



# HDB EARNINGS PRESS RELEASE

For the fiscal period ending March 31, 2025



***Housing & Development Bank (HDB) achieves  
Robust growth in Mar 2025,***

**doubling its net profit to reach EGP 4.8 Bln,  
with a growth rate of 99%**

Housing and Development Bank (EGX: HDBK) has announced its standalone financial results for the fiscal period ending March 31, 2025. The Bank reported a net profit of EGP 4.8 Bln, reflecting a 99% y-o-y increase.

Additionally, net operating income rose to EGP 7.6 Bln, marking a Y-o-Y growth rate of 79%.

May 14<sup>th</sup>, 2025 | Cairo, Egypt



## Financial Highlights

### Q1-2025 Standalone Financial Results

- Net profit of EGP **4.8 Bln**, reflecting a **99%** y-o-y increase.
- Operating income rose to EGP **7.6 Bln**, reflecting a 79% Y-o-Y increase.
- Return on average equity of **78%**
- Return on average assets of **10.8%**
- Net operating margin (NOM) of **17%**
- Net interest margin (NIM) of **18.2%**.
- Capital Adequacy Ratio (CAR) stood at **30.8%**.
- Nonperforming loans (NPL) ratio stood at **5.7%** while the Bank's coverage ratio recorded **151.8%**

#### • The Bank's Portfolio

- Customer deposits recorded **EGP 135 Bln**.
- The Bank's gross customer loans recorded **EGP 58.7 Bln**.
- Gross loan-to-deposit ratio stood at **43.5%** at 31 Mar 2025.

#### • A Strong Performance Across the Balance Sheet

- HDB's Capital Adequacy Ratio (CAR) stood at **30.8%**, far above the Central Bank of Egypt's (CBE) minimum requirements. The Bank booked a CAR of **29.7%** for Tier-1 and **1.1%** for Tier-2 as of 31 Mar 2025.
- HDB reported NSFR ratio of **186.62%** and LCR ratio of **898.73%** as of 31 Mar 2025.

#### • 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 Q1-2025, CEO and Managing Director Hassan Ghanem said "I'm proud of the Bank's success in beginning to capitalize on its newly implemented strategic plan for the period 2025–2030. The Bank's strong financial performance during the fiscal period ending March 31, 2025, reflects the effectiveness of the strategy initiated earlier this year, which aims to position HD Bank to be a bank of choice in the Egyptian banking sector, by enhancing operational efficiency, increasing institutional resiliency, in a way that strengthen its ability to innovate and achieve sustainable growth. In addition to adopting a "Digitalization" approach, and working to build and develop a fully integrated digital ecosystem that keeps pace with the rapid evolution of the banking industry, with strong dedication to enhancing the customer experience and reinforcing the trust built over more than 45 years by offering banking products and services that meet their evolving needs and aspirations with professionalism and efficiency, ensuring banking service excellence. Through these efforts, the Bank continues to strengthen its leading position as one of the largest full-service commercial banks in the Egyptian banking sector. The Bank's commitment to building strong and effective relationships with its clients across both the retail and corporate segments by providing flexible, and customized financial solutions that meet their needs and expectations in terms of pricing and cost.**

**The bank continued to focus on enhancing operational efficiency and proactively managing financing costs.** This enabled the bank to fully capitalize on available opportunities while maintaining effective resource management to drive sustainable profitability. These efforts delivered clear results, reflected in the strong improvement in financial performance. Net operating income rose by **79% y-o-y** to reach **EGP 7.6 Bln** by the end of Q1-FY2025, while net profit after provisions and income taxes increased by **98.7% y-o-y** to **EGP 4.8 Bln**. These strong results underscore the effectiveness of the bank's operational policies and the success of its new strategic direction in approaching challenges as opportunities to strengthen the bank and learn from them to foster growth

**The bank continues to place customer satisfaction at the forefront of its new strategy,** with a clear focus on understanding the aspirations and needs of both existing and potential customers, and responding to their needs with flexibility and efficiency. This approach has played a key role in expanding HDB's customer base and increasing its market share, by reinforcing trust and encouraging customers to invest in the bank's broad suite of financial products and services, he also highlighted that the promotional campaign launched during the month of Ramadan served as a key pillar in supporting this expansion, as it helped reinforce the bank's brand image as a full-service commercial bank, while strengthening engagement with the target audience and enhancing their interaction with HDB's offerings.

**The bank continued to develop and strengthen its leading position in the Egyptian banking sector,** contributing to the sustainable growth of its total assets, which reached **EGP 176.8 Bln**. This was supported by the growth of the Bank's loan portfolio across both the retail and corporate sectors, as the bank's gross loans reached **EGP 58.7 Bln** by the end of Q1 FY2025, reflecting a y-t-d growth of **4.9%**. This growth was driven by an increase in both corporate and retail lending portfolios, driven by the growth in the corporate and institutional loan



portfolio, which reached **EGP 30.1 Bln** with an increase of **EGP 1.7 Bln**, representing a y-t-d growth rate of **6%**, while the retail banking portfolio stood at **EGP 28.6 Bln** with an increase of **EGP 1 Bln**, representing a y-t-d growth rate of **3.7%**, the bank also succeeded in reducing its non-performing loans (NPL) ratio to **5.7%** by the end of Q1 FY2025, down from **6.5%** at the end of FY2024. This reflects the Bank's commitment to increasing its financing volumes while maintaining high asset quality standards and ensuring portfolio diversification across various sectors to ensure sustainable growth. In parallel, the NPL coverage ratio improved significantly, reaching **151.8%** as of 31 March 2025, compared to **137.1%** at year-end 2024.

**The bank's gross loan-to-deposit** ratio stood at **43.5%** at the end of Q1 FY2025, compared to **38.6%** at the end of FY2024. The **77.4%** y-o-y increase in interest income from loans and similar revenues, alongside a **59.6%** y-o-y rise in the cost of deposits and similar expenses, resulted in a sharp rise in net interest income, which reached **EGP 6.9 Bln** with an increase of **EGP 3.7 Bln** achieving a y-o-y growth of **86.4%**.

**Furthermore, the Bank has delivered strong returns across its various business lines, supported by the effective strategies it adopts**, as the Bank's return on average equity (ROAE) rose to **78%** in Q1 FY2025, compared to **63%** in the same period of FY2024 and **56%** at end of 2024. Likewise, return on average assets (ROAA) increased to **10.8%**, up from **7.5%** y-o-y and **7.2%** at end of 2024. The capital adequacy ratio (CAR) reached **30.8%**, well above the minimum requirement set by the Central Bank of Egypt, reaffirming the Bank's commitment to maximizing value for shareholders and all stakeholders.

**A strong growth was recorded in the consolidated net profit of the Bank and its subsidiaries and affiliates**, reaching **EGP 4.959 Bln** after income taxes, compared to **EGP 2.808 Bln** in the same period last year with an increase of **EGP 2.151 Bln**, reflecting a year-on-year growth rate of **77%**. This performance was driven by the successful execution of the Bank's strategic plan to enhance the performance of its group companies and expand its investments.

**In addition to the Bank's outstanding financial results**, I would like to express the management's pride and ongoing efforts to embed sustainability standards across all operational activities. As sustainability is a core pillar of the bank's new 2025–2030 strategy, given its pivotal role in supporting financial and banking stability and achieving the sustainable development goals. The Bank is fully committed to adopting the best sustainable practices recognized in the banking sector, in addition to playing an active role in financing a number of strategic projects that align with the state's direction toward green economy transformation and sustainable development. The Bank also remains dedicated to applying environmentally friendly solutions by participating in numerous initiatives aimed at promoting sustainability. On this front, a total of **EGP 7.791 Bln** has been allocated to serve sustainable finance principles across corporate financing, syndicated loans, and SME projects. As creating long-term, sustainable value for all stakeholders is not only a strategic objective, it is also a moral obligation.

**The Egyptian economy delivered a balanced performance during the first quarter of 2025**, despite both local and global economic challenges. Notably, there was a marked increase in GDP, coupled with a relative decline in inflation rates. Annual headline inflation dropped to 13.6%, while core inflation eased to 9.4% in March 2025. These improvements have had a positive impact on the outlook of credit rating agencies toward the Egyptian



economy. They also reflect a tangible enhancement in economic indicators compared to previous periods, reinforcing opportunities for foreign investment inflows and signaling growing trust in the Egyptian economy.

**Finally,** I would like to express my deepest gratitude and appreciation to the Bank's shareholders, clients, Board of Directors, executive management, dedicated staff, and all stakeholders. I truly value their continued support and unwavering trust in the Bank. This trust is what drives us to deliver even stronger financial and operational results. I have full confidence that our new 2025–2030 strategy, with its ambitious vision and clear pillars for growth and expansion, will enable us to continue our success. Also, I firmly believe in the Bank's ability to implement this strategy efficiently and flexibly, reinforcing the bank's leadership in the banking sector despite the challenges of a constantly evolving economic landscape.

## Hassan Ghanem

CEO and Managing Director



## Standalone Financial overview

### P&L Summary

Standalone Income Statement	Q1-2025	Q4-2024	Q-o-Q Change	Q1-2024	Y-o-Y Change
	EGP Mln	EGP Mln	(%)	EGP Mln	(%)
Net Interest Income	6,932	5,641	22.9%	3,720	86.4%
Net Non-Interest Income	623	366	69.9%	553	12.5%
<b>Core Banking Income</b>	<b>7,555</b>	<b>6,007</b>	<b>25.8%</b>	<b>4,273</b>	<b>76.8%</b>
Other Operating Income/ Expense	18	4	418.3%	-42	-143.7%
<b>Net Operating Income</b>	<b>7,573</b>	<b>6,011</b>	<b>26.0%</b>	<b>4,231</b>	<b>79.0%</b>
Other Provisions	21	-358	-105.8%	-73	-128.2%
Administrative Expense	-1,090	-1,431	-23.9%	-600	81.6%
Credit Loss Impairment	-118	-350	-66.4%	-294	-59.9%
<b>Net Profit Before Tax</b>	<b>6,387</b>	<b>3,871</b>	<b>65.0%</b>	<b>3,264</b>	<b>95.7%</b>
Income Tax	-1,566	-1,102	42.0%	-838	86.8%
<b>Net Profit</b>	<b>4,821</b>	<b>2,769</b>	<b>74.1%</b>	<b>2,426</b>	<b>98.7%</b>
Earnings Per Share (EGP)	8.2	4.7		4.1	

Financial Indicators	Q1-2025	Q4-2024	Q-o-Q Change	Q1-2024	Y-o-Y Change
<b>Profitability</b>					
ROAE	78.0%	48.6%	+29.5 pp	63.0%	+15 pp
ROAA	10.8%	6.6%	+4.2 pp	7.5%	+3.3 pp
<b>Margins</b>					
Net Operating Margin (NOM)	17.0%	14.3%	+2.7 pp	13.1%	+3.9 pp
Net Interest Margin (NIM)	18.2%	15.5%	+2.6 pp	13.7%	+4.5 pp
<b>Efficiency</b>					
Cost-to-Income	14.4%	23.8%	-9.4 pp	14.2%	+0.2 pp

### Net Interest Income

Standalone net interest income (NII) booked **EGP 6.9 Bln** in Q1-2025, reflecting an increase of **86.4 % y-o-y** on the back of enhanced optimization of the Bank's earning asset instruments driven by increasing of **21.0% y-o-y** in gross customer loans, a **15.4% y-o-y** increase for financial investments, and an **80.3% y-o-y** increase for due from banks. Moreover, net interest margin recorded **18.2%** in Q1-2025, which increased by **+4.5 PP y-o-y** as the Bank demonstrated higher efficiencies in portfolio management.





## Non-Interest Income

Net non-interest income inched up by **12.5% y-o-y** to register **EGP 623 Mln** in **Q1-2025** compared to **EGP 553 Mln** in the same period at the previous year due to an increase in commercial banking services combined with growth in customer fees and commissions recording **EGP 296 Mln** as **39.3% y-o-y** increase and a **54.9% y-o-y** increase in net trading income to record **EGP 30 Mln**, while Revenues of housing projects decreased by **1.7% y-o-y** to record **EGP 132 Mln**.

## Net Operating Income

Net operating income rose **79.0% y-o-y** to **EGP 7.6 Bln** in **Q1-2025**, attributable to **+76.8%** mainly in core banking income and commercial banking activities continued to grow in **Q1-2025**, As it is still affected by the interest rate hike that took place in March 2024.

## Administrative Expenses

Administrative expenses in **Q1-2025** recorded **EGP 1,1 Bln**, up **81.6% y-o-y** impacted by local currency devaluation. Despite these pressures, the Bank's cost to income ratio recorded **14.4%**, and remaining comfortably below the desirable level.



## Balance sheet Summary

Balance Sheet		Standalone	
	Mar-25	Dec-24	YTD Change
	EGP Mln	EGP Mln	(%)
Cash & Due from Central Bank	22,513	18,642	20.8%
Due from Banks	47,896	49,141	-2.5%
Financial Investments	41,906	51,581	-18.8%
Investments in Subsidiaries	2,386	2,195	8.7%
<b>Loans and Advances to Customers (Net)</b>	<b>53,583</b>	<b>50,989</b>	<b>5.1%</b>
<b>Gross Loans:</b>	<b>58,702</b>	<b>55,973</b>	<b>4.9%</b>
Corporate Loans	30,056	28,361	6.0%
Retail Loans	28,646	27,612	3.7%
Real Estate	1,555	1,449	7.3%
Other Assets	5,240	3,787	38.4%
Fixed Assets	1,726	1,672	3.2%
<b>Total Assets</b>	<b>176,806</b>	<b>179,456</b>	<b>-1.5%</b>
<b>Customer Deposits:</b>	<b>135,015</b>	<b>144,959</b>	<b>-6.9%</b>
Corporate Deposits	67,135	64,489	4.1%
Retail Deposits	67,880	80,471	-15.6%
Other Liabilities	16,615	10,252	62.1%
<b>Total Liabilities</b>	<b>151,631</b>	<b>155,211</b>	<b>-2.3%</b>
<b>Shareholders' Equity</b>	<b>25,176</b>	<b>24,245</b>	<b>3.8%</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>176,806</b>	<b>179,456</b>	<b>-1.5%</b>





## Total Assets

Total assets reached **EGP 176.8 Bln** in Mar 2025 compared to **EGP 179.5 Bln** at the end of 2024, as it decreased by **1.5% YTD**. The decrease in total assets was mainly due to the decrease in customer deposits by around **6.9% YTD**, which it Caused decrease in banks and financial investment by **2.5%** and **18.8%** respectively.

## Asset Quality and Solvency

Non-performing loans (NPL) recorded **5.7%** as of 31 Mar 2025, 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 **151.8%** as of 31 Mar 2025.

Financial Indicators	Q1-2025	Q4-2024	Q-o-Q Change	Q1-2024	Y-o-Y Change
<b>Liquidity</b>					
Gross Loans to Deposits	<b>43.5%</b>	38.6%	+4.9 pp	<b>45.5%</b>	-2.1 pp
Net Loans to Deposits	<b>39.7%</b>	35.2%	+4.5 pp	<b>41.9%</b>	-2.2 pp
<b>Asset Quality</b>					
NPLs-to-Gross Loans	<b>5.7%</b>	6.5%	-0.7 pp	<b>6.7%</b>	-1 pp
Capital Adequacy Ratio	<b>30.8%</b>	40.7%	-9.94%	<b>22.0%</b>	+8.8 pp

## Gross Loans

HDB's gross loan portfolio grew by **4.9% YTD** to **EGP 58.7 Bln** as of 31 Mar 2025 fueled by dual-driven growth in the Bank's retail and corporate loan portfolios:

- Retail loans increased by **3.7% YTD** to **EGP 28.6 Bln** as of 31 Mar 2025 compared to **EGP 27.6 Bln** at year-end 2024.
- Retail clients accounted for **48.8%** of the Bank's gross loans.
- Corporate loans booked **EGP 30.1 Bln**, reflecting **6.0% YTD** increase compared to **EGP 28.4 Bln** in year-end 2024.
- Corporate loans represent **51.2%** of the Bank's total portfolio.

Loans by segment			
	Mar-25	Dec-24	Δ
	EGP Mln	EGP Mln	
Gross Loans:	<b>58,702</b>	<b>55,973</b>	<b>4.9%</b>
Corporate Loans	<b>30,056</b>	28,361	6.0%
Retail Loans	<b>28,646</b>	27,612	3.7%



## Customer Deposits

Deposits inched down by **6.9% YTD** to **EGP 135.0 Bln** as of 31 Mar 2025, where a **15.6%YTD** decrease in retail deposits to **EGP 67.9 Bln** versus **EGP 80.5 Bln** booked at year-end 2024, and a **4.1% YTD** increase in corporate deposits to **EGP 67.1 Bln** compared to **EGP 64.5 Bln** in year-end 2024. In terms of contribution, corporate clients accounted for **49.7%** of deposits, while retail clients accounted for **50.3%** as of 31 Mar 2025.

### Deposits by segment

	Mar-25	Dec-24	Δ
	EGP Mln	EGP Mln	
<b>Customer Deposits:</b>	135,015	144,959	-6.9%
Corporate Deposits	67,135	64,489	4.1%
Retail Deposits	67,880	80,471	-15.6%

## Numbers

- HDB's branch network has reached **98** branches as of 31 Mar 2025.
- HDB's ATM network has reached **465** as of 31 Mar 2025.

## Real Estate Activity

- The Bank sold **20** residential and commercial units in Q1-2025, generating gross contracted sales of **EGP 84 Mln** during the period.
- Finished units available for sale were valued at **EGP 272 Mln** as of 31 Mar 2025.
- Works in progress stood at **EGP 1,1 Bln** in Q1-2025, 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.

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