

BSF 9M 2026 Earnings Presentation

26 October 2026



Highlights & Strategy Update



7% net income growth YoY supported by top-line growth



Balance Sheet

- Loan growth of 7% YoY, driven by both commercial (+5%) and consumer (+14%).
- Investments increased 11% YoY, capturing higher yields to manage interest rate risk.
- Deposits up 9% YoY from 23% growth in non-CASA balances while CASA balances declined 6%.

Loans & Advances

230.4

₹ Billion

▲ +7% year-on-year

Investments

73.0

₹ Billion

▲ +11% year-on-year

Customers' Deposits

203.2

₹ Billion

▲ +9% year-on-year

Income Statement

- Operating income grew 6%, with NII and non-interest income up 6% and 8%, respectively.
- NIM declined 5bps YoY to 3.01% and 13bps QoQ to 2.94%.
- Net income up 7% YoY, from higher operating income, partly offset by higher operating expenses.

Operating Income

8,419

₹ Million

▲ +6% year-on-year

NIM

3.01%

▼ -5bps year-on-year

Net Income

4,377

₹ Million

▲ +7% year-on-year

Asset Quality

- The NPL ratio improved 4bps YoY.
- Coverage ratio remains comfortable, despite a YTD decline reflecting the write-off of two corporate accounts in the previous quarter.
- COR remained broadly stable.

NPL Ratio

0.95%

▼ -4bps year-on-year

NPL Coverage

165.3%

▼ -9.2ppts year-on-year

Cost of Risk

0.43%

► -1bps year-on-year

Capital & Liquidity

- Capital, funding and liquidity remain strong and comfortably within regulatory limits.
- CASA ratio declined 6.6ppts YoY from 23% growth in non-CASA balances and 6% decline in CASA balances.

T1 Ratio

18.1%

▼ -1.5ppts year-on-year

LCR

170%

▲ +10ppts year-on-year

CASA Ratio

41.7%

▼ -6.6ppts 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



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

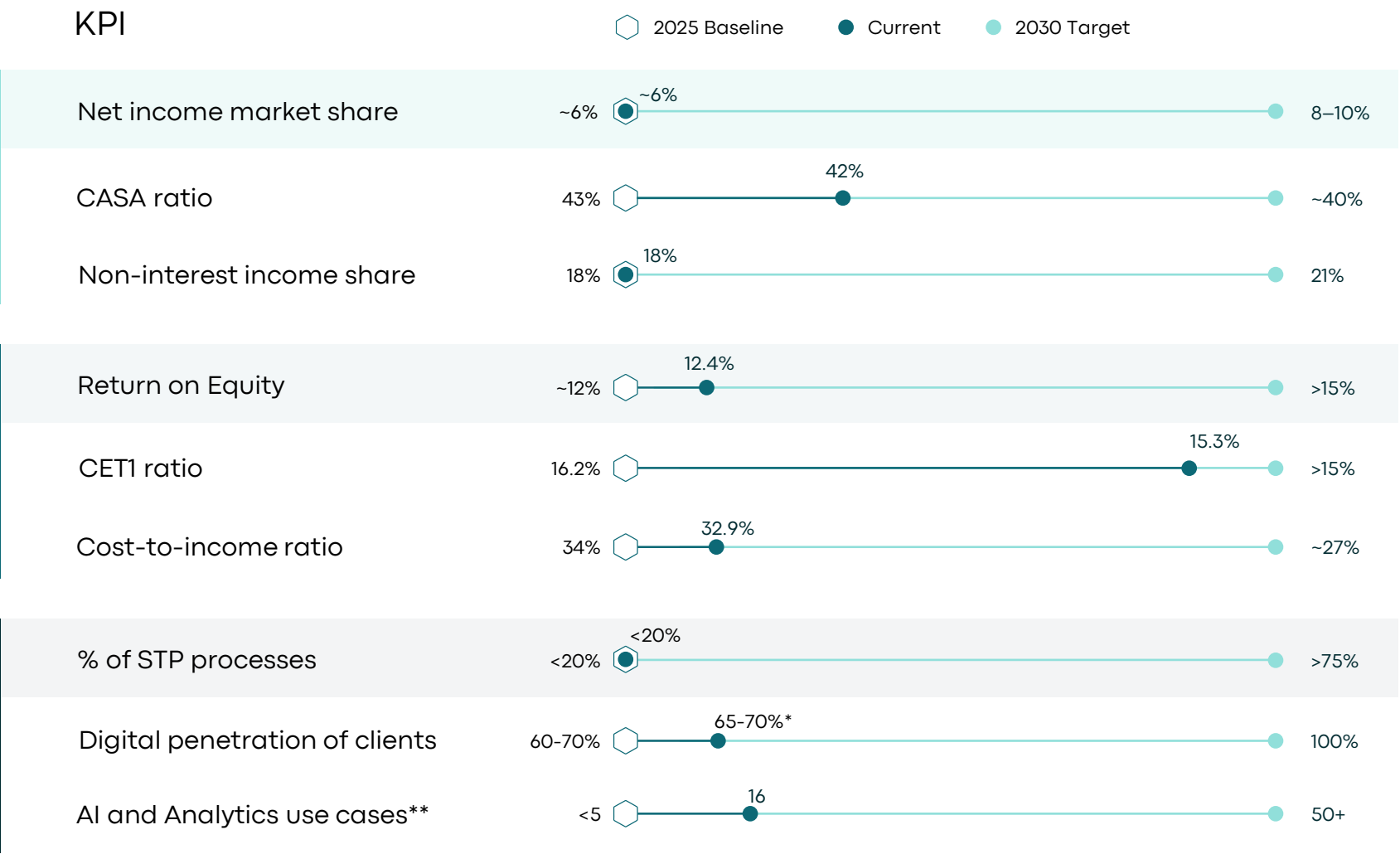
We are seeing balanced performance across the key strategic metrics



Better

Stronger

Faster



Status

Watch

Watch

Watch

On track

On track

On track

Watch

On track

On track

*Primarily from retail NTB customer acquisition through digital channels
**Additional AI use cases are expected to be deployed by the end of 4Q

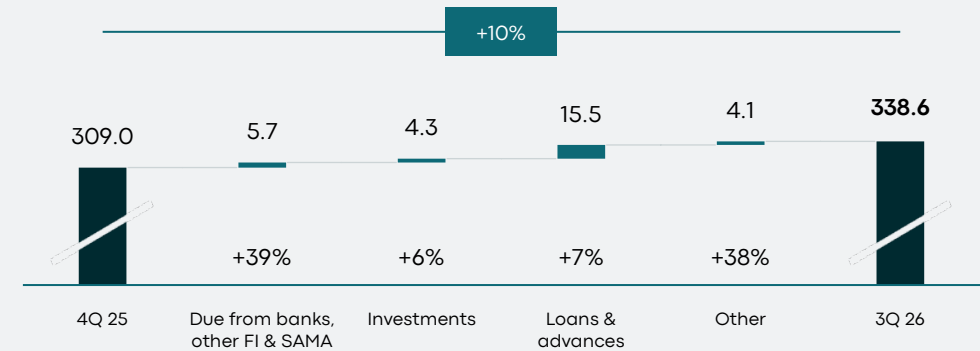
Financial Highlights

Balance Sheet

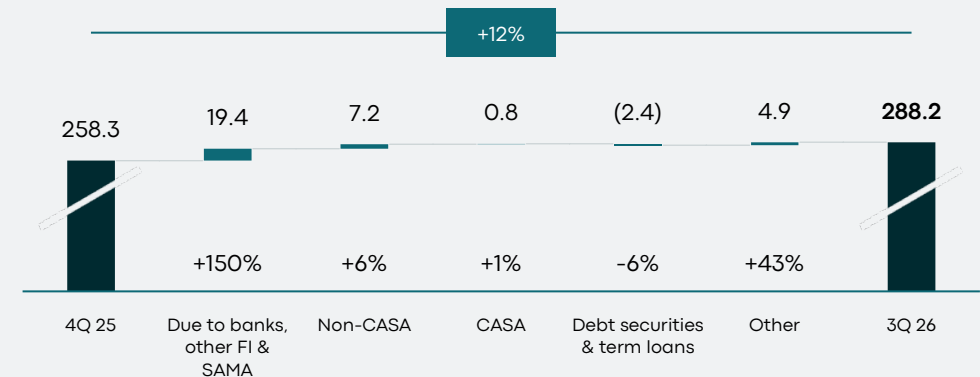
- Growth in total assets of 10% YTD, mainly driven by loans, further aided by an increase in investments and interbank placements.
- The investment portfolio expanded by 6% YTD mainly from fixed rate government securities.
- Liabilities rose 12% YTD driven by a 150% increase in balances due to banks, alongside a 4% rise in customer deposits.
- Total equity declined by 1% YTD, reflecting lower other reserves and the payment of dividends.

₹ Mn	3Q 2026	2Q 2026	Δ%	4Q 2025	Δ%
Due from banks, other FI & SAMA	20,489	19,495	+5%	14,748	+39%
Investments	73,013	74,208	-2%	68,682	+6%
Loans & advances	230,399	224,241	+3%	214,891	+7%
Total assets	338,643	327,983	+3%	309,006	+10%
Due to banks, other FI & SAMA	32,259	25,319	+27%	12,885	+150%
Customers' deposits	203,227	204,588	-1%	195,219	+4%
Debt securities & term loans	36,487	35,758	+2%	38,877	-6%
Total liabilities	288,237	276,589	+4%	258,346	+12%
Total equity	50,406	51,394	-2%	50,659	-1%

Total Assets Movement YTD (₹ Bn)



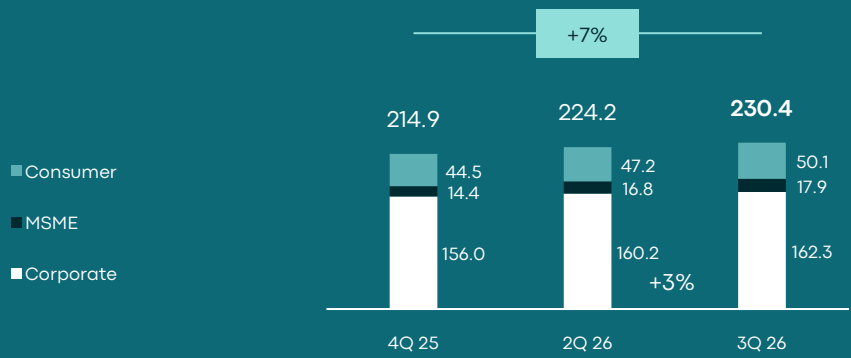
Total Liabilities Movement YTD (₹ Bn)



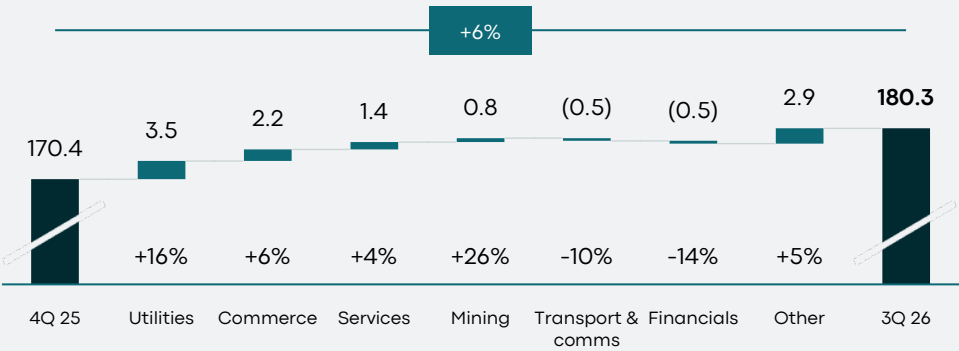
Loans & Advances

- Total loans and advances grew 7% on both YoY and YTD basis driven by growth across consumer and commercial lending.
- Commercial loans grew 6% YTD primarily driven by higher balances in the utilities, commerce and services sectors further aided by mining and contracting, and partly offset by declines in the transport and communication and financial sectors.
- Consumer loans grew 13% YTD, primarily driven by a 14% increase in mortgages and a 15% increase in personal loans.

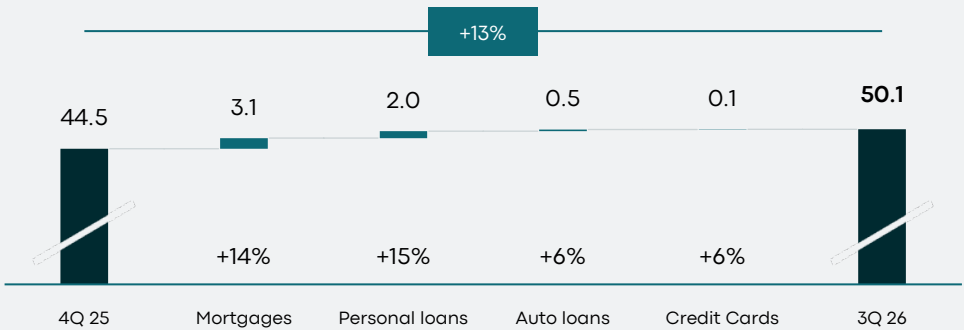
Loans & Advances (₹ Bn)



Commercial Loans Movement YTD (₹ Bn)



Consumer Loans Movement YTD (₹ Bn)



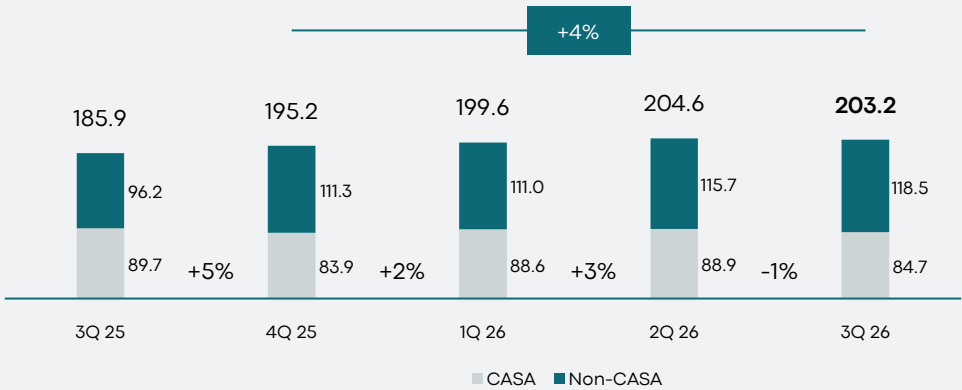
4% YTD increase in customer deposits driven mainly by growth in non-CASA balances



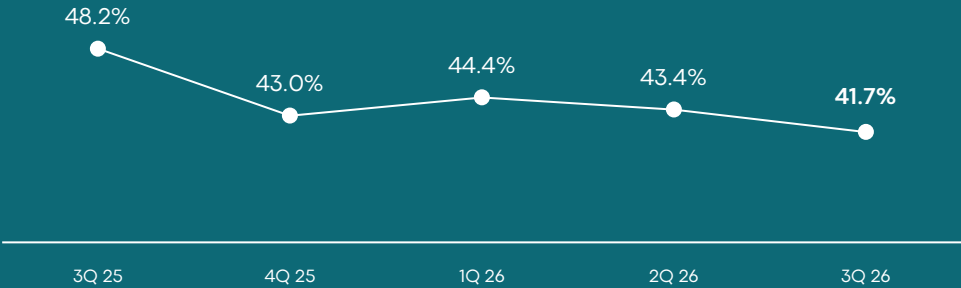
Customers' Deposits

- Deposits grew 4% YTD, driven primarily by an increase in non-CASA balances and further supported by CASA balances.
- Non-CASA deposits grew 6.5% YTD, while CASA rose marginally.
- As of 30 September 2026, 41.7% of deposits were CASA, a decrease of 1.3ppts YTD.

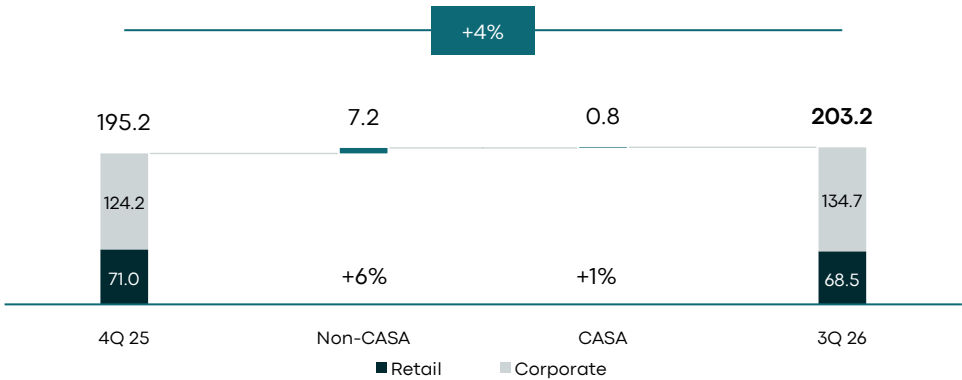
Customers' Deposits (₹ Bn)



CASA ratio (%)



Customers' Deposits Movement YTD (₹ Bn)



Net income grew 7% YoY from higher net interest income and non-interest income, partially offset by higher operating expenses

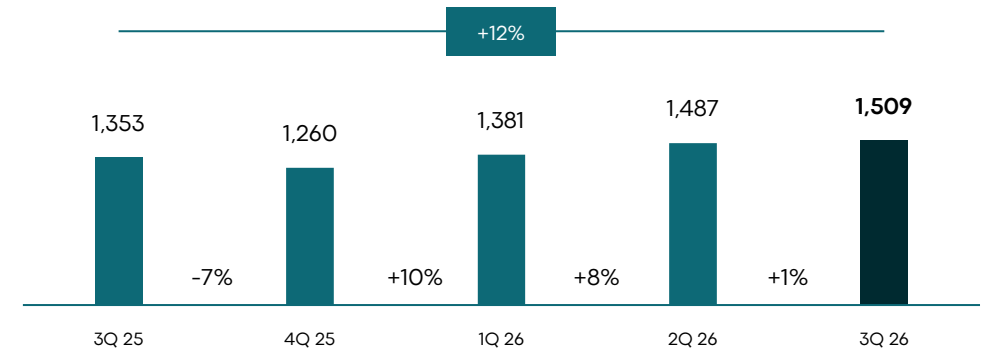


Income Statement

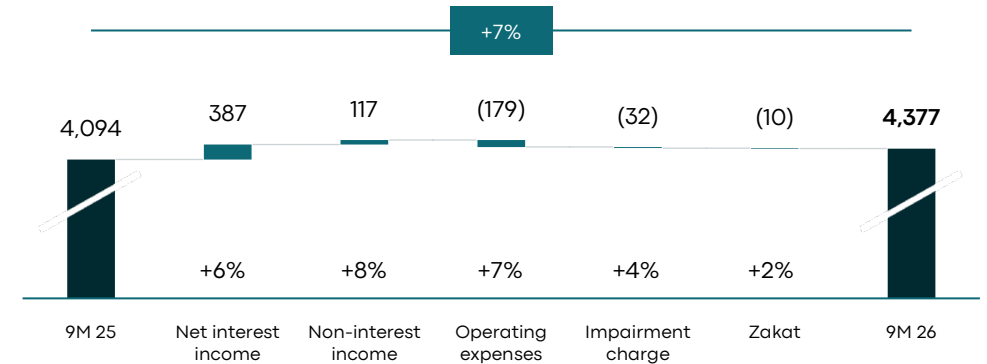
- Net income for 9M 2026 grew 7% YoY to ₪ 4,377mn from higher operating income, partially offset by higher operating expenses.
- Total operating income increased 6% YoY, driven by 6% growth in net interest income and 8% growth in non-interest income.
- Operating expenses increased 7% YoY to ₪ 2,773mn from higher employee costs, increased G&A and depreciation as transformation projects continue to go live.
- The impairment charge increased 4% YoY to ₪ 784mn.
- On a sequential basis, net income increased marginally, supported by growth in non-interest income that more than offset the decline in net interest income.

₪ Mn	9M 2026	9M 2025	Δ%	3Q 2026	3Q 2025	Δ%
Net interest income	6,863	6,476	+6%	2,303	2,162	+7%
Non-interest income	1,556	1,439	+8%	559	437	+28%
Operating income	8,419	7,916	+6%	2,862	2,599	+10%
Operating expenses	(2,773)	(2,594)	+7%	(926)	(854)	+8%
Pre-impairment operating income	5,646	5,322	+6%	1,936	1,745	+11%
Impairment charge	(784)	(752)	+4%	(271)	(237)	+14%
Net income before zakat	4,862	4,570	+6%	1,666	1,508	+10%
Zakat	(485)	(476)	+2%	(157)	(156)	+1%
Net income	4,377	4,094	+7%	1,509	1,353	+12%
ROAE	12.38%	12.39%	-1bps	12.84%	12.07%	+77bps

Net Income (₪ Mn)



Net Income Movement YoY (₪ Mn)



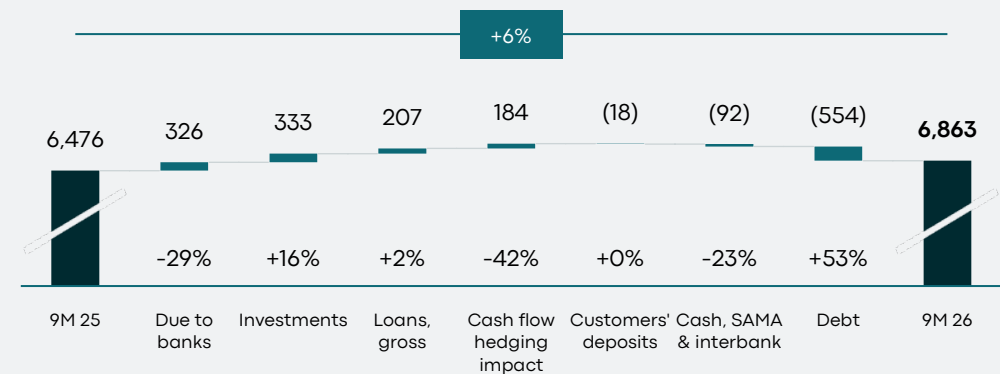
6% YoY growth in NII driven by earning assets growth, partly offset by margin contraction



Net Interest Income

- NII for 9M 2026 increased by 6% YoY to ₪ 6,863mn, driven by 8% average earnings assets growth.
- Lower expenses on due to banks balances and higher NII from investments, loans and advances and the impact of cash flow hedging were partially offset by higher funding costs on debt securities.
- Interest income rose by 5% YoY to ₪ 13,670mn and funding costs rose by 4% YoY to ₪6,807mn in 9M 2026.
- On a sequential basis, interest income increased by 2% QoQ, while funding costs were up by 6% resulting in 2% QoQ decline in NII.

Net Interest Income Movement YoY (₪ Mn)



Interest Income (₪ Mn)



Interest Expense (₪ Mn)



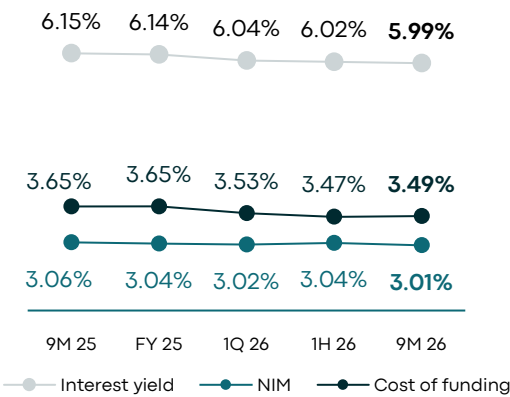
NIM declined 5bps YoY and 13bps QoQ due to a shift in the funding mix



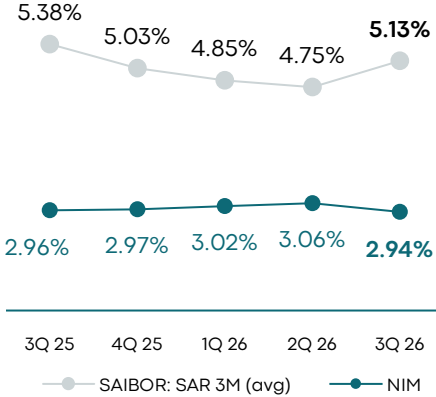
Net Interest Margin

- NIM moderated by 5bps YoY to 3.01% for 9M 2026, primarily reflecting a 16bps decline in asset yields, and partly offset by a similar reduction in funding costs.
- On a sequential basis, the quarterly NIM decreased by 13bps as funding costs rose by 9bps and asset yields declined by 4bps despite a 38bps increase in average 3M SAIBOR over the same period.

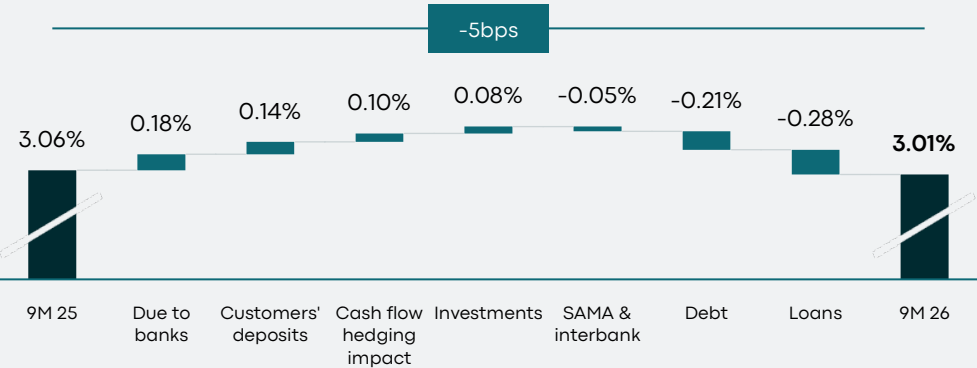
YTD NIM Trend



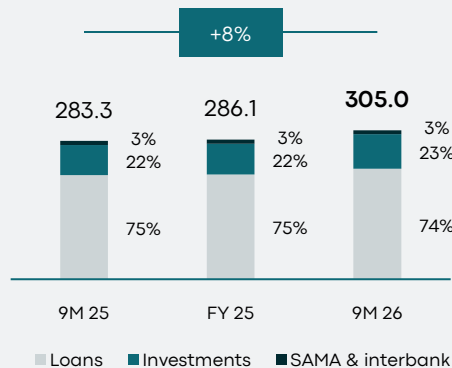
Quarterly NIM Trend



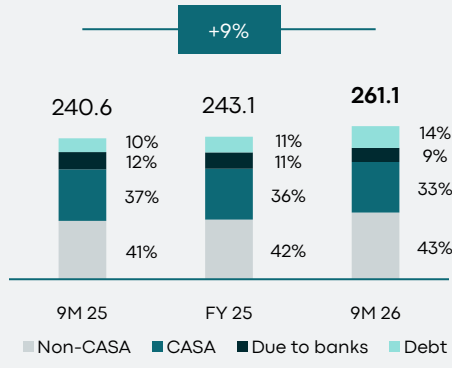
NIM Movement YoY (%)



Average Interest Earning Assets (₪ Bn)



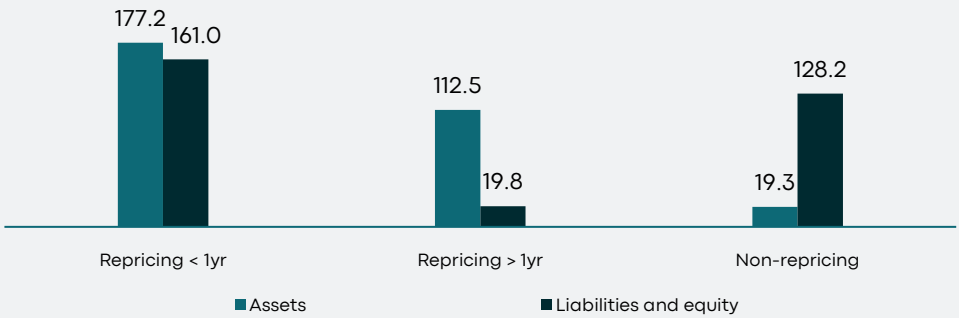
Average Interest Bearing Liabilities (₪ Bn)



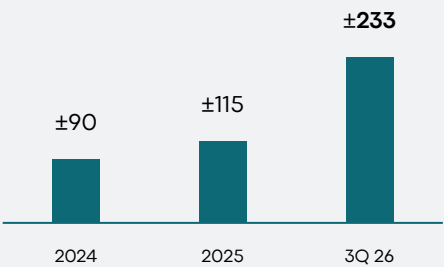
NIM Sensitivity

- As of 30 September 2026, BSF estimates a 1-year NIM sensitivity of a 100bps rates change at ± 7 bps; this would translate into a ± 233 mn 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, including 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 29% YTD due to growth in the retail loan book and fixed-rate investment portfolio.

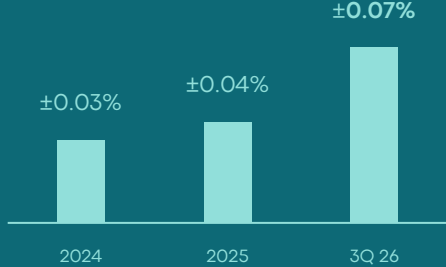
Balance Sheet Repricing Profile as at 31 December 2025 ($\pm$ Bn)



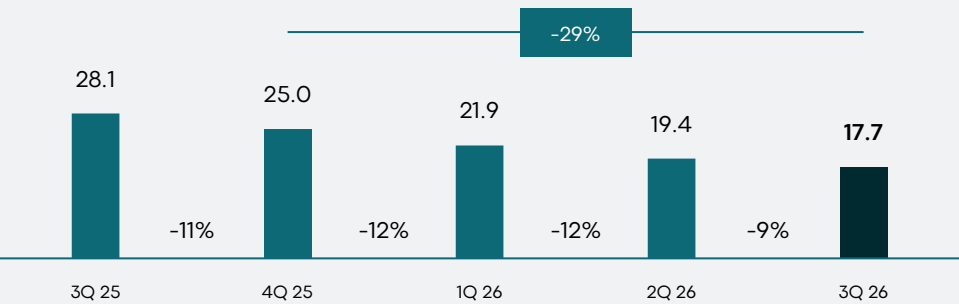
NII Impact of ± 100 bps Rate Change ($\pm$ Mn)



NIM Impact of ± 100 bps Rate Change (%)



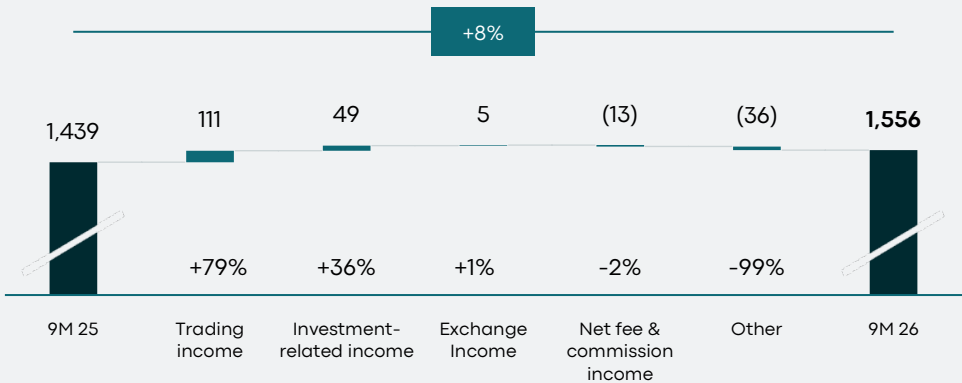
Cash Flow Hedges Swaps (Notional Amount $\pm$ Bn)



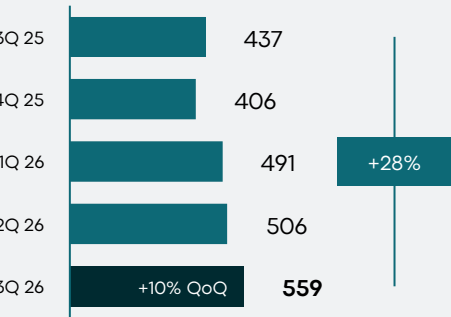
Non-Interest Income

- Non-interest income for 9M 2026 increased 8% YoY to ₪ 1,556mn from higher trading, investment and exchange income partially offset by lower fee and commission income.
- Net fee & commission income fell 2% YoY to ₪ 742mn in 9M 2026 due to lower brokerage & asset management fees and higher losses in card fees due to ongoing campaign costs. This was partly offset by higher trade finance and other fees including bancassurance.
- 3Q 2026 non-interest income increased 10% QoQ, driven by higher fee and commission, exchange and trading income partly offset by lower investment-related income. Quarterly fee and commission income has been trending upwards over the past three quarters.

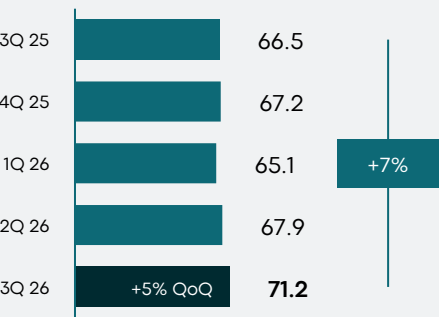
Non-interest Income Movement YoY (₪ Mn)



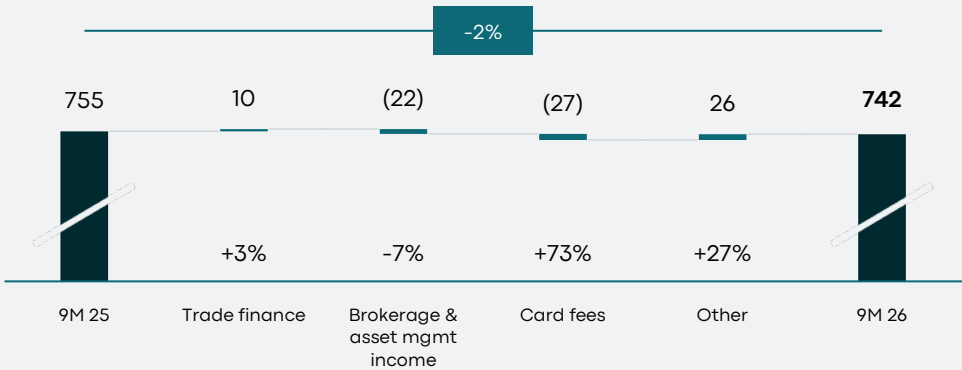
Non-interest Income (₪ Mn)



Non-funded Exposure* (₪ Bn)



Fee & Commission Income Movement YoY (₪ Mn)



Operating expenses rose 7% YoY on higher employee expenses, G&A expenses and depreciation, but were stable QoQ



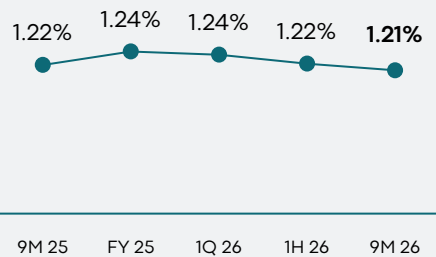
Operating Expenses

- Operating expenses increased 7% YoY to ₹ 2,773mn in 9M 2026 mainly reflecting higher employee costs, increased G&A expenses and depreciation following the rollout of transformation projects.
- Cost to income ratio increased by 17bps YoY to 32.9% in 9M 2026 from 32.8% in 9M 2025.
- At the same time, operating expenses as a percentage of average interest-earning assets (AIEA) decreased marginally YoY to 1.21% for 9M 2026, driven by an 8% expansion of AIEA relative to a 7% expense growth.
- On a sequential basis, operating expenses were broadly stable.

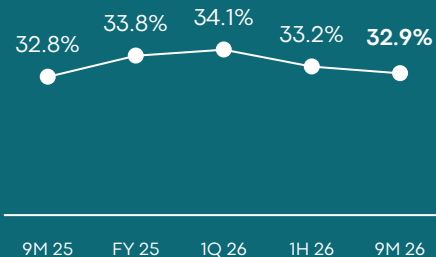
Operating Expenses (₹ Mn)



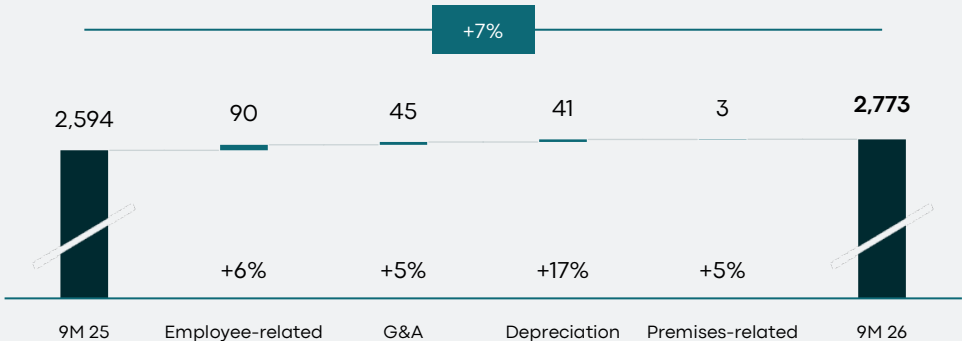
Cost to AIEA Ratio



Cost to Income Ratio



Operating Expenses Movement YoY (₹ Mn)



Cost of risk remained stable YoY at 0.43%, as growth in average gross loans outpaced the increase in impairment charges



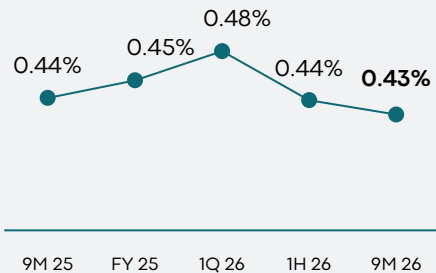
Impairment Charge

- The total impairment charge for 9M 2026 increased 4% YoY to ₹ 784mn, from lower corporate impairments offset by an increase in consumer and other impairments.
- In combination with healthy loan growth, this drove relative stability in the cost of risk at 0.43% for 9M 2026.
- On a sequential basis, the impairment charge rose marginally due to increase in credit loss impairment charges partly offset by decline in investments and other charges.

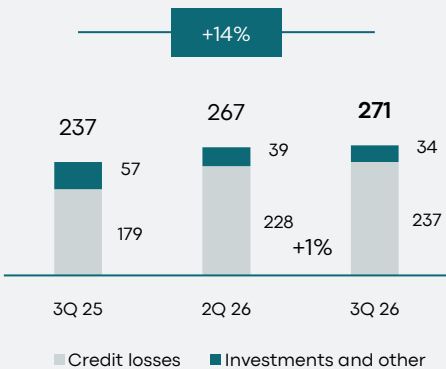
Impairment Charge (₹ Mn)



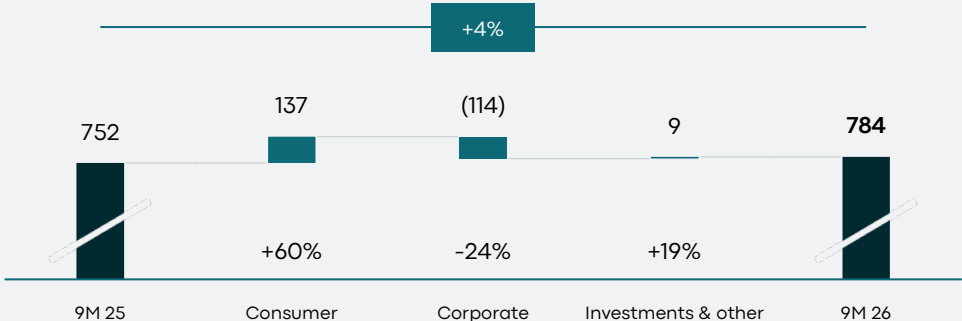
Cost of Credit Risk (%)



Impairment Charge (₹ Mn)



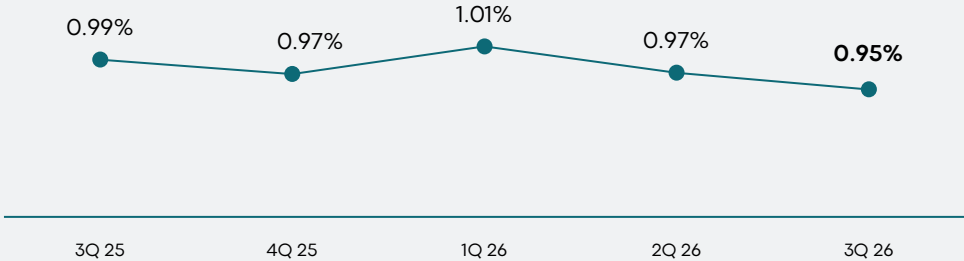
Impairment Charge Movement YoY (₹ Mn)



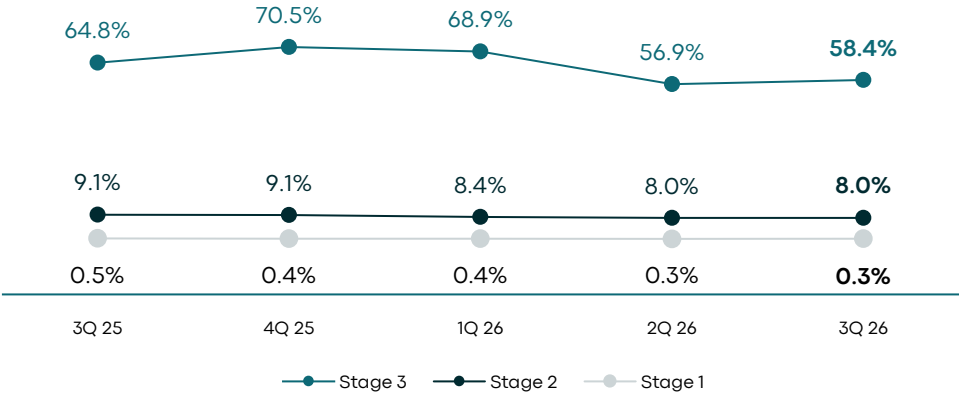
NPL & NPL Coverage

- The NPL ratio improved to 0.95% in 3Q 2026 from 0.97% in the previous quarter and 4Q 2025, supported by the write-off of two corporate accounts during the previous quarter and minor write-offs in the current quarter.
- The NPL coverage ratio decreased by 13ppts YTD to 165.3%, as accounts downgraded to NPLs in 2Q 2026 carried lower reserve levels than the two fully covered accounts that were written off during the same quarter.
- Stage 3 coverage decreased by 12.1ppts YTD to 58.4% due to the same factors in 2Q, while Stage 2 coverage decreased by 107bps to 8.0% and Stage 1 coverage narrowed marginally.

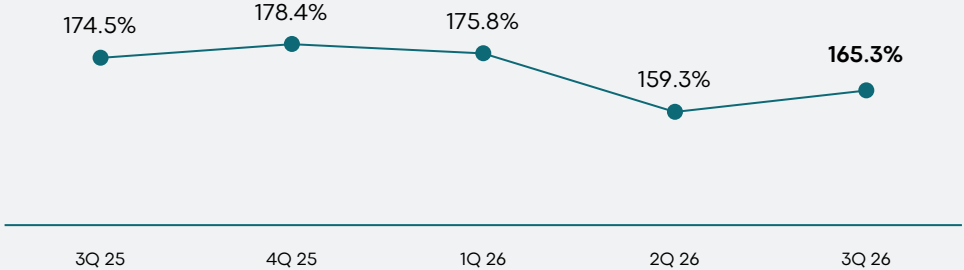
NPL Ratio (%)



Stage-Wise Provision Coverage (%)

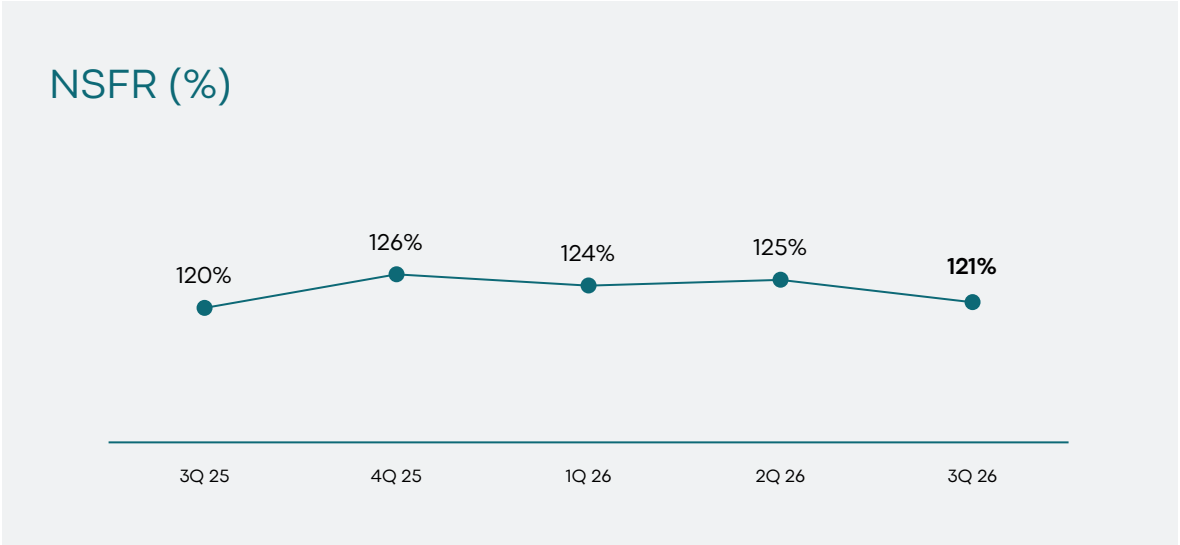
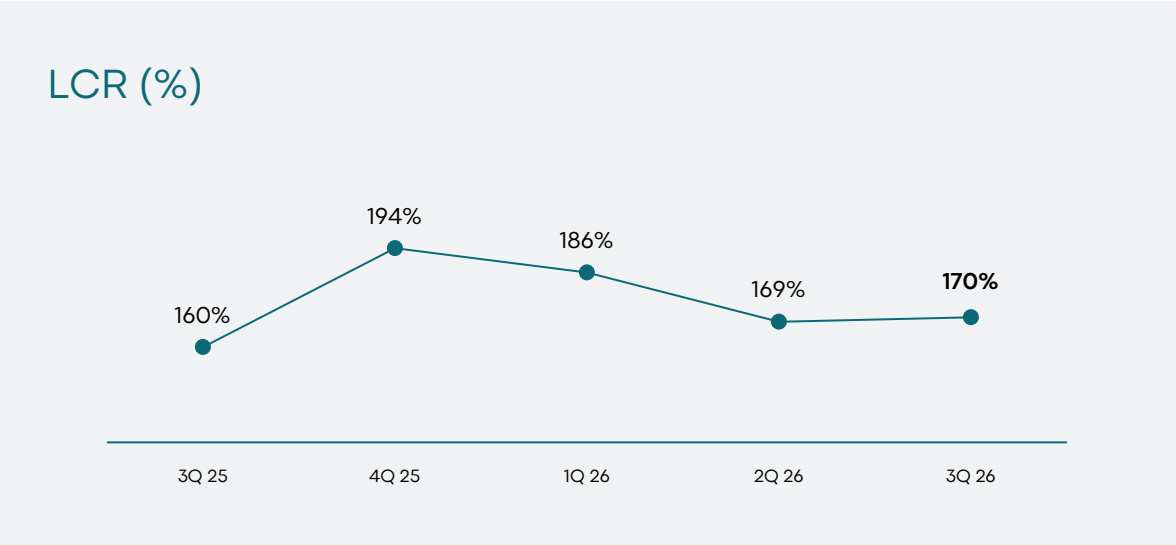


NPL Coverage Ratio (%)



Liquidity

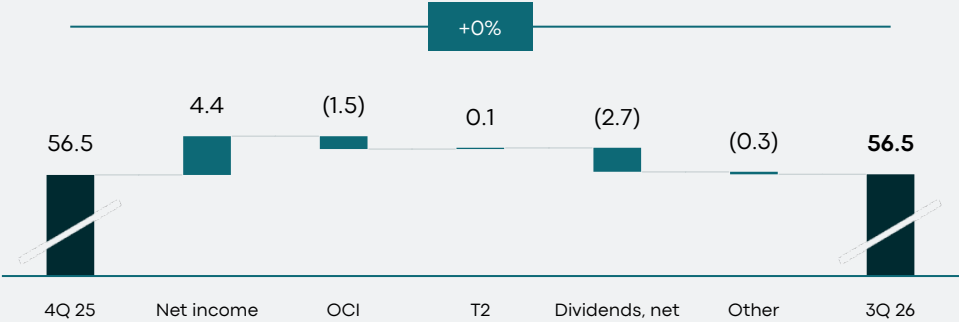
- LCR declined by 23ppts YTD to 170% during 9M 2026.
- NSFR moderated by 5ppts YTD to 121% as of 30 September 2026.
- The SAMA regulatory LTD ratio increased 5ppts YTD to 79.7% as of 30 September 2026, while the headline ratio stood at 113.4%.



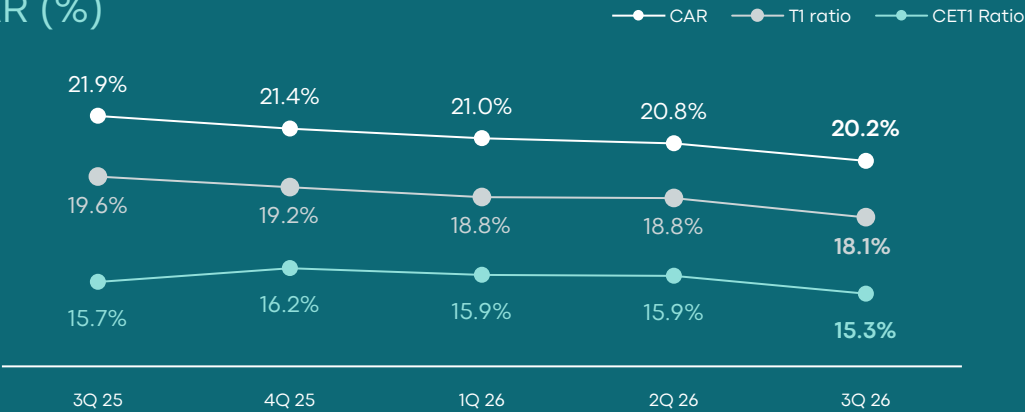
Capital

- Total capital (Tier 1 + Tier 2 regulatory capital) was stable YTD at ₪ 56.5bn during 9M 2026 supported by net income, partially offset by dividends paid and other comprehensive loss.
- RWAs increased by 6% YTD to ₪ 279.9bn.
- CAR stood at 20.2%, Tier 1 ratio at 18.1% and CET1 ratio at 15.3% as of 30 September 2026.

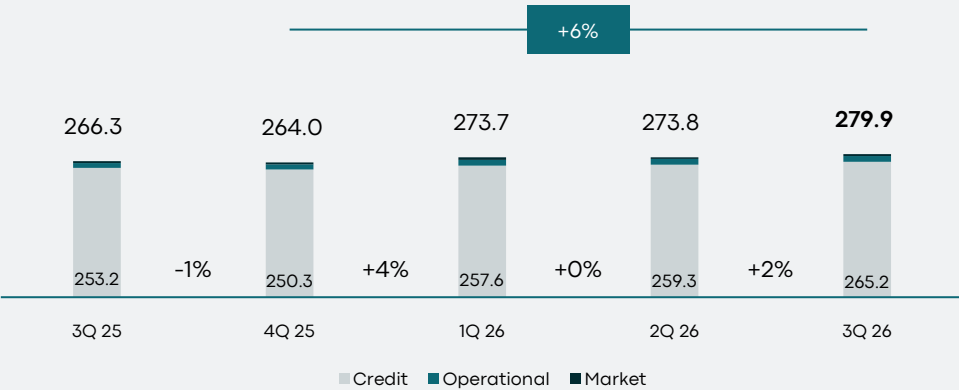
Total Capital Movement YTD (₪ Bn)



CAR (%)



RWA (₪ Bn)



FY2026 guidance reaffirmed across all metrics, with loan growth on track and operating efficiency supporting ROE target



Metric	9M 2026 Outcome	2026 Guidance	9M 2026 Revision	Guidance Drivers
Loans & Advances Growth	+7.2% YTD Bn 230.4	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	3.01% ▼ -5 bps YOY	~3.00%	unchanged	Impact from lower CASA ratio to be partly offset by increased spread from repricing of corporate loans and growth in JB.
Cost of Risk	43bps ► -1 bps YOY	45-50bps	unchanged	Cost of risk outlook reflect a measured normalization of the commercial book, alongside growth in JB and prudent forecasting of recoveries.
Cost to Income Ratio	32.9% ► +17 bps YOY	<33%	unchanged	Cost to income ratio to remain within the guided range, supported by positive operating leverage.
Return on Equity	12.4% ► -1 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	15.3% ▼ -95 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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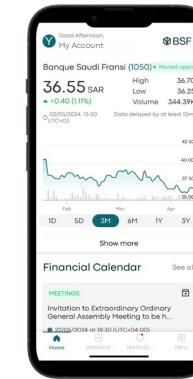
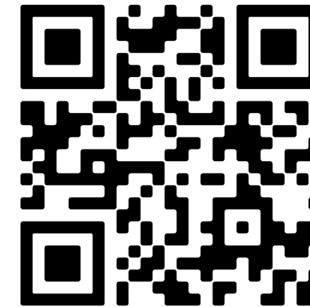
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