BSF

BSF reports 5% net income growth to ⃁ 2,868mn in 1H 2026

12.1% ROAE on steady income momentum and improved cost of risk

Loans & Advances	Customers' Deposits	Operating Income	Net Income
224.2	204.6	5,557	2,868
⃁ Billion	⃁ Billion	⃁ Million	⃁ Million
▲ +7% year-on-year	▲ +12% year-on-year	▲ +5% year-on-year	▲ +5% year-on-year

- Total assets ⃁ 328.0bn, up 9% YoY, mainly driven by increased lending and investments
- Loans and advances up 7% YoY to ⃁ 224.2bn, supported by higher volumes in both commercial and consumer lending
- Customer deposits ⃁ 204.6bn, up 12% YoY primarily from increase in interest-bearing deposits
- Net income for 1H 2026 ⃁ 2,868mn, up 5% YoY on higher net interest income
- Operating income ⃁ 5,557mn in 1H 2026, up 5% YoY, driven by a 6% increase in net interest income while non-interest income was broadly stable
- Net interest margin declined 7bps YoY to 3.04% in 1H 2026, while improving by 4bps QoQ
- Cost-to-income ratio at 33.2% for 1H 2026, a 52bps increase YoY
- Cost of risk for 1H 2026 at 0.44%, a 6bps reduction YoY
- Return on equity at 12.1%, a 42bps decrease YoY
- Tier 1 ratio of 18.8% and Capital Adequacy Ratio (CAR) of 20.8%
- Liquidity Coverage Ratio (LCR) of 168.9%; Net Stable Funding Ratio (NSFR) of 125.0%

Riyadh, 27 July 2026 - BSF reported 5% net income growth to ⃁ 2,868 million for 1H 2026, driven by a 6% rise in net interest income, partly offset by higher operating expenses.

Total assets amounted to ⃁ 328.0 billion as of 30 June 2026, a 9% rise year-on-year, primarily attributed to 7% loan growth and a 17% expansion of the investment portfolio. Total customers` deposits increased by 12% year-on-year mainly from an increase in interest-bearing deposits, further supported by non-interest-bearing deposits.

Bader Alsalloom, Chief Executive Officer of BSF, said:

"BSF delivered a solid performance in the first half of 2026, reflecting the resilience of our business model, disciplined execution and prudent risk management.

Building on the momentum of BSF 2030, we continue to strengthen our core businesses by expanding our Wholesale Banking and Retail Banking, deepening our Treasury & Investments capabilities and growing BSF Capital. Together with our focus on increasing fee-based income and improving efficiency through technology and automation, these priorities will support sustainable long-term value creation for our shareholders and customers."

Performance Highlights

Income Statement Highlights

⃁ 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%**
NIM	3.04%	3.11%	-7bps	3.06%	3.13%	-7bps
Cost to income ratio	33.2%	32.7%	+0.5ppts	32.5%	32.6%	-0.1ppts
Cost of risk	0.44%	0.50%	-6bps	0.40%	0.48%	-8bps
EPS	1.05	1.02	+3%	0.53	0.52	+1%
ROAE	12.1%	12.5%	-42bps	12.2%	12.6%	-48bps
ROAA	1.79%	1.83%	-4bps	1.82%	1.85%	-3bps

Net income for 1H 2026 improved 5% year-on-year to ⃁ 2,868 million from a 6% rise in interest income, partly offset by 6% increase in operating expenses. Net income improved 8% quarter-on-quarter, driven by 5% top line growth and stable operating expenses.

Total operating income increased by 5% year-on-year to ⃁ 5,557 million for 1H 2026. Net interest income rose by 6% to ⃁ 4,560 million, driven by an 8% increase in average interest earning assets on a 7bps lower net interest margin. Non-interest income remained broadly unchanged year-on-year at ⃁ 997 million, with lower fees from banking services and exchange income offset by higher trading, dividend and investment income. Total operating income rose 5% quarter-on-quarter from a 6% increase in net interest income and 3% increase in non-interest income.

Operating expenses increased 6% year-on-year to ⃁1,848 million in 1H 2026, driven mainly by higher employee costs, general and administrative expenses and depreciation following the rollout of transformation projects. The cost-to-income ratio increased by 52 basis points year-on-year to 33.2% for 1H 2026. On a sequential basis, operating expenses remained stable.

Impairment charges held steady at ⃁513 million, reflecting continued risk discipline. Combined with 7% loan growth, this drove a 6bps improvement in the cost of risk, bringing it down to 0.44% for 1H 2026.

Balance Sheet Highlights

SAR Mn	2Q 2026	1Q 2026	Δ%	4Q 2025	Δ%	2Q 2025	Δ%
Cash & SAMA balances	11,299	11,785	-4%	10,931	+3%	10,999	+3%
Due from banks	8,196	7,966	+3%	3,817	+115%	6,858	+20%
Investments	74,208	71,629	+4%	68,682	+8%	63,241	+17%
Loans & advances	224,241	221,929	+1%	214,891	+4%	209,881	+7%
Other assets	10,038	11,502	-13%	10,685	-6%	10,959	-8%
Total assets	**327,983**	**324,810**	**+1%**	**309,006**	**+6%**	**301,939**	**+9%**
Due to banks, other FI & SAMA	25,319	24,250	+4%	12,885	+97%	31,655	-20%
Customers' deposits	204,588	199,583	+3%	195,219	+5%	182,690	+12%
Debt securities & term loans	35,758	38,184	-6%	38,877	-8%	23,964	+49%
Other liabilities	10,924	11,277	-3%	11,366	-4%	11,867	-8%
Total liabilities	**276,589**	**273,294**	**+1%**	**258,346**	**+7%**	**250,176**	**+11%**
Share capital	25,000	25,000	+0%	25,000	+0%	25,000	+0%
Retained earnings	8,008	6,684	+20%	5,388	+49%	7,048	+14%
Other	10,449	11,895	-12%	12,334	-15%	9,277	+13%
Equity attributable to shareholders	43,457	43,579	-0%	42,722	+2%	41,325	+5%
Tier 1 sukuk	7,938	7,938	+0%	7,938	+0%	10,438	-24%
Total equity	**51,394**	**51,517**	**-0%**	**50,659**	**+1%**	**51,763**	**-1%**
NPL ratio	0.97%	1.01%	-4bps	0.97%	+0bps	0.97%	+1bps
NPL coverage ratio	159.3%	175.8%	-16.4ppts	178.4%	-19.1ppts	183.1%	-23.8ppts
T1 ratio	18.8%	18.8%	-4bps	19.2%	-40bps	20.2%	-137bps
CAR	20.8%	21.0%	-18bps	21.4%	-54bps	21.0%	-14bps
LCR	168.9%	185.6%	-16.7ppts	193.8%	-24.8ppts	168.0%	+0.9ppts
NSFR	125.0%	124.0%	+1.0ppts	126.0%	-1.0ppts	116.0%	+9.0ppts
LTD SAMA ratio	77.8%	76.3%	+1.4ppts	74.7%	+3.1ppts	82.2%	-4.4ppts
Headline LTD Ratio	109.6%	111.2%	-1.6ppts	110.1%	-0.5ppts	114.9%	-5.3ppts

Total assets as of 30 June 2026 amounted to ⃁327,983 million, an increase of 6% from 31 December 2025. Loans and advances rose 4% YTD to ⃁224,241 million, driven by both commercial and consumer lending.

The non-performing loans ratio stood at 0.97% as of 30 June 2026, improving from 1.01% in the previous quarter and remaining stable YTD, supported by the write-off of two fully provided corporate accounts during the quarter. The coverage of non-performing loans stood at 159.3%, with the decline driven by the write-off of these accounts.

The investment portfolio expanded by 8% YTD to ⃁ 74,208 million.

Customers' deposits increased by 5% YTD to ⃁ 204,588 million with balanced contributions from non-interest-bearing and interest-bearing deposits.

Debt securities and term loans fell by 8% YTD from planned maturities, while Tier 1 Sukuk remained stable YTD.

The bank's liquidity remained strong and comfortably within regulatory limits, with a liquidity coverage ratio of 168.9%, a net stable funding ratio of 125.0%, a SAMA regulatory loan-to-deposit ratio of 77.8%, and a headline loan-to-deposit ratio of 109.6%.

Operating Segment Highlights

Corporate Banking

Income Statement Highlights

⃁ Mn	1H 2026	1H 2025	Δ%	2Q 2026	2Q 2025	Δ%
Net interest income	2,187	2,437	-10%	1,129	1,230	-8%
Fee & other income	300	328	-9%	154	165	-6%
Total operating income	2,487	2,765	-10%	1,283	1,394	-8%
Expenses	(448)	(449)	-0%	(229)	(231)	-1%
Pre-impairment operating income	2,038	2,316	-12%	1,054	1,163	-9%
Impairments	(247)	(368)	-33%	(116)	(140)	-17%
Net income before zakat	**1,792**	**1,947**	**-8%**	**938**	**1,023**	**-8%**
NIM	2.80%	3.22%	-42bps	2.83%	3.22%	-39bps
Cost to income ratio	18.0%	16.2%	+1.8ppts	17.8%	16.6%	+1.3ppts
Commercial Cost of risk	0.27%	0.45%	-19bps	0.18%	0.43%	-25bps

Balance Sheet Highlights

⃁ Mn	2Q 2026	1Q 2026	Δ%	4Q 2025	Δ%
Loans & advances	160,297	159,736	+0%	153,249	+5%
Total assets	162,156	161,416	+0%	154,717	+5%
Customers' deposits	134,733	130,799	+3%	124,196	+8%
Total liabilities	136,225	132,446	+3%	125,994	+8%

The corporate banking segment reported an 8% year-on-year decline in net income before zakat to ⃁ 1,792 million. This resulted from 10% lower operating income at ⃁ 2,487 million partly offset by lower impairments. Net interest income has been reallocated across the Corporate, Treasury and Retail segments following enhancements to the internal funds transfer pricing methodology. This reallocation offsets across segments and does not change the net interest income reported at the group level.

Total assets for the corporate segment grew 5% year-to-date in 1H 2026 to ⃁ 162,156 million from a corresponding increase in loans and advances. Corporate liabilities grew 8% year-to-date to ⃁ 136,225 million, from a similar increase in deposits.

Retail Banking

Income Statement Highlights

⃁ Mn	1H 2026	1H 2025	Δ%	2Q 2026	2Q 2025	Δ%
Net interest income	1,800	1,464	+23%	908	739	+23%
Fee & other income	(1)	62	-101%	(3)	47	-107%
Total operating income	1,799	1,526	+18%	905	785	+15%
Expenses	(1,022)	(930)	+10%	(507)	(457)	+11%
Pre-impairment operating income	777	596	+30%	397	328	+21%
Impairments	(264)	(147)	+79%	(147)	(92)	+59%
Net income before zakat	**513**	**449**	**+14%**	**250**	**235**	**+6%**
NIM	5.96%	5.55%	+41bps	5.93%	5.45%	+47bps
Cost to income ratio	56.8%	60.9%	-4.1ppts	56.1%	58.2%	-2.2ppts
Consumer Cost of risk	1.10%	0.69%	+41bps	1.27%	0.72%	+55bps

Balance Sheet Highlights

⃁ Mn	2Q 2026	1Q 2026	Δ%	4Q 2025	Δ%
Loans & advances	62,377	60,541	+3%	59,854	+4%
Total assets	64,108	63,530	+1%	61,447	+4%
Customers' deposits	69,855	68,784	+2%	71,024	-2%
Total liabilities	72,388	71,169	+2%	73,056	-1%

Retail net income before zakat increased 14% YoY to ⃁513 million in 1H 2026. This was driven by an 18% increase in operating income, primarily reflecting higher net interest income, partly offset by higher costs and impairment charges associated with growth in the unsecured retail lending portfolio.

The cost-to-income ratio decreased by 4.1 ppts year-on-year, with expenses up 10% against the 18% rise in operating income.

Total retail assets increased by 4% year-to-date to ⃁ 64,108 million from a corresponding increase in retail loans. Total liabilities decreased marginally in 1H 2026 to ⃁ 72,388 from decrease in customer deposits.

Treasury

Income Statement Highlights

⃁ Mn	1H 2026	1H 2025	Δ%	2Q 2026	2Q 2025	Δ%
Net interest income	489	293	+67%	263	164	+60%
Fee & other income	483	402	+20%	235	168	+40%
Total operating income	972	695	+40%	498	332	+50%
Expenses	(210)	(212)	-1%	(107)	(109)	-2%
Pre-impairment operating income	762	482	+58%	391	223	+76%
Impairments	(2)	0	-781%	(4)	(4)	+3%
Net income before zakat	**759**	**483**	**+57%**	**388**	**219**	**+77%**

Balance Sheet Highlights

⃁ Mn	2Q 2026	1Q 2026	Δ%	4Q 2025	Δ%
Investments	74,208	71,629	+4%	68,682	+8%
Total assets	98,212	96,474	+2%	89,434	+10%
Total liabilities	66,705	68,575	-3%	57,691	+16%

Treasury reported net income before zakat of ⃁ 759 million for 1H 2026, up 57% year-on-year. This improvement was mainly driven by a 40% increase in operating income to ⃁ 972 million, resulting from a 67% increase in net interest income and 20% growth in fee and other income.

Treasury assets increased by 10% year-to-date during 1H 2026, supported by 8% growth in the investment portfolio. Treasury liabilities grew 16% year-to-date.

Investment Banking and Brokerage

Income Statement Highlights

⃁ Mn	1H 2026	1H 2025	Δ%	2Q 2026	2Q 2025	Δ%
Net interest income	84	120	-30%	44	63	-31%
Fee & other income	215	210	+2%	120	103	+16%
Total operating income	299	331	-10%	163	167	-2%
Expenses	(167)	(149)	+12%	(83)	(76)	+9%
Net income before zakat	**132**	**182**	**-27%**	**81**	**91**	**-11%**
Brokerage value	31,678	38,601	-18%	17,758	18,069	-2%
Cost to income ratio	55.8%	44.9%	+10.8ppts	50.6%	45.3%	+5.3ppts

Balance Sheet Highlights

⃁ Mn	2Q 2026	1Q 2026	Δ%	4Q 2025	Δ%
AUM	34,773	36,396	-4%	30,971	+12%
Loans & advances	1,567	1,652	-5%	1,788	-12%
Total assets	3,507	3,390	+3%	3,408	+3%
Total liabilities	1,271	1,104	+15%	1,606	-21%

The Investment Banking and Brokerage segment registered a 27% year-on-year decline in net income before zakat to ⃁ 132 million for 1H 2026. This was driven by 30% lower net interest income on account of lower activity and 12% higher expenses.

Outlook

Saudi Arabia's economic outlook remains positive, supported by the continued execution of Vision 2030, an ongoing national reform agenda, and sustained investment across the non-oil economy. Regional geopolitical tensions and softer energy markets have nonetheless weighed on near-term conditions, and the IMF's July 2026 World Economic Outlook Update revised Saudi Arabia's 2026 GDP growth forecast to 1.7%, from 3.1% previously. Importantly, growth is forecast to rebound to 5.5% in 2027 as conditions stabilize, and the Kingdom is expected to remain more resilient than many regional peers, supported by its diversified economy, continued reform momentum, and diverse export routes.

Against this backdrop, the Bank remains focused on disciplined execution of its 2030 strategy, prudent risk management, and maintaining the flexibility needed to respond to evolving market conditions while continuing to support its clients and growth priorities. The Board and Management believe BSF is well positioned to deliver resilient financial performance and create sustainable long-term value for our shareholders through the current period of uncertainty and into the recovery.

Additional Information

The 1H 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:

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