



HDB EARNINGS PRESS RELEASE FY-2024



Housing & Development Bank (EGX: HDBK) has announced a standalone net income of EGP 11 Bln in 2024, expanding by 83% y-o-y. Supported by net operating income of EGP 20.5 Bln, as +68% y-o-y.

Feb 20th, 2024 | Cairo, Egypt

***Housing & Development Bank (HDB) achieves
Robust growth in FY 2024,
Total Assets +43% to EGP 180Bln
and
Net Profit +83% to EGP 11 Bln***



Financial Highlights

FY-2024 Standalone Financial Results

- Net income of EGP **11.0 Bln**, +**83.1%** y-o-y
- Net operating income of EGP **20.5 Bln**, +**67.6%** y-o-y
- Return on average equity of **55.8%**
- Return on average assets of **7.2%**
- Net operating margin (NOM) of **13.5%**
- Net interest margin (NIM) of **14.4%**

Q4-2024 Standalone Financial Results

- Net income of EGP **2.8 Bln**, +**71.8%** y-o-y
- Net operating income of EGP **6.0 Bln**, +**72.5%** y-o-y
- Return on average equity of **48.6%**
- Return on average assets of **6.6%**
- Net operating margin (NOM) of **14.3%**
- Net interest margin (NIM) of **15.5%**

• Growth Across the Bank's Portfolio

- Customer deposits recorded an increase of 43.1% YTD to EGP 145.0 Bln at the end of 2024. On the back, a 16.9% YTD rise in corporate deposits and 74.5% rise in retail deposits.
- The Bank's gross customer loans increased by 23.1% YTD to EGP 56.0 Bln at the end of 2024.
- Gross loan-to-deposit ratio stood at 38.6% at end of Dec 2024.

• A Strong Performance Across the Balance Sheet

- HDB's Capital Adequacy Ratio (CAR) stood at 36.0%, far above the Central Bank of Egypt's (CBE) minimum requirements. The Bank booked a CAR of 34.9% for Tier-1 and 1.1% for Tier-2 as of 31 Dec 2024.
- HDB reported an NSFR ratio of 203.66 % and an LCR ratio of 970.64% as at 31 Dec 2024.
- Customer deposits constituted 93% of HDB's total liabilities as at 31 Dec 2024.
- Nonperforming loans (NPL) ratio stood at 6.5% while the Bank's coverage ratio recorded 137.1% in Q4-2024.

• Corporate Social Responsibility

As one of the leading banks in the Egyptian market, sustainability is a core value at HDB and the Bank is committed to implementing equitable and mindful business practices that ensure social development and the sustainability of the environments the Bank operates in. On this front, HDB has successfully delivered on multiple sustainability initiatives across various sectors aimed at promoting sustainable development. These efforts are in line with the Egyptian government's agenda for sustainable development and Egypt's Vision 2030.

Based on HDB's standalone financials.



Chairman's Message

Commenting on HDB's results for FY-2024, CEO and Managing Director Hassan Ghanem said "I am proud of the bank's exceptional trajectory, sustainable growth, remarkable leaps and outstanding growth rates across all business sector results during the fiscal year ending December 31, 2024. He emphasized that these achievements reflect the bank's efficiency and its successful execution of its strategy over the past five years, as the bank has achieved the optimal benefit from all available and expanded the diversity of its activities, strengthening its ability to attract a larger customer base and provide a wide range of financial solutions tailored to their needs and aspirations. Additionally, the bank is deeply committed to building strong and effective relationships with both corporate and retail banking clients by offering customized financial solutions tailored to their diverse needs, including competitive pricing and cost-effective options.

The bank's commitment to manage financing and operational costs effectively in response to the challenges posed by rising inflation rates. The bank has implemented a distinctive business model that has successfully maximized available opportunities, while effectively managing resources to drive sustainable profitability and adhere to the highest standards of operational efficiency. This approach has led to significant improvements in financial performance, with net operating income increasing by 67.6% YOY to EGP 20.5 Bln in FY 2024. Furthermore, net profit after provisions and income taxes rose to EGP 11.0 Bln, reflecting a substantial increase of EGP 5.0 Bln and a growth rate of 83.1% YOY to EGP 6.0 Bln at the close of FY 2023.

"The bank's success in executing its ambitious strategy, which places customer centricity at the forefront of its priorities. Focusing on ability to understand the needs of both current and new customers and effectively meet those needs. As a result of this approach, the bank managed to expand its customer base and increase its market share. It continued to enhance trust and encourage our customers to invest in a diversified range of products and services. This contributed to YTD +43.1% in deposits, reaching EGP 145 Bln at the close of FY 2024 compared to EGP 101.3 Bln at the close of FY 2023. During year 2024, deposits increased by EGP 43.7 Bln, driven by a rise in corporate deposits reaching EGP 64.5 Bln with a YTD growth rate of 16.9%. The Bank prioritized diversifying its corporate deposits portfolio, given its role in reducing risks and enhancing financial stability, by directing deposits to a variety of sectors and companies to ensure the bank's sustainable growth. Additionally, retail deposits reached EGP 80.5 Bln, with a YTD growth rate of 74.5%, which underscores clients' confidence in the bank's products and services.

"Referring to the bank's continued development and reinforcement of its long-standing position in the Egyptian banking market, which has contributed to reaping the rewards and achieving sustainable growth of its own assets. Total assets reached EGP 179.5 Bln compared to EGP 125.1 Bln at the close of FY 2023, with an increase of EGP 54.4 Bln and a YTD growth rate of 43.4%. This growth is attributed to the expansion of the bank's loan portfolio through both retail and corporate loan portfolio, with total loans amounted at the close of FY 2024 to EGP 56.0 Bln and a YTD growth rate of 23.1%. This was primarily driven by the expansion of corporate loans portfolio, which reached EGP 28.4 Bln, representing an increase of EGP 7.8 Bln and a YTD growth rate of 37.9%. The retail loan portfolio reached EGP 27.6 Bln, with an increase of EGP 2.7 Bln and a YTD growth rate of 10.8% YTD.

Furthermore, the bank reduced the ratio of non-performing loans (NPL) to 6.5% by the close of FY 2024 compared to 6.9% in the previous year, The Bank is committed to further reducing the NPL ratio along with an



increase in the coverage ratio to 137.1% YTD compared to 114.1% in the previous year, ensuring its commitment to continue increasing its financing volume while maintaining quality standards and diversifying financing across various sectors to ensure sustainable growth.

“The gross loan-to-deposit ratio stood at 38.6 % during the period ended Dec 31, 2024, compared to 44.9 % compared to end of year back to high growth in customer deposits. The increase in the return on loans and similar income by 70.4%, and the increase in the cost of deposits and similar expenses by 53.5%, contributed to the growth in net interest income, which reached EGP 19 Bln compared to EGP 10.5 Bln, reflecting an increase of 81% YOY.

“Moreover, HDB’s robust bottom-line performance in FY 2024 successfully translated into an impressive return profile, where HDB achieved an ROE of 55.8% and an ROA of 7.2% in FY 2024 compared to 46.9% and 5.3%, respectively, in the previous year. In addition, HDB’s CAR stood at 36.0%, far above the CBE’s minimum requirements underscoring our commitment to maximizing value for our shareholders and stakeholders alike. Furthermore, the bank’s consolidated net profit, including its subsidiaries and affiliates, grew to EGP 12.5 Bln after income taxes, compared to EGP 6.6 Bln in the previous year—an increase of EGP 5.9 Bln, reflecting an 89.8% growth. This confirms the bank’s success in executing its strategic plan to develop its group of companies and expand its investments.

“In addition to our outstanding financial performance, I am proud to highlight HDB's commitment to sustainability, aligning with Egypt’s vision 2030. Notably, HDB was honored with the Gold Award for Green Finance at the Africa Grows Green Awards during the 29th session of the COP29 Climate Conference in Azerbaijan, highlighting its leadership in sustainable banking. We firmly believe that integrating sustainability principles into our operations is not only a moral responsibility but also a strategic necessity that drives long-term value creation for all stakeholders. HDB is committed to consolidating and implementing sustainability standards across its operations. These efforts are clearly reflected in the bank's strategy, given their significance in supporting financial and banking stability to achieve sustainable development goals. Furthermore, we adhere to all recognized sustainable banking practices and actively participate in financing strategic projects that align with the government’s green economy transformation and sustainability agenda. The bank also continues to implement environmentally friendly solutions, participating in numerous initiatives aimed at achieving sustainability. On this front, I would like to highlight that EGP 8.37 Bln of the Bank’s corporate and syndicated loans were dedicated to financing sustainable projects in FY 2024.

Beyond Banking, HDB prioritizes community development, focusing on education and healthcare. The bank has signed a cooperation protocol with Ministry of Social Solidarity to improve the educational environment for children as part of the Early Childhood Development Program. HDB has also intensified its efforts to support marginalized and vulnerable groups. In collaboration with Orman Association, the Bank has worked on the demolition and rebuilding of homes in Hegaza village, Aswan. Additionally, HDB has supported Ibrahim Badran Foundation in establishing six medical clinics across various governorates, ensuring access to essential healthcare for underserved communities. Furthermore, HDB continues its support for Yasmin El-Samra Foundation, assisting patients with Epidermolysis Bullosa (EB) in line with Egypt’s Vision 2030 strategic objectives for sustainable development.



Despite the challenges facing the Egyptian economy, there has been gradual progress toward stability in FY 2024. This improvement is due to the CBE's actions, which included raising interest rates to manage inflation and allowing the foreign exchange rate flexibility. These steps have helped narrow the gap between official and parallel market rates, stabilize the currency market, and improve overall economic indicators. The removal of some restrictions on foreign currency credit card transactions, along with these procedures, has also positively influenced Egypt's credit rating, which has been reviewed and upgraded by credit rating organizations. This has led to better economic indicators and increased foreign investment confidence. I have full confidence in the Egyptian banking sector's ability to handle any future economic changes, noting that the sector is well-equipped to adapt and manage new challenges effectively.

Finally, I would like to extend my gratitude to the Bank's shareholders, clients, Board of Directors, executive management, dedicated staff, and all stakeholders for their ongoing support and trust in the Bank. I have full confidence in our ability to seize the promising opportunities ahead and achieve strong financial and operational results through our well-defined strategy. We are committed to advancing our ambitious plans with both optimism and caution, managing risks prudently to further solidify our leadership and distinguished position within the banking sector. This commitment is grounded in our core principles and our proven resilience in adapting to the complexities of an ever-evolving economic environment.

Hassan Ghanem

CEO and Managing Director



Standalone Financial overview

P&L Summary

Standalone Income Statement	Q4-2024	Q3-2024	Q-o-Q Change	Q4-2023	Y-o-Y Change	FY-2024	FY-2023	Y-o-Y Change
	EGP Mn	EGP Mn	(%)	EGP Mn	(%)	EGP Mn	EGP Mn	(%)
Net Interest Income	5,641	5,067	11.3%	3,154	78.9%	18,922	10,453	81.0%
Net Non-Interest Income	366	318	15.1%	330	11.1%	1,623	1,784	-9.0%
Core Banking Income	6,007	5,386	11.5%	3,484	72.5%	20,545	12,237	67.9%
Other Operating Income	4	23	-84.3%	1	164.6%	(1)	19	-104.5%
Net Operating Income	6,011	5,408	11.1%	3,485	72.5%	20,544	12,255	67.6%
Operating Expense	(358)	(3)	13944.0%	8	-4455.2%	(369)	(225)	63.5%
Administrative Expense	(1,431)	(825)	73.4%	(984)	45.5%	(3,690)	(2,811)	31.3%
Credit Loss Impairment	(350)	(383)	-8.4%	(180)	94.4%	(1,476)	(953)	54.8%
Net Profit Before Tax	3,871	4,198	-7.8%	2,329	66.2%	15,010	8,266	81.6%
Income Tax	(1,102)	(1,085)	1.6%	(717)	53.7%	(3,971)	(2,235)	77.7%
Net Profit	2,769	3,113	-11.0%	1,612	71.8%	11,040	6,031	83.1%
<i>Earnings Per Share (EGP)</i>						18.6	10.1	

Financial Indicators	Q4-2024	Q3-2024	Q-o-Q Change	Q4-2023	Y-o-Y Change	FY-2024	FY-2023	Y-o-Y Change
Profitability								
ROAE	48.6%	63.0%	-14.4 pp	44.4%	+4.2 pp	55.8%	46.9%	+8.8 pp
ROAA	6.6%	8.1%	-1.5 pp	5.3%	+1.3 pp	7.2%	5.3%	+2 pp
Margins								
Net Operating Margin (NOM)	14.3%	14.1%	+0.2 pp	11.5%	+2.9 pp	13.5%	10.7%	+2.8 pp
Net Interest Margin (NIM)	15.5%	15.7%	-0.1 pp	12.4%	+3.2 pp	14.4%	10.9%	+3.6 pp
Efficiency								
Cost-to-Income	23.8%	15.3%	+8.5 pp	28.2%	-4.4 pp	18.0%	22.9%	-5 pp

Net Interest Income

In FY-2024, net interest income (NII) booked EGP 19.0 Bln reflecting an increase of 81.0% y-o-y on the back of enhanced optimization of the Bank's earning asset instruments driven by increasing of 249.8% YTD in Due from Banks, 23.1% YTD in gross customer loans, and an 12.2% YTD increase for financial investments. Moreover, NIMs recorded 14.4% compared to 10.9% in FY-2023 as the Bank demonstrated higher efficiencies in portfolio management.

In Q4-2024, NII went up 78.9% Y-O-Y to record EGP 5.6 Bln. NIMs raised by 3.2 pp Y-O-Y to record 15.5% compared to 12.4% in Q4-2023, supported by higher asset yields due to interest rate hikes in corridor rates by 800 bps as well as funding cost efficient management.



Non-Interest Income

Q-o-Q Net non-interest income inched up by **11.1%** to register EGP **366 Mln** in Q4-2024, back to an increase in net commission and fees by **56.5%**, In FY-2024, y-o-y Net non-interest income recorded EGP 1.6Bln as **-9.0%** driven by +35.4% in net commission and fees and while impacted by the slow down activity in Real Estate and trading.

Net Operating Income

Q-o-Q Net operating income rose **72.5%** to EGP **6.0 Bln** in Q4-2024, attributable to **+72.5%** mainly in core banking income and commercial banking activities, y-o-y net operating income recorded EGP **20.5 Bln** in 2024 as **+67.6%**. And also reflects the impact of Egypt's rising interest rate environment effected by the sudden MPC decisions in 6th march to increase policy rate by **600 bps**, as policy rate increased **800 bps YTD**.

Administrative Expenses

Administrative expenses in 2024 stood at EGP **3.7 Bln**, as **+31%** y-o-y impacted by local currency devaluation. Despite these pressures, the Bank's y-o-y cost to income ratio optimized **by around 5%** to show **18%** in 2024 versus **22.9%** in 2023.



Balance sheet Summary

Balance Sheet	Standalone		
	31-Dec-2024	31-Dec-2023	YTD Change
	EGP Mn	EGP Mn	(%)
Cash & Due from Central Bank	18,642	15,511	20.2%
Due from Banks	49,141	14,049	249.8%
Financial Investments	51,581	45,970	12.2%
Investments in Subsidiaries	2,195	2,195	0.0%
Loans and Advances to Customers (Net)	50,989	41,914	21.7%
Gross Loans:	55,973	45,485	23.1%
Corporate Loans	28,361	20,569	37.9%
Retail Loans	27,612	24,916	10.8%
Real Estate	1,449	1,198	21.0%
Other Assets	4,333	3,070	41.1%
Fixed Assets	1,126	1,196	-5.9%
Total Assets	179,456	125,102	43.4%
Customer Deposits:	144,959	101,274	43.1%
Corporate Deposits	64,489	55,154	16.9%
Retail Deposits	80,471	46,120	74.5%
Other Liabilities	10,252	8,471	21.0%
Total Liabilities	155,211	109,745	41.4%
Shareholders' Equity	24,245	15,357	57.9%
Total Liabilities & Shareholders' Equity	179,456	125,102	43.4%

Total Assets

Total assets reached **EGP 179.5 Bln** compared to **EGP 125.1 Bln** at the end of 2023, with an increase of **EGP 54.4 Bln** and a growth rate of **43.4%** YTD. The increase in total assets was mainly driven by an increase in customer deposits and utilized by growing in earning assets as follow; +250% in banks; Gross Customer Loans by **+23.1%** and financial investment by **+12.2%**.



Asset Quality and Solvency

Non-performing loans (NPL) recorded **6.5%** as at 31 Dec 2024, with HDB remaining steady with its efforts to further reduce its non-performing loans ratio and align with the market average. Moreover, the Bank's NPL coverage ratio stood at **137.1%** as at 31 Dec 2024.

Financial Indicators	Q4-2024	Q3-2024	Q-o-Q Change	Q4-2023	Y-o-Y Change	FY-2024	FY-2023	Y-o-Y Change
Liquidity								
Gross Loans to Deposits	38.6%	42.5%	-3.9 pp	44.9%	-6.3 pp	38.6%	44.9%	-6.3 pp
Net Loans to Deposits	35.2%	38.8%	-3.4 pp	41.4%	-6 pp	35.2%	41.4%	-6 pp
Asset Quality								
NPLs-to-Gross Loans	6.5%	6.7%	-0.2 pp	6.9%	-0.4 pp	6.5%	6.9%	-0.4 pp
Capital Adequacy Ratio	36.0%	30.3%	5.7 pp	29.4%	6.6 pp	36.0%	29.4%	6.6 pp

Gross Loans

HDB's gross loan portfolio grew by **23.1%** YTD to EGP **56.0** Bln as of 31 Dec 2024 fueled by dual-driven growth in the Bank's retail and corporate loan portfolios:

- Retail loans increased **10.8%** YTD to EGP **27.6** Bln as of 31 Dec 2024 compared to EGP 24.9 Bln at year-end 2023.
- Retail clients accounted for **49%** of the Bank's gross loans.
- Corporate loans booked EGP **28.4** Bln, reflecting **37.9%** YTD increase compared to EGP 20.6 Bln in year-end 2023.
- Corporate loans represent **51%** of the Bank's total portfolio.

Loans by segment

	Dec-24	Dec-23	Δ
	EGP Mn	EGP Mn	
Gross Loans:	55,973	45,485	23.1%
Corporate Loans	28,361	20,569	37.9%
Retail Loans	27,612	24,916	10.8%

Customer Deposits

Deposits inched up by **43.1%** YTD to EGP **145.0** Bln as of 31 Dec 2024, where a **16.9%** YTD increase in corporate deposits to EGP **64.5** Bln compared to EGP **55.2** Bln in year-end 2023 and a **74.5%** YTD increase in retail deposits to EGP **80.5** Bln as of 31 Dec 2024 versus EGP **46.1** Bln booked at year-end 2023. In terms of contribution, corporate clients accounted for **44%** of deposits, while retail clients accounted for **56%** as of 31 Dec 2024.

Deposits by segment

	Dec-24	Dec-23	Δ
	EGP Mn	EGP Mn	
Customer Deposits:	144,959	101,274	43.1%
Corporate Deposits	64,489	55,154	16.9%
Retail Deposits	80,471	46,120	74.5%



Customer Channels

- HDB's branch network has reached 100 branches as of 31 Dec 2024.
- HDB's ATM network has reached 458 as of 31 Dec 2024.

Real Estate Activity

- The Bank sold 120 residential and commercial units in 2024, generating gross contracted sales of EGP 268 Mln during the period.
- Finished units available for sale were valued at EGP 281 Mln as of 31 Dec 2024.
- Works in progress stood at EGP 987 Mln in 2024, which includes a range of residential and commercial developments across Greater Cairo, Hurghada, the Red Sea, and Luxor.
- HDB continues to hold an extensive land bank valued at a cost of EGP 187 Mln across Greater Cairo, Hurghada, and the Red Sea.



About Housing & Development Bank

Established in 1979, Housing & Development Bank (HD Bank) had a mandate to finance moderate housing units to Egyptians and play a leading role in addressing gaps in the local real estate market. Since 2003, HD Bank embarked on a transformation to integrate into the competitive market of commercial banking, leveraging its legacy as a pioneer in housing real estate.

Currently HD Bank has a network of nearly 100 branches across Egypt, covering all governorates and offering digital services, including internet and mobile banking, in addition to catering to our growing network of corporate and high net worth clients.

Contact Information

Hany Nassef

Investor Relations Director

Mobile: +2 010 655 492 55

E-mail: hany.nassef@hdb-egy.com

H/Q 26 El Koroum Street, Mohandessin- Cairo, Egypt

Website: www.hdb-egy.com