

BSF 4Q 2025 Earnings Presentation

02 February 2026



Highlights & Strategy Update



18% net income growth YoY supported by healthy top-line growth, positive jaws and lower impairments



Balance Sheet

- Loan growth of 5% YoY, driven by both commercial (+2%) and consumer (+18%).
- Investments increased 13% YoY to manage IR risk while capturing higher yields.
- Deposits rose 5% YoY from 13% growth in IBDs partly offset by 4% decline in NIBDs.

Loans & Advances

214.9

₹ Billion

▲ +5% year-on-year

Investments

68.7

₹ Billion

▲ +13% year-on-year

Customers' Deposits

195.2

₹ Billion

▲ +5% year-on-year

Income Statement

- Operating income rose by 9%, driven by a 10% increase in interest income and 4% non-interest income growth.
- NIM was stable YoY and increased 1bps QoQ.
- Net income up 18%, from higher operating income, positive jaws and lower impairments.

Operating Income

10,537

₹ Million

▲ +9% year-on-year

NIM

3.04%

► +0bps year-on-year

Net Income

5,353

₹ Million

▲ +18% year-on-year

Asset Quality

- NPL ratio increased modestly by 4bps YoY, due to higher NPLs in both commercial and consumer portfolios.
- Coverage ratio remains robust.
- Improved overall COR due to lower commercial impairment charges, aided by recoveries.

NPL Ratio

0.97%

▲ +4bps year-on-year

NPL Coverage

178.4%

▼ -3.3ppts year-on-year

Cost of Risk

0.45%

▼ -13bps year-on-year

Capital & Liquidity

- Capital, funding and liquidity remain strong and comfortably within regulatory limits.
- NIBD ratio declined 4ppts YoY from higher IBD (+13%) and lower NIBD deposits (-4%).

T1 Ratio

19.2%

► +0.3ppts year-on-year

LCR

194%

▲ +32ppts year-on-year

NIBD % of Total Deposits

42.5%

▼ -4.0ppts year-on-year



Save the Date BSF Strategy 2030

Feb 16, 2026

KSA Time: 04:00 - 06:00PM

London Time: 01:00-03:00 PM

New York Time: 08:00 - 10:00 AM

Abu Dhabi Time: 05:00 - 07:00 PM

BSF's Management will present a focused overview of the Bank's strategic direction, core priorities and growth ambitions including key financial and non-financial targets highlighting BSF's vision to become a **Better, Stronger and Faster** bank driven by disciplined execution and sustainable value creation.

Session focus areas:

- ◆ Group Strategy Overview
- ◆ Segmental Strategy Overview
- ◆ Strategic Enablers
- ◆ Financial Roadmap
- ◆ Closing Remarks
- ◆ Q&A session

Speakers:

- ◆ Bader Alsalloom- Chief Executive Officer
- ◆ Ramzy Darwish- Chief Financial Officer
- ◆ Yasminah Abbas- Head of Group Commercial Delivery & IR

Virtual Event
(Registration link [here](#))



Financial Highlights

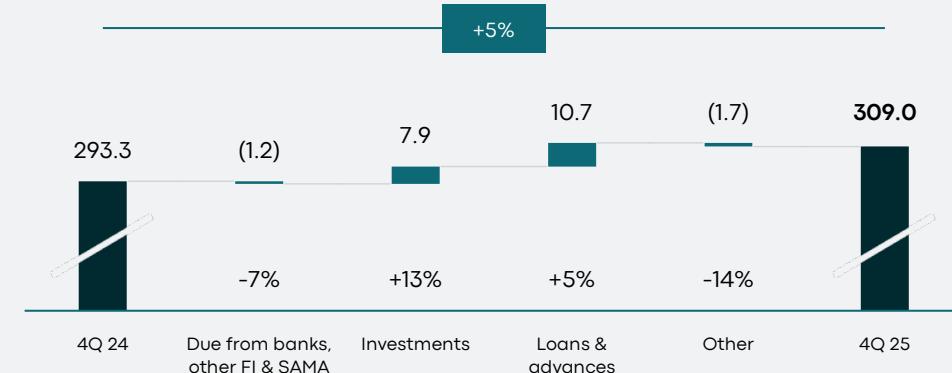


Balance Sheet

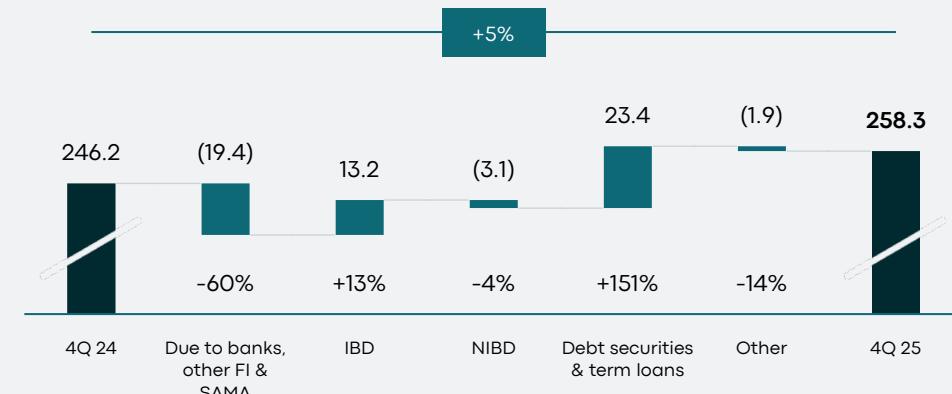
- Growth in total assets of 5% YoY, mainly driven by 5% loan growth, further aided by an increase in investments and partly offset by decrease in interbank lending and other assets.
- The investment portfolio expanded by 13% YoY.
- Liabilities rose 5% YoY driven by 151% increase in debt securities & term loans from several issuances during the year including a USD 1bn Tier 2 issuance in 3Q 2025.
- Total equity increased by 7% YoY from retained earnings generation, a USD 650mn Tier 1 issuance in 2Q 2025 and ₩2.5bn issuance during 4Q 2025, partly offset by redemption of ₩5bn of Tier 1 securities.

₩ Mn	4Q 2025	3Q 2025	Δ%	4Q 2024	Δ%
Due from banks, other FI & SAMA	14,748	22,742	-35%	15,936	-7%
Investments	68,682	65,820	+4%	60,820	+13%
Loans & advances	214,891	215,592	-0%	204,168	+5%
Total assets	309,006	314,946	-2%	293,307	+5%
Due to banks, other FI & SAMA	12,885	29,469	-56%	32,307	-60%
Customers' deposits	195,219	185,868	+5%	185,118	+5%
Debt securities & term loans	38,877	36,116	+8%	15,518	+151%
Total liabilities	258,346	262,871	-2%	246,169	+5%
Total equity	50,659	52,075	-3%	47,138	+7%

Total Assets Movement YoY (₩ Bn)



Total Liabilities Movement YoY (₩ Bn)



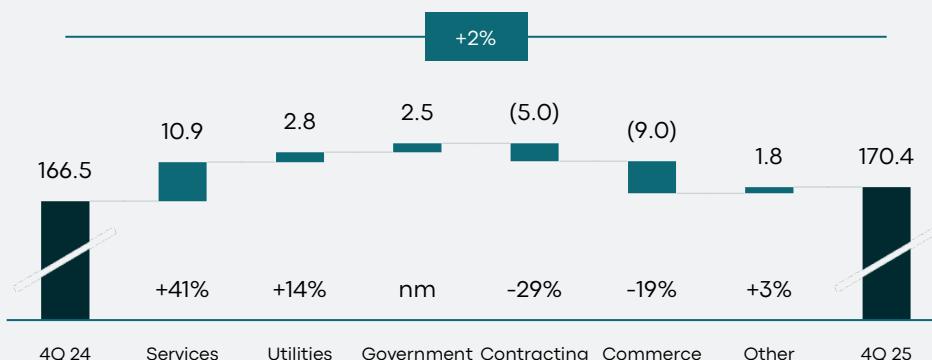
Loans & Advances

- Total loans and advances grew 5% YoY, driven by growth in both consumer and commercial lending. On quarterly basis, loans and advances was stable as we continue to be selective and focus on value-accretive lending.
- Commercial loans grew 2% YoY. Balances increased in services, utilities, and government, while commerce and contracting declined.
- Consumer loans grew 18% YoY, primarily driven by a 24% increase in mortgages and 12% increase in personal loans.

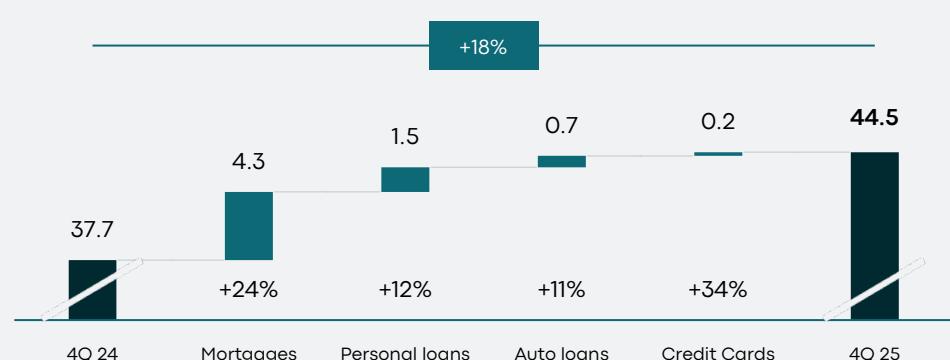
Loans & Advances (₹ Bn)



Commercial Loans Movement YoY (₹ Bn)



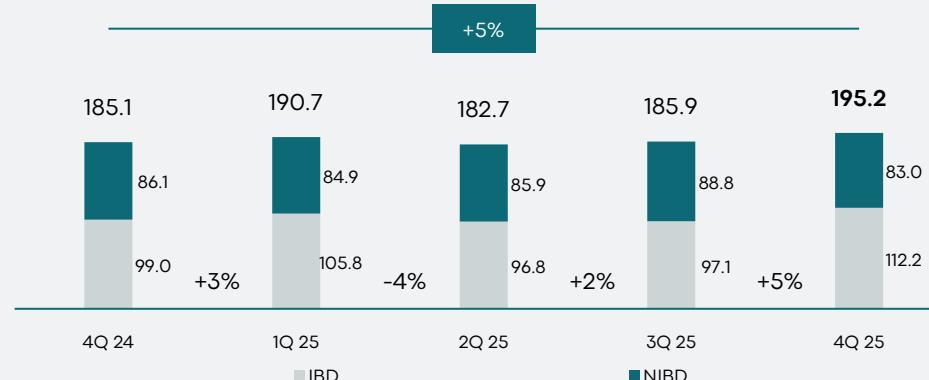
Consumer Loans Movement YoY (₹ Bn)



Customers' Deposits

- Deposits grew 5% YoY and QoQ, led by increased IBD balances.
- IBDs increased by 13% YoY from both retail and corporate inflows, while NIBDs fell 4% YoY, mainly from lower corporate deposits.
- As of 31 December 2025, 42.5% of deposits were non-interest bearing, a decrease of 4ppt compared to the previous year-end.

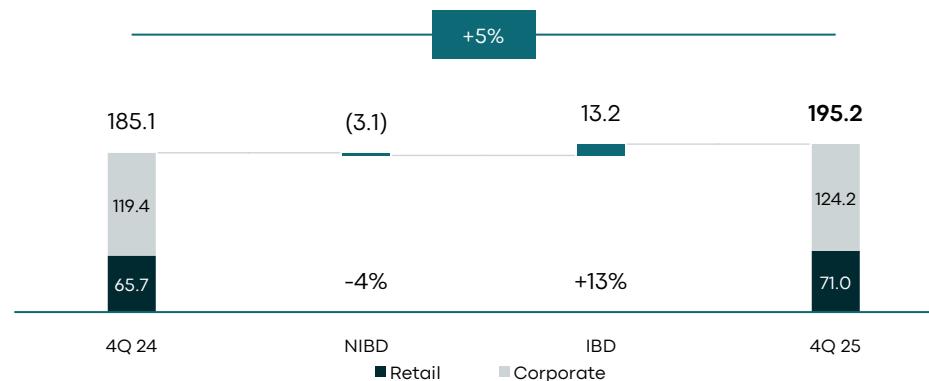
Customers' Deposits (₹ Bn)



NIBD % of Total Deposits (%)



Customers' Deposits Movement YoY (₹ Bn)



Income Statement

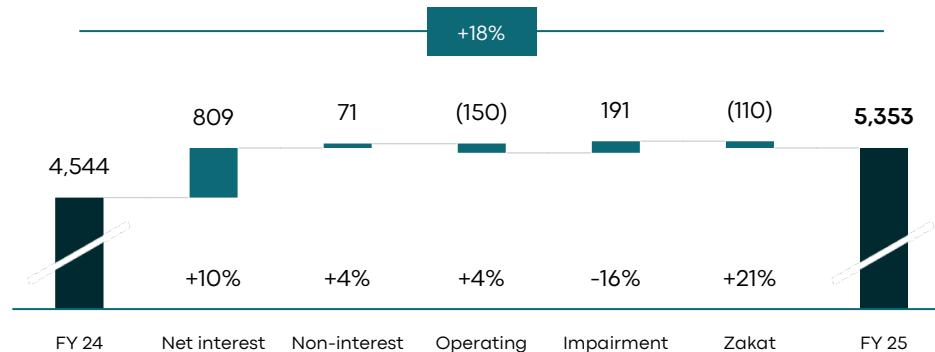
- Net income for FY 2025 grew 18% YoY to ₦5,353mn from higher operating income, positive jaws and lower cost of risk.
- Total operating income increased 9% driven by 10% growth in net interest income and a 4% increase in non-interest income.
- The impairment charge improved 16% YoY.
- Quarterly net income increased by 13% YoY to ₦1,260mn on lower impairments but decreased 7% QoQ from higher operating expenses.

Net Income (₦ Mn)



# Mn	FY 2025	FY 2024	Δ%	4Q 2025	4Q 2024	Δ%
Net interest income	8,692	7,883	+10%	2,216	2,039	+9%
Non-interest income	1,845	1,774	+4%	406	533	-24%
Operating income	10,537	9,658	+9%	2,621	2,572	+2%
Operating expenses	(3,559)	(3,409)	+4%	(965)	(970)	-0%
Pre-impairment operating income	6,978	6,249	+12%	1,656	1,602	+3%
Impairment charge	(989)	(1,180)	-16%	(237)	(355)	-33%
Net income before zakat	5,989	5,069	+18%	1,419	1,247	+14%
Zakat	(636)	(525)	+21%	(160)	(130)	+23%
Net income	5,353	4,544	+18%	1,260	1,117	+13%
ROAE (total equity)*	10.68%	10.29%	+39bps	9.81%	9.50%	+31bps
ROAE (shareholder's equity)*	11.87%	11.22%	+64bps	10.39%	10.41%	-2bps

Net Income Movement YoY (₦ Mn)

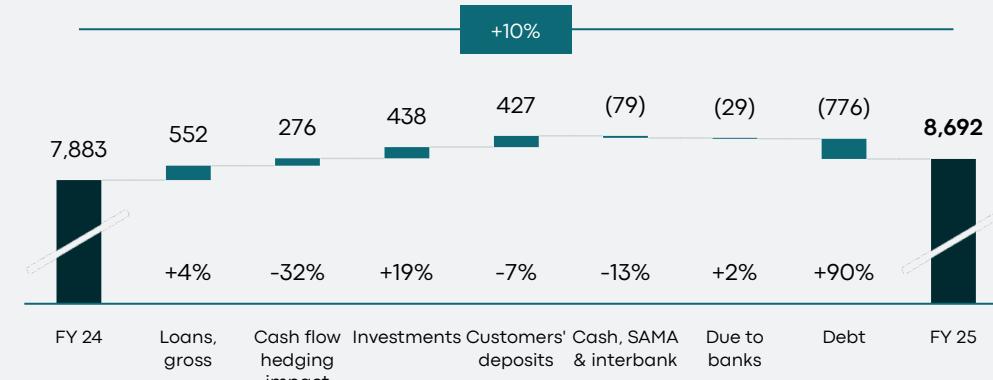


*ROAE (total equity) is calculated using net profit and average total equity. ROAE (shareholders' equity) is calculated using net profit attributable to shareholders (excluding Tier 1 interest payment) and average shareholders' equity (excluding Tier 1 capital).

Net Interest Income

- ◆ NII for FY 2025 increased by 10% YoY to ₦8,692mn, driven by 10% average earnings assets growth.
- ◆ Higher NII from loans, investments, customer deposits and cash flow hedging was partially offset by higher funding costs on term loans and debt securities.
- ◆ Interest income rose 7% YoY to ₦17,559mn in FY 2025, while funding costs rose by 4% to ₦8,867mn.
- ◆ On a sequential basis, interest income was stable, while funding costs decreased by 2%.

Net Interest Income Movement YoY (₦ Mn)



Interest Income (₦ Mn)



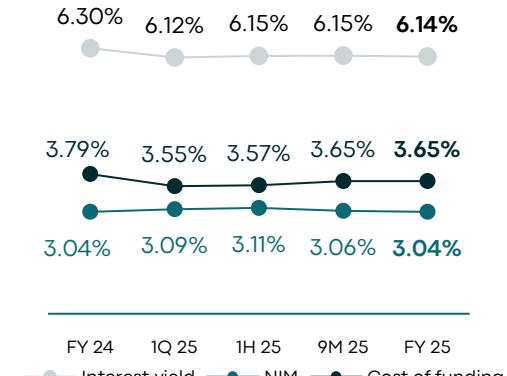
Interest Expense (₦ Mn)



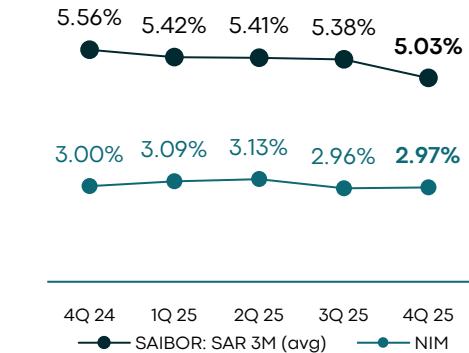
Net Interest Margin

- NIM was flat YoY at 3.04% for FY 2025, supported by lower cost of deposit funding and lower hedging costs, offset by a decline in interest yields following rate cuts.
- Interest yield fell by 17 bps YoY to 6.14%, while cost of funding decreased by 14 bps to 3.65%.
- On a sequential basis, quarterly NIM increased by 1 bps as easing funding costs marginally outweighed pressure on asset yields from lower SAIBOR.

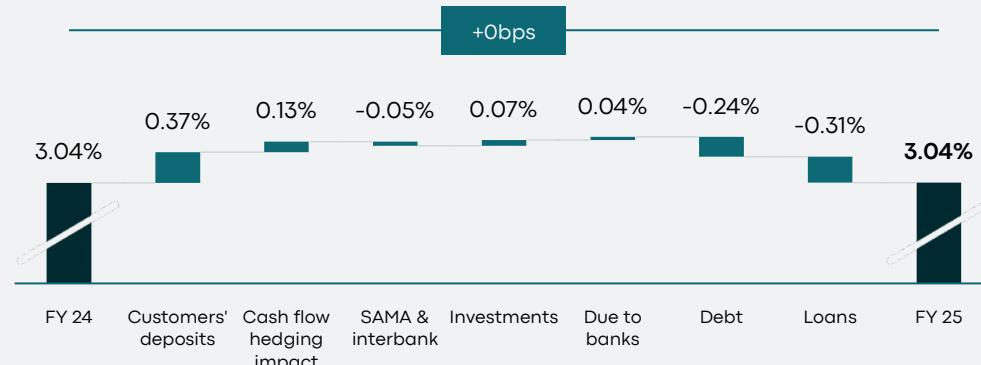
YTD NIM Trend



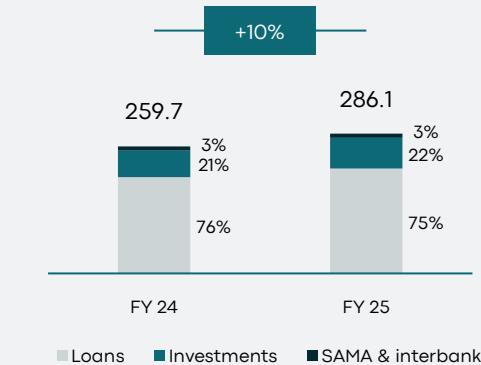
Quarterly NIM Trend



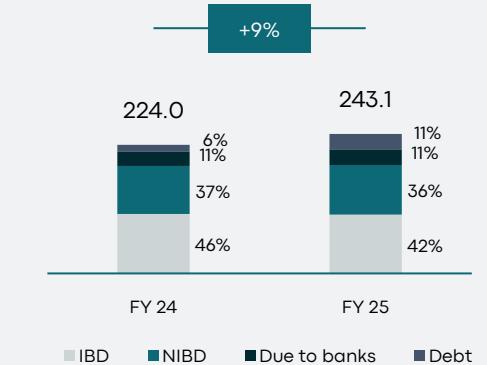
NIM Movement YoY (%)



Average Interest Earning Assets (₹ Bn)



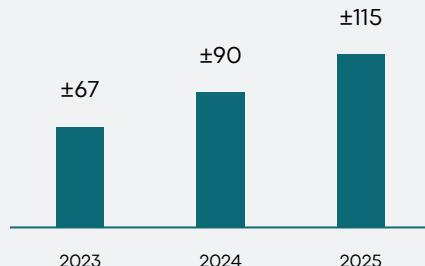
Average Interest Bearing Liabilities (₹ Bn)



NIM Sensitivity

- As of 31 December 2025, BSF estimates a 1-year NIM sensitivity of a 100bps rates change at ±4bps; this would translate into a ±115mn NII delta.
- The net open short-term IR position arising from on-balance sheet items reflects BSF's corporate DNA (excess of floating rate assets).
- BSF mitigates its IR 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, IR risk appetite and structural market trends.
- The notional amount of cash flow hedges decreased by 20% YoY as we continue to manage interest rate sensitivity.

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



NIM Impact of ±100bps Rate Change (%)



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



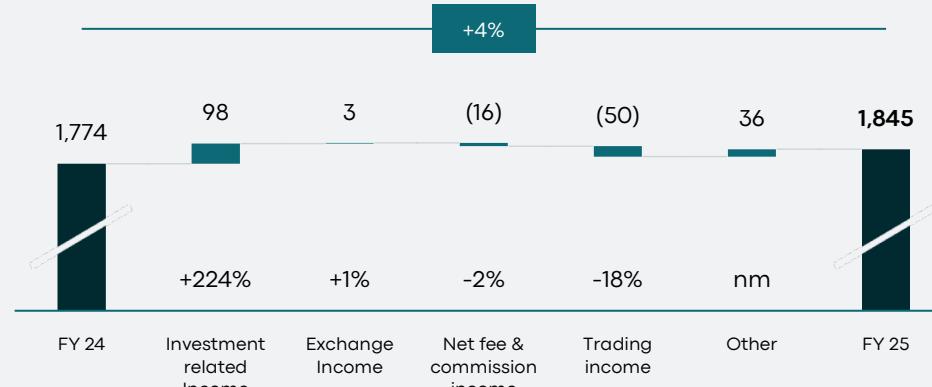
Cash Flow Hedges Swaps (Notional Amount ₹ Bn)



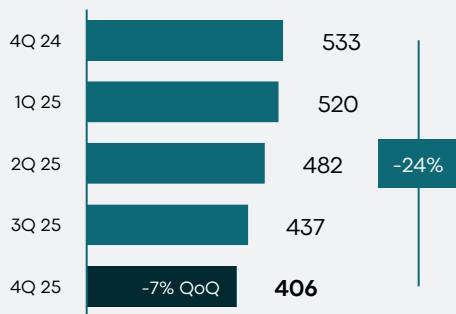
Non-Interest Income

- Non-interest income for FY 2025 increased 4% YoY to ₹1,845mn on higher investment-related income from capital gains and a gain on the disposal of an asset in 2Q 2025 reflected in other income, partly offset by lower trading and net fee & commission income. 4Q24 non-interest income included a ₹107mn one-off gain in trading income related to the sale of an investment.
- Net fee & commission income fell 2% YoY to ₹956mn in FY 2025 due to lower card fees and other fees, partly offset by better brokerage & asset management and trade finance fees. The decline in other fees was due to a ₹63mn reclassification of fees to interest income as from 1 January. Excluding this, YoY fee growth would have been positive.
- 4Q 2025 non-interest income declined 7% QoQ, driven by lower investment income, net fee and commission income and exchange income, partly offset by higher trading income.

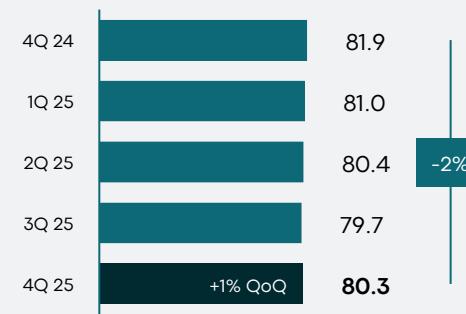
Non-interest Income Movement YoY (₹ Mn)



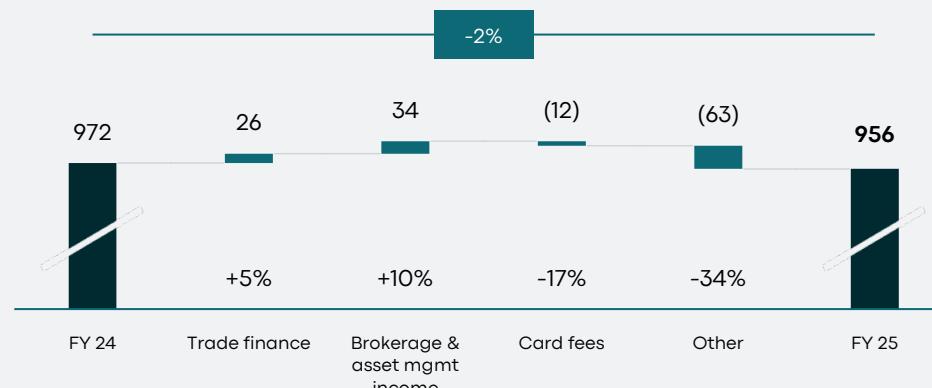
Non-interest Income (₹ Mn)



Non-funded Exposure* (₹ Bn)



Fee & Commission Income Movement YoY (₹ Mn)



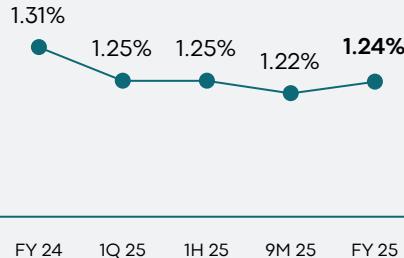
Operating Expenses

- Operating expenses increased 4% YoY to ₹3,559mn in FY 2025 mainly due to increased general and administrative expenses and higher depreciation.
- Cost to income ratio decreased by 1.5pppts YoY to 33.8% in FY 2025 from 35.3% in FY 2024.
- At the same time, operating expenses as a percentage of average interest-earning assets (AIEA) decreased by 7bps YoY to 1.24% for FY 2025, driven by an 10% expansion of AIEA relative to a 4% expense growth.
- On a sequential basis, operating expenses increased by 13% QoQ due to increased year-end accruals and non-recurring items in general and administrative expenses.

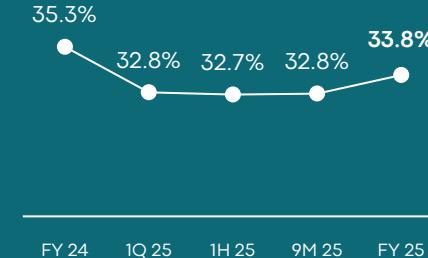
Operating Expenses (₹ Mn)



Cost to AIEA Ratio



Cost to Income Ratio



Operating Expenses Movement YoY (₹ Mn)

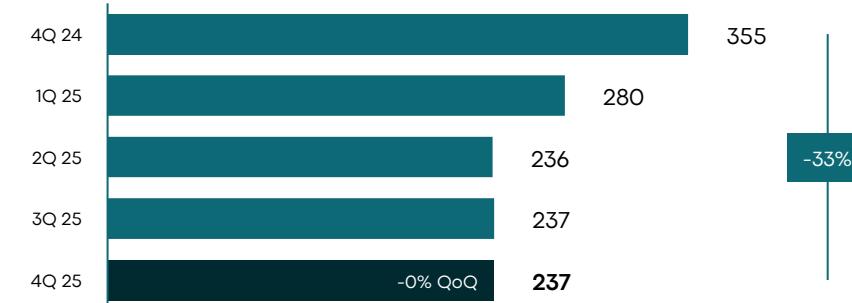


Cost of risk decreased by 13bps YoY to 0.45%, driven by lower commercial losses, recoveries and overall portfolio growth

Impairment Charge

- The total impairment charge for FY 2025 decreased by 16% YoY to ₹989mn, from lower commercial impairments, lower investment and other impairments aided by reversals, partly offset by increase in consumer impairments.
- In combination with healthy loan growth, this resulted in a 13bps YoY improvement in cost of risk to 0.45% for FY 2025.
- On a sequential basis, the impairment charge was stable as higher impairments for credit losses were offset by reversals in investments and other.

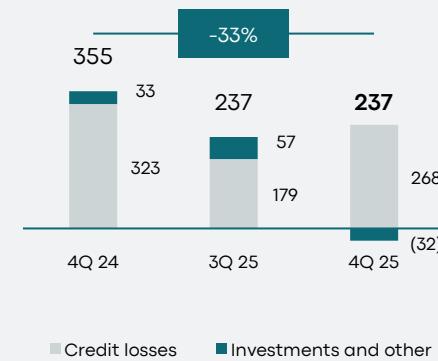
Impairment Charge (₹ Mn)



Cost of Credit Risk (%)



Impairment Charge (₹ Mn)



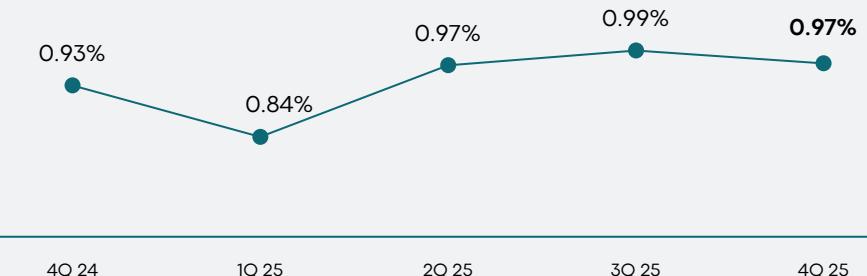
Impairment Charge Movement YoY (₹ Mn)



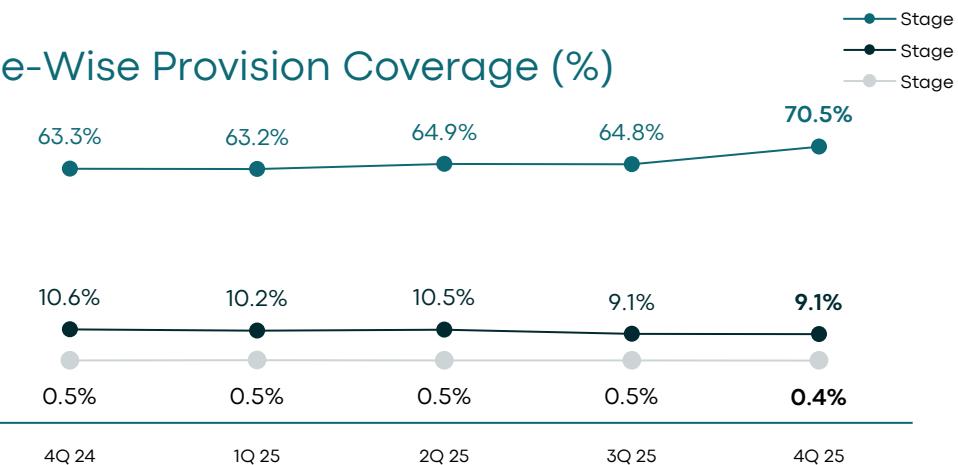
NPL & NPL Coverage

- The NPL ratio increased 4bps YoY to 0.97% as NPLs increased by 10% relative to 5% gross loan growth.
- The NPL coverage ratio decreased by 3.3ppts YoY to 178.4%, mainly from lower consumer loan coverage.
- Stage 3 coverage increased by 7.2ppts YoY to 70.5%, while stage 2 coverage decreased by 155bps to 9.1% and stage 1 coverage declined by 8bps to 0.4%.

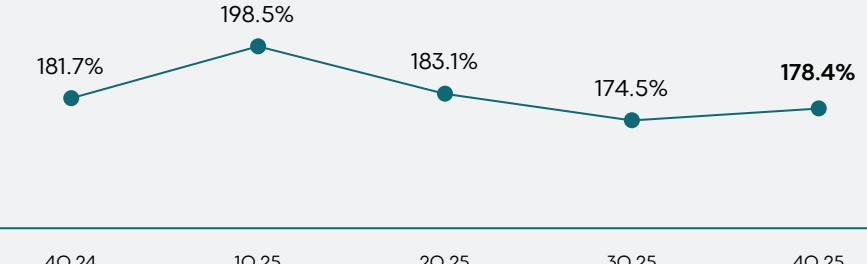
NPL Ratio (%)



Stage-Wise Provision Coverage (%)



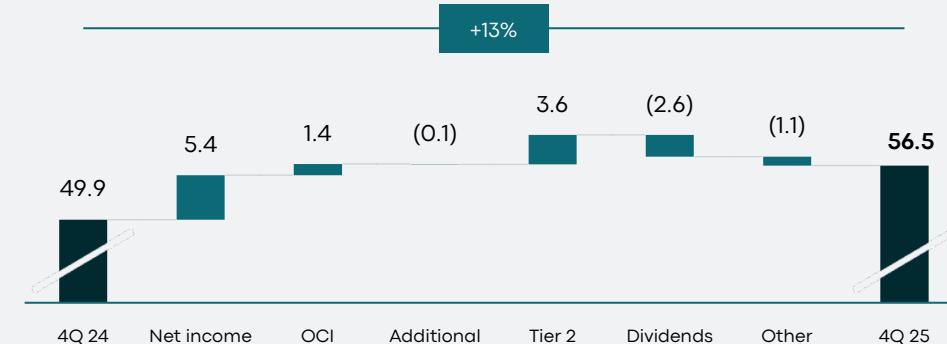
NPL Coverage Ratio (%)



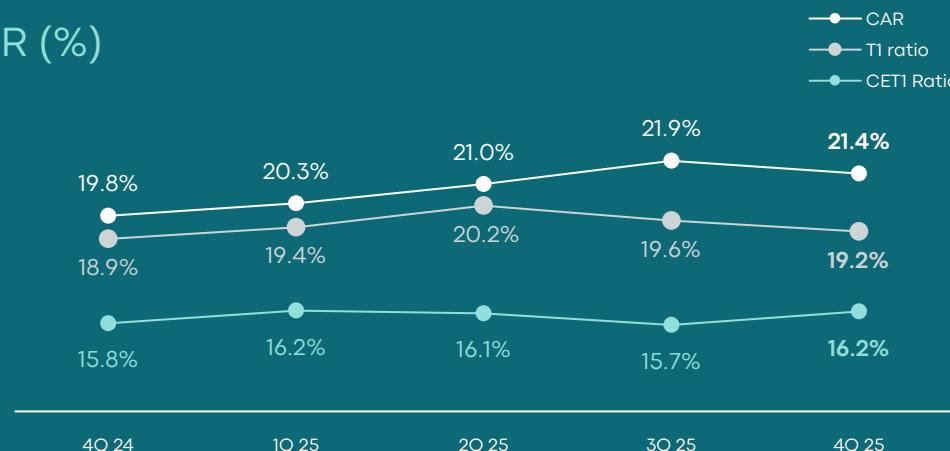
Capital

- Total capital (Tier 1 + Tier 2 regulatory capital) increased 13% YoY to ₦ 56.5bn during FY from net income, Tier 2 issuance and OCI, partially offset by the dividends paid; additional tier 1 remained stable as redemption offset new issuances.
- RWAs increased by 5% YoY to ₦ 264bn.
- CAR increased to 21.4%, while the Tier 1 ratio stood at 19.2% and CET1 ratio stood at 16.2% as of 31 December 2025.

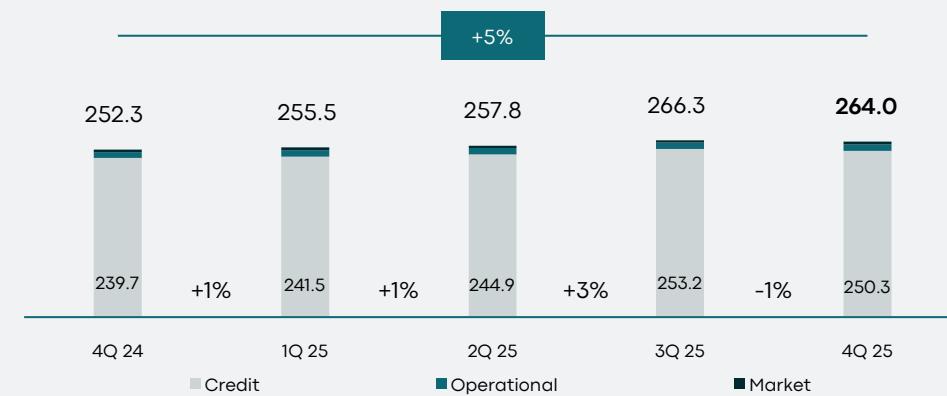
Total Capital Movement YoY (₦ Bn)



CAR (%)



RWA (₦ Bn)



FY 2025 performance reflects modest loan growth, stable margins, improving cost efficiency and stable asset quality, while cost pressures in 4Q25 impacted profitability



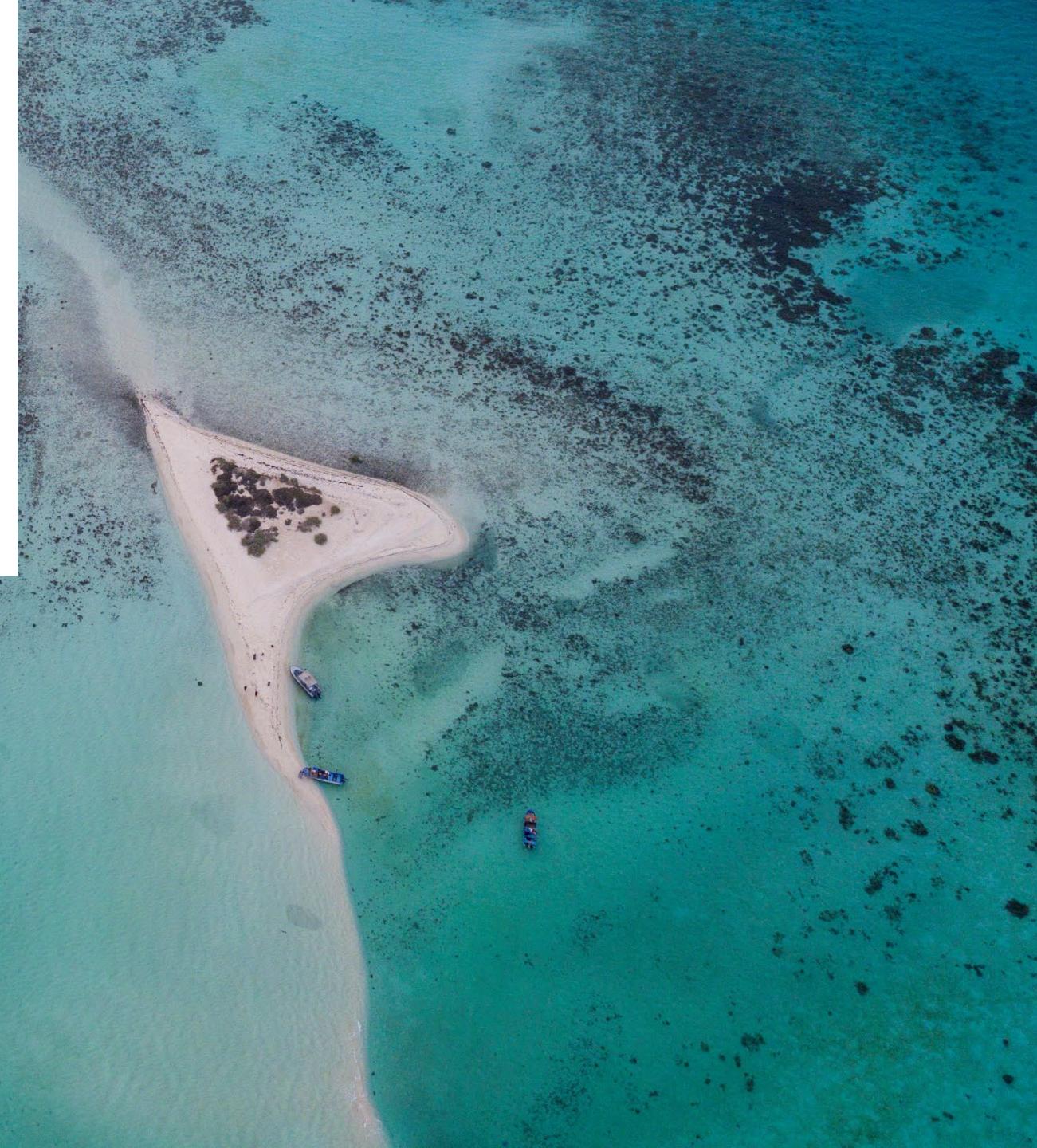
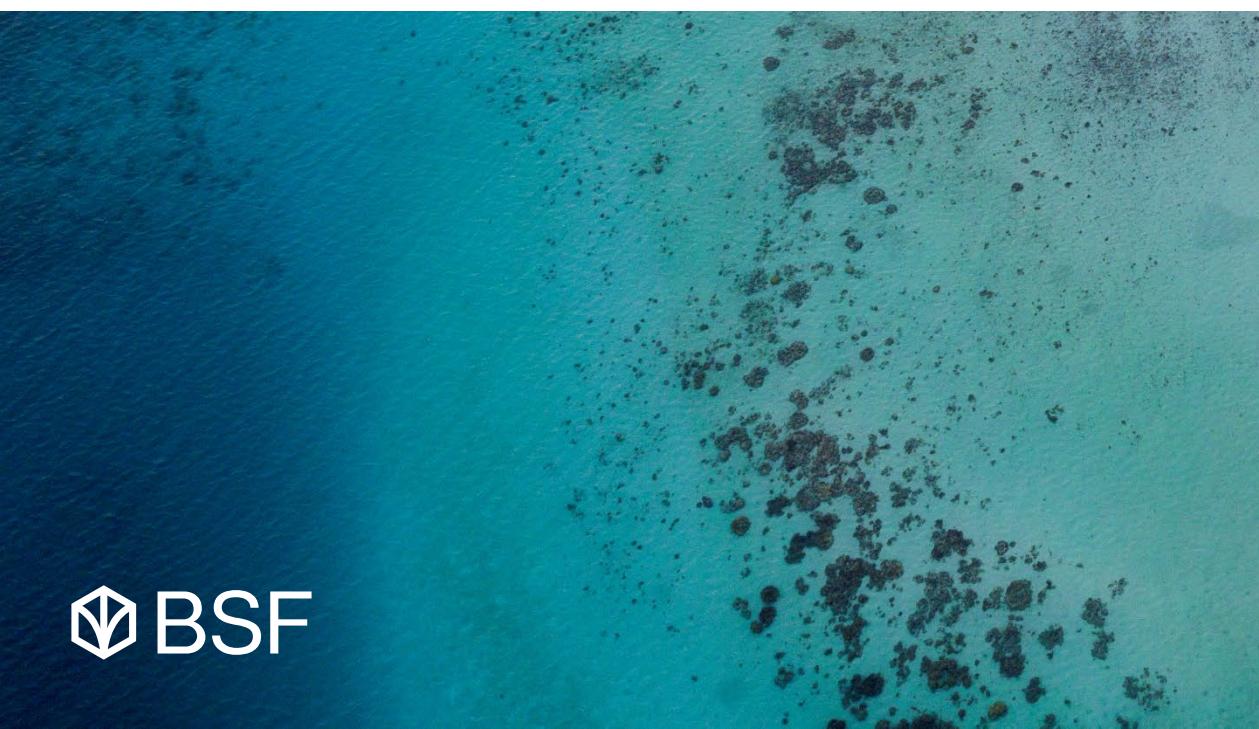
Metric	FY 2025 Outcome	2025 Guidance	Commentaries
Loans & Advances Growth	+5.3% YOY ₹ Bn 214.9	Mid single digit	FY 2025 is in line with guidance, driven by selective approach to profitable lending growth.
Net Interest Margin	3.04% ► +0 bps YOY	3.00 - 3.05%	NIM met expectations, with lower asset yields offset by a decline in funding costs.
Cost of Risk	45bps ▼ -13 bps YOY	45-50bps	The cost of risk was comfortably within the guidance range, reflecting a continued benign credit environment and prudent risk management practices.
Cost to Income Ratio	33.8% ▼ -1.5 ppts YOY	<33%	Cost to Income ratio came in slightly above guidance due to elevated G&A expenses in 4Q 2025.
Return on Equity (total equity)	10.7% ▲ +39 bps YOY	11-12%	ROE was marginally below guidance, reflecting higher operating expenses and higher capital base.
Core Equity Tier 1 Ratio	16.2% ▲ +45 bps YoY	>15%	Capital ratios remained above guidance supported by internal capital generation.

BSF guides to a favorable year ahead, with sustained loan growth, margin resilience and efficiency improvements supporting profitability



Metric	FY 2025 Outcome	2026 Guidance	Guidance Drivers
Loans & Advances Growth	+5.3% YOY ₹ Bn 214.9	High single digit	The guidance reflects stronger volumes in both commercial and consumer portfolios, with JB driving growth in consumer lending.
Net Interest Margin	3.04% ► +0 bps YOY	~3.00%	Impact from lower NIBD ratio to be partly offset by increased spread from repricing of corporate loans and growth in JB.
Cost of Risk	45bps ▼ -13 bps YOY	45-55bps	Cost of risk expected to trend upwards from normalization of commercial book, growth in JB and prudent forecasting of recoveries.
Cost to Income Ratio	33.8% ▼ -1.5 ppts YOY	<33%	Guidance reflects enhanced operating efficiency, supported by disciplined cost containment and improved income generation from non funded lines.
Return on Equity (Shareholder's Equity)	11.9% ▲ +64 bps YOY	12-13%	ROE guidance is supported by higher net interest income, increased fee generation, and disciplined operating and risk cost containment.
Core Equity Tier 1 Ratio	16.2% ▲ +45 bps YoY	>15%	Capital ratios are expected to remain stable through retained earnings, balancing growth-related capital consumption.

Questions & Answers



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BSF's IR App



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