

## BSF reports 3% net income growth to ₪ 1,381mn in 1Q 2026

12.0% ROAE on steady income momentum and improved cost of risk



- Total assets ₪ 324.8bn, up 7% YoY, mainly driven by increased lending and investments
- Loans and advances up 6% YoY to ₪ 221.9bn, supported by higher volumes in both commercial and consumer lending
- Customer deposits ₪ 199.6bn, up 5% YoY due to an increase in interest-bearing deposits, with additional support from non-interest-bearing deposits
- Net income for 1Q 2026 ₪ 1,381mn, up 3% YoY on higher operating income and improved cost of risk
- Operating income ₪ 2,708mn in 1Q 2026, up 3% YoY, driven by a 5% increase in net interest income, partly offset by 5% decline in non-interest income
- Net interest margin declined 7bps YoY to 3.02% in 1Q 2026
- Cost-to-income ratio at 34.1% for 1Q 2026, a 121bps increase YoY
- Cost of risk for 1Q 2026 at 0.48%, a 4bps reduction YoY
- Return on equity at 12.0%, a 33bps reduction YoY
- Tier 1 ratio of 18.8% and Capital Adequacy Ratio (CAR) of 21.0%
- Liquidity Coverage Ratio (LCR) of 185.6%; Net Stable Funding Ratio (NSFR) of 124.0%

**Riyadh, 27 April 2026** - BSF reported 3% net income growth year-on-year to ₪ 1,381 million. This was driven by a 5% rise in net interest income and 12% lower impairments, partly offset by lower non-interest income and higher operating expenses.

Total assets amounted to ₪ 324.8 billion as of 31 March 2026, a 7% rise year-on-year, mostly driven by 6% loan growth and a 16% expansion of the investment portfolio. Total customers' deposits increased by 5% year-on-year mainly from an increase in interest-bearing deposits, further supported by non-interest-bearing deposits.

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

"BSF delivered a resilient first quarter 2026 performance despite a challenging macroeconomic environment. Net income grew 3% year-on-year to ₪1,381mn driven by higher operating income and disciplined risk management. The balance sheet strengthened across all key metrics, with loans and advances increasing 6%, while investments rose 16%, contributing to a more favorable yield profile.

Following the launch of the Strategy 2030 programme, BSF entered 2026 with clear priorities. Our ambition to build a Better, Stronger and Faster bank will be delivered by capitalizing on our strengths in wholesale banking, growing the retail banking franchise, and seizing opportunities in Treasury and Investments and in BSF Capital. Along with accelerated cross-sell and fee income growth, improving efficiency through tighter cost control, technology, data and automation, BSF is well positioned to deliver sustainable growth and stronger shareholder returns over the years ahead."

## Performance Highlights

### Income Statement Highlights

₪ Mn	1Q 2026	4Q 2025	Δ%	1Q 2025	Δ%
Net interest income	2,217	2,216	+0%	2,118	+5%
Non-interest income	491	406	+21%	520	-5%
Operating income	2,708	2,621	+3%	2,638	+3%
Operating expenses	(922)	(965)	-4%	(867)	+6%
Pre-impairment operating income	1,786	1,656	+8%	1,772	+1%
Impairment charge	(246)	(237)	+4%	(280)	-12%
Net income before zakat	1,540	1,419	+8%	1,492	+3%
Zakat	(159)	(160)	-1%	(154)	+3%
<b>Net income</b>	<b>1,381</b>	<b>1,260</b>	<b>+10%</b>	<b>1,338</b>	<b>+3%</b>
NIM	3.02%	2.97%	+5bps	3.09%	-7bps
Cost to income ratio	34.1%	36.8%	-2.8ppts	32.8%	+1.2ppts
Cost of risk	0.48%	0.49%	-1bps	0.51%	-4bps
EPS	0.52	0.44	+19%	0.50	+5%
ROAE*	12.0%	10.4%	+163bps	12.3%	-33bps
ROAA	1.74%	1.61%	+13bps	1.79%	-5bps

\*ROAE is calculated using net profit attributable to shareholders (excluding Tier 1 interest payment) and average shareholders' equity (excluding Tier 1 capital).

Net income for 1Q 2026 improved 3% year-on-year to ₪1,381 million from a 5% rise in interest income and a 12% reduction in impairments, partly offset by a 5% decline in non-interest income and 6% increase in operating expenses. Net income improved 10% quarter-on-quarter, driven by 3% top line growth and 4% lower expenses.

Total operating income increased by 3% year-on-year to ₪ 2,708 million for 1Q 2026. Net interest income rose by 5% to ₪ 2,217 million, led by a 7% increase in average interest earning assets on a 7bps lower net interest margin, while non-interest income decreased by 5% year-on-year to ₪ 491 million, due to lower fees and exchange income. Total operating income rose 3% quarter-on-quarter from a 21% increase in non-interest income while net interest income remained stable.

Operating expenses increased 6% year-on-year to ₪ 922 million in 1Q 2026, mainly due to increased depreciation charges and employee costs, driven by annual salary increments and modest headcount growth. On a sequential basis, operating expenses declined 4%, led by a decline in general and administrative expenses. The cost-to-income ratio increased by 121 basis points year-on-year to 34.1% for 1Q 2026.

Prudent risk management led to a 12% year-on-year reduction in impairment charges to ₪ 246 million. Coupled with 6% loan growth, this drove a 4bps improvement in the cost of risk to 0.48% for 1Q 2026.

## Balance Sheet Highlights

SAR Mn	1Q 2026	4Q 2025	Δ%	1Q 2025	Δ%
Cash & SAMA balances	11,785	10,931	+8%	13,899	-15%
Due from banks	7,966	3,817	+109%	6,518	+22%
Investments	71,629	68,682	+4%	61,913	+16%
Loans & advances	221,929	214,891	+3%	208,978	+6%
Other assets	11,502	10,685	+8%	12,271	-6%
<b>Total assets</b>	<b>324,810</b>	<b>309,006</b>	<b>+5%</b>	<b>303,579</b>	<b>+7%</b>
Due to banks, other FI & SAMA	24,250	12,885	+88%	30,143	-20%
Customers' deposits	199,583	195,219	+2%	190,728	+5%
Debt securities & term loans	38,184	38,877	-2%	20,396	+87%
Other liabilities	11,277	11,366	-1%	13,292	-15%
<b>Total liabilities</b>	<b>273,294</b>	<b>258,346</b>	<b>+6%</b>	<b>254,558</b>	<b>+7%</b>
Share capital	25,000	25,000	+0%	25,000	+0%
Retained earnings	6,684	5,388	+24%	5,746	+16%
Other	11,895	12,334	-4%	10,274	+16%
Equity attributable to shareholders	43,579	42,722	+2%	41,021	+6%
Tier 1 sukuk	7,938	7,938	+0%	8,000	-1%
<b>Total equity</b>	<b>51,517</b>	<b>50,659</b>	<b>+2%</b>	<b>49,021</b>	<b>+5%</b>
NPL ratio	1.01%	0.97%	+4bps	0.84%	+17bps
NPL coverage ratio	175.8%	178.4%	-2.6ppts	198.5%	-22.7ppts
T1 ratio	18.8%	19.2%	-36bps	19.4%	-51bps
CAR	21.0%	21.4%	-36bps	20.3%	+77bps
LCR	185.6%	193.8%	-8.2ppts	168.4%	+17.2ppts
NSFR	124.0%	126.0%	-2.0ppts	120.0%	+4.0ppts
LTD SAMA ratio	76.6%	74.7%	+1.9ppts	81.0%	-4.4ppts
Headline LTD Ratio	111.2%	110.1%	+1.1ppts	109.6%	+1.6ppts

Total assets as of 31 March 2026 amounted to ₪ 324,810 million, an increase of 5% from 31 December 2025. Loans and advances rose 3% YTD to ₪ 221,929 million, driven by both commercial and consumer lending.

The non-performing loans ratio increased by 4 basis points YTD to 1.01% as of 31 March 2026, as non-performing loans increased by 8% relative to 3% gross loan growth. The coverage of non-performing loans remained robust at the level of 175.8% as of 31 March 2026 relative to 178.4% at the start of the year.

The investment portfolio expanded by 4% YTD to ₪ 71,629 million.

Customers' deposits increased by 2% YTD due to an increase in non-interest-bearing deposits while interest-bearing deposits remained broadly stable.

Debt securities and term loans fell by 2% YTD. Tier 1 Sukuk remained stable YTD.

The bank's liquidity remained strong and comfortably within regulatory limits, with a liquidity coverage ratio of 185.6%, a net stable funding ratio of 124.0%, a SAMA regulatory loan-to-deposit ratio of 76.6%, and a headline loan-to-deposit ratio of 111.2%.

## Operating Segment Highlights

### Corporate Banking

#### Income Statement Highlights

₪ Mn	1Q 2026	4Q 2025	Δ%	1Q 2025	Δ%
Net interest income	1,058	1,160	-9%	1,208	-12%
Fee & other income	146	119	+22%	163	-11%
Total operating income	1,204	1,279	-6%	1,371	-12%
Expenses	(220)	(229)	-4%	(218)	+1%
Pre-impairment operating income	984	1,050	-6%	1,153	-15%
Impairments	(130)	(175)	-26%	(229)	-43%
<b>Net income before zakat</b>	<b>854</b>	<b>875</b>	<b>-2%</b>	<b>924</b>	<b>-8%</b>
NIM	2.74%	2.99%	-25bps	3.20%	-46bps
Cost to income ratio	18.2%	17.9%	+0.4ppts	15.9%	+2.3ppts
Cost of risk	0.58%	0.56%	+2bps	0.50%	+8bps

#### Balance Sheet Highlights

₪ Mn	1Q 2026	4Q 2025	Δ%	1Q 2025	Δ%
Loans & advances	159,736	153,249	+4%	154,664	+3%
Total assets	161,416	154,717	+4%	157,425	+3%
Customers' deposits	130,799	124,196	+5%	122,191	+7%
Total liabilities	132,446	125,994	+5%	124,998	+6%

The corporate banking segment reported an 8% year-on-year decline in net income before zakat to ₪ 854 million. This resulted from 12% lower operating income at ₪ 1,204 million partly offset by lower impairments.

Total assets for the corporate segment grew 4% during the quarter to ₪ 161,416 million from a corresponding increase in loans and advances. Corporate liabilities grew 5% year-to-date to ₪ 132,446 million, from a 5% increase in deposits.

## Retail Banking

### Income Statement Highlights

₹ Mn	1Q 2026	4Q 2025	Δ%	1Q 2025	Δ%
Net interest income	892	772	+16%	725	+23%
Fee & other income	3	(1)	-363%	16	-84%
<b>Total operating income</b>	<b>895</b>	<b>771</b>	<b>+16%</b>	<b>741</b>	<b>+21%</b>
Expenses	(515)	(537)	-4%	(473)	+9%
Pre-impairment operating income	380	233	+63%	268	+42%
Impairments	(117)	(58)	+103%	(55)	+112%
<b>Net income before zakat</b>	<b>263</b>	<b>176</b>	<b>+50%</b>	<b>213</b>	<b>+23%</b>
NIM	6.01%	5.14%	+88bps	5.68%	+33bps
Cost to income ratio	57.6%	69.7%	-12.2ppts	63.8%	-6.2ppts
Cost of risk	0.92%	0.30%	+62bps	0.65%	+27bps

### Balance Sheet Highlights

₹ Mn	1Q 2026	4Q 2025	Δ%	1Q 2025	Δ%
Loans & advances	60,541	59,854	+1%	52,586	+15%
<b>Total assets</b>	<b>63,530</b>	<b>61,447</b>	<b>+3%</b>	<b>54,852</b>	<b>+16%</b>
Customers' deposits	68,784	71,024	-3%	68,537	+0%
<b>Total liabilities</b>	<b>71,169</b>	<b>73,056</b>	<b>-3%</b>	<b>70,956</b>	<b>+0%</b>

Retail net income before zakat for 1Q 2026 increased 23% year-on-year to ₹ 263 million, mainly from a 21% increase in operating income driven by higher net interest income, partly offset by higher costs and impairments, with the latter reflecting year-on-year growth in the unsecured retail lending portfolio.

The cost-to-income ratio decreased by 6.2 ppts year-on-year, with expenses up 9% against the 21% rise in operating income.

Total retail assets increased by 3% year-to-date to ₹ 63,530 million from a 1% increase in retail loans. Total liabilities decreased by 3% in 1Q 2026 to ₹ 71,169 from corresponding decrease in customer deposits.

## Treasury

### Income Statement Highlights

₹ Mn	1Q 2026	4Q 2025	Δ%	1Q 2025	Δ%
Net interest income	226	222	+2%	129	+76%
Fee & other income	248	133	+86%	234	+6%
Total operating income	474	355	+33%	362	+31%
Expenses	(104)	(112)	-7%	(103)	+1%
Pre-impairment operating income	370	244	+52%	260	+43%
Impairments	1	(4)	-134%	4	-66%
<b>Net income before zakat</b>	<b>372</b>	<b>240</b>	<b>+55%</b>	<b>263</b>	<b>+41%</b>

### Balance Sheet Highlights

₹ Mn	1Q 2026	4Q 2025	Δ%	1Q 2025	Δ%
Investments	71,629	68,682	+4%	61,913	+16%
Total assets	96,474	89,434	+8%	88,479	+9%
Total liabilities	68,575	57,691	+19%	57,645	+19%

Treasury reported net income before zakat of ₹ 372 million for 1Q 2026, up 41% year-on-year. This improvement was mainly driven by an increase in operating income to ₹ 474 million, resulting from a 76% increase in net interest income and 6% growth in fee and other income.

Treasury assets increased by 8% year-to-date during 1Q 2026, supported by 4% growth in the investment portfolio and higher interbank placements. Treasury liabilities grew 19% year-to-date.

## Investment Banking and Brokerage

### Income Statement Highlights

₹ Mn	1Q 2026	4Q 2025	Δ%	1Q 2025	Δ%
Net interest income	40	62	-36%	57	-30%
Fee & other income	95	154	-38%	107	-11%
Total operating income	135	216	-37%	164	-18%
Expenses	(84)	(88)	-4%	(73)	+15%
<b>Net income before zakat</b>	<b>51</b>	<b>129</b>	<b>-60%</b>	<b>91</b>	<b>-44%</b>
Brokerage volume	13,920	14,324	-3%	20,532	-32%
Cost to income ratio	62.0%	40.5%	+21.5ppts	44.5%	+17.5ppts

### Balance Sheet Highlights

₹ Mn	1Q 2026	4Q 2025	Δ%	1Q 2025	Δ%
AUM	36,396	30,971	+18%	31,213	+17%
Loans & advances	1,652	1,788	-8%	1,728	-4%
Total assets	3,390	3,408	-1%	2,823	+20%
Total liabilities	1,104	1,606	-31%	959	+15%

The Investment Banking and Brokerage segment registered a 44% year-on-year decline in net income before zakat to ₹ 51 million for 1Q 2026. This was driven by 18% lower operating income and 15% higher expenses.

## Outlook

Saudi Arabia's economic outlook remains constructive, supported by the continued execution of Vision 2030, ongoing reforms, and sustained investment across the non-oil economy. While recent geopolitical tensions in the region, together with uncertainty around energy markets, trade routes, and investor sentiment, may contribute to greater near-term volatility in the operating environment, the IMF's most recent outlook (April 2026) forecasts Saudi Arabia to see growth of 3.1% in 2026. The kingdom is expected to be less severely affected by the conflict than its Gulf neighbours.

In this context, the Bank remains focused on disciplined execution, prudent risk management, and maintaining the flexibility needed to respond to evolving market conditions while continuing to support its clients and growth priorities. With a clear 2030 strategy announced in February 2026, we believe we are well positioned to deliver resilient performance and generate sustainable long-term value for our shareholders.

## **Additional Information**

The 1Q 2026 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:

BSF

P.O. Box 56006, Riyadh 11554

Kingdom of Saudi Arabia

[IR@bsf.sa](mailto:IR@bsf.sa)

### **Institutional investor contact**

Yasminah Abbas

Head of Group Commercial Delivery and Investor Relations

BSF Investor Relations

[YAbbas@bsf.sa](mailto:YAbbas@bsf.sa)

T: +966 11 289 1406

### **Media contact**

Corporate Communications

[Marketing-Corporate-Communication@bsf.sa](mailto:Marketing-Corporate-Communication@bsf.sa)