

BSF reports 20% net income growth to ₪ 2,741mn in 1H 2025

ROE improved to 11.2% on solid income momentum, improved cost of risk and positive jaws



- Total assets ₪ 301.5bn, up 4% YoY, driven by increased lending and investments
- Loans and advances up 6% YoY to ₪ 209.9bn from both Corporate and Retail
- Customers' deposits ₪ 182.7bn, down 7% YoY due to decline in interest-bearing deposits
- Net income for 1H 2025 ₪ 2,741mn, up 20% YoY on higher operating income, improved cost of risk and positive jaws
- Operating income ₪ 5,317mn in 1H 2025, up 14% YoY, driven by 12% increase in net interest income and 23% non-interest income growth
- Net interest margin at 3.11% in 1H 2025, up 3bps YoY
- Cost-to-income ratio at 32.7% for 1H 2025, a 113bps improvement YoY
- Cost of risk for 1H 2025 at 0.50%, a 10bps reduction YoY
- Return on equity at 11.2%, increase of 36bps YoY
- Tier 1 ratio of 20.1% and Capital Adequacy Ratio (CAR) of 20.9%
- Liquidity Coverage Ratio (LCR) of 168.0%; Net Stable Funding Ratio (NSFR) of 116.0%

Riyadh, 30 July 2025 - BSF reported 20% year-on-year growth in net income to ₪ 2,741 million for 1H 2025, driven by higher operating income, further supported by a lower cost of risk and positive operating leverage. Operating income rose by 14%, with net interest income up 12% year-over-year and non-interest income increase of 23%.

Total assets amounted to ₪ 301.5 billion as of 30 June 2025, an increase of 4% year-on-year, mostly driven by healthy 6% loan growth and a 13% expansion of the investment portfolio. Total customers' deposits decreased by 7% year-on-year mainly from interest-bearing deposits.

Bader Alsallloom, Chief Executive Officer of BSF, said:



"In the first half of 2025, BSF demonstrated robust financial performance with net income rising by 20% to ₪ 2,741 million. This accomplishment underscores our ability to effectively harness opportunities for growth while maintaining stringent cost discipline. Steady growth in both corporate and retail lending and a 23% rise in non-interest income have significantly strengthened our financial positioning. We've also achieved a meaningful improvement in our cost-to-income ratio by 113 basis points. As we proceed through the final year of our strategic agenda, our focus remains sharply tuned to sustainable growth, fostering innovation, and delivering enhanced value to our stakeholders amidst a dynamic economic backdrop."

Performance Highlights

Income Statement Highlights

| ₪ Mn | 1H 2025 | 1H 2024 | Δ% | 2Q 2025 | 2Q 2024 | Δ% |
|---------------------------------|--------------|--------------|-------------|--------------|--------------|-------------|
| Net interest income | 4,314 | 3,858 | +12% | 2,196 | 1,940 | +13% |
| Non-interest income | 1,002 | 815 | +23% | 482 | 402 | +20% |
| Operating income | 5,317 | 4,674 | +14% | 2,678 | 2,342 | +14% |
| Operating expenses | (1,740) | (1,582) | +10% | (873) | (809) | +8% |
| Pre-impairment operating income | 3,577 | 3,091 | +16% | 1,805 | 1,533 | +18% |
| Impairment charge | (515) | (550) | -6% | (236) | (274) | -14% |
| Net income before zakat | 3,061 | 2,542 | +20% | 1,569 | 1,259 | +25% |
| Zakat | (320) | (263) | +22% | (166) | (130) | +28% |
| Net income | 2,741 | 2,279 | +20% | 1,403 | 1,129 | +24% |
| NIM | 3.11% | 3.08% | +3bps | 3.12% | 3.00% | +12bps |
| Cost to income ratio | 32.7% | 33.9% | -1.1ppts | 32.6% | 34.5% | -1.9ppts |
| Cost of risk | 0.50% | 0.60% | -10bps | 0.48% | 0.60% | -12bps |
| EPS | 1.02 | 0.87 | +17% | 0.52 | 0.43 | +22% |
| ROAE | 11.2% | 10.9% | +36bps | 11.3% | 10.7% | +54bps |
| ROAA | 1.83% | 1.69% | +15bps | 1.86% | 1.62% | +24bps |

Net income for 1H 2025 improved 20% year-on-year to ₪ 2,741 million from a 12% rise in interest income, a 23% increase in non-interest income and 6% reduction in impairments, partly offset by a 10% increase in operating expenses. Quarterly net income improved by 24% year-on-year and 5% quarter-on-quarter, driven by top-line expansion and improved impairment charges partially offset by increased operating expenses.

Total operating income increased by 14% year-on-year to $\text{¥} 5,317$ million for 1H 2025. Net interest income rose by 12% to $\text{¥} 4,314$ million, driven by an 11% year-on-year increase in average interest earning assets and 3bps margin expansion to 3.11%. Quarterly total operating income increased by a modest 2% quarter-on-quarter and 14% year-on-year, driven mainly by the growth of net interest income.

Non-interest income increased by 23% year-on-year to $\text{¥} 1,002$ million, driven by higher investment-related gains and exchange income, along with improved net fee and commission income.

Operating expenses increased 10% year-on-year to $\text{¥} 1,740$ million in 1H 2025 mainly due to increased general and administrative expenses. Quarterly operating expenses rose by 8% year-on-year and 1% quarter-on-quarter. The cost to income ratio decreased by 113 basis points year-on-year to 32.7% for 1H 2025 as revenue growth exceeded cost inflation.

The impairment charge amounted to $\text{¥} 515$ million for 1H 2025, a decrease of 6% year-on-year. In combination with healthy loan growth, this resulted in a 10bps year-on-year improvement in cost of risk to 0.50% for 1H 2025.

Balance Sheet Highlights

| ₹ Mn | 2Q 2025 | 1Q 2025 | Δ% | 4Q 2024 | Δ% |
|-------------------------------------|----------------|----------------|------------|----------------|-------------|
| Cash & SAMA balances | 10,999 | 13,899 | -21% | 10,921 | +1% |
| Due from banks | 6,858 | 6,518 | +5% | 5,016 | +37% |
| Investments | 62,792 | 61,322 | +2% | 60,289 | +4% |
| Loans & advances | 209,881 | 208,978 | +0% | 204,168 | +3% |
| Other assets | 10,959 | 12,271 | -11% | 12,382 | -11% |
| Total assets | 301,490 | 302,988 | -0% | 292,776 | +3% |
| Due to banks, other FI & SAMA | 31,655 | 30,143 | +5% | 32,307 | -2% |
| Customers' deposits | 182,690 | 190,728 | -4% | 185,118 | -1% |
| Debt securities & term loans | 23,964 | 20,396 | +17% | 15,518 | +54% |
| Other liabilities | 11,867 | 13,292 | -11% | 13,226 | -10% |
| Total liabilities | 250,176 | 254,558 | -2% | 246,169 | +2% |
| Share capital | 25,000 | 25,000 | +0% | 25,000 | +0% |
| Retained earnings | 7,048 | 5,746 | +23% | 4,510 | +56% |
| Other | 8,828 | 9,683 | -9% | 9,097 | -3% |
| Equity attributable to shareholders | 40,876 | 40,430 | +1% | 38,607 | +6% |
| Tier 1 sukuk | 10,438 | 8,000 | +30% | 8,000 | +30% |
| Total equity | 51,314 | 48,430 | +6% | 46,607 | +10% |
| NPL ratio | 0.97% | 0.84% | +12bps | 0.93% | +3bps |
| NPL coverage ratio | 183.1% | 198.5% | -15.4ppts | 181.7% | +1.4ppts |
| T1 ratio | 20.1% | 19.2% | +85bps | 18.8% | +127bps |
| CAR | 20.9% | 20.1% | +76bps | 19.7% | +121bps |
| LCR | 168.0% | 168.4% | -0.4ppts | 162.2% | +5.8ppts |
| NSFR | 116.0% | 120.0% | -4.0ppts | 114.0% | +2.0ppts |
| LTD SAMA ratio | 82.2% | 81.0% | +1.2ppts | 83.6% | -1.4ppts |
| Headline LTD Ratio | 114.9% | 109.6% | +5.3ppts | 110.3% | +4.6ppts |

Total assets as of 30 June 2025 amounted to ₹ 301,490 million, an increase of 3% from 31 December 2024. Loans and advances rose 3% YTD to ₹ 209,881 million, driven by 9% consumer and 1% commercial lending growth.

The investment portfolio expanded by 4% YTD to ₹ 62,792 million.

Customers' deposits decreased by 1% YTD to ₹ 182,690 million, due to a 2% fall in interest-bearing deposits.

During 1H 2025, the Bank issued debt securities totaling \$ 1,792 million and a term loan of ₹ 1,500 million.

The non-performing loans ratio increased to 0.97% as of 30 June 2025, by 3 basis points YTD as NPLs increased by 7% relative to 3% gross loan growth. The coverage of non-performing loans remained robust at the level of 183.1% as of 30 June 2025 relative to 181.7% at the start of the year.

The total capital adequacy ratio increased to 20.9%, and the Tier 1 ratio rose to 20.1% as of 30 June 2025, driven by retained earnings generation, other comprehensive income, and the issuance of \$ 650 million in Additional Tier 1 Sukuk.

The bank's liquidity remained strong and comfortably within regulatory limits, with the liquidity coverage ratio at 168%, the net stable funding ratio at 116%, the SAMA regulatory loan to deposit ratio at 82.2%, and the headline loan to deposit ratio at 114.9%.

Operating Segment Highlights

Corporate Banking

Income Statement Highlights

| ﷲ Mn | 1H 2025 | 1H 2024 | Δ% | 2Q 2025 | 2Q 2024 | Δ% |
|---------------------------------|--------------|--------------|-------------|--------------|------------|-------------|
| Net interest income | 2,437 | 2,161 | +13% | 1,230 | 1,127 | +9% |
| Fee & other income | 328 | 298 | +10% | 165 | 168 | -2% |
| Total operating income | 2,765 | 2,459 | +12% | 1,394 | 1,295 | +8% |
| Expenses | (449) | (410) | +9% | (231) | (185) | +25% |
| Pre-impairment operating income | 2,316 | 2,048 | +13% | 1,163 | 1,110 | +5% |
| Impairments | (368) | (404) | -9% | (140) | (202) | -31% |
| Net income before zakat | 1,947 | 1,644 | +18% | 1,023 | 907 | +13% |
| NIM | 3.22% | 3.08% | +14bps | 3.22% | 3.15% | +6bps |
| Cost to income ratio | 16.2% | 16.7% | -0.4ppts | 16.6% | 14.3% | +2.3ppts |
| Cost of risk | 0.45% | 0.56% | -11bps | 0.43% | 0.59% | -16bps |

Balance Sheet Highlights

| ﷲ Mn | 2Q 2025 | 1Q 2025 | Δ% | 4Q 2024 | Δ% |
|---------------------|---------|---------|-----|---------|-----|
| Loans & advances | 152,050 | 154,664 | -2% | 151,428 | +0% |
| Total assets | 152,946 | 157,425 | -3% | 153,956 | -1% |
| Customers' deposits | 114,298 | 122,191 | -6% | 119,383 | -4% |
| Total liabilities | 115,855 | 124,998 | -7% | 120,747 | -4% |

Corporate reported 18% year-on-year growth in net income before zakat to ﷲ1,947 million. This resulted from 12% operating income growth to ﷲ2,765 million, mainly driven by the growth in net interest income.

Total assets for the corporate segment fell marginally in 1H 2025 to SAR 152,946. Corporate liabilities fell 4% year-to-date to SAR 115,855 million largely due to corresponding fall in deposits.

Retail Banking

Income Statement Highlights

| ₹ Mn | 1H 2025 | 1H 2024 | Δ% | 2Q 2025 | 2Q 2024 | Δ% |
|---------------------------------|------------|--------------|-------------|------------|------------|-------------|
| Net interest income | 1,464 | 1,978 | -26% | 745 | 1,000 | -26% |
| Fee & other income | 62 | 78 | -20% | 41 | 16 | +162% |
| Total operating income | 1,526 | 2,056 | -26% | 785 | 1,016 | -23% |
| Expenses | (930) | (858) | +8% | (457) | (472) | -3% |
| Pre-impairment operating income | 596 | 1,198 | -50% | 328 | 544 | -40% |
| Impairments | (147) | (143) | +3% | (92) | (65) | +41% |
| Net income before zakat | 449 | 1,054 | -57% | 235 | 478 | -51% |
| NIM | 5.55% | 8.87% | -332bps | 5.50% | 8.72% | -323bps |
| Cost to income ratio | 60.9% | 41.7% | +19.2ppts | 58.2% | 46.5% | +11.8ppts |
| Cost of risk | 0.69% | 0.77% | -8bps | 0.72% | 0.64% | +9bps |

Balance Sheet Highlights

| ₹ Mn | 2Q 2025 | 1Q 2025 | Δ% | 4Q 2024 | Δ% |
|---------------------|---------|---------|-----|---------|------|
| Loans & advances | 56,053 | 52,586 | +7% | 50,971 | +10% |
| Total assets | 57,784 | 54,852 | +5% | 53,008 | +9% |
| Customers' deposits | 68,392 | 68,537 | -0% | 65,735 | +4% |
| Total liabilities | 71,352 | 70,956 | +1% | 66,659 | +7% |

Retail net income before zakat for 1H 2025 decreased 57% year-on-year to ₹ 449 million due to a 26% decrease in operating income along with an 8% increase in expenses.

Total retail assets increased by 9% year-to-date to ₹ 57,784 million from 10% growth in retail loans. Total liabilities increased by 7% in 1H 2025 to ₹ 71,352million, with a 4% rise in customers' deposits.

Treasury

Income Statement Highlights

| ₹ Mn | 1H 2025 | 1H 2024 | Δ% | 2Q 2025 | 2Q 2024 | Δ% |
|---------------------------------|------------|--------------|--------------|------------|--------------|--------------|
| Net interest income | 293 | (365) | +180% | 159 | (228) | +170% |
| Fee & other income | 402 | 258 | +56% | 174 | 113 | +53% |
| Total operating income | 695 | (107) | +750% | 332 | (115) | +390% |
| Expenses | (212) | (177) | +20% | (109) | (84) | +30% |
| Pre-impairment operating income | 482 | (284) | +270% | 223 | (198) | +212% |
| Impairments | 0 | (2) | +114% | (4) | (6) | -44% |
| Net income before zakat | 483 | (286) | +269% | 219 | (205) | +207% |

Balance Sheet Highlights

| ₹ Mn | 2Q 2025 | 1Q 2025 | Δ% | 4Q 2024 | Δ% |
|-------------------|---------|---------|-----|---------|-----|
| Investments | 62,792 | 61,322 | +2% | 60,289 | +4% |
| Total assets | 87,876 | 87,888 | -0% | 83,097 | +6% |
| Total liabilities | 61,965 | 57,645 | +7% | 57,869 | +7% |

Treasury reported net income before zakat of ₹ 483 million for 1H 2025, compared to a loss of ₹ 286 million in 1H 2024. This improvement was driven by an increase in operating income to ₹ 695 million, resulting from a significant turnaround in net interest income and a 56% growth in fees and other income.

Treasury assets increased by 6%YTD during 1H 2025 from 4% growth in the investment portfolio and increase in cash and interbank balances, while liabilities increased by 7%.

Investment Banking and Brokerage

Income Statement Highlights

| ₹ Mn | 1H 2025 | 1H 2024 | Δ% | 2Q 2025 | 2Q 2024 | Δ% |
|--------------------------------|------------|------------|-------------|-----------|-----------|-------------|
| Net interest income | 120 | 84 | +43% | 63 | 41 | +54% |
| Fee & other income | 210 | 182 | +16% | 103 | 105 | -2% |
| Total operating income | 331 | 266 | +25% | 167 | 146 | +14% |
| Expenses | (149) | (136) | +9% | (76) | (68) | +11% |
| Net income before zakat | 182 | 129 | +41% | 91 | 78 | +17% |
| Brokerage volume | 38,601 | 61,172 | -37% | 18,069 | 26,312 | -31% |
| Cost to income ratio | 44.9% | 51.3% | -6.4ppts | 45.3% | 46.6% | -1.2ppts |

Balance Sheet Highlights

| ₪ Mn | 2Q 2025 | 1Q 2025 | Δ% | 4Q 2024 | Δ% |
|-------------------|---------|---------|-----|---------|------|
| AUM | 31,954 | 31,213 | +2% | 30,494 | +5% |
| Loans & advances | 1,778 | 1,728 | +3% | 1,769 | +1% |
| Total assets | 2,884 | 2,823 | +2% | 2,714 | +6% |
| Total liabilities | 1,004 | 959 | +5% | 894 | +12% |

The Investment Banking and Brokerage segment registered a 41% year-on-year improvement in net income before zakat to ₪ 182 million for 1H 2025. This was driven by 25% growth in operating income, due to increased net interest income and fee income.

Outlook

Saudi Arabia's economic prospects remain generally favorable, supported by the ongoing implementation of Vision 2030 and continued efforts to expand the non-oil sectors. Activity across key industries — including tourism, construction, retail, and financial services — continues to gain traction, driven by steady policy support and investment momentum. However, global developments such as increasing trade frictions and renewed volatility in energy markets have added a layer of external uncertainty that could impact the operating environment in the near term.

Amid this dynamic landscape, the Bank is maintaining a disciplined and flexible approach, enabling us to navigate evolving market conditions while remaining focused on client delivery and growth. With a strong foundation and a clearly defined strategy, we are confident in our ability to generate sustainable results and deliver long-term value to our shareholders through the remainder of 2025.

Additional Information

The 1H 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](#)

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