

## BSF reports 16% net income growth to ₪ 1,338mn in 1Q 2025

ROE improved to 11.3% on solid income momentum, improved cost of risk and positive jaws



- Total assets ₪ 303.0bn, up 13% YoY, driven by increased lending and investments
- Loans and advances up 13% YoY to ₪ 209.0bn from both Corporate and Retail
- Customers' deposits ₪ 190.7bn, up 9% YoY mainly from interest-bearing deposits
- Net income for 1Q 2025 ₪ 1,338mn, up 16% YoY on higher operating income partly offset by rising expenses
- Operating income ₪ 2,638mn in 1Q 2025, up 13% YoY, driven by 10% increase in net interest income and 26% non-interest income growth
- Net interest margin at 3.08% in 1Q 2025, down 12bps YoY but increased 6bps QoQ.
- Cost-to-income ratio at 32.8% for 1Q 2025, a 31bps improvement YoY
- Cost of risk for 1Q 2025 at 0.51%, a 9bps reduction YoY
- Return on equity at 11.3%, increase of 26bps YoY
- Tier 1 ratio of 19.2% and Capital Adequacy Ratio (CAR) of 20.1%
- Liquidity Coverage Ratio (LCR) of 168%; Net Stable Funding Ratio (NSFR) of 120%

**Riyadh, 28 April 2025** - BSF reported 16% year-on-year growth in net income to ₪ 1,338 million for 1Q 2025, driven by higher operating income, partly offset by an increase in operating expenses. Operating income rose by 13%, with net interest income up 10% year-over-year and non-interest income increasing by 26%.

Total assets amounted to ₪ 303.0 billion as of 31 March 2025, an increase of 13% year-on-year, mostly driven by healthy 13% loan growth and a 15% expansion of the investment portfolio. Total customers' deposits increased by 9% year-on-year mainly from interest-bearing deposits.

**Bader Alsallloom, Chief Executive Officer of BSF, said:**



"The first quarter of 2025 reflects BSF's strong operating momentum and effective strategic execution, with net income rising 16% year-on-year. This performance highlights the success of our efforts to diversify revenue streams while maintaining disciplined cost control. Growth in both corporate and retail lending drove a 13% increase in loans and advances, while non-interest income rose by 26%, supported by continued strength in investment and fee-based activities. As we navigate an evolving economic landscape, our commitment to innovation and customer-focused growth remains steadfast."

## Performance Highlights

### Income Statement Highlights

₹ Mn	1Q 2025	4Q 2024	Δ%	1Q 2024	Δ%
Net interest income	2,118	2,039	+4%	1,919	+10%
Non-interest income	520	533	-2%	413	+26%
Operating income	2,638	2,572	+3%	2,331	+13%
Operating expenses	(867)	(970)	-11%	(773)	+12%
Pre-impairment operating income	1,772	1,602	+11%	1,558	+14%
Impairment charge	(280)	(355)	-21%	(276)	+1%
Net income before zakat	1,492	1,247	+20%	1,282	+16%
Zakat	(154)	(130)	+18%	(132)	+16%
<b>Net income</b>	<b>1,338</b>	<b>1,117</b>	<b>+20%</b>	<b>1,150</b>	<b>+16%</b>
NIM	3.08%	3.03%	+6bps	3.20%	-12bps
Cost to income ratio	32.8%	37.7%	-4.9ppts	33.2%	-0.3ppts
Cost of risk	0.51%	0.63%	-11bps	0.60%	-9bps
EPS	0.50	0.41	+22%	0.44	+13%
ROAE	11.3%	9.6%	+166bps	11.0%	+26bps
ROAA	1.80%	1.54%	+26bps	1.76%	+4bps

Net income for 1Q 2025 improved 16% year-on-year to ₹1,338 million from a 10% rise in interest income and a 26% increase in non-interest income, partly offset by a 12% increase in operating expenses. Net income improved by 20% quarter-on-quarter, driven by lower expenses and impairment charge along with marginal top line expansion.

Total operating income increased by 13% year-on-year to ₹2,638 million for 1Q 2025. Net interest income rose by 10% to ₹2,118 million, driven by a 16% year-on-year increase in average interest earning assets, partially offset by a 12 basis points margin contraction to 3.08%. Total

operating income increased by a modest 3% quarter-on-quarter, driven mainly by 4% increase in net interest income partially offset by a 2% decline in non-interest income.

Non-interest income increased by 26% year-on-year to ₺ 520 million, driven by higher investment-related gains and exchange income, along with improved net fee and commission and trading income.

Operating expenses increased 12% year-on-year to ₺ 867 million in 1Q 2025 due to increased other operating and general and administrative expenses. Operating expenses, however, declined by 11% quarter-on-quarter from a decrease across all main cost categories, led by other operating and G&A expenses and depreciation. The cost to income ratio decreased by 31 basis points year-on-year to 32.8% for 1Q 2025 as revenue growth exceeded cost inflation.

The impairment charge amounted to ₺ 280 million for 1Q 2025, a marginal increase of 1% year-on-year. In combination with healthy loan growth, this resulted in a 9bps year-on-year improvement in cost of risk to 0.51% for 1Q 2025.

## Balance Sheet Highlights

₹ Mn	1Q 2025	4Q 2024	Δ%	1Q 2024	Δ%
Cash & SAMA balances	13,899	10,921	+27%	10,700	+30%
Due from banks	6,518	5,016	+30%	6,509	+0%
Investments	61,322	60,289	+2%	53,205	+15%
Loans & advances	208,978	204,168	+2%	185,408	+13%
Other assets	12,271	12,382	-1%	12,835	-4%
<b>Total assets</b>	<b>302,988</b>	<b>292,776</b>	<b>+3%</b>	<b>268,658</b>	<b>+13%</b>
Due to banks, other FI & SAMA	30,143	32,307	-7%	24,890	+21%
Customers' deposits	190,728	185,118	+3%	174,828	+9%
Debt securities & term loans	20,396	15,518	+31%	12,208	+67%
Other liabilities	13,292	13,226	+1%	14,521	-8%
<b>Total liabilities</b>	<b>254,558</b>	<b>246,169</b>	<b>+3%</b>	<b>226,448</b>	<b>+12%</b>
Share capital	25,000	25,000	+0%	12,054	+107%
Retained earnings	5,746	4,510	+27%	12,805	-55%
Other	9,683	9,097	+6%	12,352	-22%
Equity attributable to shareholders	40,430	38,607	+5%	37,211	+9%
Tier 1 sukuk	8,000	8,000	+0%	5,000	+60%
<b>Total equity</b>	<b>48,430</b>	<b>46,607</b>	<b>+4%</b>	<b>42,211</b>	<b>+15%</b>
NPL ratio	0.84%	0.93%	-9bps	0.94%	-9bps
NPL coverage ratio	198.5%	181.7%	+16.8ppts	155.3%	+43.2ppts
T1 ratio	19.2%	18.8%	+42bps	18.4%	+80bps
CAR	20.1%	19.7%	+46bps	19.1%	+107bps
LCR	168.4%	162.2%	+6.2ppts	166.0%	+2.4ppts
NSFR	120.0%	114.0%	+6.0ppts	116.0%	+4.0ppts
LTD SAMA ratio	81.0%	83.6%	-2.6ppts	84.0%	-3.1ppts
Headline LTD Ratio	109.6%	110.3%	-0.7ppts	106.1%	+3.5ppts

Total assets as of 31 March 2025 amounted to ₹ 302,988 million, an increase of 3% from 31 December 2024. Loans and advances rose 2% YTD to ₹ 208,978 million, driven by 2% commercial and 5% consumer lending growth.

The investment portfolio expanded by 2% YTD.

Customers' deposits increased by 3% YTD to ₹ 190,728 million. Growth was driven by a 7% rise in interest-bearing deposits, partially offset by a 1% decrease in non-interest-bearing deposits.

During 1Q 2024, the Bank issued debt securities totaling \$ 845 million and a term loan of ₹ 1,500 million.

The non-performing loans ratio further declined to 0.84% as of 31 March 2025, a 9 basis points improvement during the quarter as NPLs decreased by 7% relative to 2% gross loan growth. The coverage of non-performing loans increased further to 198.5% as of 31 March 2025 relative to 181.7% at the start of the year.

The total capital adequacy ratio increased to 20.1%, and the Tier 1 ratio rose to 19.2% as of 31 March 2025, driven by retained earnings generation.

The bank's liquidity remained strong and comfortably within regulatory limits, with the liquidity coverage ratio at 168%, the net stable funding ratio at 120%, the SAMA regulatory loan to deposit ratio at 81.0%, and the headline loan to deposit ratio at 109.6%.

## Operating Segment Highlights

### Corporate Banking

#### Income Statement Highlights

₪ Mn	1Q 2025	4Q 2024	Δ%	1Q 2024	Δ%
Net interest income	1,208	1,035	+17%	1,034	+17%
Fee & other income	163	110	+49%	129	+26%
Total operating income	1,371	1,145	+20%	1,164	+18%
Expenses	(218)	(258)	-15%	(225)	-3%
Pre-impairment operating income	1,153	887	+30%	939	+23%
Impairments	(229)	(284)	-19%	(202)	+13%
<b>Net income before zakat</b>	<b>924</b>	<b>603</b>	<b>+53%</b>	<b>737</b>	<b>+25%</b>
NIM	3.20%	2.73%	+47bps	3.03%	+17bps
Cost to income ratio	15.9%	22.5%	-6.6ppts	19.3%	-3.4ppts
Cost of risk	0.48%	0.61%	-14bps	0.54%	-6bps

#### Balance Sheet Highlights

₪ Mn	1Q 2025	4Q 2024	Δ%	1Q 2024	Δ%
Loans & advances	154,664	151,428	+2%	138,724	+11%
Total assets	157,425	153,956	+2%	141,659	+11%
Customers' deposits	122,191	119,383	+2%	111,743	+9%
Total liabilities	124,998	120,747	+4%	113,176	+10%

Corporate reported 25% year-on-year growth in net income before zakat to ₪ 924 million. This resulted from 18% operating income growth to ₪ 1,371 million, mainly driven by the growth in net interest income, partially offset by 13% rise in impairments.

Total assets for the corporate segment grew 2% during the quarter to ₪ 157,425 million from a 2% increase in loans and advances. Corporate liabilities grew 4% year-to-date to ₪ 124,998 million, with a 2% increase in deposits.

## Retail Banking

### Income Statement Highlights

₹ Mn	1Q 2025	4Q 2024	Δ%	1Q 2024	Δ%
Net interest income	719	958	-25%	978	-26%
Fee & other income	21	54	-60%	62	-66%
Total operating income	741	1,012	-27%	1,040	-29%
Expenses	(473)	(527)	-10%	(387)	+22%
Pre-impairment operating income	268	485	-45%	654	-519%
Impairments	(55)	(64)	-14%	(78)	-29%
<b>Net income before zakat</b>	<b>213</b>	<b>420</b>	<b>-49%</b>	<b>576</b>	<b>-63%</b>
NIM	5.63%	7.58%	-195bps	8.98%	-334bps
Cost to income ratio	63.8%	52.1%	+11.7ppts	37.2%	+26.6ppts
Cost of risk	0.65%	0.68%	-2bps	0.90%	-25bps

### Balance Sheet Highlights

₹ Mn	1Q 2025	4Q 2024	Δ%	1Q 2024	Δ%
Loans & advances	52,586	50,971	+3%	45,322	+16%
Total assets	54,852	53,008	+3%	47,533	+15%
Customers' deposits	68,537	65,735	+4%	63,085	+9%
Total liabilities	70,956	66,659	+6%	64,291	+10%

Retail net income before zakat for 1Q 2025 decreased 63% year-on-year to ₹ 213 million due to 29% decrease in operating income along with a 22% increase in expenses.

Total retail assets increased by 3% year-to-date to ₹ 54,852 million from 3% growth in retail loans. Total liabilities increased by 6% in 1Q 2025 to ₹ 70,956million, with a 4% rise in customers' deposits.

## Treasury

### Income Statement Highlights

₹ Mn	1Q 2025	4Q 2024	Δ%	1Q 2024	Δ%
Net interest income	134	2	+8396%	(137)	+198%
Fee & other income	228	269	-15%	145	+58%
Total operating income	362	270	+34%	8	+4641%
Expenses	(103)	(116)	-11%	(93)	+11%
Pre-impairment operating income	260	155	+68%	(85)	+404%
Impairments	4	(7)	-153%	4	+0%
<b>Net income before zakat</b>	<b>263</b>	<b>147</b>	<b>+79%</b>	<b>(82)</b>	<b>+423%</b>

### Balance Sheet Highlights

₹ Mn	1Q 2025	4Q 2024	Δ%	1Q 2024	Δ%
Investments	61,322	60,289	+2%	53,205	+15%
Total assets	87,888	83,097	+6%	77,393	+14%
Total liabilities	57,645	57,869	-0%	48,059	+20%

Treasury reported net income before zakat of ₹ 263 million for 1Q 2025, compared to a loss of ₹ 82 million in 1Q 2024. This improvement was driven by an increase in operating income to ₹ 362 million, resulting from both an improvement in net interest income and a 58% growth in fee and other income.

Treasury assets increased by 6% during 1Q 2025 from 2% growth in the investment portfolio and increase in cash and interbank balances, while liabilities remained flat.

## Investment Banking and Brokerage

### Income Statement Highlights

₹ Mn	1Q 2025	4Q 2024	Δ%	1Q 2024	Δ%
Net interest income	57	45	+27%	43	+33%
Fee & other income	107	100	+7%	76	+40%
Total operating income	164	145	+13%	119	+37%
Expenses	(73)	(69)	+6%	(68)	+7%
<b>Net income before zakat</b>	<b>91</b>	<b>76</b>	<b>+19%</b>	<b>51</b>	<b>+78%</b>
Brokerage volume	20,532	22,047	-7%	34,860	-41%
Cost to income ratio	44.5%	47.4%	-2.9ppts	57.2%	-12.7ppts

**Balance Sheet Highlights**

₪ Mn	1Q 2025	4Q 2024	Δ%	1Q 2024	Δ%
AUM	31,213	30,494	+2%	22,437	+39%
Loans & advances	1,728	1,769	-2%	1,362	+27%
Total assets	2,823	2,714	+4%	2,072	+36%
Total liabilities	959	894	+7%	922	+4%

The Investment Banking and Brokerage segment registered a 78% year-on-year improvement in net income before zakat to ₪ 91 million for 1Q 2025. This was driven by 37% growth in operating income, due to increased fee income and net interest income.



## Outlook

The outlook for the Saudi economy remains broadly constructive, supported by the continued advancement of Vision 2030 and steady progress in diversifying the non-oil economy. Domestic activity in sectors such as tourism, construction, retail, and financial services continues to strengthen, underpinned by sustained investment and policy support. While these trends provide a solid backdrop for growth, recent global developments — including rising trade tensions and renewed volatility in oil markets — have introduced a degree of external uncertainty that may influence the broader operating environment in the near term.

In light of this evolving backdrop, the Bank remains focused on agility and risk discipline, ensuring we are well-positioned to respond to changing conditions while continuing to support our clients and capture growth opportunities. Backed by strong fundamentals and a clear strategic agenda, we remain confident in our ability to deliver sustainable performance and long-term value for shareholders throughout 2025.

## **Additional Information**

The 1Q 2025 financial statements, earnings release, earnings presentation, investor presentation and financial data supplement will be available on the website of BSF at:

[BSF IR Website](#)

[Financial Disclosures](#)

For more information, please contact the bank at:

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