provides lending, project finance and equipment leasing services to individuals, corporates, cooperatives, and MSMEs. As at 31 December 2024, Awacash MFB's total assets stood at ₦300.8 million and reported a pre-tax profit of ₦25.2 million. Awacash Microfinance Bank Limited operates from a single branch location, with its head office at 2, Oba Oyefusi Close, Haruna Bus Stop, Ikorodu, Lagos.

Board of Directors

Sky Capital & Financial Allied International Limited is governed by a seven-member Board of Directors comprising four Non-Executive Directors and three Executive Directors. The Board is chaired by Mrs Folashade Afolabi. The oversight activities of the Board are carried out through the Board Audit and Risk Management Committee, the Board Credit Committee, and the Board Finance and General-Purpose Committee.

Current Directors

Mrs Folashade Afolabi

Mr Bode Ojeniyi

Mr Fasasi Adeniyi

Mr Abdoulaye Kaba

Mrs Wunmi Eniola-Jegede

Mrs Mariam Afolabi

Mr Dare Adeyeri

Designation

Chairperson

Group Managing Director and Chief Executive Officer

Managing Director, Sky Bank, Sierra Leone

Managing Director, Skye Bank Guinea

Non-Executive Director

Non-Executive Director

Non-Executive Director

Management Team

Mr Bode Ojeniyi was appointed as the Group Managing Director of Sky Capital and Financial Allied International Limited in January 2023. Prior to his appointment, he served as an executive director at SIFAX Group with the responsibility of overseeing business operations. Mr Ojeniyi has over 25 years of experience in the financial institution sector, garnered from Coronation Insurance Plc, Access Bank Plc and Ecobank Transnational Incorporated.

Mr Ojeniyi holds a Bachelor of Science and a Master of Science degree in Agricultural Economics from the University of Ibadan, as well as a Master of Business Administration (MBA) in Strategic Management from Ogun State University, Ago Iwoye. He is a Fellow of the Institute of Strategic Management of Nigeria and the Institute of Credit Administration of Nigeria. He is also a member of the Chartered Insurance Institute of Nigeria (CIIN), the Chartered Insurance Institute, United Kingdom, and the Chartered Institute of Bankers of Nigeria (CIBN).

Other members of Sky Capital Group's executive management team include:

| | |
|--|--|
| <i>Mr Fasasi Adeniyi</i> | <i>Managing Director, Sky Bank, Sierra Leone</i> |
| <i>Mr Abdoulaye Kaba Managing Director</i> | <i>Skye Bank Guinea</i> |
| <i>Mr Idris Wiwoloku</i> | <i>Managing Director, TRM Insurance</i> |
| <i>Mr Olatunde Olaniyan</i> | <i>Acting Managing Director, Sky Finance Company Limited</i> |
| <i>Mr Oladipo Akinremi</i> | <i>Executive Director, Sky Bank Sierra Leone</i> |
| <i>Mr Sule Gbolagade</i> | <i>Executive Director, Skye Bank Guinea</i> |
| <i>Mr Morounranti Oredipe</i> | <i>Fund Manager- Asset Management</i> |
| <i>Mr Abiodun Elemide</i> | <i>Acting Chief Financial Officer</i> |
| <i>Mr Jonah Aniemeka</i> | <i>Head, Enterprise Risk Management</i> |
| <i>Mr James Adeleye</i> | <i>Head, Compliance</i> |
| <i>Mr Emmanuel Fatade</i> | <i>Head, Information Technology</i> |
| <i>Mr Abiodun Ogunsami</i> | <i>Head, Business Development</i> |
| <i>Mr Ismail Abdulwahab</i> | <i>Head, Legal</i> |
| <i>Mr Adebayo Adeyemi</i> | <i>Head, Human Resources</i> |
| <i>Mrs Mojisola Charles-Etuk</i> | <i>Head, Internal Control</i> |
| <i>Ms Jesuyemisi Odeyemi</i> | <i>Company Secretary</i> |

During the financial year ended 31 December 2024, Sky Capital Group employed an average of 533 persons, up from 520 persons in the prior year, to support business expansion. The workforce expansion resulted in a 164.3% growth in staff costs to ₦6.7 billion, while the average cost per employee increased by 157.9% to ₦12.6 million. The net earnings per employee grew by 204.6% to ₦116 million and covered the average staff cost per employee 9.2 times, higher than 7.8 times recorded in the prior year. We believe that staff productivity, measured by the net earnings per staff coverage of the average staff cost per employee, is good, and the Group has an experienced management team.

ANALYSTS' COMMENTS

ASSET QUALITY

Sky Capital Group serves as the financial services holding company within the broader SIFAX Group and operates through a number of financial subsidiaries across West Africa. The Group's asset base is primarily driven by the banking subsidiaries, particularly Skye Bank Guinea S.A. and Sky Bank Sierra Leone Limited, which accounted for 95.9% total assets. As at 31 December 2024, the Sky Capital Group's total assets stood at ₦851.2 billion, 3.5 times increase from the prior year. The growth was largely supported by a surge in deposit liabilities of the banking subsidiaries. As at FYE 2024, gross loans represented the largest share of the asset base at 27.1% (FYE 2023: 36.2%), while investments in government securities accounted for 24% (FYE 2023: 14.1%), reflecting the Group's balanced mix between credit creation and relatively lower-risk investment assets. In the near term, Sky Capital Group intends to further expand the asset base through continued growth in the banking subsidiaries as well as planned expansion into additional markets within West and Central Africa.

Skye Bank Guinea S.A.

As at 31 December 2024, Skye Bank Guinea S.A.'s total assets and contingents stood at GNF5.1 trillion (₦917 billion @ ₦0.18/GNF), while the total assets alone accounted for 83.4% of Sky Capital Group's asset base. Issuances of customs bonds and other trade-related guarantees drove asset creation during the year under review. Thus, contingent assets surged 4.5 times to GNF1.1 trillion as at FYE 2024. Subsequent to the year-end, SB Guinea's loan book contracted by 11.7% due to cautious risk asset growth, particularly amid ongoing efforts to manage sectoral concentration and optimise asset quality.

Figure 1: Skye Bank Guinea's Loan Book by Sector as at FYE 2024

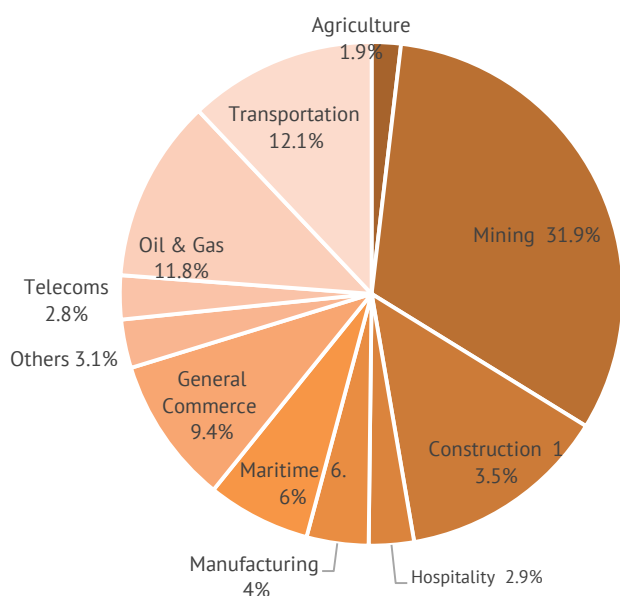
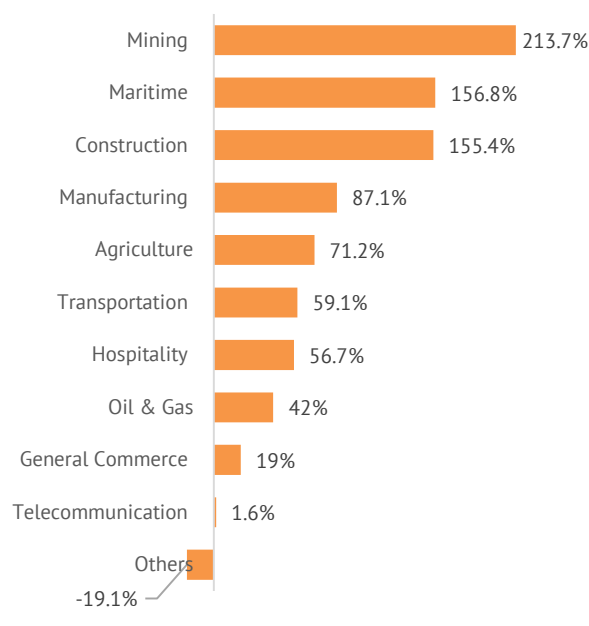


Figure 2: Skye Bank Guinea Loan Growth by Sector in FY 2024



As at FYE 2024, SBG's loan book stood at GNF1.1 trillion, an 87.3% year-on-year growth. The loan book aligned with the Republic of Guinea's economic structure, with mining as the dominant economic activity. Thus, businesses in the mining sector accounted for 31.9% (FYE 2023: 19%) of the loan book as at FYE 2024, higher than our 20% maximum threshold. We note that SBG is vulnerable to the volatile commodity prices and other vagaries in the mining sector. Similarly, the top 20 customers accounted for 63% (FYE 2023: 67.5%) of the loan book as at FYE 2024. This makes Skye Bank Guinea S.A. susceptible to a downturn in the performance of these obligors. Subsequent to the year-end, as at 30 November 2025, the top 20 obligors accounted for a higher 73.9%, indicating persistent concentration risk.

Resolution of the impaired loans was prioritised during the year under review. Thus, stage 3 loans declined by 42.3% year-on-year to GNF7.6 billion. The impaired loan ratio moderated to 0.7%, from 2.3% in the prior year, significantly lower than our 5% maximum threshold and the 7.3% average in the Guinean banking industry. As at FYE 2024, the cumulative provisions covered 100% (FYE 2023: 22%) of the stage 3 loans.

Overall, we consider SB Guinea's asset quality acceptable, reflective of the heightened risk environment. Subsequent to the year-end, in the eleven months ended 30 November 2025, the impaired loan ratio moderated further to 0.5% as some of these exposures were resolved and transferred to the stage 2 category. Thus, resulting in a 163.5% decline in the stage 3 exposures while maintaining a cautious stance in lending to the mining sector. However, we are concerned about the increase in the credit risk profile of the loan book as reflected in the 8.7 times surge in the stage 2 loans, which represented a higher 4.3% (FYE 2024: 0.4%) of the gross loans and advances as at 30 November 2025. We believe the prevailing uncertainties in the global economy and headwinds will continue to test the resilience of SBG's risk management framework, particularly amidst the structural development within the Guinean economy.

Sky Bank Sierra Leone Limited

Sky Bank Sierra Leone Limited is the second-largest bank subsidiary and a key contributor to the regional banking footprint. As at FYE 2024, SBSL's total assets and contingents stood at NLe2 billion (N136.6 billion @ N67.7/NLe), a 63.8% year-on-year growth. SB Sierra Leone's loan origination strategy is aligned with the structure of the domestic economy, which is supported by infrastructure development, mining activities, telecommunication infrastructure development and trade-related activities. Within this context, SBSL maintains selective exposure to the extractive value chain, including exporters and commodity traders. As at FYE 2024, gross loans and advances stood at NLe389.4 million, a 102.1% year-on-year growth. Subsequent to the year-end, the adverse climatic conditions and the decline in the inflow of development grants, based on global policy shift, elicited a moderated appetite for risk assets creation. Thus, the loan book expanded by a lower 20% to NLe465.9 million as at November 2025, reflecting a slower pace of business generation.

Given the economic structure of Sierra Leone, SBSL's loan portfolio is characterised by sectoral concentration. As at FYE 2024, three sectors, construction, telecommunication and general commerce, accounted for a combined 57.9% (FYE 2023: 39.1%) of the loan book. Exposure to the construction sector expanded 6 times and represented a dominant 30.1% (FYE 2023: 10.2%) of the loan portfolio as at FYE 2024. This growth reflects increased participation in donor-funded and government-backed infrastructure projects, which remain a key driver of economic activity in Sierra Leone. While such exposures benefit from relatively structured cash flows

linked to multilateral agencies and NGOs, they also expose SB Sierra Leone to concentration risk and execution delays, particularly in the event of funding disruptions or project implementation challenges. Subsequent to the year-end, the concentration persists with the construction sector accounting for a higher 47.3% of the loan portfolio as at 30 November 2025.

Figure 3: Sky Bank Sierra Leone Loan Book by Sector as at FYE 2024

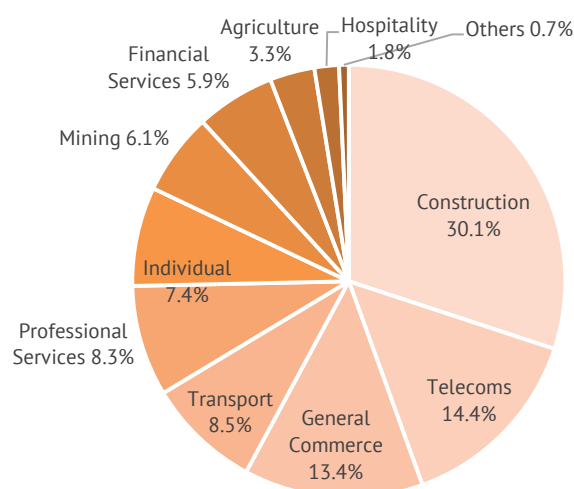
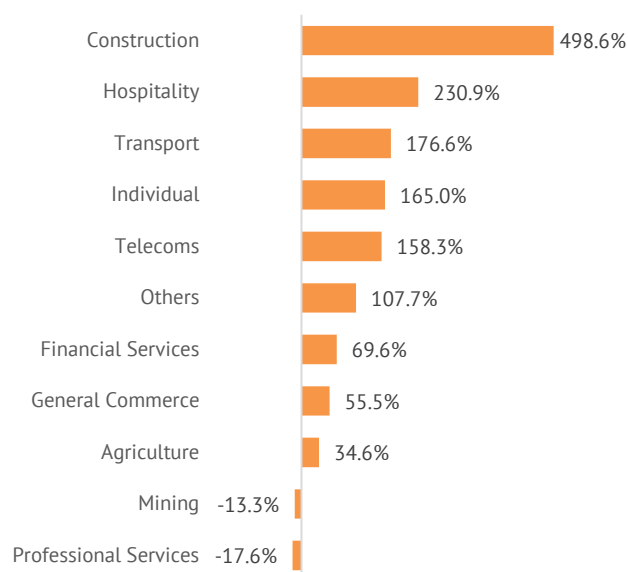


Figure 4: Sky Bank Sierra Leone Loan Growth by Sector in FY 2024



SB Sierra Leone’s loan portfolio is concentrated by obligor. As at 31 December 2024, 20 customers represented 97.1% (FYE 2023: 60.5%) of the loan book. This makes SBSL vulnerable to a downturn in the financial performance of these large customers. Subsequent to the year-end, as at 30 November 2025, the obligor concentration remained elevated, although with some improvement, as the top 20 customers accounted for a lower 81.2% of the loan portfolio.

During the year under review, the success of some impaired loan resolution initiatives led to the upgrade of some stage 3 loans amounting to NLe9.2 million to the stage 2 category. Thus, stage 3 loans plummeted to NLe256,000 (FYE 2023: NLe9.4 million) and represented 0.1% (FYE 2023: 4.9%) of the loan book, lower than the 10% maximum regulatory benchmark and the 17.6% average in the Sierra Leone banking industry. The cumulative loan loss provision covered stage 3 loans 9.4 times (FYE 2023: 0.7 time). Subsequent to the year-end, as at 30 November 2025, the stage 3 impaired loan ratio remained low at 0.03% with the cumulative loan loss coverage improving to 19.5 times. Overall, we believe SB Sierra Leone’s asset quality is acceptable, thereby supporting the overall asset quality of the Group.

RISK MANAGEMENT

Sky Capital Group’s Board of Directors provides overall oversight of the Group’s risk management framework, while strategic risk decisions and cross-border exposures are centrally coordinated at the Group level. Risk governance is further supported by representation of the Group on the boards and key committees of its

subsidiaries, ensuring alignment with the Group's risk appetite across jurisdictions. The risk management function within the banking subsidiaries is led by designated risk officers, with policies adapted to local regulatory requirements while maintaining Group-wide oversight.

The Group's credit risk is most prominent in the banking subsidiaries, SB Guinea and SB Sierra Leone, where lending activities are largely aligned with the economic structure of their respective markets. The Group focuses on obligors with track records and good repayment capacity, particularly those linked to structured cash flows such as government-backed or donor-funded contracts. Credit risk is further mitigated through the use of collateral and guarantees, as well as selective sector exposure, while counterparty credit limits are in place to manage exposures. Group maintains a conservative collateralisation policy, with a significant portion of its loan exposures backed by tangible assets, including real estate, cash-backed instruments, and other enforceable securities. As at FYE 2024, 98% of SB Guinea's loan book is secured, while 95% (FYE 2023: 91.6%) of SB Sierra Leone's loan portfolio is secured with a 47.5 times (FYE 2023: 37.7 times) coverage. Overall, we consider the Group's credit risk management framework acceptable, supported by its collateralisation practices, albeit still constrained by structural concentration risks inherent in the operating environments.

The Group is exposed to market risks primarily through the investment portfolios and foreign currency positions within its banking subsidiaries. Investment portfolios are largely composed of government securities, including treasury bills and bonds, reflecting the limited depth of financial markets in Guinea and Sierra Leone. Foreign exchange risk is a key consideration, particularly given the reliance on FX inflows from mining companies and NGOs in Sierra Leone, as well as commodity-linked exposures in Guinea. The Group manages this risk through close monitoring of FX positions and aligning lending activities with FX-generating sectors. Interest rate risk is also present, particularly in the context of rising and volatile interest rate environments, which have impacted funding costs and margins. Overall, market risk management practices are moderate, reflecting the relatively simple structure of financial markets in the Group's operating jurisdictions.

Operational risk within the Group arises from the cross-border operations, reliance on evolving digital infrastructure, and the relatively underdeveloped financial systems in its core markets. To manage these risks, the Group maintains central oversight of key operations and decision-making processes, while subsidiaries implement local controls in line with regulatory expectations. The Group is increasingly leveraging digital platforms and fintech partnerships to enhance operational efficiency and expand its reach. Initiatives such as agency banking, mobile money integration, and digital payment platforms are expected to improve service delivery but also introduce heightened technology and cybersecurity risks.

Overall, we consider Sky Capital Group's risk management framework acceptable for the current scale of operations.

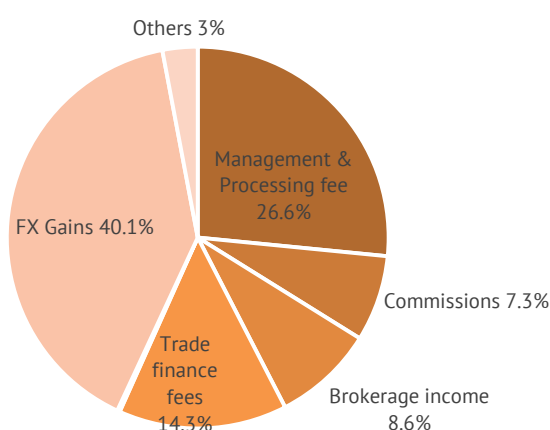
EARNINGS

Sky Capital Group's earnings profile is primarily driven by the banking subsidiaries, with income largely generated from core lending activities and investment in interest-bearing assets, complemented by non-interest revenue from fees, commissions, and ancillary financial services. In the financial year ended 31 December 2024, the Group's performance was underpinned by significant balance sheet expansion, particularly across the banking operations, alongside an improved yield environment which supported growth in interest-earning assets. As a result, Sky Capital Group's net earnings surged by 212.2% to ₦61.8 billion in FY 2024. The banking subsidiaries accounted for 98.5% of net earnings, higher than the 91.8% contribution in the prior year. The Group's earnings mix remains largely skewed towards fund-based income, which accounted for 84.4% (FY 2023: 53.5%), while non-interest income contributed the remaining 15.6% (FY 2023: 46.5%).

In FY 2024, Sky Capital Group's interest income grew by 4.3 times to ₦75.2 billion, driven by expansion in earning assets (loan book and investment securities) and upward repricing in a high-interest-rate environment. Interest expense also surged 3.4 times to ₦22.1 billion, reflecting the high-yield environment. Nonetheless, net interest spread (NIS) improved to 70.6% (FY 2023: 62.8%), supported by stronger growth in interest income. In the near term, we expect some pressure on margin given the high-interest rate environment, as evidenced by the decline in NIS to 57.8% in the nine months ended 30 September 2025.

During the year under review, non-interest income increased modestly by 4.5% to ₦9.6 billion, upheld by revaluation gains on financial assets amid the elevated yield environment. However, the pace of growth was slower compared to the prior year, reflecting weaker contributions from core fee-based income lines, particularly management and processing fees, which declined by 29.8% in FY 2024. The enlarged asset base resulted in a decline in the balance sheet optimisation, measured by non-interest income as a percentage of average assets, to 1.8% (FY 2023: 6.1%). We do not anticipate a significant improvement in the balance sheet optimisation in the near term, given the expected moderation in revaluation gains, which accounted for 40.1% of non-interest income. Subsequent to the year-end, in the first nine months of 2025, the annualised balance sheet optimisation ratio declined further to 1.5% in line with our expectation.

Figure 5: Breakdown of the Group's Non-interest Income in FY 2024



During FY 2024, Sky Capital Group's operating expenses surged by 164.9% to ₦27.4 billion, given the impact of business expansion amid heightened inflationary pressure in most African countries. Nonetheless, the cost-to-income ratio (CIR) improved to 44.3% (FY 2023: 52.3%), on the back of higher earnings. We expect the Group's CIR to remain below the 50.6% three-year average in the near term, supported by anticipated moderation in operating expense growth relative to prior periods. However, this outlook may be tempered by persistent inflationary pressures and potential cost escalations arising from ongoing geopolitical tensions. Subsequent to the year-end, in the first nine months of 2025, the CIR moderated further to 41.2% in line with our expectation.

Overall, the pre-tax profit spiked by 264.1% to ₦34.4 billion in FY 2024. All subsidiaries were profitable during the review year, while SB Guinea (83.1%) and SB Sierra Leone (13.6%) contributed the most to pre-tax profit. We do not anticipate a significant change in the contribution of the other subsidiaries to the Group's profitability in the near term.

Figure 6: ROE of Subsidiaries in FY 2024

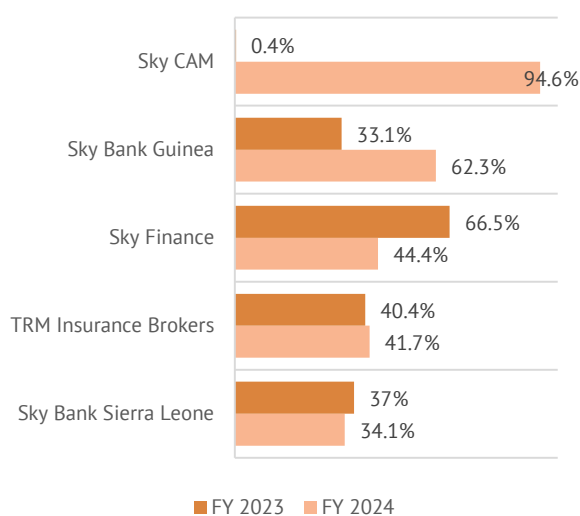
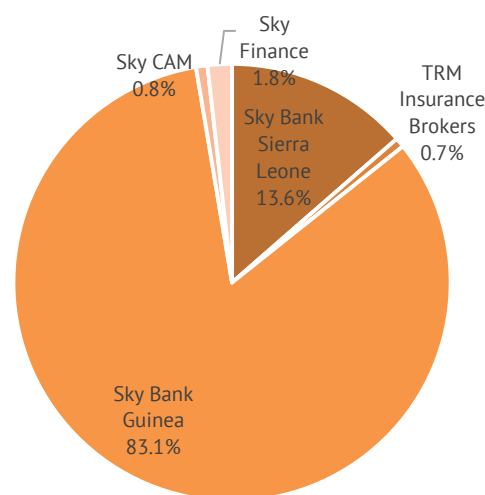


Figure 7: PBT Contribution by Subsidiary in FY 2024



Notwithstanding the higher growth in profitability during the review year, the enlarged asset base kept the pre-tax return on average assets (ROA) stable at 6.3%. However, the Group recorded an improvement in the pre-tax return on average equity (ROE) to 114.9% (FYE 2023: 100.2%). The asset management business (Sky CAM) and SB Guinea were the most profitable during the year under review, based on ROE. Overall, we believe Sky Capital Group's profitability is good, supported by the Group's size, international brand franchise and operating history. The ROE was also higher than the 18.6% average inflation rate in Guinea and Sierra Leone in 2024. Subsequent to the year-end, during the nine months ended 30 September 2025, the annualised ROE declined to 48.4% but remained higher than the 8.3% average inflation rate within the operating countries.

CAPITAL ADEQUACY

As at 31 December 2024, Sky Capital Group's shareholders' funds stood at ₦66.3 billion, up by 119.2% year-on-year based on the full retention of the improved profitability during the year. However, expansion in the risk-weighted assets moderated the capital adequacy ratio (CAR) to 18.3% (FYE 2023: 23.1%), albeit higher than Agosto & Co.'s 15% minimum threshold for international banking groups.

As at FYE 2024, SB Guinea's shareholders' funds stood at GNF299.2 billion, exceeding the GNF200 billion regulatory minimum for commercial banks in Guinea. Similarly, the capital adequacy ratio (CAR) at 15% (FYE 2023: 22.7%) was above the 10% regulatory minimum.

As at FYE 2024, SB Sierra Leone's capital adequacy ratio remained good at 32.8% (FYE 2023: 31.2%), above the 15% regulatory minimum, reflecting an adequate capital buffer for business expansion. In September 2024, the Bank of Sierra Leone revised the minimum paid-up capital for commercial banks to NLe270 million from NLe85 million under a three-year phased programme; NLe122 million by 31 December 2025, NLe196 million by 31 December 2026 and NLe270 million by 31 December 2027. As at 31 December 2025, SBSL's paid-up capital stood at NLe124 million (FYE 2024: NLe85.9 million), following the capitalisation of retained earnings, thereby exceeding the 2025 minimum threshold. Management expects capitalisation of retained profits to ensure full compliance before the 31 December 2027 deadline, while SIFAX Group has expressed willingness to provide additional capital if needed.

We also note the revised capital requirement by the Securities and Exchange Commission (SEC), Nigeria, which mandates asset management companies to maintain a minimum capital of ₦2 billion by 30 June 2027. As at 31 December 2025, Sky Capital Asset Management Limited's shareholders' funds stood at ₦919.4 million, indicating a ₦1.1 billion potential capital. Management has disclosed the commitment of SIFAX Group to ensure the compliance of the subsidiaries with the respective regulatory capital requirements.

Overall, we consider Sky Capital Group's capitalisation acceptable for the current level of business risk undertaken and near-term growth plans.

LIQUIDITY AND LIABILITY GENERATION

Sky Capital Group intensified liability generation activities during the year under review to support the objective of growing the market share and becoming systemically important in each country of operation. As at 31 December 2024, the Group's deposit liabilities stood at ₦685.6 billion, a 4.3 times surge year-on-year. The expanded customer base, the uptick in contingent liabilities and the increased adoption of asset management offerings by Nigerians drove the surge in the deposit base. The deposit mix also improved as low-cost (demand and savings) deposits represented 54.9% (FYE 2023: 52.1%) of total deposit liabilities as at FYE 2024, below our 80% minimum threshold.

SB Guinea's deposit liabilities expanded by 188.4% year-on-year to GNF3.3 trillion as at FYE 2024. Given that the deposits that secure the bonds and other contingent liability instruments are fixed deposits, the growth in

the deposit base was largely in the relatively expensive deposits. Thus, the deposit mix deteriorated, albeit marginally, as low-cost deposits accounted for a lower 54.6% (FYE 2023: 56.2%) of total deposit liabilities, below our 80% minimum benchmark and the estimated 73% industry average. Consequently, SBG's weighted average cost of funds (WACF) rose by 300 basis points to 9% in FY 2024, lower than the estimated 9.5% Guinean banking industry average during the same period. Subsequent to the year-end, during the eleven months ended 30 November 2025, the cost of funds remained stable at 9%. In the near term, we expect funding costs to remain elevated, reflecting potential upward pressure on interest rates, particularly in light of ongoing geopolitical tensions. Nonetheless, the Group's initiatives to improve the deposit mix, anchored on digital and fintech partnerships, expansion of agency banking networks, and increased onboarding of retail customers through mobile money and app-based platforms, are expected to enhance low-cost deposit mobilisation. As at 31 December 2024, SB Guinea's deposit portfolio remained concentrated as 20 depositors accounted for 70.1% (FYE 2023: 67.7%) of the total deposit liabilities.

SB Sierra Leone's total deposit liabilities stood at NLe1 billion as at FYE 2024, a 39.6% growth year-on-year driven by platform digitalisation and strategic partnerships with Fintechs. The deposit mix remained good as low-cost deposits accounted for 94.4% (FYE 2023: 93.4%) of the total deposit liabilities, higher than our 80% minimum threshold. However, interbank takings rose to NLe165 million as at FYE 2024, from a nil position in the prior year, due to intensified funding pressure. The deposit mix was further concentrated during the year under review as 20 customers accounted for a higher 67.7% (FYE 2023: 44.5%) of total deposit liabilities as at FYE 2024.

The high-yield environment and the uptick in interbank activities led to a 300 basis points increase in the WACF to 5% in FY 2024, higher than the 2.3% estimated industry average for the Sierra Leone banking industry during the same period. Subsequent to the year-end, the elevated interest rate environment led to a further increase in the funding costs to 7% in the eleven months ended 30 November 2025. The ongoing tension in the Middle East is expected to keep the funding cost elevated in the near term.

As at 31 December 2024, SB Sierra Leone's liquid assets, comprising government securities and placements, stood at NLe492.8 million, up by 67.3% from the prior year. As a result, the liquidity ratio improved to 87.5% above the 76.1% recorded in FYE 2023 and the 60% regulatory minimum. Subsequent to the year-end, the liquidity ratio remained good at 85% as at 30 November 2025. Similarly, as at FYE 2024, SB Guinea's liquid assets amounted to GNF2.3 trillion (FYE 2023: GNF867.1 billion), with an improved liquidity ratio of 383% from 172.6% recorded in the prior year.

We consider Sky Capital Group's liquidity profile good. However, we believe the deposit mix could be better, while the funding cost requires improvement.

OUTLOOK

Sky Capital Group's medium-term strategy is focused on establishing a strong regional financial services platform across West and selected Central African markets. The Group has adopted a growth approach anchored on strategic acquisitions and organic expansion, particularly within its core banking subsidiaries in Guinea and Sierra Leone. In the near term, management intends to consolidate recent gains in these markets by strengthening capital buffers, improving operational efficiency, and deepening its presence in key sectors such as mining, trade finance and government-related businesses. The Group is also exploring entry into the Nigerian banking sector under the ongoing recapitalisation programme, which, if executed, could significantly enhance its scale and domestic relevance.

In addition, ongoing recapitalisation efforts, particularly in SB Sierra Leone, are expected to support balance sheet growth and regulatory compliance over the medium term. SBL and SBGL are both pursuing strategic initiatives to improve their deposit mix and reduce funding costs, with digital and fintech partnerships serving as the primary lever. In Guinea, SB Guinea has onboarded circa 5,000 customers onto the Orange Mobile platform, the country's telecoms operator, with plans to deepen this relationship and onboard additional mobile money users. SB Sierra Leone is also initiating a partnership with a fintech riding on the country's subsea telecoms infrastructure, with projections of over 100,000 app-based customer onboardings by 2028. Both subsidiaries are also working with Interswitch to roll out agency banking, extending their geographic reach into underserved provinces where branch presence is limited.

Overall, we expect Sky Capital Group to benefit from its affiliation with the SIFAX Group and its growing regional footprint to support business expansion and earnings generation. While asset quality is expected to remain acceptable in the near term, supported by improved risk management and current low impaired loan levels, vulnerabilities may arise under adverse commodity cycles or economic shocks. Performance may face near-term pressures from elevated funding costs, macroeconomic volatility in its operating markets, and concentration risks within the loan portfolio, particularly in mining and related sectors. Furthermore, execution risks associated with expansion into new markets and potential capital commitments could weigh on financial flexibility. Over the medium term, successful execution of its expansion strategy, improved earnings diversification, and sustained capitalisation will be key to enhancing the Group's credit profile.

Based on the foregoing, we have attached a **stable** outlook to the rating of Sky Capital & Financial Allied International Limited.

FINANCIAL SUMMARY

SKY CAPITAL (GROUP)

| BALANCE SHEET AS AT | 31-Dec-22 | | 31-Dec-23 | | 31-Dec-24 | |
|---|---------------|---------------|----------------|---------------|----------------|---------------|
| | ₦million | | ₦million | | ₦million | |
| ASSETS | | | | | | |
| 1 Cash & equivalents | 9,692 | 16.7% | 34,952 | 14.4% | 97,754 | 11.5% |
| 2 Government securities | 9,258 | 16.0% | 34,012 | 14.1% | 204,452 | 24.0% |
| 3 AMCON bonds | 923 | 1.6% | 38,716 | 16.0% | 187,724 | 22.1% |
| 4 Quoted investments | 6,194 | 10.7% | 10,074 | 4.2% | 27,130 | 3.2% |
| 5 Placements with discount houses | | | | | | |
| 6 LIQUID ASSETS | <u>26,067</u> | <u>45.0%</u> | <u>117,754</u> | <u>48.7%</u> | <u>517,059</u> | <u>60.7%</u> |
| 7 BALANCES WITH NIGERIAN BANKS | | | | | | |
| 8 BALANCES WITH BANKS OUTSIDE NIGERIA | | | | | | |
| 9 Direct loans and advances - Gross | 26,470 | 45.6% | 87,512 | 36.2% | 230,632 | 27.1% |
| 10 Less: Cumulative loan loss provision | (418) | -0.7% | (728) | -0.3% | (1,561) | -0.2% |
| 11 Direct loans & advances - net | <u>26,052</u> | <u>44.9%</u> | <u>86,785</u> | <u>35.9%</u> | <u>229,071</u> | <u>26.9%</u> |
| 12 Advances under finance leases - net | | | | | | |
| 13 TOTAL LOANS & LEASES - NET | <u>26,052</u> | <u>44.9%</u> | <u>86,785</u> | <u>35.9%</u> | <u>229,071</u> | <u>26.9%</u> |
| 14 INTEREST RECEIVABLE | | | | | | |
| 15 OTHER ASSETS | 3,191 | 5.5% | 30,601 | 12.6% | 87,912 | 10.3% |
| 16 DEFERRED LOSSES | 46 | 0.1% | 54 | 0.0% | 154 | 0.0% |
| 17 RESTRICTED FUNDS | | | | | | |
| 18 UNCONSOLIDATED SUBSIDIARIES & ASSOCIATES | 90 | 0.2% | | | | |
| 19 OTHER LONG-TERM INVESTMENTS | | | | | | |
| 20 FIXED ASSETS & INTANGIBLES | <u>2,539</u> | <u>4.4%</u> | <u>6,753</u> | <u>2.8%</u> | <u>17,003</u> | <u>2.0%</u> |
| 21 TOTAL ASSETS | <u>57,986</u> | <u>100.0%</u> | <u>241,945</u> | <u>100.0%</u> | <u>851,200</u> | <u>100.0%</u> |
| 22 TOTAL CONTINGENT ASSETS | | | | | | |
| 23 TOTAL ASSETS & CONTINGENTS | <u>57,986</u> | <u>100%</u> | <u>241,945</u> | <u>100%</u> | <u>851,200</u> | <u>100%</u> |
| CAPITAL & LIABILITIES | | | | | | |
| 24 TIER 1 CAPITAL (CORE CAPITAL) | 4,843 | 8.4% | 14,016 | 5.8% | 45,878 | 5.4% |
| 25 TIER 2 CAPITAL | | | 16,226 | 6.7% | 20,412 | 2.4% |
| 26 MEDIUM TO LONG TERM BORROWINGS | | | | | | |
| 27 Demand deposits | 17,553 | 30.3% | 57,221 | 23.7% | 297,690 | 35.0% |
| 28 Savings deposits | 3,597 | 6.2% | 12,120 | 5.0% | 40,502 | 4.8% |
| 29 Time deposits | 14,902 | 25.7% | 77,209 | 31.9% | 308,904 | 36.3% |
| 30 Inter-bank takings | | | | | | |
| 31 TOTAL DEPOSIT LIABILITIES - LCY | <u>36,053</u> | <u>62.2%</u> | <u>146,549</u> | <u>60.6%</u> | <u>647,096</u> | <u>76.0%</u> |
| 32 Customers' foreign currency balances | <u>4,687</u> | <u>8.1%</u> | <u>14,731</u> | <u>6.1%</u> | <u>38,478</u> | <u>4.5%</u> |
| 33 TOTAL DEPOSIT LIABILITIES | <u>40,739</u> | <u>70.3%</u> | <u>161,280</u> | <u>66.7%</u> | <u>685,574</u> | <u>80.5%</u> |
| 34 INTEREST PAYABLE | 101 | 0.2% | | | | |
| 35 OTHER LIABILITIES | <u>12,303</u> | <u>21.2%</u> | <u>50,423</u> | <u>20.8%</u> | <u>99,336</u> | <u>11.7%</u> |
| 36 TOTAL CAPITAL & LIABILITIES | <u>57,986</u> | <u>100.0%</u> | <u>241,945</u> | <u>100.0%</u> | <u>851,200</u> | <u>100.0%</u> |

SKY CAPITAL (GROUP)

| <u>INCOME STATEMENT FOR THE YEAR ENDED</u> | <u>31-Dec-22</u> | | <u>31-Dec-23</u> | | <u>31-Dec-24</u> | |
|--|-------------------------|--------------|-------------------------|--------------|-------------------------|--------------|
| | ₦million | | ₦million | | ₦million | |
| 37 Interest income | 5,242 | 63.2% | 17,345 | 65.3% | 75,159 | 88.7% |
| 38 Interest expense | (1,205) | -14.5% | (6,452) | -24.3% | (22,128) | -26.1% |
| 39 Loan loss expense | (29) | -0.3% | (300) | -1.1% | (833) | -1.0% |
| 40 NET REVENUE FROM FUNDS | 4,008 | 48.3% | 10,592 | 39.9% | 52,198 | 61.6% |
| 41 ALL OTHER INCOME | 3,056 | 36.8% | 9,206 | 34.7% | 9,616 | 11.3% |
| 42 NET EARNINGS | 7,065 | 85.1% | 19,797 | 74.6% | 61,815 | 72.9% |
| 43 Staff costs | (1,031) | -12.4% | (2,546) | -9.6% | (6,731) | -7.9% |
| 44 Depreciation expense | (308) | -3.7% | (654) | -2.5% | (2,573) | -3.0% |
| 45 Other operating expenses | (2,559) | -30.8% | (7,144) | -26.9% | (18,096) | -21.3% |
| 46 TOTAL OPERATING EXPENSES | (3,898) | -47.0% | (10,344) | -39.0% | (27,400) | -32.3% |
| 47 PROFIT (LOSS) BEFORE TAXATION | 3,167 | 38.2% | 9,453 | 35.6% | 34,414 | 40.6% |
| 48 TAX (EXPENSE) BENEFIT | (999) | -12.0% | (2,902) | -10.9% | (11,513) | -13.6% |
| 49 PROFIT (LOSS) AFTER TAXATION | 2,168 | 26.1% | 6,551 | 24.7% | 22,901 | 27.0% |
| 50 NON-OPERATING INCOME (EXPENSE) - NET | | | | | | |
| 51 DIVIDEND | | | | | | |
| 52 GROSS EARNINGS | 8,299 | 100% | 26,550 | 100% | 84,776 | 100% |
| 53 AUDITORS | Adesola Adebowale & Co. | | Adesola Adebowale & Co. | | Adesola Adebowale & Co. | |
| 54 OPINION | CLEAN | | CLEAN | | CLEAN | |

| <u>KEY RATIOS</u> | <u>31-Dec-22</u> | <u>31-Dec-23</u> | <u>31-Dec-24</u> |
|---|------------------|------------------|------------------|
| EARNINGS | | | |
| 55 Net interest margin | 77.0% | 62.8% | 70.6% |
| 56 Loan loss expense/Interest income | 0.6% | 1.7% | 1.1% |
| 57 Return on average assets (Pre - tax) | 5.5% | 6.3% | 6.3% |
| 58 Return on average equity (Pre - tax) | 65.4% | 100.2% | 114.9% |
| 59 Operating Expenses/Net earnings | 55.2% | 52.3% | 44.3% |
| 60 Gross earnings/Total assets & contingents | 28.6% | 17.7% | 15.5% |
| EARNINGS MIX | | | |
| 61 Net revenue from funds | 56.7% | 53.5% | 84.4% |
| 62 All other income | 43.3% | 46.5% | 15.6% |
| LIQUIDITY | | | |
| 63 Total loans & leases - net/Total lcy deposits | 66.1% | 43.2% | 27.8% |
| 64 Liquid assets/Total lcy deposits | 72.3% | 80.4% | 79.9% |
| 65 Demand deposits/Total lcy deposits | 48.7% | 39.0% | 46.0% |
| 66 Savings deposits/Total lcy deposits | 10.0% | 8.3% | 6.3% |
| 67 Time deposits/Total lcy deposits | 41.3% | 52.7% | 47.7% |
| 68 Inter-bank borrowings/Total lcy deposits | | | |
| 69 Interest expense - banks/Interest expense | | | |
| 70 NET FOREIGN CURRENCY ASSETS (LIABILITIES) | (4,687) | (14,731) | (38,478) |

SKY CAPITAL (GROUP)

| <u>KEY RATIOS CONT'D</u> | <u>31-Dec-22</u> | <u>31-Dec-23</u> | <u>31-Dec-24</u> |
|--|------------------|------------------|------------------|
| ASSET QUALITY | | | |
| 71 Performing loans (₺million) | 25,308 | 81,702 | 224,546 |
| 72 Non-performing loans (₺million) | 1,162 | 5,810 | 6,086 |
| 73 Non-performing loans/Total loans - Gross | 4.39% | 6.64% | 2.64% |
| 74 Loan loss provision/Total loans - Gross | 1.6% | 0.8% | 0.7% |
| 75 Loan loss provision/Non-performing loans | 36.0% | 12.5% | 57.9% |
| 76 Risk-weighted assets/Total assets & contingents | 59.9% | 53.2% | 40.5% |
| CAPITAL ADEQUACY | | | |
| 77 Adjusted capital/risk weighted assets | 13.1% | 23.1% | 18.3% |
| 78 Tier 1 capital/Adjusted capital | 102% | 45% | 68% |
| 79 Adjusted capital/Total loans - net | 17% | 34% | 27% |
| 80 Capital unimpaired by losses (₺million) | 4,797 | 13,963 | 45,724 |
| STAFF INFORMATION | | | |
| 81 Net earnings per staff (₺million) | 14 | 38 | 116 |
| 82 Staff cost per employee (₺million) | 2 | 5 | 13 |
| 83 Staff costs/Operating expenses | 26.4% | 24.6% | 24.6% |
| 84 Average number of employees | 511 | 520 | 533 |

LONG TERM RATING DEFINITIONS

| | |
|------------|--|
| Aaa | A financial institution of the best financial condition and strongest capacity to meet obligations as and when they fall due relative to all other issuers in the same country. |
| Aa | A financial institution of very good financial condition and strong capacity to meet its obligations as and when they fall due relative to all other issuers in the same country. |
| A | A financial institution of good financial condition and strong capacity to meet its obligations relative to all other issuers in the same country. |
| Bbb | A financial institution of satisfactory financial condition and adequate capacity to meet its obligations as and when they fall due relative to all other issuers in the same country. |
| Bb | A financial institution with satisfactory financial condition but limited capacity to meet obligations as and when they fall due relative to all other issuers in the same country. |
| B | A financial institution with weak financial condition and weak capacity to meet obligations as and when they fall due relative to all other issuers in the same country. |
| C | A financial institution with very weak financial condition and very weak capacity to meet obligations as and when they fall due are relative to all other issuers in the same country. |
| D | In default. |

A "+" (plus) or "-" (minus) sign may be assigned to ratings from Aa to C to reflect comparative position within the rating category. Therefore, a rating with + (plus) attached to it is a notch higher than a rating without the + (plus) sign and two notches higher than a rating with the - (minus) sign.

SHORT TERM RATING DEFINITIONS

| | |
|-----|--|
| A1+ | A financial institution with the strongest capacity to meet short-term obligations as and when they fall due relative to other issuers/obligations in the same country |
| A1 | A financial institution with a strong capacity to meet short-term obligations as and when they fall due relative to other issuers/obligations in the same country |
| A2 | A financial institution with adequate capacity to meet short-term obligations as and when they fall due relative to other issuers/obligations in the same country |
| A3 | A financial institution with limited capacity to meet short-term obligations as and when they fall due relative to other issuers/obligations in the same country |
| B | A financial institution with weak capacity to meet short-term obligations as and when they fall due relative to other issuers/obligations in the same country |
| C | A financial institution with very weak capacity to meet short-term obligations as and when they fall due relative to other issuers/obligations in the same country |
| D | A financial institution in default |



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