BSF 1H 2026
Earnings Presentation

27 July 2026

Highlights & Strategy Update

5% net income growth YoY supported by top-line growth

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Balance Sheet

- Loan growth of 7% YoY, driven by both commercial (+5%) and consumer (+15%).
- Investments increased 17% YoY, capturing higher yields to manage interest rate risk.
- Deposits rose 12% YoY from 21% growth in IBDs and 2% growth in NIBDs.

Loans & Advances

224.2

⃁ Billion

▲ +7% year-on-year

Investments

74.2

⃁ Billion

▲ +17% year-on-year

Customers' Deposits

204.6

⃁ Billion

▲ +12% year-on-year

Income Statement

- Operating income rose by 5%, from 6% increase in net interest income.
- NIM declined 7bps YoY but improved 4bps QoQ to 3.04%.
- Net income up 5% YoY, from higher operating income, partly offset by higher operating expenses.

Operating Income

5,557

⃁ Million

▲ +5% year-on-year

NIM

3.04%

▼ -7bps year-on-year

Net Income

2,868

⃁ Million

▲ +5% year-on-year

Healthy asset quality and comfortable capital and liquidity levels

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Asset Quality

- The NPL ratio was broadly stable YoY.
- Coverage ratio remains comfortable, with the decline reflecting the write-off of two corporate accounts.
- Improved overall COR driven by portfolio growth.

NPL Ratio

0.97%

▶ +1bps year-on-year

NPL Coverage

159.3%

▼ -23.8ppts year-on-year

Cost of Risk

0.44%

▼ -6bps year-on-year

Capital & Liquidity

- Capital, funding and liquidity remain strong and comfortably within regulatory limits.
- NIBD ratio declined 4ppts YoY from relatively stronger growth in IBD relative to NIBD deposits.

T1 Ratio

18.8%

▼ -1.4ppts year-on-year

LCR

169%

▶ +1ppts year-on-year

NIBD % of Total Deposits

43.0%

▼ -4.0ppts year-on-year

We aim to become a Better, Stronger and Faster bank through Strategy 2030, delivering sustainable ROE expansion to >15% and ⃁10bn net income by 2030

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3 Strategic Pillars...

Better
8-10% net income market share

- Growing net income market share
- Fee growth and cross-sell

Stronger
>15% ROE

- Capital optimization
- Risk excellence
- Externally focused organization

Faster
>75%
STP processes

- Operational excellence through Zero-Ops
- Embed AI

...focusing on two main themes for next 5 years

Strengthen the core

Wholesale Banking	GTS strengthening and Institutional Banking expansion	**Group-wide cross-sell**
Private Banking	Product expansion and client engagement	
Retail and Affluent	Differentiation and channel revamp	
Treasury	Sales expansion and NIM enhancement	
BSF Capital	Wealth management acceleration, brokerage system upgrade	

Prepare for the future

Business Banking	Customer acquisition and CASA gathering
JB	Digital-first distribution and embedded finance
Support functions	AI and Data innovation Open banking and embedded finance Capital optimization and partnership capabilities

We are seeing balanced performance across the key strategic metrics

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	KPI	2025 Baseline	Current	2030 Target	Status
Better	Net income market share	~6%	~6%	8–10%	Watch
	CASA ratio	43%	43%	~40%	Watch
	Non-interest income share	18%	18%	21%	Watch
Stronger	Return on Equity	~12%	12.1%	>15%	On track
	CET1 ratio	16.2%	15.9%	>15%	On track
	Cost-to-income ratio	34%	33.2%	~27%	On track
Faster	% of STP processes	<20%	<20%	>75%	Watch
	Digital penetration of clients	60-70%	65-70%*	100%	On track
	AI and Analytics use cases	<5	16	50+	On track

*Primarily from retail NTB customer acquisition through digital channels

Financial Highlights

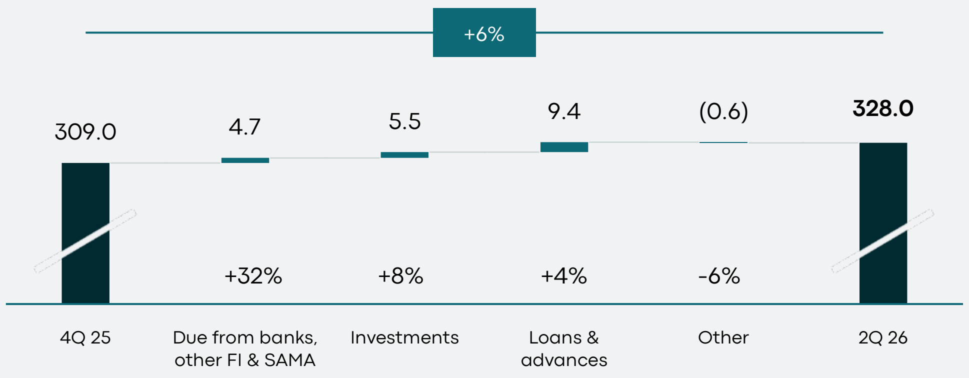
Balance sheet growth driven by loans, investments and interbank

Balance Sheet

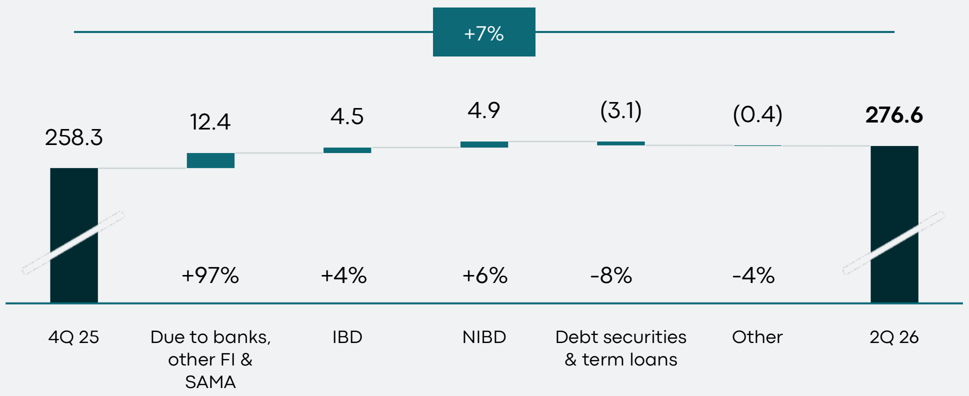
- Growth in total assets of 6% YTD, mainly driven by loans, further aided by an increase in investments and interbank placements.
- The investment portfolio expanded by 8% YTD mainly from fixed rate investments with majority being Government securities.
- Liabilities rose 7% YTD driven by a 97% increase in due to banks, alongside a 5% rise in customer deposits.
- Total equity increased by 1% YTD from retained earnings generation.

⃁ Mn	2Q 2026	1Q 2026	Δ%	4Q 2025	Δ%
Due from banks, other FI & SAMA	19,495	19,751	-1%	14,748	+32%
Investments	74,208	71,629	+4%	68,682	+8%
Loans & advances	224,241	221,929	+1%	214,891	+4%
Total assets	327,983	324,810	+1%	309,006	+6%
Due to banks, other FI & SAMA	25,319	24,250	+4%	12,885	+97%
Customers' deposits	204,588	199,583	+3%	195,219	+5%
Debt securities & term loans	35,758	38,184	-6%	38,877	-8%
Total liabilities	276,589	273,294	+1%	258,346	+7%
Total equity	**51,394**	**51,517**	**-0%**	**50,659**	**+1%**

Total Assets Movement YTD (⃁ Bn)



Total Liabilities Movement YTD (⃁ Bn)



4% YTD loan growth from both commercial and consumer sectors

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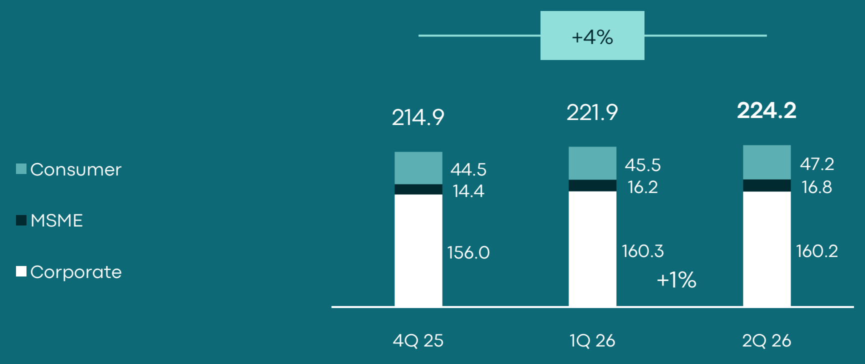
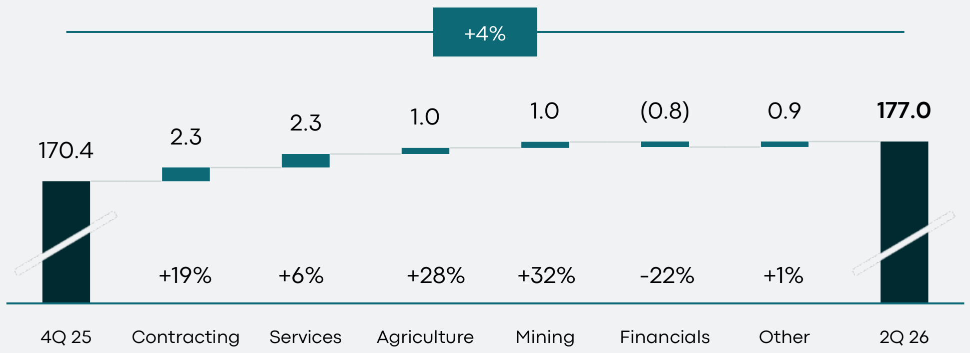
Loans & Advances

- Total loans and advances grew 7% YoY, driven by growth in both consumer and commercial lending. YTD growth was 4%, mainly driven by commercial loans and supported by growth in consumer loans.
- Commercial loans grew 4% YTD primarily by higher balances in contracting and services sector further aided by agriculture and mining partly offset by decline in the financials sector.
- Consumer loans grew 6% YTD, primarily driven by a 6% increase in mortgages and 8% increase in personal loans.

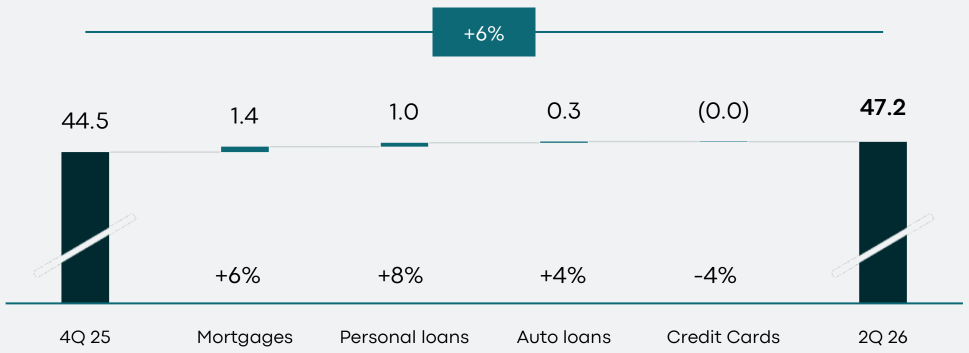
Loans & Advances (⃁ Bn)



Commercial Loans Movement YTD (⃁ Bn)



Consumer Loans Movement YTD (⃁ Bn)

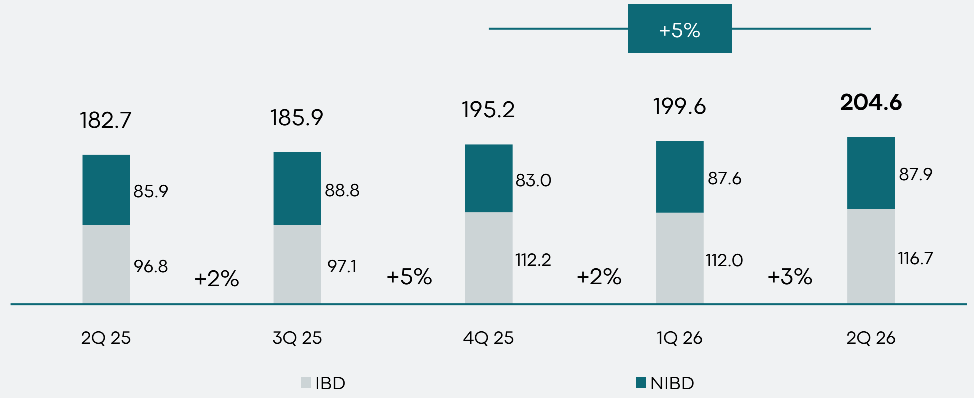


5% YTD increase in customer deposits

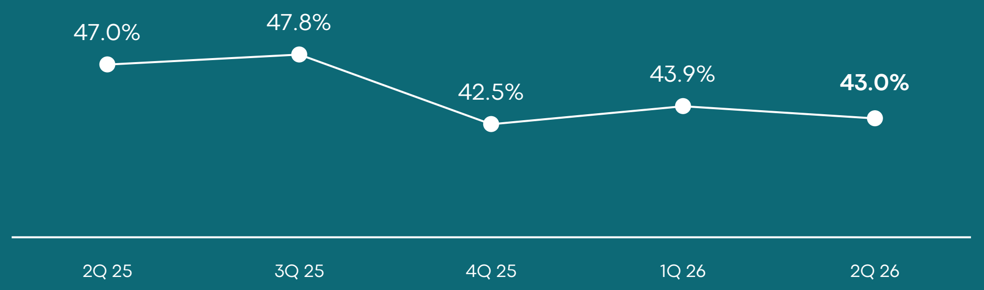
Customers` Deposits

- Deposits grew 5% YTD, driven by increase in both NIBD and IBD balances.
- IBDs grew 4% YTD, while NIBDs rose 6%.
- As of 30 June 2026, 43.0% of deposits were non-interest bearing, an increase of 45bps YTD.

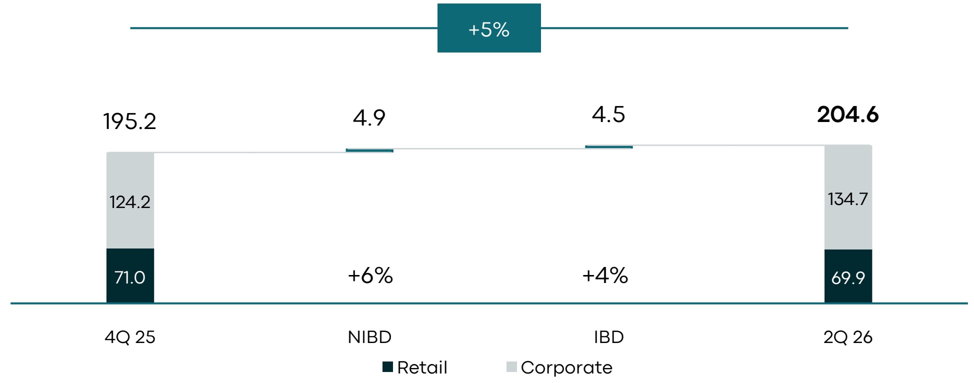
Customers' Deposits (⃁ Bn)



NIBD ratio (%)



Customers' Deposits Movement YTD (⃁ Bn)



Net income grew 5% YoY from higher net interest income, partially offset by higher operating expenses

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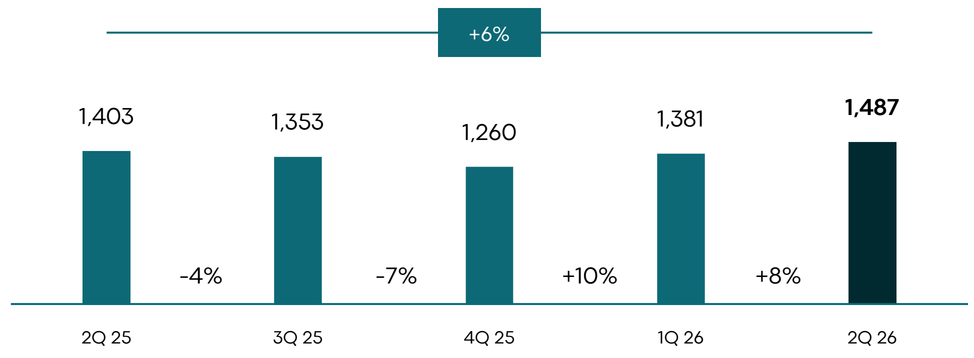
Income Statement

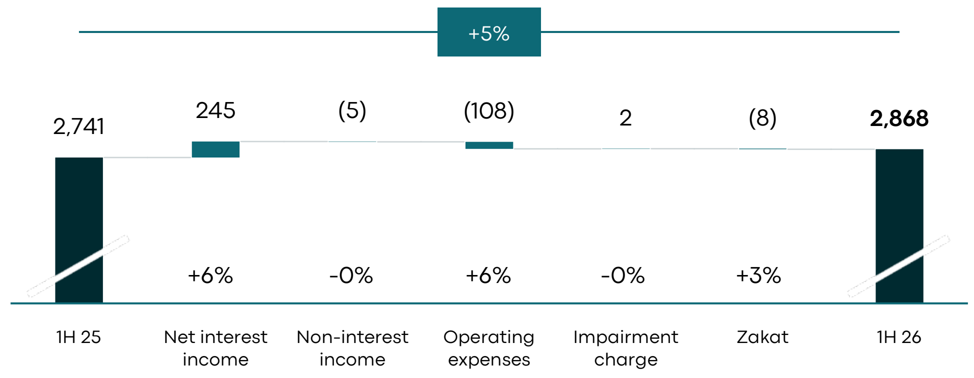
- Net income for 1H 2026 grew 5% YoY to ⃁ 2,868mn from higher operating income, partially offset by higher operating expenses.
- Total operating income increased 5% YoY, driven by 6% growth in net interest income and steady non-interest income.
- Operating expenses increased 6% YoY to ⃁ 1,848mn from higher employee costs and increased G&A and depreciation as transformation projects continue to go live.
- The impairment charge remained stable YoY at ⃁ 513mn.
- On a sequential basis, net income increased by 8% QoQ supported by top line expansion and stable operating expenses.

⃁ Mn	1H 2026	1H 2025	Δ%	2Q 2026	2Q 2025	Δ%
Net interest income	4,560	4,314	+6%	2,343	2,196	+7%
Non-interest income	997	1,002	-0%	506	482	+5%
Operating income	5,557	5,317	+5%	2,849	2,678	+6%
Operating expenses	(1,848)	(1,740)	+6%	(925)	(873)	+6%
Pre-impairment operating income	3,710	3,577	+4%	1,924	1,805	+7%
Impairment charge	(513)	(515)	-0%	(267)	(236)	+13%
Net income before zakat	3,196	3,061	+4%	1,656	1,569	+6%
Zakat	(329)	(320)	+3%	(170)	(166)	+2%
Net income	**2,868**	**2,741**	**+5%**	**1,487**	**1,403**	**+6%**
ROAE	12.12%	12.54%	-42bps	12.17%	12.65%	-48bps

Net Income (⃁ Mn)



Net Income Movement YoY (⃁ Mn)

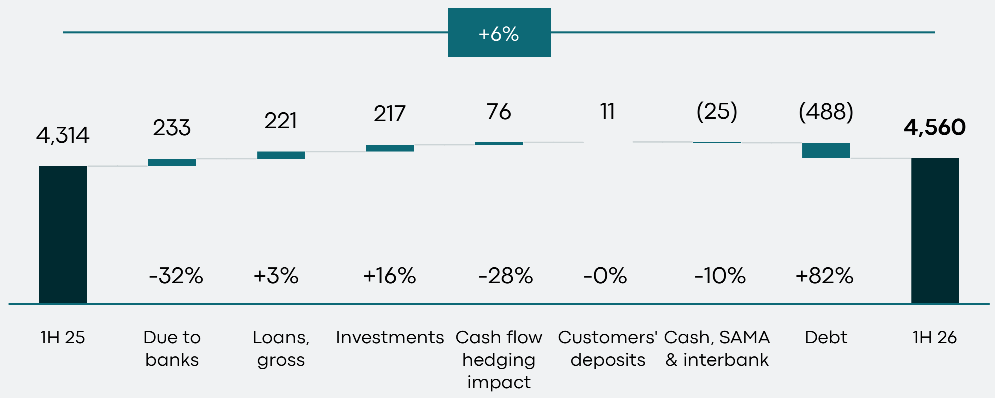


6% YoY growth in NII driven by earning assets growth, partly offset by modest margin contraction

Net Interest Income

- NII for 1H 2026 increased by 6% YoY to ⃁ 4,560mn, driven by 8% average earnings assets growth.
- Higher NII from due to banks, loans and advances, investments and cash flow hedging impact was partially offset by higher funding costs on debt securities.
- Both interest income and funding costs rose 6% YoY to ⃁ 9,009mn and ⃁ 4,450mn respectively in 1H 2026.
- On a sequential basis, interest income increased by 3% QoQ, while funding costs were up by 1% driving 6% QoQ improvement in NII.

Net Interest Income Movement YoY (⃁ Mn)



Interest Income (⃁ Mn)

Interest Expense (⃁ Mn)

NIM declined 7bps YoY, but improved 4bps QoQ

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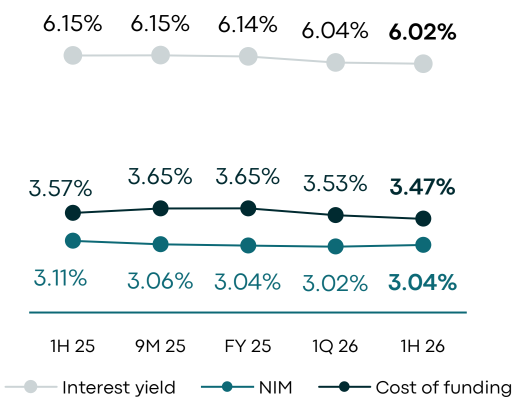
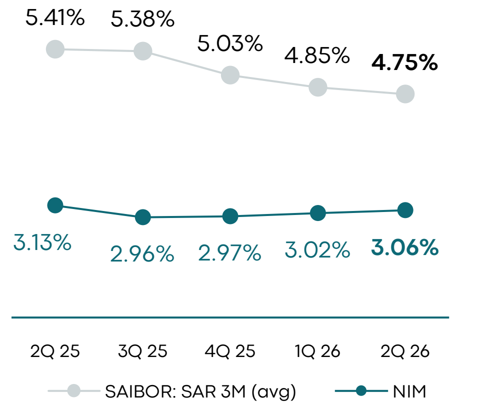
Net Interest Margin

- NIM moderated by 7bps YoY to 3.04% for 1H 2026, primarily reflecting a 13bps decline in asset yields, partly offset by a 9bps reduction in funding costs.
- On a sequential basis, the quarterly NIM increased by 4bps as easing funding costs (-13bps) outweighed pressure on asset yields (-6bps) as average 3M SAIBOR decreased by 10bps QoQ.

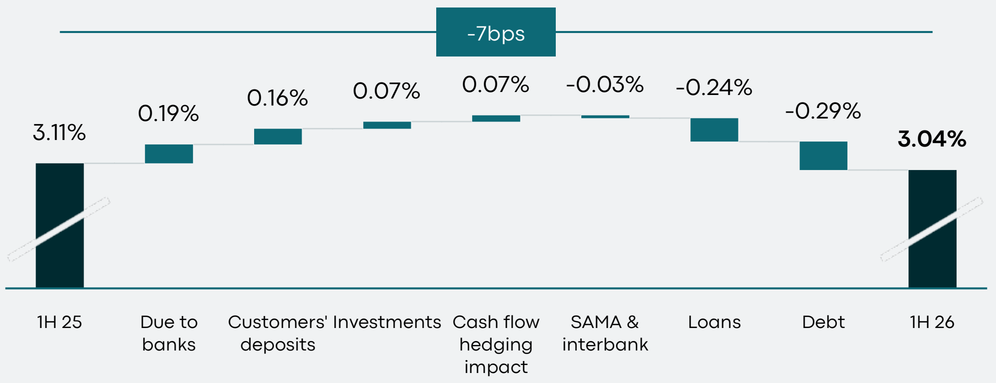
YTD NIM Trend



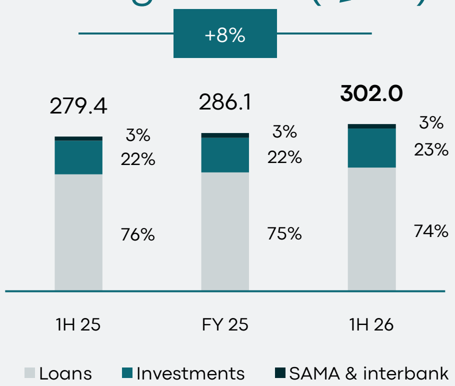
Quarterly NIM Trend



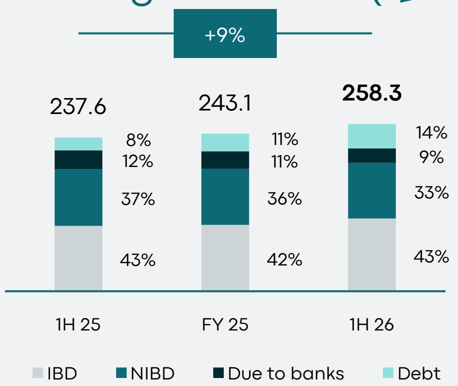
NIM Movement YoY (%)



Average Interest Earning Assets (⃁ Bn)



Average Interest Bearing Liabilities (⃁ Bn)

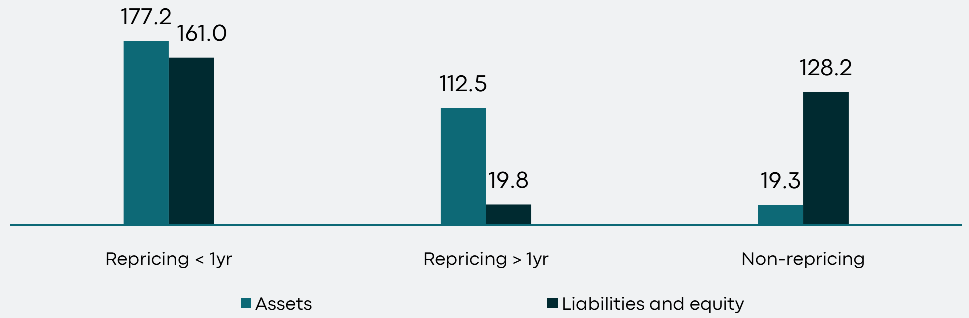


BSF has limited sensitivity to interest rate changes

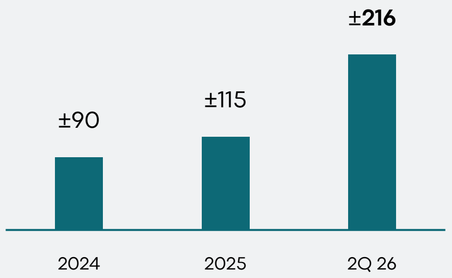
NIM Sensitivity

- As of 30 June 2026, BSF estimates a 1-year NIM sensitivity of a 100bps rates change at ±7bps; this would translate into a ⃁ ±216mn NII delta.
- The net open short-term interest rate position arising from on-balance sheet items reflects BSF`s corporate DNA (excess of floating rate assets).
- BSF mitigates its interest rate risk exposure through a combination of on-and off-balance sheet instruments, incl. cash-flow hedges. The CFH outstanding position is driven by the evolution of BSF`s balance sheet structure, interest rate risk appetite and structural market trends.
- The notional amount of cash flow hedges decreased by 23% YTD due to growth in the retail loan book and fixed investment portfolio.

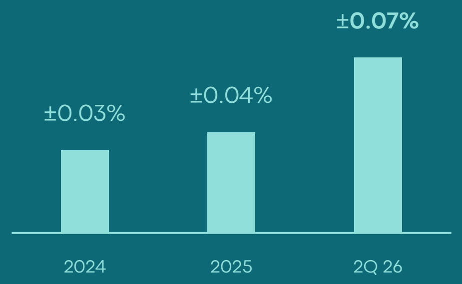
Balance Sheet Repricing Profile as at 31 December 2025 (⃁ Bn)



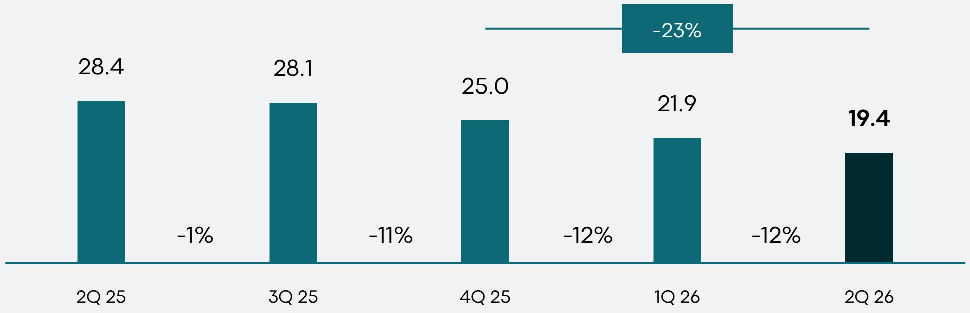
NII Impact of ±100bps Rate Change (⃁ Mn)



NIM Impact of ±100bps Rate Change (%)



Cash Flow Hedges Swaps (Notional Amount ⃁ Bn)



Non-interest income held steady YoY

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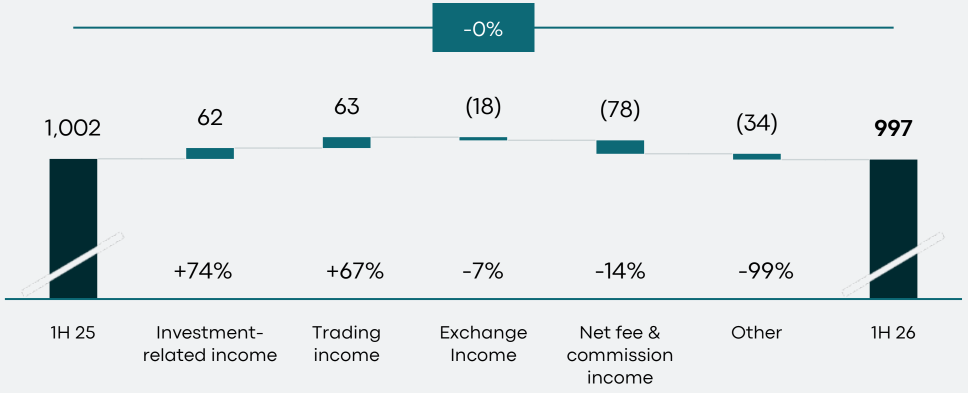
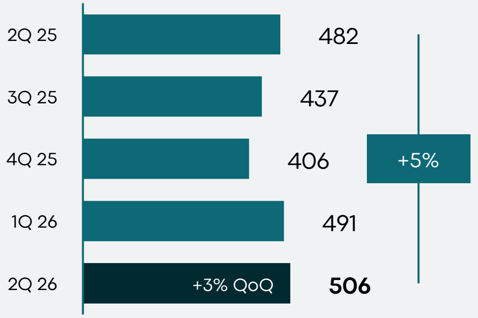
Non-Interest Income

- Non-interest income for 1H 2026 remained broadly stable YoY at ⃁ 997mn as lower fee and commission income and exchange income were offset by improved investment-related and trading income.
- Net fee & commission income fell 14% YoY to ⃁ 465mn in 1H 2026 due to lower brokerage & asset management fees and lower trade finance fees amid the current geopolitical situation and higher losses in card fees due to ongoing campaign costs.
- 2Q 2026 non-interest income increased 3% QoQ, driven by higher fee, exchange and trading income partly offset by lower investment-related income.

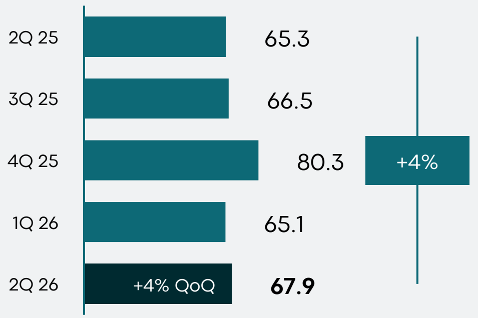
Non-interest Income Movement YoY (⃁ Mn)



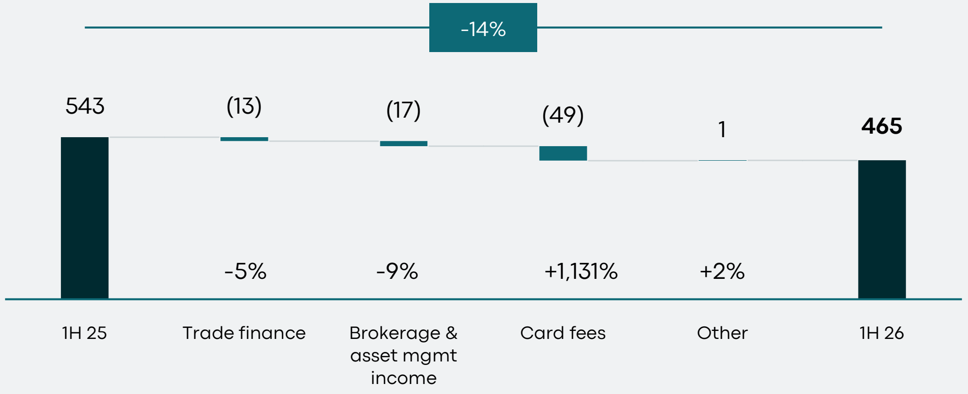
Non-interest Income (⃁ Mn)



Non-funded Exposure* (⃁ Bn)



Fee & Commission Income Movement YoY (⃁ Mn)



*Non-funded exposure includes letters of credit, letters of guarantee and acceptances

Operating expenses rose 6% YoY on higher employee expenses, G&A expenses and depreciation, but were stable QoQ

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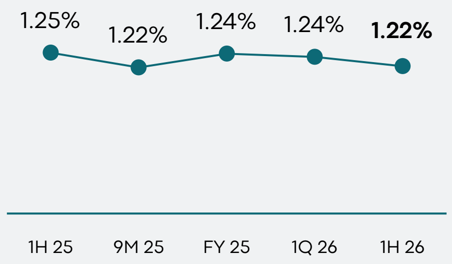
Operating Expenses

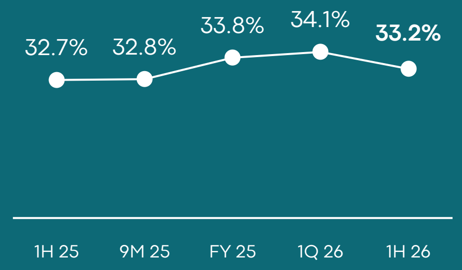
- Operating expenses increased 6% YoY to ⃁1,848mn in 1H 2026 mainly reflecting higher employee costs from annual salary adjustments and modest headcount growth, as well as increased G&A expenses and depreciation following the rollout of transformation projects.
- Cost to income ratio increased by 52bps YoY to 33.2% in 1H 2026 from 32.7% in 1H 2025.
- At the same time, operating expenses as a percentage of average interest-earning assets (AIEA) decreased by 2bps YoY to 1.22% for 1H 2026, driven by an 8% expansion of AIEA relative to a 6% expense growth.
- On a sequential basis, operating expenses were broadly stable.

Operating Expenses (⃁ Mn)

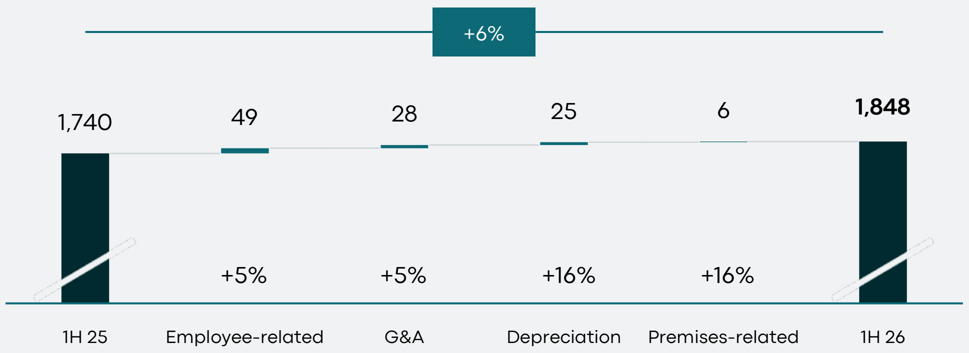
Cost to AIEA Ratio



Cost to Income Ratio



Operating Expenses Movement YoY (⃁ Mn)



Cost of risk decreased by 6bps YoY to 0.44% driven by overall portfolio growth

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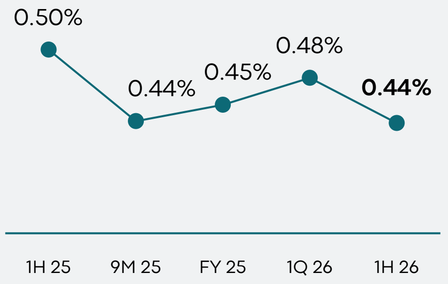
Impairment Charge

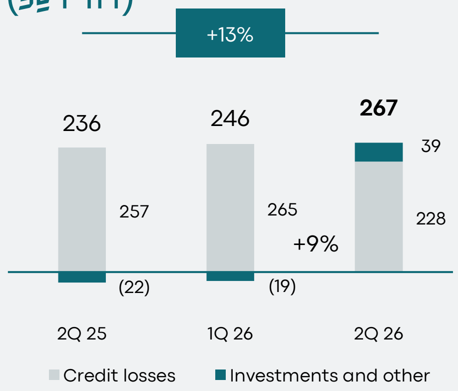
- The total impairment charge for 1H 2026 was steady YoY at ⃁ 513mn, from lower commercial impairments offset by an increase in consumer and other impairments.
- In combination with healthy loan growth, this resulted in a 6bps YoY improvement in cost of risk to 0.44% for 1H 2026.
- On a sequential basis, the impairment charge rose 9%, driven by a ⃁ 39mn charge in investments and other exposures, versus a reversal in the previous quarter, following growth in related balances, including off-balance-sheet items. Credit loss impairments declined 14% QoQ, supported by recoveries from previously written-off accounts.

Impairment Charge (⃁ Mn)

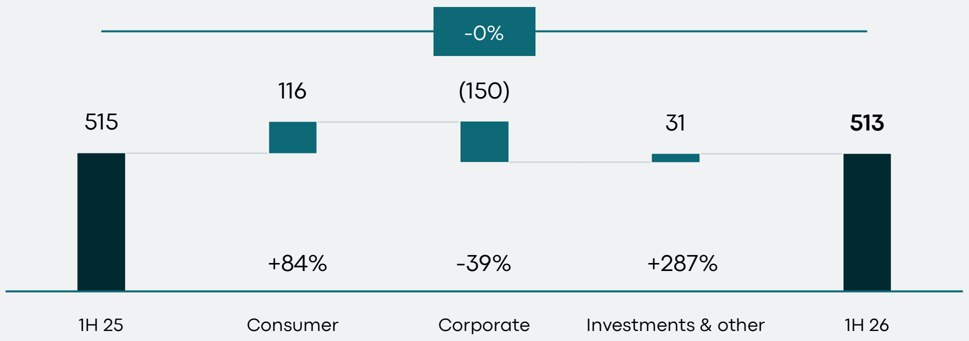
Cost of Credit Risk (%)



Impairment Charge (⃁ Mn)



Impairment Charge Movement YoY (⃁ Mn)



Asset quality remains strong with stable NPL ratio YTD

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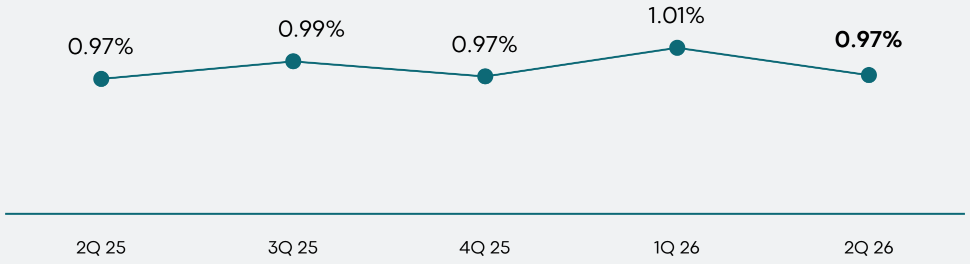
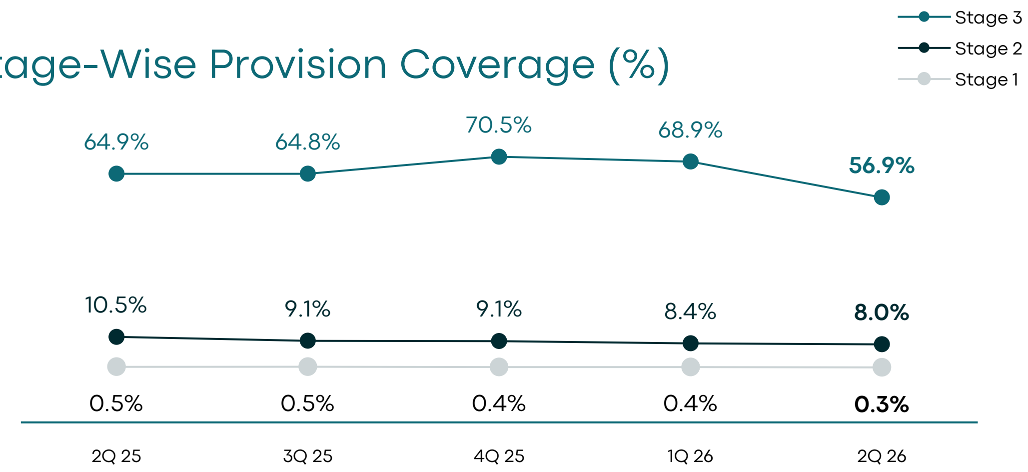
NPL & NPL Coverage

- The NPL ratio improved to 0.97% in 2Q26 from 1.01% in 1Q26 and remained stable YTD, supported by the write-off of two corporate accounts during the quarter.
- The NPL coverage ratio decreased by 19ppts YTD to 159.3%, as the newly downgraded NPLs carry lower reserve levels than the two fully covered accounts that were written off.
- Stage 3 coverage decreased by 13.6ppts YTD to 56.9% due to the same factors, while Stage 2 coverage decreased by 110bps to 8.0% and Stage 1 coverage narrowed marginally.

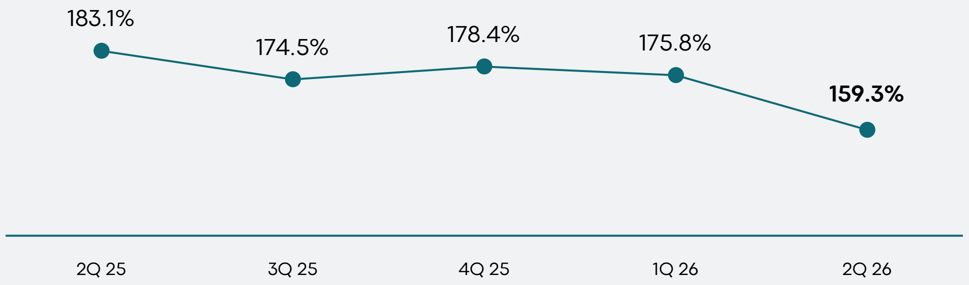
NPL Ratio (%)



Stage-Wise Provision Coverage (%)



NPL Coverage Ratio (%)

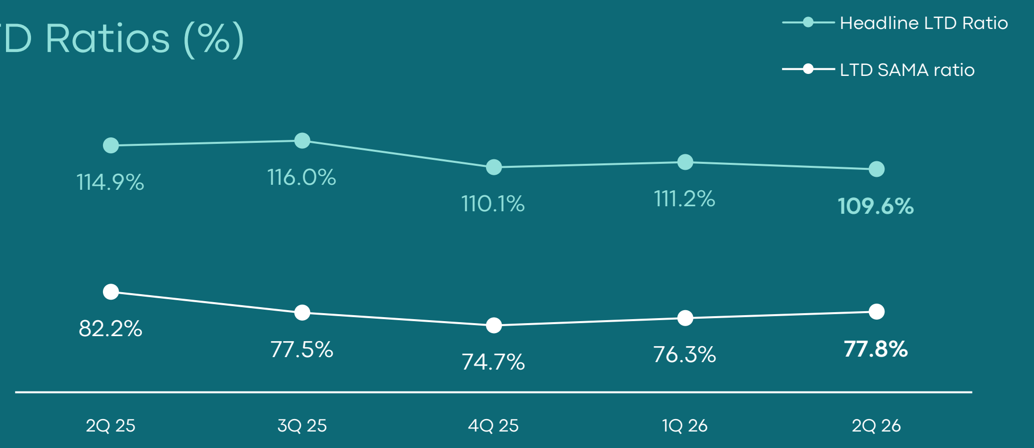


Liquidity remains strong and well above regulatory requirements

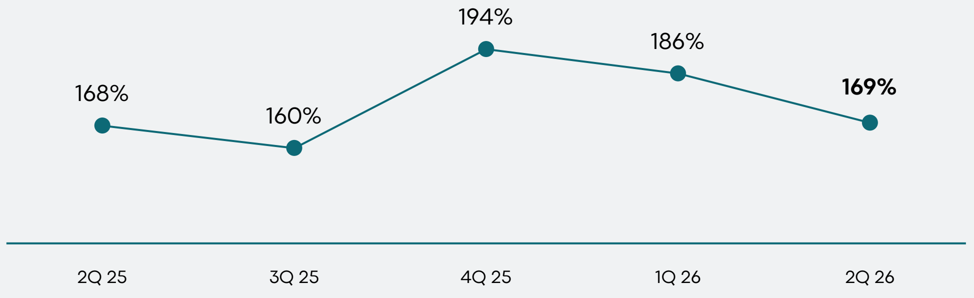
Liquidity

- LCR declined by 24.8ppts YTD to 168.9% during 1H 2026.
- NSFR moderated by 1ppts YTD to 125% as of 30 June 2026.
- The SAMA regulatory LTD ratio increased 3.1ppts YTD to 77.8% as of 30 June 2026, while the headline ratio stood at 109.6%.

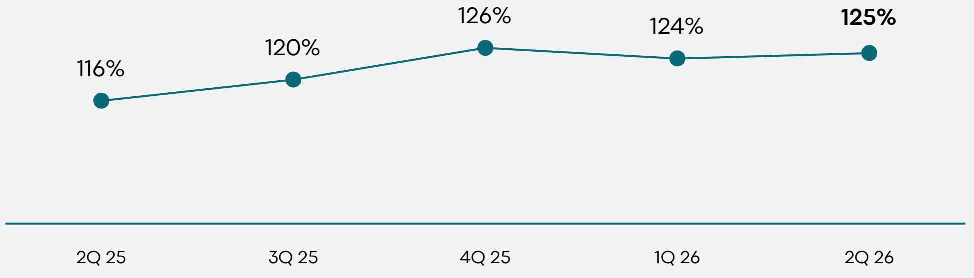
LTD Ratios (%)



LCR (%)



NSFR (%)

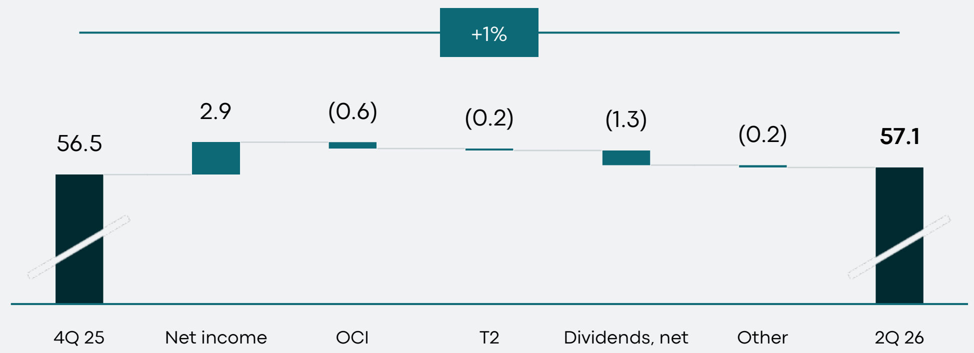


Healthy capital levels maintained

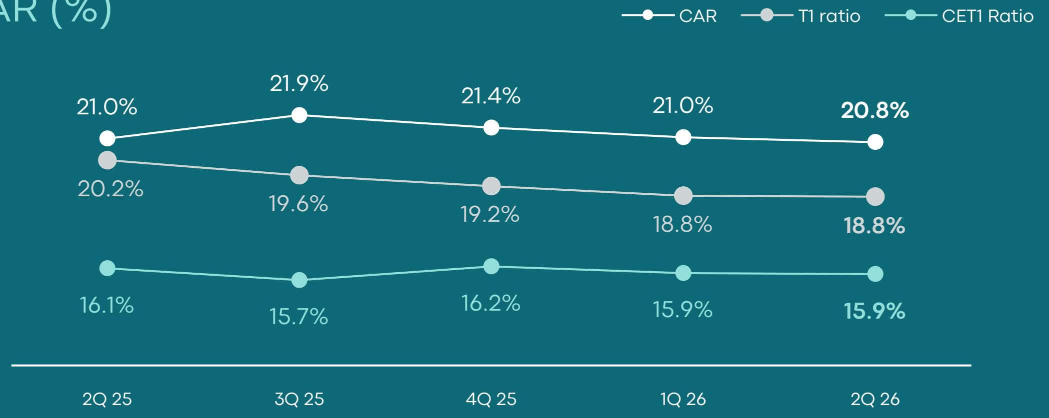
Capital

- Total capital (Tier 1 + Tier 2 regulatory capital) increased marginally YTD to ⃁ 57.1bn during 1H 2026 from net income, partially offset by dividends paid and OCI.
- RWAs increased by 4% YTD to ⃁ 273.8bn.
- CAR stood at 20.8%, Tier 1 ratio at 18.8% and CET1 ratio at 15.9% as of 30 June 2026.

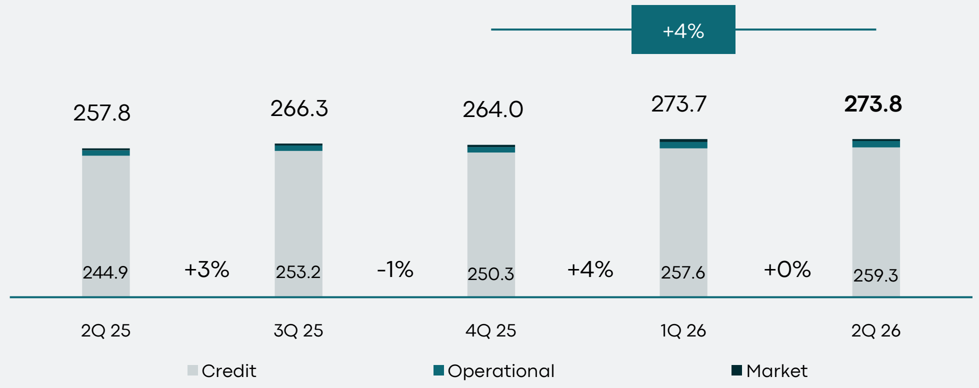
Total Capital Movement YTD (⃁ Bn)



CAR (%)



RWA (⃁ Bn)



Positive outlook for the year ahead, supported by sustained loan growth, resilient margins, and efficiency gains driving profitability

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Metric	1H 2026 Outcome	2026 Guidance	1H 2026 Revision	Guidance Drivers
Loans & Advances Growth	+4.4% YTD ⃁ Bn 224.2	High single digit	unchanged	The guidance reflects stronger volumes in both commercial and consumer portfolios, with JB driving growth in consumer lending.
Net Interest Margin	3.04% ▼ -7 bps YOY	~3.00%	unchanged	Impact from lower NIBD ratio to be partly offset by increased spread from repricing of corporate loans and growth in JB.
Cost of Risk	44bps ▼ -6 bps YOY	45-50bps	narrowed from 45-55bps	Cost of risk outlook refined to reflect a more measured normalization of the commercial book, alongside growth in JB and prudent forecasting of recoveries.
Cost to Income Ratio	33.2% ▲ +0.5 ppts YOY	<33%	unchanged	Cost to income ratio to move towards the guided range aided by positive operating leverage.
Return on Equity	12.1% ▼ -42 bps YOY	12-13%	unchanged	ROE guidance is supported by higher net interest income, increased fee generation, and disciplined operating and risk cost containment.
Core Equity Tier 1 Ratio	15.9% ▼ -29 bps YTD	>15%	unchanged	Capital ratios are expected to remain stable through retained earnings, balancing growth-related capital consumption.

Questions & Answers

Please contact the Investor Relations team for additional information or download BSF`s IR App

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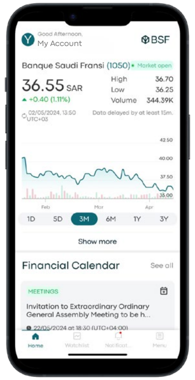

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