



Housing & Development Bank  
بنك التعمير والإسكان

# HDB EARNINGS PRESS RELEASE H1 2025



***Housing & Development Bank (HDB) achieves  
Robust growth,  
Bottom-Line +73% y-o-y to EGP 8.9 Bln in H1-  
2025.***

Housing & Development Bank (EGX: HDBK) has announced a standalone net income of EGP 8.9 Bln for the First Half of 2025, expanding by 73% y-o-y. In addition to achieving net operating income EGP 14.5 Bln, as an increase of 59% y-o-y.

August 13<sup>th</sup>, 2025 | Cairo, Egypt



## Financial Highlights

### H1-2025 Standalone Financial Results

- Net income of EGP **8.9 Bln**, up **73%** y-o-y
- Net operating income of EGP **14.5 Bln**, up **59%** y-o-y
- Return on average equity of **66.8%**
- Return on average assets of **9.6%**
- Net operating margin (NOM) of **15.6%**
- Net interest margin (NIM) of **17.2%**

### Q2-2025 Standalone Financial Results

- Net income of EGP **4.1 Bln**, up **50%** y-o-y
- Net operating income of EGP **6.9Bln**, up **42%** y-o-y
- Return on average equity of **60.4%**
- Return on average assets of **8.9 %**
- Net operating margin (NOM) of **15.0%**
- Net interest margin (NIM) of **16.9%**

#### • Growth Across the Bank's Portfolio

- Customer deposits recorded an increase of 4.5% YTD to EGP 151.5 Bln as at 30 June 2025.
- The Bank's gross customer loans increased by 8.5% YTD to EGP 60.7 Bln as at 30 June 2025.
- Gross loan-to-deposit ratio stood at 40.1% in the period ended 30 June 2025.

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

- HDB's Capital Adequacy Ratio (CAR) stood at 35.7%, far above the Central Bank of Egypt's (CBE) minimum requirements. The Bank booked a CAR of 34.6% for Tier-1 and 1.1% for Tier-2 as of 30 June 2025.
- HDB reported a NSFR ratio of 205.94% and an LCR ratio of 831.39% as at 30 June 2025.
- Customer deposits constituted 93% of HDB's total liabilities as at 30 June 2025.
- Nonperforming loans (NPL) ratio stood at 5.4% while the Bank's coverage ratio recorded 159.5% in Q2-2025.

Based on HDB's standalone financials.



## Chairman's Message

**Commenting on HDB's results for H1-2025, 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 June 30, 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 "Digital-First" 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 large full-fledged 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 maintained its focus on enhancing operational efficiency and proactively managing financing costs.** This enabled the bank to fully capitalize on available opportunities while ensuring effective resource management to drive sustainable profitability. These efforts delivered clear results, reflected in the solid improvement in financial performance. Net operating income rose by 59% y-o-y to reach EGP 14.5 Bln in the first half of 2025, compared to the same period in 2024, while net profit after provisions and income taxes increased by 73.1% y-o-y to EGP 8.9 Bln, representing a substantial increase of EGP 3.8 Bln compared to EGP 5.2 Bln by the end of H1- 2024. 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, strengthening its financial position, and fostering sustainable growth.

**The bank continues its commitment to placing customer satisfaction at the forefront of its new strategy,** with a strong focus on understanding the aspirations of both current and potential customers and addressing their needs with agility and efficiency. This customer-centric approach has been instrumental in expanding HDB's customer base and increasing its market share by reinforcing trust and encouraging customers to invest in the bank's comprehensive portfolio of financial products and services. As a result, customer deposits grew by 4.5% YTD, reaching EGP 151.5 Bln in Q2-2025, compared to EGP 145 Bln at the end of 2024, marking an increase of EGP 6.5 Bln. This growth was driven by an increase in corporate deposits, which recorded EGP 73 Bln, reflecting a growth rate of 13.1% YTD, alongside the bank's commitment



to diversifying its corporate deposit portfolio to mitigate risks, enhance financial stability, and ensure sustainability by channeling deposits across a broad range of sectors and companies.

**Referring to the bank's continued development and reinforcement of its leading position in the Egyptian banking sector,** contributing to the sustainable growth of its total assets, which reached EGP 192.7 Bln up from EGP 179.5 Bln at the end of 2024, with an increase of EGP 13.2 Bln and a growth rate of 7.4% YTD. This was supported by the growth of the Bank's loan portfolio across both the retail and corporate segments, with gross loans reaching EGP 60.7 Bln by the end of Q2 FY2025, with a growth rate of 8.5% YTD. This growth was primarily driven by the growth in the corporate loan portfolio, which reached EGP 31.1 Bln, with an increase of EGP 2.8 Bln, representing a YTD growth rate of 9.8%. The retail loan portfolio reached EGP 29.6 Bln, with an increase of EGP 2 Bln, representing a YTD growth rate of 7.2%.

**The bank also achieved a notable improvement in asset quality,** reducing its non-performing loans (NPL) ratio to 5.4% in Q2-2025 compared to 6.5% at end of FY2024. This reflects the bank's commitment to growing 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 strengthened significantly to 159.5% YTD compared to 137.1% at year-end 2024.

**The bank's gross loan-to-deposit** ratio stood at 40.1% at the end of Q2 2025, compared to 38.6% at the end of FY2024. The 54.1% y-o-y increase in interest income from loans and similar revenues, alongside a 39.2% y-o-y rise in the cost of deposits and similar expenses, drove a sharp increase in net interest income, which reached EGP 13.3 Bln with an increase of EGP 5.1 Bln achieving a y-o-y growth of 62%.

**Furthermore, the Bank has delivered strong returns across its various business lines, underpinned by the effective strategies it adopts,** as the Bank's return on average equity (ROAE) rose to 66.8% in H1-2025, compared to 61.5% in the same period of FY2024. Likewise return on average assets (ROAA) increased to 9.6% in H1-2025, up from 7.5% y-o-y. HDB's capital adequacy ratio (CAR) reached 35.7%, remaining well above the minimum requirement set by the Central Bank of Egypt. The Tier 1 capital adequacy ratio stood at 34.6%, while the Tier 2 ratio reached 1.1%, 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 9.56 Bln after income taxes, compared to EGP 5.97 Bln in the same period last year with an increase of EGP 3.59 Bln, reflecting a year-on-year growth rate of 60.1%. 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 while advancing the sustainable development goals. The Bank is fully committed to adopting the best-in-class sustainable practices recognized across the banking sector and actively contributes to 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 implementing environmentally friendly solutions by participating in numerous initiatives aimed at promoting sustainability. On this front, a total of EGP 10.1 Bln has been allocated to serve sustainable finance principles across corporate financing, syndicated loans, and SME projects. In H1-2025 to serve sustainable finance principles, marking a growth rate of 104% compared to H1-2024. In addition, total utilized funds from the sustainable finance portfolio amounted to EGP 6.8 Bln in H1-2025, representing a 98% growth compared to H1-2024, across corporate financing, syndicated loans, and SME projects. This reflects the Bank's ongoing expansion in supporting initiatives with tangible environmental and social impact. As creating long-term, sustainable value for all stakeholders is not only a strategic objective, it is also a moral commitment.

**Despite ongoing domestic and global economic challenges**, the Egyptian economy demonstrated a resilient and balanced performance during the first half of 2025, achieving notable GDP growth alongside a gradual easing of inflationary pressures, supported by the Central Bank's measures to cut interest rates. These measures positively influenced credit rating agencies' outlook on the Egyptian economy, strengthened key macroeconomic indicators compared to prior periods, enhanced the competitiveness of the national economy, reinforced the private sector's contribution across various productive industries, and created stronger momentum for foreign investment inflows, reflecting growing confidence in Egypt's economic trajectory.

**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	Q2-2025	Q1-2025	Q-o-Q Change	Q2-2024	Y-o-Y Change	H1-2025	H1-2024	Y-o-Y Change
	EGP Mn	EGP Mn	(%)	EGP Mn	(%)	EGP Mn	EGP Mn	(%)
Net Interest Income	6,371	6,932	-8.1%	4,494	41.8%	13,303	8,214	62.0%
Net Non-Interest Income	541	623	-13.1%	385	40.5%	1,164	939	24.0%
<b>Core Banking Income</b>	<b>6,912</b>	<b>7,555</b>	<b>-8.5%</b>	<b>4,879</b>	<b>41.7%</b>	<b>14,467</b>	<b>9,152</b>	<b>58.1%</b>
Other Operating Income	18	18	-4.4%	15	16.3%	36	(27)	-233.5%
<b>Net Operating Income</b>	<b>6,930</b>	<b>7,573</b>	<b>-8.5%</b>	<b>4,894</b>	<b>41.6%</b>	<b>14,503</b>	<b>9,125</b>	<b>58.9%</b>
Other Provisions	(50)	21	-341.3%	65	-176.6%	(29)	(8)	259.3%
Administrative Expense	(1,192)	(1,090)	9.4%	(833)	43.1%	(2,282)	(1,433)	59.2%
Credit Loss Impairment	(200)	(118)	69.8%	(449)	-55.5%	(318)	(743)	-57.2%
<b>Net Profit Before Tax</b>	<b>5,488</b>	<b>6,387</b>	<b>-14.1%</b>	<b>3,677</b>	<b>49.2%</b>	<b>11,874</b>	<b>6,941</b>	<b>71.1%</b>
Income Tax	(1,381)	(1,566)	-11.8%	(945)	46.2%	(2,947)	(1,783)	65.3%
<b>Net Profit</b>	<b>4,106</b>	<b>4,821</b>	<b>-14.8%</b>	<b>2,732</b>	<b>50.3%</b>	<b>8,927</b>	<b>5,158</b>	<b>73.1%</b>
<i>Earnings Per Share (EGP)</i>	6.9	8.2		4.6		15.1	8.5	

Financial Indicators	Q2-2025	Q1-2025	Q-o-Q Change	Q2-2024	Y-o-Y Change	H1-2025	H1-2024	Y-o-Y Change
<b>Profitability</b>								
ROAE	60.4%	78.0%	-17.7 pp	65.0%	-4.7 pp	66.8%	61.5%	+5.2 pp
ROAA	8.9%	10.8%	-1.9 pp	7.7%	+1.2 pp	9.6%	7.5%	+2.1 pp
<b>Margins</b>								
Net Operating Margin (NOM)	15.0%	17.0%	-2 pp	13.8%	+1.2 pp	15.6%	13.3%	+2.3 pp
Net Interest Margin (NIM)	16.9%	18.8%	-1.9 pp	15.7%	+1.2 pp	17.2%	14.7%	+2.5 pp
<b>Efficiency</b>								
Cost-to-Income	17.2%	14.4%	+2.8 pp	17.0%	+0.2 pp	15.7%	15.7%	+0 pp

### Net Interest Income

In Q2-2025 Standalone net interest income (NII) booked EGP 6.4 Bln, reflecting an increase of 41.8% y-o-y on the back of enhanced optimization of the Bank's earning asset instruments driven by increasing of 19.6% Y-o-Y in gross customer loans, and an 92.9% Y-o-Y increase for Financial investments. Moreover, net interest margin recorded 16.9% in Q2-2025 compared to 15.7% in Q2-2024, which increased by +1.2 PP y-o-y as the Bank demonstrated higher efficiencies in portfolio management.

In H1-2025 NII recorded EGP 13.3 Bln, increasing by 62.0% y-o-y. Worth to mention, NIMs rising by +2.5 pp from H1-2024 to record 17.2% in H1-2025.





## Non-Interest Income

Net non-interest income inched Up by **40.5%** y-o-y to register EGP **541 Mln** in Q2-2025 compared to EGP **385 Mln** in Q2-2024. However, gain from housing projects, net commission and fees, and dividends income increase by **71.5%**, **20.3%**, and **79.5%** respectively. In Y-o-Y basis, Net non-interest income increased by **24.5% Y-o-Y** to record EGP **1.2 Bln** in H1-2024.

## Net Operating Income

Net operating income rose 41.6% y-o-y to EGP 6.9 Bln in Q2-2025, attributable to a 41.7% y-o-y increase in core banking income. In H1-2025 net operating income recording EGP 14.5 Bln, increased by 58.9% y-o-y.

## Administrative Expenses

Administrative expenses in Q2-2025 stood at EGP 1.2 Bln, increased by 43.1% y-o-y due to higher costs driven by the impact of inflationary pressures in Egypt and impacted by local currency devaluation. The Bank's cost to income ratio booked 17.2%. On Y-o-Y basis.

in H1-2025 administrative expenses recorded EGP 2.3 Bln increased by 53.7% y-o-y, yielding a cost to income ratio of 15.7% in H1-2025, yet remaining comfortably below the desirable level of 30%.



## Balance sheet Summary

Balance Sheet	Standalone				
	Jun-25	Dec-24	YTD Change	Jun-24	YOY change
	EGP Mn	EGP Mn	(%)	EGP Mn	(%)
Cash & Due from Central Bank	24,646	18,642	32.2%	19,304	27.7%
Due from Banks	6,429	49,141	-86.9%	24,975	-74.3%
Financial Investments	95,486	51,581	85.1%	49,510	92.9%
Investments in Subsidiaries	2,386	2,195	8.7%	2,195	8.7%
<b>Loans and Advances to Customers (Net)</b>	<b>55,536</b>	<b>50,989</b>	<b>8.9%</b>	<b>46,411</b>	<b>19.7%</b>
<b>Gross Loans:</b>	<b>60,729</b>	<b>55,973</b>	<b>8.5%</b>	<b>50,763</b>	<b>19.6%</b>
Corporate Loans	31,139	28,361	9.8%	24,144	29.0%
Retail Loans	29,590	27,612	7.2%	26,618	11.2%
Real Estate	1,633	1,449	12.7%	1,274	28.3%
Other Assets	4,842	3,787	27.9%	4,904	-1.3%
Fixed Assets	1,742	1,672	4.2%	1,409	23.7%
<b>Total Assets</b>	<b>192,701</b>	<b>179,456</b>	<b>7.4%</b>	<b>149,981</b>	<b>28.5%</b>
<b>Customer Deposits:</b>	<b>151,545</b>	<b>144,959</b>	<b>4.5%</b>	<b>121,703</b>	<b>24.5%</b>
Corporate Deposits	72,964	64,489	13.1%	68,077	7.2%
Retail Deposits	78,582	80,471	-2.3%	53,625	46.5%
Other Liabilities	11,907	10,252	16.1%	10,104	17.8%
<b>Total Liabilities</b>	<b>163,452</b>	<b>155,211</b>	<b>5.3%</b>	<b>131,807</b>	<b>24.0%</b>
<b>Shareholders' Equity</b>	<b>29,249</b>	<b>24,245</b>	<b>20.6%</b>	<b>18,174</b>	<b>60.9%</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>192,701</b>	<b>179,456</b>	<b>7.4%</b>	<b>149,981</b>	<b>28.5%</b>





## Total Assets

Total assets reached EGP 192.7 Bln at the end of June 2025 compared to EGP 179.5 Bln at the end of 2024, with an increase of EGP 13.2 Bln and a growth rate of 7.4% YTD. The increase in total assets was driven by an increase in net loans by 8.9% YTD and financial investment by 85.1%YTD.

## Asset Quality and Solvency

Non-performing loans (NPL) recorded 5.4% as at 30 June 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 159.5% as at 30 June 2025.

Financial Indicators	Q2-2025	Q1-2025	Q-o-Q Change	Q2-2024	Y-o-Y Change	H1-2025	H1-2024	Y-o-Y Change
<b>Liquidity</b>								
Gross Loans to Deposits	40.1%	43.5%	-3.4 pp	41.7%	-1.6 pp	40.1%	41.7%	-1.7 pp
Net Loans to Deposits	36.6%	39.7%	-3 pp	38.1%	-1.5 pp	36.6%	38.1%	-1.4 pp
<b>Asset Quality</b>								
NPLs-to-Gross Loans	5.4%	5.7%	-0.4 pp	6.5%	-1.1 pp	5.4%	6.5%	-1.1 pp
Capital Adequacy Ratio	35.7%	30.8%	4.9%	25.5%	10.2%	35.7%	25.5%	10.2%

## Gross Loans

HDB's gross loan portfolio grew by 8.5% YTD to EGP 60.7 Bln in H1-2025 fueled by dual-driven growth in the Bank's corporate and retail loan portfolios:

- Corporate loans booked EGP 31.1 Bln, reflecting 9.8% YTD increase as of 30 June 2025 compared to EGP 28.4 Bln in year-end 2024.
- Corporate loans represent 51% of the Bank's total portfolio.
- Retail loans increased 7.2% YTD to EGP 29.6 Bln as of 30 June 2025 compared to EGP 27.6 Bln at year-end 2024.
- Retail clients accounted for 49% of the Bank's gross loans.

### Loans by segment

	Jun-25	Dec-24	Δ
	EGP Mln	EGP Mln	
<b>Gross Loans:</b>	<b>60,729</b>	<b>55,973</b>	<b>8.5%</b>
Corporate Loans	31,139	28,361	9.8%
Retail Loans	29,590	27,612	7.2%



## Customer Deposits

Deposits inched up by 4.5% YTD to EGP 151.5 Bln in H1-2025, where a 13.1% YTD increase in corporate deposits to EGP 73.0 Bln compared to EGP 64.5 Bln in year-end 2024. Retail deposits decreased by 2.4% YTD to record EGP 78.6 Bln as of 30 June 2025 versus EGP 80.5 Bln booked at year-end 2024. In terms of contribution, corporate clients accounted for 48% of deposits, while retail clients accounted for 52% as of 30 June 2025.

### Deposits by segment

	Jun-25	Dec-24	Δ
	EGP Mln	EGP Mln	
<b>Customer Deposits:</b>	<b>151,545</b>	<b>144,959</b>	<b>4.5%</b>
Corporate Deposits	72,964	64,489	13.1%
Retail Deposits	78,582	80,471	-2.3%

## Numbers

- HDB's branch network has reached 98 branches as at 30 June 2025.
- HDB's ATM network has reached 457 as at 30 June 2025.

## Real Estate Activity

- The Bank sold 70 residential and commercial units in H1-2024, generating gross contracted sales of EGP 231 Mln during the period.
- Finished units available for sale were valued at EGP 255 Mln as of 30 June 2025.
- Works in progress stood at EGP 1.2 Bln in H1-2025, 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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