Housing & Development Bank
بنك التعمير و الإسكان

Housing & Development Bank
Board of Directors Report 2025

Annual Report of the Board of Directors of the Housing and Development Bank (HDB)
In accordance with the provisions of Article (40) of the Listing Rules

Basic Data of the Bank

Bank Name	Housing & Development Bank (HDB)		
Objective of the Bank	Finance construction, housing and urban expansion projects to provide suitable housing for low-income people and others, and contribute to the establishment and financing of construction, utilities, urban, tourism and industrial development projects and other areas included in the Investment Law, as well as conduct all banking activities, foreign exchange operations and all banking services and activities carried out by investment banks. In order to achieve its objectives, the Bank shall do the following: (1) Accept deposits in Egyptian and foreign currencies, open escrow accounts in foreign currencies, and buy and sell foreign currencies for the Bank's customers. (2) Issue savings certificates for development and housing. (3) Conduct banking activities and grant loans and credit facilities. (4) Manage, market and invest loans and funds, including any available external loans or grants. (5) Invest the Bank's funds in various aspects of investment to ensure the achievement of its objectives and the development of its resources, particularly: - ➢ Contribute to the establishment of companies and projects to achieve all or some of the Bank's objectives. ➢ Finance and practice all works related to housing and development. (6) Carry out the work of investment trustees in collecting, receiving and paying funds, including agency and financial representation of customers, etc., and provision of investment services. Generally, the Bank may undertake all technical, economic, and social projects and studies. It may also have an interest in or participate in any way with entities that conduct similar activities or that may assist it in achieving its objectives in Egypt or abroad. Furthermore, it may merge with the aforementioned entities, purchase them, or affiliate them thereto, provided that the approval of the General Authority for Investment is obtained.		
Bank Term	50 years commencing as of the licensing date 30/06/1979	**Date of listing on the Stock Exchange**	16/07/1997
The law governing the Bank	8 of 1997	**Nominal Value per Share**	10 Pounds
Last Authorized Capital	10 Billion Egyptian pounds	**Latest issued capital**	Five billion, three hundred and thirteen million Egyptian pounds
Last Paid-up Capital	Fivebillion, three hundred andthirteenmillion Egyptian pounds	**Commercial Registration Number & Date**	No. 95528 dated 30/06/1979
Contact Person	1- Gamal Mahmoud Soliman 2- Hany Helmy Nassef 3- Amr Fawzy Hussein		
Head Office Address	26 El-Kroum St. – Mohandiseen		
Phone No.	37602833		
Website	www.hdb-egy.com		
E-mail	Hdb09@hdb-egy.com		

Auditors

Auditor Name	Amr Wahid Abdel Ghaffar (Mohamed Hilal & Wahid Abdel Ghaffar - Baker Tilly Office)
Date of Appointment	25/03/2025
Authority registration number	9380
Auditor Name	Rania Salah El-Din Mohamed Tawfik (Accountability State Authority)

Structure of the Bank's Shareholders (who own 5% or more): -

Name	No. of shares held on reporting date	%
New Urban Communities Authority	158395608	29.81%
Rolaco EGB for Investments	53127655	9.9996%
RIMCO EGT INVESTMENT LLC	52264800	9.84%
Misr Life Insurance Company	48295170	9.09%
Misr Insurance Company	44068465	8.29%
Housing Finance Fund	39355890	7.41%
Egyptian Endowments Authority	26724390	5.03%
Total	422231978	79.47%

Last Composition of the Board of Directors: -

S	Member Name	Member Capacity (Executive/ Non-Executive/)	No. of Shares Owned	Date of Joining	Represented Entity
1	**Mr. Basel Mohammed Bahaa El-Din El-Hini**	Non-Executive	--	14/05/2023	Chairman - Independent
2	**Mr. Hassan Ismail Helmy Ghanem**	Executive	7263371	13/09/2017	Managing Director representing the Insurance Fund of HDB personnel
3	**Dr. Eng. Hani Atef Nabhan Sweilem**	Non-Executive	158395608	14/11/2023	Board Member representing the Urban Communities Authority
4	**Eng. Sherif Magdy Hussein Ahmed Sherbini**	Non-Executive	158395608	02/02/2025	Board Member representing the Urban Communities Authority
5	**Eng. Randa Ali Al-Minshawy**	Non-Executive	158395608	13/08/2013	Board Member representing the Urban Communities Authority
6	**Mr. Alaa El-Din Farouk Zaki**	Non-Executive	158395608	28/10/2025	Board Member representing the Urban Communities Authority
7	**Mr. Mohamed Nabil Abdelsalam Mohamed El-Maazawy**	Non-Executive	53127655	14/05/2023	Board Member representing Rolaco EGB for Investments
8	**Mr. Sherif Ahmed Mohamed El-Sayed Al-Akhdar**	Non-Executive	52264800	29/05/2023	Board Member representing RIMCO EGT Investment
9	**Mr. Mostafa Mohamed Mostafa Mohamed El-Kamash**	Non-Executive	48295170	29/12/2022	Board Member representing Misr Life Insurance Company
10	**Mr. Alaa El-Din Ahmed Ali Hassan**	Non-Executive	44068465	09/08/2023	Board Member representing Misr Insurance Company
11	**Mr. Mahmoud Awad Mohamed Mohamed El-Nagdy**	Non-Executive	26724390	17/09/2025	Board Member representing Egyptian Endowments Authority
12	**Mr. Ahmed Saad El-Din Abdo Abu Hindia**	Non-Executive	100000	13/10/2020	Board Member – in his capacity as a Shareholder
13	**Mrs. Ghada Yousry Khedr Ismail**	Non-Executive	--	29/04/2025	Board Member – Independent

Changes Made to the Composition of the Board during the Year: -

- On 02/02/2025, Eng. Sherif Magdy Hussein Ahmed Sherbini, was appointed as a Board Member, representing the New Urban Communities Authority, instead of Mr. Mohamed Essam El-Din Ramadan.
- On 29/04/2025, Ms. Ghada Yousry Khedr Ismail was appointed as a Board Member – Independent.
- On 29/07/2025, Dr. Eng. Asim Abdel Hamid Al-Jazzar submitted his resignation from the Board membership - representing the New Urban Communities Authority.
- On 17/09/2025, Mr. Mahmoud Awad Mohamed Mohamed El-Nagdy was appointed as a Board Member- representing Egyptian Endowments Authority.
- On 28/10/2025, Mr. Alaa El-Din Farouk Zaki was appointed as a Board Member- representing the New Urban Communities Authority, instead of Dr.Eng. Asim Abdel Hamid Al-Jazzar.

Board Meetings

Number of Board meetings during the year	**16 meetings**

Latest formation of the Audit Committee:

Name	position	Representing
Mr. Basel Mohammed Bahaa El-Din El-Hini	**Chairman of Auditing Committee**	**Independent**
Mr. Mostafa Mohamed Mostafa Mohamed ElKamash	**Member of Auditing Committee**	**Representative of Misr Life Insurance Company**
Mr. Ahmed Saad El-Din Abdo Abu Hindia	**Member of Auditing Committee**	**Shareholder**

Auditing Committee

The Committee shall determine its terms of reference in accordance with the governance and internal control instructions issued by the CBE, as well as the Committee's working system approved by the Board of Directors.

Duties and Terms of Reference of the Committee:

- One of the most important functions of the Auditing Committee is to approve the nomination of those responsible for the Internal Audit and Compliance Sectors before obtaining the approval of the CBE, as well as to monitor the work of both sectors, particularly the soundness of the internal control systems. Both the Head of Internal Audit Sector and the Head of Compliance Sector shall report directly to the Auditing Committee, which shall present the matter to the Board of Directors.
- Discuss the topics deemed important by the Committee with the Head of Internal Audit Sector, the Head of the Bank's Compliance Sector, the auditors, and the relevant officials.
- Study the quarterly and annual financial statements for approval before presenting them to the Board of Directors for approval, in the presence of the Head of Financial Sector.
- Review the financial statements prepared for publication and ensure their consistency with the financial statements preparation and presentation rules issued by the CBE.
- Review and approve the annual plan of each of the Internal Audit Sector and the Compliance Sector, and regularly follow up the achieved part thereof.
- Review the reports prepared by the Internal Audit Sector, including reports relating to the adequacy of the Bank's internal control systems.

- Review the reports prepared by the Bank's Compliance Officer, particularly regarding violations of laws and instructions issued by the CBE, the Bank's internal regulations, and anti-money laundering and counter-terrorism financing procedures, review the reports received from the Customer Rights Protection Unit, consider the proposed measures and supervise their implementation if approved, review the periodic reports related to reporting of violations and illegal practices, assess the Bank's whistleblowing and whistle-blower protection system.
- Study the obstacles facing the internal audit process or the work of the compliance officer and propose ways to overcome them.
- Review the actions taken by the Bank to comply with the regulatory controls issued by the CBE and verify that the necessary corrective measure is taken in case of violation.
- Study the CBE's feedback that is contained in the control and oversight reports, as well as those related to the financial statements, and report them to the Board of Directors, along with the Committee's recommendations, while following up correction thereof.
- The Auditing Committee plays a crucial role regarding the work of the Bank's auditors through the following:
    - Submitting proposals regarding the nomination and appointment of auditors and determining their fees, or considering changing any of them, in a manner that does not conflict with the provisions of the Central Bank Law, the Accountability State Authority Law, and the instructions issued in this regard.
    - Coordinating between the internal and external audit functions and ensuring that communication channels are available between the Head of Internal Audit, the auditors, the Board of Directors, and the Auditing Committee.
    - Agreeing on and approving the scope of the audit with the auditors and overseeing the Bank's applicable accounting policies.
    - Studying the auditors' feedback contained in their report on the Bank's financial statements and other reports sent to the Bank throughout the year, submitting them to the Board of Directors along with the committee's recommendations, and ensuring that the Bank takes the necessary corrective actions in a timely manner, including shortcomings and weaknesses in the internal control system and non-compliance with the applicable policies and laws.
- Present a quarterly report detailing the performance of the relevant sectors, discuss it with the Board, and identify the necessary corrective actions to be taken in a timely manner.
- Review the reports on the experience, training, and qualifications of employees of the auditing and compliance sectors.
- Review the internal audit and compliance policies and regulations and present them to the Board for approval.
- Conduct an annual performance evaluation for both the Head of Internal Audit and the Head of Compliance, and submit the results of this evaluation to the Board and using it as a reference for determination of compensations, remunerations and annual increases, and make recommendations to the Board to approve the appointment, dismissal or acceptance of the resignation of either of them.
- Present the organizational structure of the Internal Audit Sector and Compliance Sector, including their duties and responsibilities, for the approval of the Board.
- Review any legal proceedings that may affect the Bank's financial position.

Works of the Committee during the year:

Number of the Auditing Committee's meetings	**16 meetings**
Have the Committee's reports been presented to the Bank's Board?	**Yes, this is part of the Committee's duties.**
Have the Committee's reports included any material observations that should be addressed?	**Yes, there are some observations, although they do not affect the Bank's financial position, i.e. within the normal course of business and operations.**
Has the Board addressed the material observations?	**Yes, within the normal course of business and operations**

Risk Committee

The Committee shall determine its terms of reference in accordance with the governance and internal control instructions issued by CBE, as well as the Committee's working system approved by the Board of Directors.

Duties and Terms of Reference of the Committee: -

- One of the most important functions of the Committee is to approve the nomination of the person in charge of the Risk Sector before obtaining the approval of the CBE, approve the Sector's work procedures and follow up on its tasks and responsibilities. The Committee shall also monitor compliance with risk-related policies and ensure that such policies are applied by the Top Management through the reports sent to it by the Head of Risk Sector and other relevant departments and sectors. On the other hand, the Committee shall submit quarterly periodic reports to the Board.
- The organizational structure of the Risk Sector, including its duties and responsibilities, shall be presented to the Risk Committee and approved by the Board.
- The Committee shall submit its proposals regarding the Bank's risk management policies, including the acceptable limits, and ensure their compliance with the limits set by the Bank's Board of Directors (including those related to capital indicators and management of liquidity, credit and market risks, operational risks, information security risks, and any other risks to which the Bank may be exposed). The Bank's Board of Directors shall approve and ratify those policies.
- The Committee shall ensure that the Risk Sector conducts, on at least a quarterly basis, an assessment of all of the Bank's risks, including the procedures taken in this regard. Such assessment shall be presented to the Committee and approved by the Board of Directors at the first meeting following the assessment.
- The Committee shall ensure that the Risk Sector periodically reviews the values of the real guarantees provided as guaranteed for the credit facilities, determines the measures that must be taken to confront any decrease in these values, and submits a report in this regard to the Committee on an annual basis.
- The Committee shall conduct an annual performance evaluation for the Head of Risk Sector, and submit the results of this evaluation to the Board and using it as a reference for determination of compensations, remunerations and annual increases, and make recommendations to the Board to approve the appointment, reappointment, dismissal or acceptance of the resignation thereof.

Compensations and Remunerations Committee

The Committee shall determine its terms of reference in accordance with the governance and internal control instructions issued by the CBE, as well as the Committee's working system approved by the Board of Directors.

Duties and Terms of Reference of the Committee: -

- The Committee shall be directly responsible for approving the proposed remunerations of the Bank's senior executives (the Managing Director and Assistant Managing Directors), including all financial transactions such as compensations, allowances, in-kind benefits, incentive shares, retirement and end-of-service benefits, and any other items of a financial nature. Recommendations shall be made considering the Bank's objectives, strategy, and acceptable level of risk, and the Committee shall issue the necessary recommendation in preparation for presenting it to the Board for approval.
- Attention shall be paid to the Bank's internal control functions (risk management, compliance management, and internal audit) in terms of financial transactions in general, as well as the remuneration rate, which is determined according to the performance evaluation and the achieved objectives, without compromising their independence.
- The Committee shall analyze the results of studying and reviewing the level of compensations granted by the Bank and shall compare them to the average compensations provided by similar banks and institutions to verify the Bank's ability to attract and retain the best personnel.
- The Committee shall propose allowances, remunerations and other benefits of non-executive board members that are approved by the General Assembly. They shall not be rewarded by granting them a monthly or annual compensation or through shares or variable wages. The Bank's Board shall determine the compensations, remunerations, allowances and other benefits of executive members.
- The Committee shall be responsible for setting clear and documented policies regarding the Bank's compensations and remunerations, to be periodically reviewed and re-assessed in compliance with the level of risks to which the Bank is exposed, while clarifying the bases thereof. These policies must be approved by the Board and disclosed, including the total value of the benefits of the top twenty highest-paid receivers of remunerations and compensations in the Bank collectively, provided that this includes the compensations, allowances, in-kind benefits, incentive shares and any other items of a financial nature.
- The Committee shall determine the size of variable compensations, with the possibility of setting a maximum limit, and how they are distributed among the Bank's departments.
- Any other tasks assigned to the Committee by the Board of Directors.

The Committee must take the following into account when carrying out its work:

- The Bank's long-term objectives shall be considered when proposing the compensation and remuneration policies. In particular, remunerations of the members of the Bank's Top Management shall not be linked to short-term objectives only.
- For employees whose jobs have a significant impact on the level of risk, their variable compensations shall reflect the Bank's performance and the risks to which it is exposed, and shall be determined periodically for a period not exceeding one year, and disbursed according to the performance measurement standards based on the recommendations of the CEO and Managing Director.
- If the remunerations are granted in the form of shares or property rights, they shall be granted in accordance with the job level, and a minimum holding period and retention period must be set for these instruments.

Governance and Nominations Committee:

The Committee shall determine its terms of reference in accordance with the governance and internal control instructions issued by the CBE, as well as the Committee's working system approved by the Board of Directors.

Duties and Terms of Reference of the Committee: -

- Periodically assess the Bank's governance system.
- Submit its proposals regarding the governance policy
- Prepare a governance report for the Bank and presenting it to the Board for approval at least on an annual basis, with a copy provided to the CBE.
- Review the Bank's annual report, particularly with regard to the governance-related items.
- Study the observations of CBE's inspection of the governance system, take them into account, and follow up on the implementation of the corrective actions.
- Submit proposals regarding the nomination of the independent non-executive members, and proposals regarding appointment, renewal of membership, or dismissal of any board member based on their annual evaluation.
- Keep, document and follow up on the reports on the Board's performance evaluation.
- Review reports prepared on the frequency of meetings of the Board's Committees.
- Review the induction program and training programs provided to the Board members.
- Review the Bank's succession plan before presenting it to the Board of Directors for approval.
- If the Chairman is a member of the Committee, he must not attend the Committee meeting where the proposed successor is named, should he leave his office for any reason, to avoid any conflict of interest.

A Board member shall be deemed independent if he/she meets the following conditions:

- He/she should not be one of the Bank's employees or directors or one of its related parties during the previous three years.
- He/she should not have kinship with any of the Board members, the Top Management, the Bank's advisors, or any of the parties associated with them, up to the second degree.
- He/she should not have any interests that conflict with his/her duties or that would affect his/her impartiality when making decisions.
- He/she should not receive any salary or sum of money from the Bank except what is received in exchange for his/her membership in the Board or its committees.
- He/she should not be (or represent) a shareholder in the Bank, directly or indirectly.
- He/she should not be a partner or an employee of the Bank's external auditor during the previous three years.
- The term of his/her membership should not exceed six consecutive or non-consecutive years.
- He/she should not be a board member of any of the parties associated with the Bank.
- He/she should not have any common interests with the Board members and the Bank's Top Management through his/her shareholding in other companies or organizations.

There are other committees including the following:

- Executive Committee
- Investment Committee
- Donations Committee
- IT Board Committee
- Engineering and Real Estate Affairs Committee

Executive Committee

Formation of the Committee

- The Board of Directors shall issue a resolution regarding the formation of the members of the Committee.

Duties and Terms of Reference of the Executive Committee: -

1. Examine and make decisions regarding financing and credit facilities within the powers granted to the Committee in application of the rules of providing credit as established by the Bank.
2. Examine and make decisions regarding the contributions to the companies' capital within the powers granted to the Committee.
3. Express an opinion on the rating reports of the financing and credit facilities provided by the Bank to its customers, the corresponding provisions proposed to be made, and the reports evaluating the contributions to the companies' capital and present them to the Board of Directors, along with its opinion.
4. Express an opinion on amending the Bank's organizational and functional structure and the regulations and rules of its business.
5. Exercise the powers stipulated in the Bank's regulations.
   - The Committee shall hold at least one meeting per month or whenever its chairman or one of the executive members invites it to a meeting.
   - The Committee's decisions shall be issued by a two-thirds majority of the members present. The Committee may issue decisions by circulation, provided that such decisions are approved by all its members.
   - The deliberations of the Executive Committee shall be recorded in minutes that are distributed to all of the Board members and signed by the Chairman and Secretary. Such minutes shall be recorded in a special register and signed by its Chairman and Secretary.

Investment Committee

Terms of Reference of the Investment Committee

- Follow up on the work of the Bank's Investment Sector.
- Examine the raised investment topics and issue recommendations for each topic before submitting them to the Board of Directors for approval.
- Review the results of the Bank's shareholdings in the various companies and investment vehicles.
- Review the results of the Investment Sector's business on a quarterly basis.

Donations Committee

Terms of Reference of the Donations Committee: -

- Develop a general vision or idea that would lead to an increase in the Bank's social participation through the donations provided by it every year, for the benefit of a large segment of the civil society.

IT Board Committee

The purpose of the Committee is to review and monitor the Bank's technology strategy and the significant technology investments to support the Bank's strategic needs.

Terms of Reference of the IT Board Committee: -

- The objectives and responsibilities of the Committee are represented in monitoring the Bank's strategy and important investments in the areas mentioned below. The IT Board Committee may revise any policy or procedure depending on the nature of the topic and the developments that affect the Bank in respect of the same topic.

The Committee shall be responsible for the following:

- Follow-up on the implementation of the IT strategic plan.
- Recommend the updates to the IT strategic plan.
- Present the projects planned to be executed in the next year.
- Present the budget of the Information System Sector compared to the actual situation and explain the reasons for the differences, if any (before the beginning of the next year).
- Manage the risks related to the Bank's IT and infrastructure investments.
- Take note of the CBE's urgent requests, whether new services or additional insurance requirements, their impact on the budget, as well as their execution progress.
- Present the CBE's oversight reports on the IT Sector and the corrective plans to the Committee.
- Ensure that the external technology-based threats and opportunities are addressed and that the necessary actions are taken.
- Review and recommend changes to the IT security policy.
- Review the business continuity plan to ensure that all required tests have been performed, as required by the plan, and that the results are satisfactory.
- Review any other IT-related issues that may affect the Bank.
- Consider changes to the IT sector budget, including changes in the cost of any project compared to what was previously presented in the budget, or the addition of new projects or other contracts that may result in capital costs.

Engineering and Real Estate Affairs Committee

Terms of Reference of the Engineering and Real Estate Affairs Committee: -

- Develop the strategies and policies and propose aspects of development of the engineering works of the Bank and its subsidiaries.
- Observe the Bank's long-term objectives and take them into consideration, as well as the short-term goals in order to achieve them.
- Review the technical studies of the projects and take note of its feasibility studies and recommendations that precede the Bank's purchase of any property or projects for the purpose of investment.
- Follow up on the work of the Bank's engineering sectors.
- Follow up on the work of the Bank's Investment and Housing Sector.
- Follow up on the engineering and real estate work of the holding company and the Bank's real estate investment companies.
- Seek and find appropriate solutions to the engineering and real estate problems that hinder the execution of the projects or that may face any of the Bank's engineering sectors.

It must be emphasized that all of the Board Committees carry out their work independently and transparently, and that all their topics are discussed and presented to the Bank's Board of Directors.

Insider Trading:

The Bank discloses the availability of this policy, which aims to control insider trading operations on the Bank's shares, regulate relations with related parties, and conclude commutative contracts in accordance with the rules of the regulatory authorities.

Data of the Bank's Employees:

Average number of employees during the year	3269 employees
Average income of employees during the year	377,809 Pounds during the year

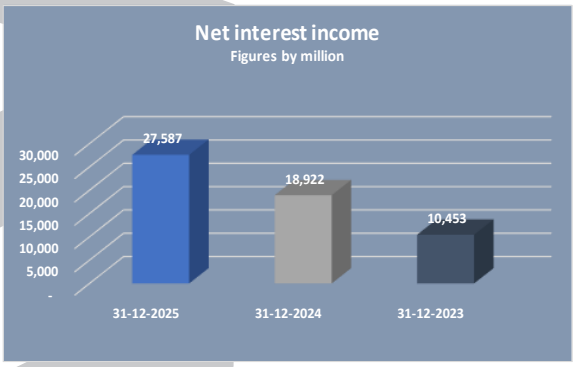
Violations and Procedures Related to the Capital Market Law and Listing Rules:

There are no violations or procedures against the Bank by the regulatory authorities

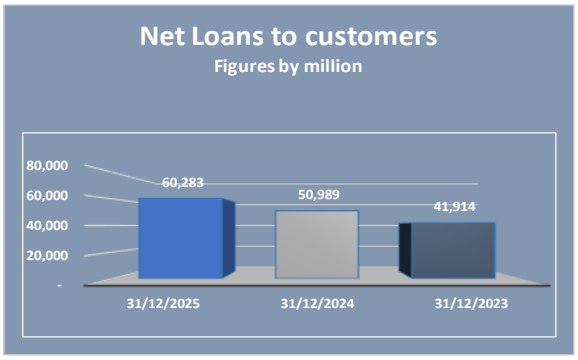
Summary of Bank results for the year ended 2025

- HDB continued to achieve robust performance and exceptional growth rates during 2025, HDB results achieved under the current circumstances reflect the bank's ability to adapt and deal with changing conditions professionally and dynamically, while adhering to the highest standards of operational efficiency, through the application of its ambitious and proactive strategy to meet the needs of the Egyptian banking market, with an aim to enhance HDB activities and banking services, while expanding its customer base, in addition to adopting a distinctive and unique business model through which it was able to maximize the benefit of all available opportunities to achieve such exceptional success, where net operating revenues increased by 44.8% to reach EGP 29.7 Bln. during FY2025, with 56% increase in net profit, recording EGP 17.206 Bln. during the same year.
- The top main aspect of HDB strategy is to assign top priority to clients in order to deliver on its plan aimed at expansion and growth, which in turn resulted in the bank continuing to strengthen its assets, where the total assets amounted to EGP 229.8 Bln. at the end of December 2025, with a growth rate of 28% compared to total assets of 31 December 2024. This resulted from EGP 9.3 Bln growth in HDB net loan portfolio (with a growth rate of 18%), reaching EGP 60 Bln. at the end of 2025. Such increase in HDB loan portfolio is represented by a EGP 5.3 Bln. increase in the retail loan portfolio (with a growth rate of 19%), reaching ~EGP 33 Bln., and a EGP 4.5 Bln. increase in the corporate loan portfolio (with a growth rate of 16%), reaching ~EGP 32.8 Bln. at the end of 2025. and the net interest margin rose to 16.11%, compared to 14.94% during the previous year.
- Non-performing loans stabilized at 4.99% during FY2025, compared to 6.48% in December 2024, where HDB is committed to continue its efforts to reduce non-performing loan ratio to ensure sustainable growth, with the coverage rate increasing to 165.52% during the current year. In this context, HDB reaped the benefits of its solid positioning in the banking sector, whereby recording a 24% increase in customers' deposits, with total deposits of EGP 179 Bln. on December 31, 2025, driven by 16% increase in institutions deposits, which reflects the confidence the customers have in the products and services provided by HDB. The bank encouraged existing and new customers to invest their savings by promoting savings certificates/saving accounts products, which resulted in increase in total savings certificates to reach to EGP 22.7 Bln, with a growth rate of 52%. Further, the total deposits from savings accounts also recorded a EGP 3.7 Bln increase, with a growth rate of 40%, during the FY2025, which contributed to expanding the customer base and increasing HDB market share. This indicates that HDB has been able to achieve distinguished returns due to the effective strategies it adopts across its various sectors, as well as the efficiency of HDB management in professionally managing HDB resources in an optimal manner to maximize profitability. The growth in net profits during FY2025 resulted in in Return on Average Equity of 55.69%, compared to 55.75% during the previous year, along with a 8.41% return on average assets, compared to 7.25% during the previous year.

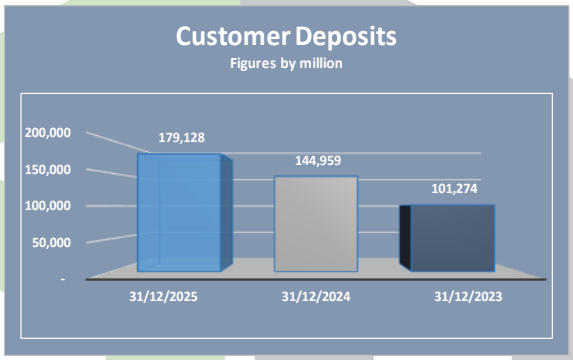
Separate Financial Ratios



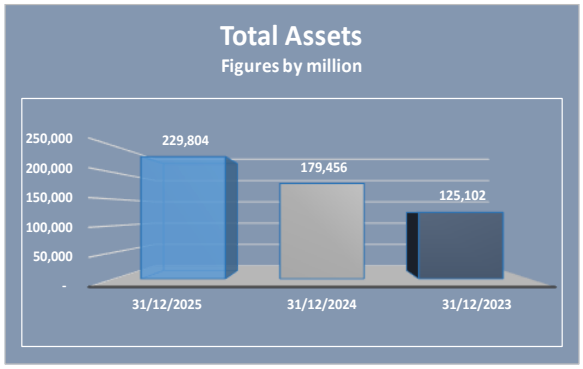
Increase in HDB net loans to customers by EGP 9.3 Bln. (18%) in 2025, over 2024.



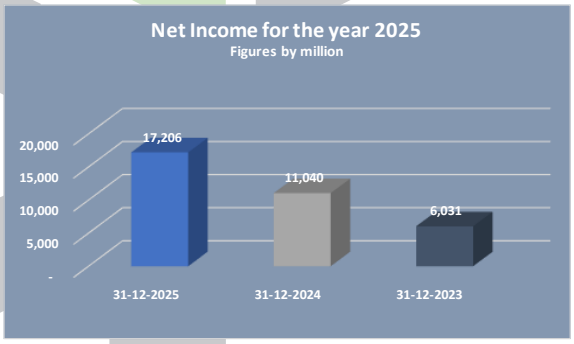
Increase in HDB total assets by EGP 50.348 Bln. (28%) in 2025, over 2024.



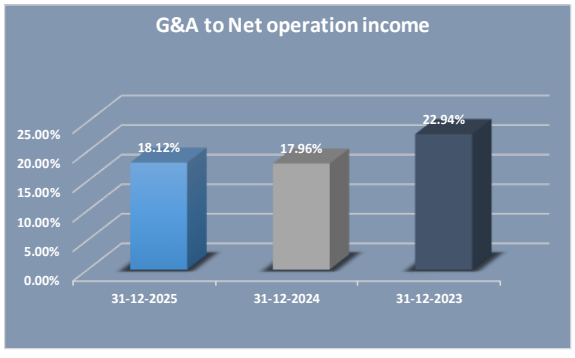
Increase in HDB net interest income by EGP 8.665 Bln (46%) in 2025, over 2024.



Increase in HDB customer deposits by EGP 34 Bln. (24%) in 2025, over 2024.

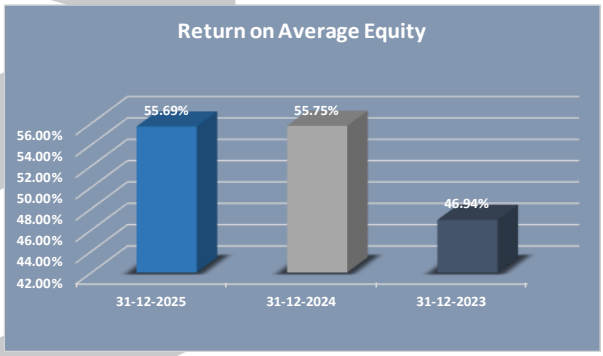


Increase in HDB G&A to income ratio from 17.96% in 2024 to 18.12% in 2025.

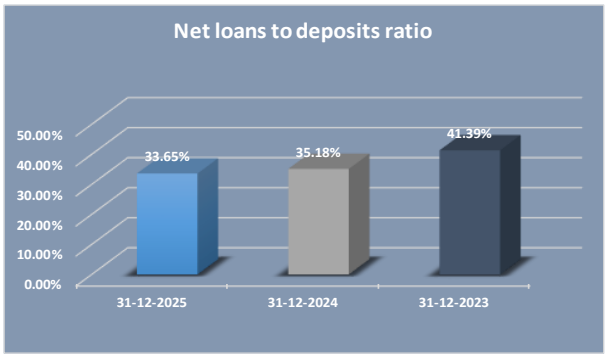


Increase in net income for the year by EGP 6.166 Bln (56%) in year 2025 over 2024.

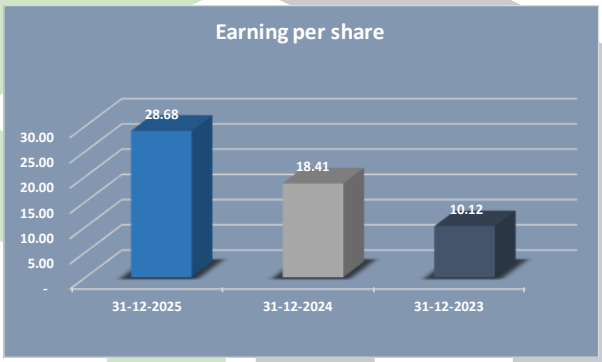
Separate Financial ratios



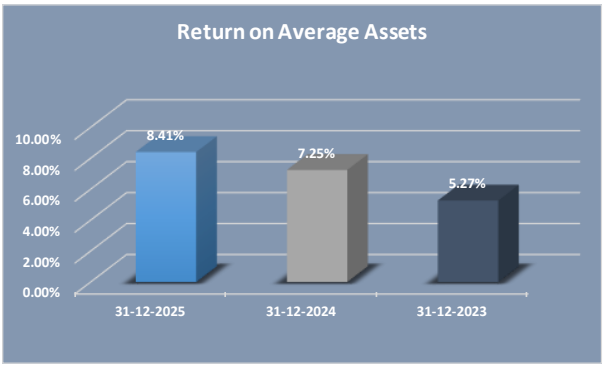
Net loans to deposits in 2025 reached 33.65% included advances related to lands and real estate units, raising to 51.63% upon excluding these advances.



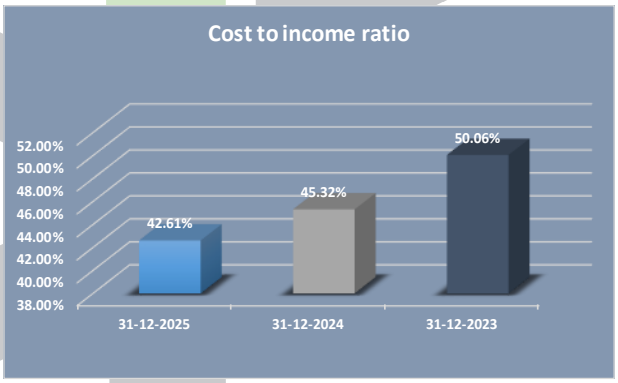
Return on average equity (included net income for the year) reached to 55.69% in 2025



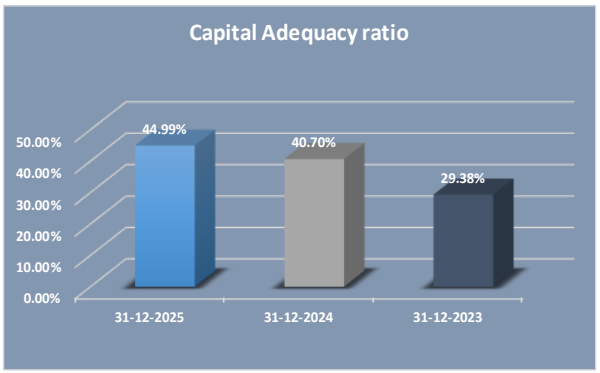
Increase in HDB earning per share by 55.8% to reach EGP 28.68 in 2025.



Increase in HDB return on average assets by 16% in 2025 over 2024 to reach to 8.41%



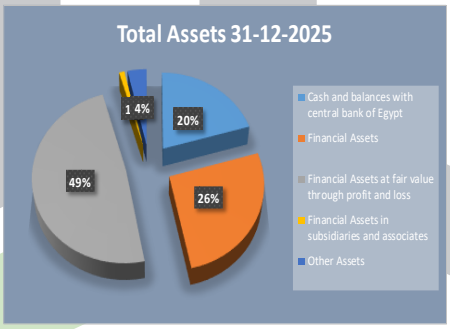
Total cost/income ratio in 2025 was 42.61%, recording a 5.97% decrease when compared to 2024. This reflects managerial efficiency in controlling and utilising expenses to achieve the highest possible revenues.

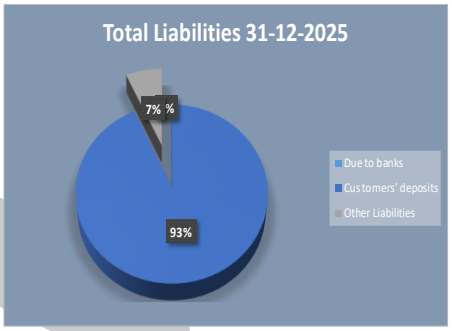


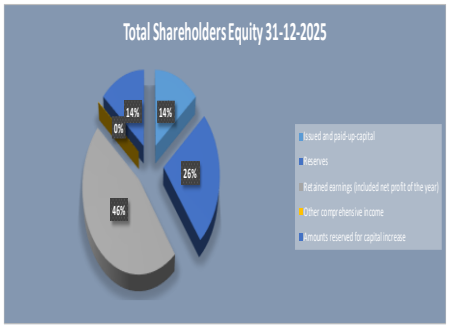
Capital adequacy ratio in 2025 was 44.99%, recording a 10.54% increase of over 2024.

Separate financial position highlights:

Figures by million	31-12-2025	31-12-2024	Change	%
Total Assets	229,804	179,456	50,348	28%
Net Loans to Customers	60,283	50,989	9,294	18%
Financial investments and due from banks	131,012	100,722	30,290	30%
Real Estate Housing Projects	1,785	1,449	336	23%
Customers' Deposits	179,128	144,959	34,169	24%
Shareholders' Equity	37,543	24,244	13,299	55%







HDB assets increased by ~EGP 50.4 Bln. (+28%) compared to 2024, due to the following:

- The net loans and facilities to customers increased by EGP 9.29 Bln. (+18%) compared to 2024. This is due to the increase in retail loans by EGP 5.321 Bln. (+19.27%), with EGP 4.424 Bln. (+15.60%) increase in corporate loans (before deduction of provisions).
- Financial Investments / debt instruments and due from banks recorded EGP 30 Bln increase (+30%), due to purchasing treasury bills and bonds, this explains the bank allocate the excess liquidity to purchase treasury bills, bonds and treasury certificates.
- Net loans to deposits ratio in 2025 reached 33.65% included advances related to lands and real estate units, raising to 51.63% upon excluding these advances.
- The deposits portfolio, being the main source of financing, increased by EGP 34 Bln. (+24%), as retail customer deposit balances increased by EGP 23.778 Bln. (+30%), with EGP 10.390 Bln. (16%) increase in institutions deposits.
- The ratio of corporate deposits to total deposits reached 42% and the ratio of retail customer deposits to total deposits reached 58%.
- Equity recorded ~EGP 13.3 Bln. Increase (+55%) compared to 2024, specifically due to the net profit for the year reaching EGP 17.2 Bln. during 2025.

Separate Income Statement for the Fiscal Year ending on December 31, 2025

Net profit for the fiscal year ending on December 31, 2025 amounted to EGP 17.2 Bln. Following is the detailed income statement for the fiscal year ending on December 31, 2025:

		EGP
Interest from loans and similar income:		
Loans and advances to customers	13,589,025,707	
Financial investment (other than that at fair value through profit and loss)	17,665,724,916	
Deposits and current accounts	8,850,586,462	
Total Interest from loans and similar income		**40,105,337,085**
Interest on Deposits and similar Expenses:		
Deposits and current accounts:		
Banks	(38,074,782)	
Customers	(12,347,510,471)	
Other financial institutions loans	(132,725,158)	
Total interest expense on deposits and similar expenses.		**(12,518,310,411)**
Net interest income		**27,587,026,674**
Fees and commission income		
Fees & commissions related to credit	201,696,572	
Financing fees	270,437,164	
Other fees	838,793,561	
Total Fees and commission income		**1,310,927,297**
Fees and commission expenses:		
Other paid fees	(185,302,305)	
Total Fees and commission expenses		**(185,302,305)**
Net income from fees and commissions		**1,125,624,992**
Dividends income		
Financial assets at fair value through other comprehensive income	10,826,626	
Subsidiaries and associates	233,207,449	
Total Dividends income		**244,034,075**
Net Trading income		
Gain from dealing in foreign currencies	39,479,700	
Equity instruments held at fair value through profit and loss	93,282,362	
Total Net Trading income		**132,762,062**
Real Estate Housing Income		
Sales of housing properties	458,016,578	
Cost of sold properties	(54,128,063)	
Revenue from properties	**403,888,515**	
Other housing revenues	169,273,191	
Total Real Estate Housing Income		**573,161,706**
Loss from financial investments		**(4,128,000)**
Loans impairment loss (Reversal)		**(639,049,047)**
General and administrative expenses		
Wages and salaries	(1,886,961,340)	
Social insurances	(95,731,608)	
Retirement benefit cost	(25,000,000)	
Operation utilities	(2,450,109,964)	
Current expenses	(831,397,841)	
Portion of social and athletic activities	(4,299,506)	
Donations	(96,985,560)	
Total General and administrative expenses		**(5,390,485,819)**
Other provisions expense (Reversal)		**(526,643,222)**
Other operating revenues		
Revaluation gain (losses) of assets and liabilities balances in foreign currencies with monetary nature other than held at fair value through profit and loss or classified at inception at fair value through profit and loss	2,004,207	
Gain from selling properties plants & equipment	615,479	
Impairment of other assets and projects (Reversal)	(19,076,538)	
Rents Collected	97,152,494	
Others	17,630,122	
Other operating losses		**98,325,764**
Net profit before income tax		**23,200,629,185**
Income tax expense		**(5,994,823,474)**
Net profit for the year		**17,205,805,711**

HDB separate net profit increased by EGP 6.2 Bln. compared to the previous year (2024) (+56%), reaching EGP 17.2 Bln. at the end of 2025. This is due to the following: -

- Net interest income (+EGP 8.7 Bln. / +46%).
- The interest income from loans and similar income increased by EGP 11 Bln. (+38%), due to the increase in sources of funds, i.e. customers deposits, which were optimally utilized during 2025, with a noticeable diversity between loans, facilities, treasury bills and bonds, and deposits at CBE, which resulted in noticeable increase in net interest income.
- Cost of deposits and similar expense increased by EGP 2.4 Bln. (+24%) as a result of the noticeable increase of EGP 34 Bln. in the customers deposits portfolio.
- Impairment credit losses (-EGP 837 Mln. / -57%)
- Administrative expenses (+EGP 1.7 Bln. / +46%).
- This is due to the EGP 631 Mln. increase in wages and salaries, i.e. 55.6% increase, where HDB management approved new salaries scheme with an exceptional raise granted due to the recent price inflation of goods and services. Through attracting new calibres from banking sector who are able to achieve bank's strategy 2025 – 2030. This is in addition to the annual promotion action and the increase in number of employees to 3269 employees, compared to 3039 on 31/12/2024.
- Medical expenses increased by EGP 40 Mln. Over the previous year, i.e 50% increase, due to the increase in medical treatment expenses for bank employees which, in turn, was a result of the price inflation for hospitals, medicine, etc.
- Other G&A increased by EGP 1 Bln. This was specifically due to the EGP 685 Mln. (39%) increase in operating expenses, represented in insurance expenses for retail customers as a result of the increase in the retail loan portfolio, in addition to the increase in security and guarding services and other services provided by maintenance, cleaning and internet companies, technical support system expenses, and annual license renewal expenses as a result of the expansion in secured the automated systems of the bank and transforming the bank to digitalized bank and The increase in current expenses, which include depreciation and amortization expenses for fixed assets, intangible assets and investments properties, amounted to EGP 272 Mln. (49%), as a result of expanding the number of branches, establishing a VIP centre (ROYAL), and increasing the efficiency of the core banking system in accordance with CBE requirements to increase the efficiency of internal control over banking operations carried out, in line with international instructions.

The following table illustrates a separate revenues item for the fiscal year ending on December 31, 2025, compared to the corresponding figures for the fiscal year ending on December 31, 2024, as well as the % of each revenue item to total revenues:

Revenues income	From 1 January 2025 to		From 1 January 2024 to	
	Amount	%	Amount	%
Loans and advances to customers	13,589,025,707	31.95%	11,138,241,181	35.99%
Financial investment (other than that at fair value through profit and loss)	17,665,724,916	41.53%	11,935,881,459	38.57%
Deposits and current accounts	8,850,586,462	20.81%	5,965,052,228	19.28%
Fees & commissions related to credit	201,696,572	0.47%	183,903,993	0.59%
Financing fees	270,437,164	0.64%	222,655,996	0.72%
Other fees	838,793,561	1.97%	710,205,176	2.30%
Dividends income - Financial assets at fair value through profit and loss	0	0.00%	525,000	0.00%
Dividends income - Financial assets at fair value through other comprehensive income	10,826,626	0.03%	8,316,969	0.03%
Dividends income - Subsidiaries and associates	233,207,449	0.55%	222,544,535	0.72%
Gain from dealing in foreign currencies	39,479,700	0.09%	51,733,073	0.17%
Equity instruments held at fair value through profit and loss	93,282,362	0.22%	46,958,423	0.15%
Real Estate Housing Income	627,289,769	1.47%	389,738,375	1.26%
Gain from selling properties plants & equipment	615,479	0.00%	842,291	0.00%
Rents Collected	97,152,494	0.23%	62,549,618	0.20%
Others	17,630,122	0.04%	6,122,602	0.02%
Total Revenues	**42,535,748,383**	**100%**	**30,945,270,919**	**100%**

The following table illustrates separate expenses items for the fiscal year ending on December 31, 2025, compared to the corresponding figures for the fiscal year ending on December 31, 2024, as well as the % of each expense item to total expenses:

Expenses items	From 1 January 2025 to 31		From 1 January 2024 to 31	
	Amount	%	Amount	%
Interest on Deposits and similar Expenses - Banks	(38,074,782)	0.15%	(146,895,323)	0.74%
Interest on Deposits and similar Expenses - Customers	(12,347,510,471)	48.75%	(9,807,562,838)	49.27%
Interest on Deposits and similar Expenses - Other loans	(132,725,158)	0.52%	(162,725,829)	0.82%
Other paid fees	(185,302,305)	0.73%	(162,791,094)	0.82%
Loss from financial investments	(4,128,000)	0.02%	(5,839)	0.00%
Cost of sold properties	(54,128,063)	0.21%	(50,444,485)	0.25%
Loans impairment loss	(639,049,047)	2.52%	(1,475,941,929)	7.41%
General and administrative expenses	(5,390,485,819)	21.28%	(3,689,714,474)	18.54%
Revaluation (losses) of assets and liabilities balances in foreign currencies with monetary nature other than held at fair value through profit and loss or classified at inception at fair value through profit and loss	2,004,207	-0.01%	(41,396,765)	0.21%
Impairment of other assets and projects	(19,076,538)	0.08%	(28,959,955)	0.15%
Other provisions expense (Reversal)	(526,643,222)	2.08%	(368,525,717)	1.85%
Income tax expense	(5,994,823,474)	23.67%	(3,970,512,469)	19.95%
Total Expenses	**(25,329,942,672)**	**100%**	**(19,905,476,717)**	**100%**

Below are the highlights on main items for each component of revenues and expenses, while comparing to the previous year:

Interest income from loans and similar income

- At the end of FY2025, the interest income on loans and facilities amounted to about EGP 13.589 Bln., compared to EGP 11.138 Bln. at the end of the FY2024, with a recorded increase of 22%.
- At the end of FY2025, the interest income from financial investments other than fair value through P&L amounted to EGP 17.666 Bln., compared to EGP 11.936 Bln. at the end of the FY2024, with a recorded increase of 48%.
- At the end of FY2025, the interest income from deposits & Current Accounts with banks amounted to about EGP 8.851 Bln., compared to EGP 5.965 Bln. at the end of the FY2024, with a recorded increase of 48%.

Cost of deposits and similar expenses

- At the end of FY2025, the cost of deposits and due to banks amounted to about EGP 38 Mln., compared to EGP 147 Mln. at the end of the FY2024, with a recorded decrease of 74%.
- At the end of FY2025, the cost of customers' deposits amounted to about EGP 12.348 Bln., compared to EGP 9.808 Bln. at the end of the FY2024, with a recorded increase of 26%.
- At the end of FY2025, the cost of loans from financial institutions amounted to about EGP 133 Mln., compared to EGP 163 Mln. at the end of the FY2024, , with a recorded decrease of 18%.

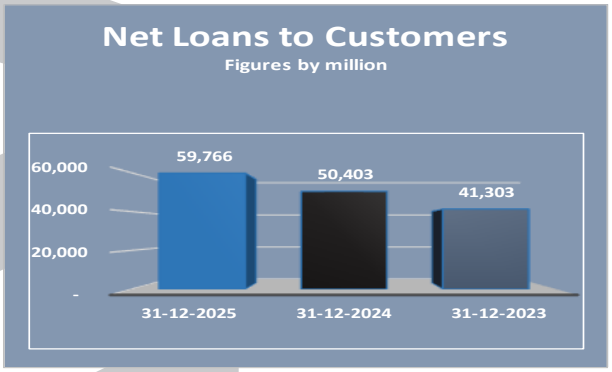
The Draft Proposed by the Board of Directors Concerning Profit Distribution for The Financial year ending on 31 December 2025:

Description	**12/31/2025**
Net Profit for the year (as derived from the Income Statement)	17,205,805,711
Deduct:	
Profits from the sale of fixed assets transferred to the capital reserve in pursuant to the provisions of the law	(615,479)
General banking risk reserve	(6,289,042.00)
Net Distributable Annual Profit	**17,198,901,190**
Opening Balance of Retained Earnings	70,348,268
Retained Earnings during the year	--
Total	**17,269,249,458**
Distributed as follows:	
Statutory Reserve	860,259,512
General Reserve	9,940,000,000
Shareholders' dividends (cash dividends of EGP 8 / Share)	4,250,400,000
Employees' share of profits	1,886,961,340
Members of the Board of Directors Remuneration	80,000,000
Banking system support and development fund	171,989,012
Ending Balance of Retained Earnings	79,639,594
Total	**17,269,249,458**

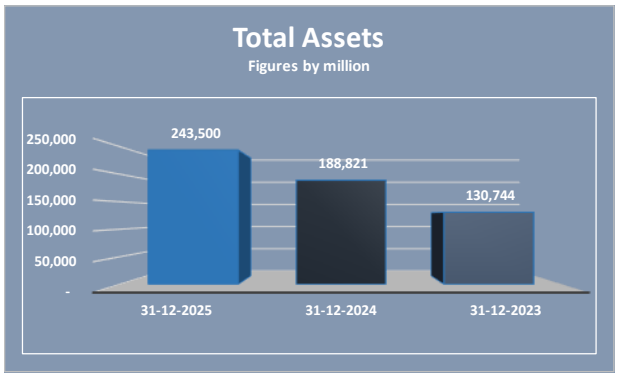
Issued & Paid-up Capital

- Authorized capital is EGP 10 Bln., where the Issued & Paid-Up Capital is EGP 5.313 Bln., with a total of 531.30 million shares, each having with a nominal value of EGP 10.
- On 05.11.2007, HDB extraordinary general assembly approved an increase in the Authorized Capital from EGP 1 Bln. to EGP 3 Bln., and an increase in the Issued and Paid-Up Capital from EGP 550 Mln. to EGP 1.150 Bln., i.e. an increase of EGP 600 Mln. The prospectus was announced on 16.01.2008 for the first phase, with an increase of EGP 120 Mln. for existing shareholders, which was covered in full and marked in the commercial register. The second phase of the capital increase was announced, with subscription opened for existing shareholders from 23.03.2010 until 29.04.2010, and for new shareholders until 13.05.2010, for 45 million shares, at par value amounting to EGP 20 per share, in addition to issuance expenses of EGP 0.25. This is besides 3 million shares, issued as incentive stocks for HDB employees, at par value EGP10 per share, in addition to issuance expenses of 25 piasters. The subscription was fully covered and marked in the commercial register on September 29, 2010, whereby the Issued and Paid-Up Capital became EGP 1,150 Mln.
- On April 10, 2014, HDB extraordinary general assembly approved an increase in the Issued and Paid-Up Capital from EGP 1,150 Mln. to EGP 1,265, through distributing EGP 115 Mln. (Free shares) from the legal reserve for the year 2012 at the rate of one share for every ten shares. This was marked in the commercial register on 14 .12.2014, where the Issued and Paid-Up Capital became EGP 1,265 Mln.
- On December 20, 2017, HDB extraordinary general assembly approved an increase in the Issued and Paid-Up Capital from EGP 1,265 Mln. to EGP 1,518, through distributing EGP 253 Mln. from the general reserve, based on HDB financial position as at September 30, 2017, through distributing free share for each original 5 shares. This was marked in the commercial register on 17.05.2021, where the Issued and Paid-Up Capital became EGP 1,518 Mln.
- On march 30, 2022, HDB extraordinary general assembly approved an increase in the Issued and Paid-Up Capital from EGP 1,518 Mln. to EGP 5,313, through transferring an amount of EGP 3,283 Mln. from the general reserve, and transferring an amount of EGP 512 Mln. from retained earnings, at a rate of 2.5 free shares for each share, with a face value of EGP 10 per share. This was marked in the commercial register on 04.10.2022, where the Issued and Paid-Up Capital became EGP 5,313 Mln.
- March 25, 2025, extraordinary general assembly approved increasing the authorized capital from EGP 10 billion to EGP 30 billion, and raising the issued and paid-in capital from EGP 5,313 million to EGP 10,626 million. This will be done by transferring EGP 5,313 million from the general reserve, granting one free share for each existing share, valued at ten pounds per share. The necessary procedures are currently being undertaken for the endorsement in the Commercial Register.

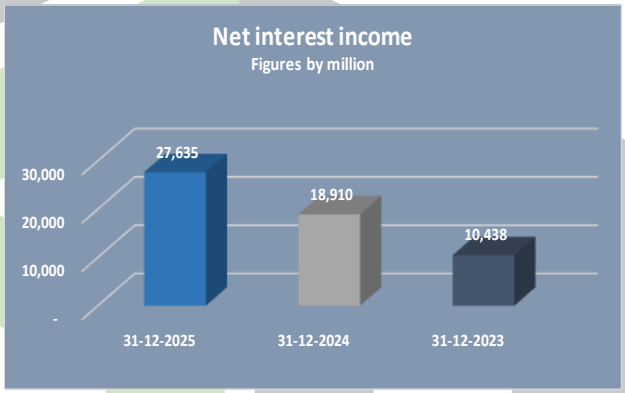
Consolidated Financial ratios



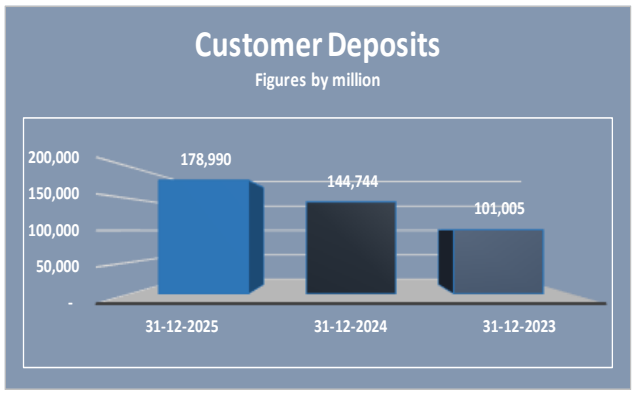
EGP 9.362 Bln. Increase in HDB net loans (19%) in 2025, over 2024.



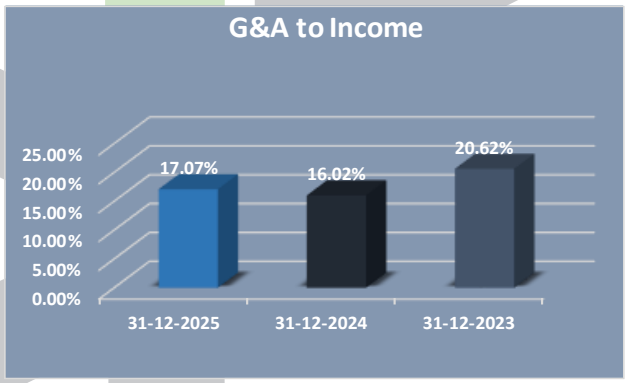
EGP 54.678 Bln. Increase in HDB total assets (29%) in 2025, over 2024.



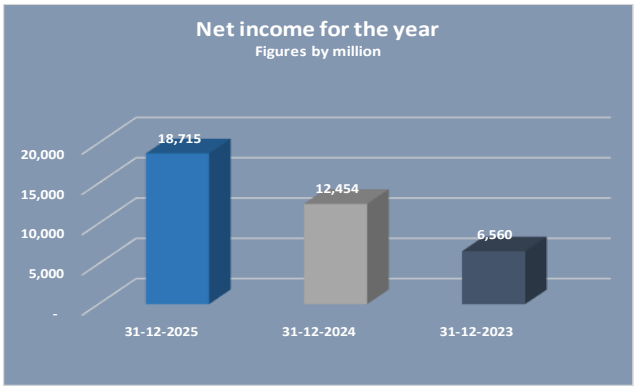
EGP 8.725 Bln. Increase in Net interest income (46%) in 2025, over 2024.



EGP 34.246 Bln. Increase in customers' deposits (24%) in 2025, over 2024.

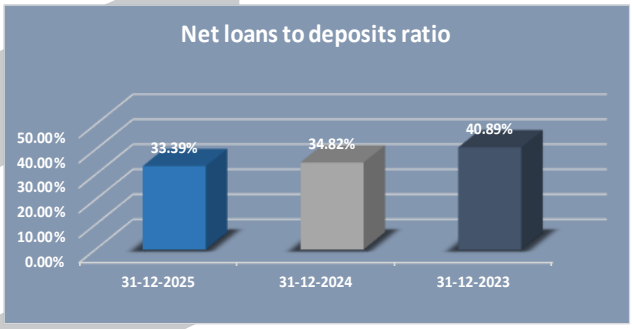


An increase in the ratio of G&A to net revenues from 16.02% in 2024 to 16.94% in 2025

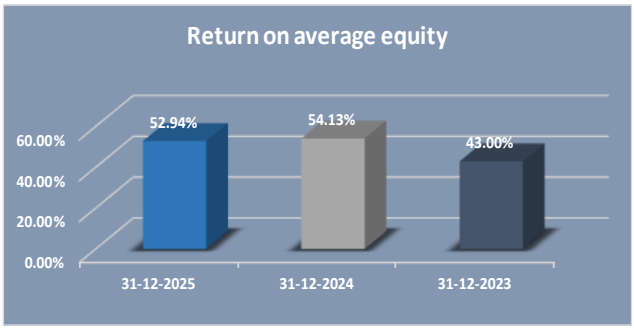


EGP 6.261 Bln. Increase in net profit (50.30%) in 2025, over 2024.

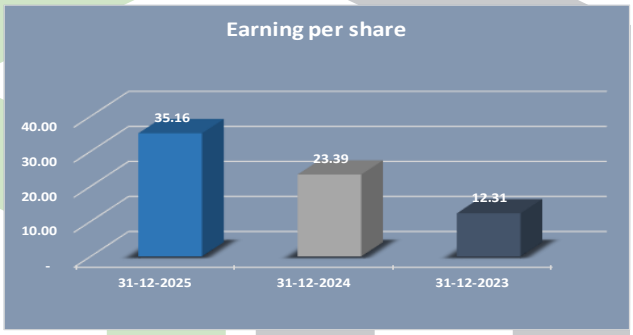
Consolidated Financial ratios



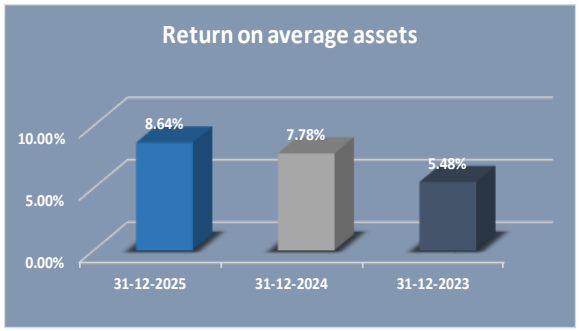
Net loans to deposits ratio in 2025 reached 33.39% included advances related to lands and real estate units, raising to 51.63% upon excluding these advances.



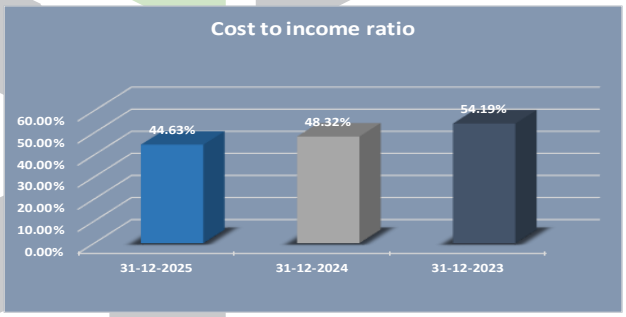
Return on average equity, including net profit, for 2025 recording a 52.94%



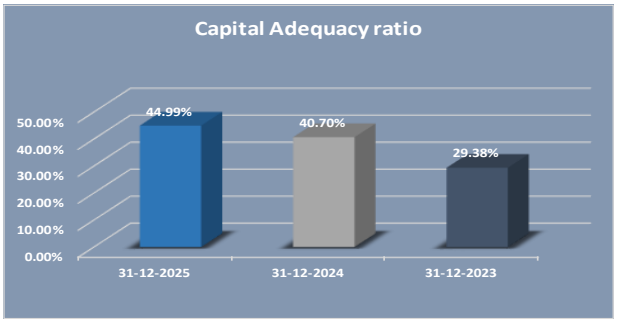
Earnings per share amounted to EGP 35.16 in 2025, recording a 50.30% increase over 2024.



Return on average assets for 2025 was 8.64%, recording increase over 2024 by 11%.



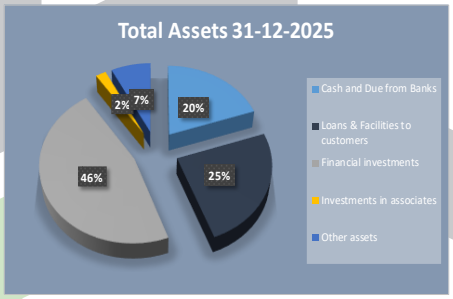
Total Cost /total revenues in 2025 was 44.51%, recording a 3.8% decrease when compared to 2024. This reflects managerial efficiency in controlling and utilising expenses to achieve the highest possible revenues.

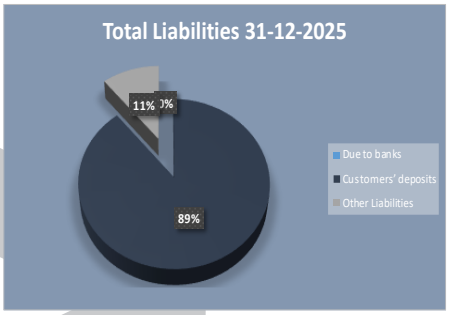


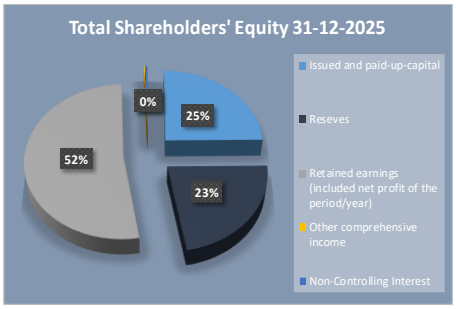
Capital adequacy ratio in 2025 was 44.99%, recording a 10.5% increase of over 2024.

Consolidated financial position highlights:

Figures by million	31-12-2025	31-12-2024	Change	of % change
Total Assets	243,500	188,821	54,678	29%
Net Loans to Customers	59,766	50,403	9,362	19%
Financial investments and Due from Banks	132,955	101,997	30,958	30%
Real Estate Housing Projects	6,845	4,973	1,872	38%
Customers' Deposits	178,990	144,744	34,246	24%
Shareholders' Equity	42,574	28,003	14,571	52%
Non Controling interest	199	168	31	18%







HDB assets increased by ~EGP 55 Bln. (+29%) compared to 2024, due to the following:

- The net loans and facilities to customers increased by EGP 9.4 Bln. +19%) compared to 2024. This is due to the increase in retail loans by EGP 5.321 Bln. (+19.27%), with EGP 4.493 Bln. (+16.18%) increase in corporate loans (before deduction of provisions).
- Financial Investments and due from banks recorded EGP 31 Bln increase (+30%), due to purchasing treasury bills and bonds, this explains the bank allocate the excess liquidity to purchase treasury bills, bonds and treasury certificates.
- Net loans to deposits ratio in 2025 reached 33.39% included advances related to lands and real estate units, raising to 51.63% upon excluding these advances.
- The deposits portfolio, being the main source of financing, increased by EGP 34 Bln. (+24%), as retail customer deposit balances increased by EGP 23.778 Bln. (+30%), with EGP 10.468 Bln (+16%) increase in corporate deposits.
- The ratio of corporate deposits to total deposits reached 42% and the ratio of retail customer deposits to total deposits reached 58%.
- Equity recorded ~EGP 14.6 Bln. Increase (+52%) compared to 2024, specifically due to the net profit for the year reaching EGP 18.7 bln. during 2025.

Consolidated Income Statement for the Fiscal Year ending on December 31, 2025

Net profit for the fiscal year ending on December 31, 2025 amounted to EGP 18.7 Bln.
Net income excluding the cash dividends from subsidiaries amounting to EGP 16.973 Bln compared to EGP 10.817 Bln in comparative year with an increase of EGP 6.155 Bln 56.9% in addition to the net income of the subsidiary's companies amounting to EGP 529 Mln, and the net income of the associates' companies 1.213 Bln. Following is the detailed income statement for the fiscal year ending on December 31, 2025:

		EGP
Interest from loans and similar income:		
Loans and advances to customers	13,457,741,207	
Financial investment (other than that at fair value through profit and loss)	17,776,856,101	
Deposits and current accounts	8,886,295,860	
Total Interest from loans and similar income		**40,120,893,168**
Interest on Deposits and similar Expenses:		
Deposits and current accounts:		
Banks	(38,074,782)	
Customers	(12,315,675,528)	
Other financial institutions loans	(132,725,158)	
Total interest expense on deposits and similar expenses.		**(12,486,475,468)**
Net interest income		**27,634,417,700**
Fees and commission income		
Fees & commissions related to credit	201,696,572	
Financing fees	270,437,164	
Other fees	835,805,559	
Total Fees and commission income		**1,307,939,295**
Fees and commission expenses:		
Other paid fees	(185,302,305)	
Total Fees and commission expenses		**(185,302,305)**
Net income from fees and commissions		**1,122,636,990**
Dividends income		
Financial assets at fair value through profit and loss	1,151,125	
Financial assets at fair value through other comprehensive incom	10,827,576	
Total Dividends income		**11,978,701**
Net Trading income		
Gain from dealing in foreign currencies	39,479,700	
Equity instruments held at fair value through profit and loss	95,650,846	
Total Net Trading income		**135,130,546**
Real Estate Housing Income		
Sales of housing properties	1,630,284,380	
Cost of sold properties	(297,135,344)	
Revenue from properties	**1,333,149,036**	
Other housing revenues	279,005,002	
Total Real Estate Housing Income		**1,612,154,038**
Subsidiaries Revenues		**1,169,895,435**
Subsidiaries Expenses		**(1,166,919,223)**
Bank portion in income of associates companies		**1,213,212,967**
Loss from financial investments		**(19,493,800)**
Loans impairment loss (Reversal)		**(639,049,047)**
General and administrative expenses		
Wages and salaries	(1,927,630,928)	
Social insurances	(95,792,378)	
Retirement benefit cost	(25,000,000)	
Finance expesnes	(2,560,282,382)	
Operation utilities	(869,546,560)	
Portion of social and athletic activities	(4,299,506)	
Donations	(96,985,560)	
Others	(52,310,237)	
Total General and administrative expenses		**(5,631,847,551)**
Other provisions expense (Reversal)		**(604,111,171)**
Other operating revenues		
Revaluation gain (losses) of assets and liabilities balances in foreign currencies with monetary nature other than held at fair value through profit and loss or classified at inception at fair value through profit and loss	2,348,628	
Gain from selling properties plants & equipment	7,385,797	
Impairment of other assets and projects	(32,134,126)	
Rents Collected	109,097,417	
Other operating losses		**86,697,716**
Net profit before income tax		**24,924,703,301**
Income tax expense		**(6,209,924,100)**
Net profit for the year		**18,714,779,201**

HDB Consolidated net profit increased by EGP 6.3 Bln. (+50%) compared to the previous year (2024), reaching EGP 18.715 Bln. at the end of 2025. This is due to the following: -

- Net interest income (+EGP 9 Bln. / +46%).
- The interest income from loans and similar income increased by EGP 11.1 Bln. (+38%), due to the increase in sources of funds, i.e. customers deposits, which were optimally utilized during 2025, with a noticeable diversity between loans, facilities, treasury bills and bonds, and deposits at CBE, which resulted in noticeable increase in net interest income.
- Cost of deposits and similar expense increased by EGP 2.4 Bln. (+24%) as a result of the noticeable increase of EGP 34 Bln. in the customers deposits portfolio.
- Impairment credit losses (-EGP 837 Mln. / -57%)
- Administrative expenses (+EGP 1.9 Bln. / +51%).
- This is due to the EGP 637 Mln. increase in wages and salaries, i.e. 54% increase, where HDB management approved new salaries scheme with an exceptional raise granted due to the recent price inflation of goods and services. Through attracting new calibres from banking sector who are able to achieve bank's strategy 2025 – 2030. This is in addition to the annual promotion action and the increase in number of employees to 3269 employees, compared to 3039 on 31/12/2024.
- ' Medical expenses increased by EGP 40 Mln. Over the previous year, i.e 50% increase, due to the increase in medical treatment expenses for bank employees which, in turn, was a result of the price inflation for hospitals, medicine, etc.
- Other G&A increased by EGP 1.2 Bln. This was specifically due to the EGP 880 Mln. (52%) increase in operating expenses, represented in insurance expenses for retail customers as a result of the increase in the retail loan portfolio, in addition to the increase in security and guarding services and other services provided by maintenance, cleaning and internet companies, technical support system expenses, and annual license renewal expenses as a result of the expansion in secured the automated systems of the bank and transforming the bank to digitalized bank and the increase in current expenses, which include depreciation and amortization expenses for fixed assets, intangible assets and investments properties, amounted to EGP 292 Mln. (51%), as a result of expanding the number of branches, establishing a VIP centre (ROYAL), and increasing the efficiency of the core banking system in accordance with CBE requirements to increase the efficiency of internal control over banking operations carried out, in line with international instructions.

The following table illustrates a consolidated revenues items for the fiscal year ending on December 31, 2025, compared to the corresponding figures for the fiscal year ending on December 31, 2024, as well as the % of each revenue item to total revenues:

Revenues items	From 1 January 2025 to		From 1 January 2024 to	
	Amount	%	Balance	%
Interest income from Loans and advances to customers	13,457,741,207	29.27%	10,995,452,515	32.75%
Financial investment (other than that at fair value through profit and loss)	17,776,856,101	38.66%	12,041,902,539	35.86%
Interest income from Deposits and current accounts	8,886,295,860	19.32%	5,974,478,441	17.79%
Fees & commissions related to credit	201,696,572	0.44%	183,903,993	0.55%
Financing fees	270,437,164	0.59%	222,655,996	0.66%
Other fees	835,805,559	1.82%	706,665,991	2.10%
Dividends income - Financial assets at fair value through profit and loss	1,151,125	0.00%	2,275,000	0.01%
Dividends income - Financial assets at fair value through other comprehensive income	10,827,576	0.02%	9,567,803	0.03%
Gain from dealing in foreign currencies	39,479,700	0.09%	51,733,073	0.15%
Equity instruments held at fair value through profit and loss	95,650,846	0.21%	52,304,835	0.16%
Real Estate Housing Income	1,909,289,382	4.15%	1,133,344,899	3.38%
Subsidiaries Revenues	1,169,895,435	2.54%	898,759,580	2.68%
Bank portion in income of associates companies	1,213,212,967	2.64%	1,229,877,085	3.66%
Gain from selling properties plants & equipment	7,385,797	0.02%	6,301,470	0.02%
Rents Collected	109,097,417	0.24%	66,490,370	0.20%
Total Revenues	**45,984,822,708**	**100%**	**33,575,713,590**	**100%**

The following table illustrates consolidated expenses items for the fiscal year ending on December 31, 2025, compared to the corresponding figures for the fiscal year ending on December 31, 2024, as well as the % of each expense item to total expenses:

Expenses items	From 1 January 2025 to 31		From 1 January 2024 to 31	
	Amount	%	Balance	%
Interest on Deposits and similar Expenses - Banks	(38,074,782)	0.14%	(146,895,323)	0.70%
Interest on Deposits and similar Expenses - Customers	(12,315,675,528)	45.16%	(9,792,575,890)	46.36%
Interest on Deposits and similar Expenses - Other loans	(132,725,158)	0.49%	(162,725,829)	0.77%
Other paid fees	(185,302,305)	0.68%	(162,791,094)	0.77%
Subsidiaries Expenses	(1,166,919,223)	4.28%	(1,114,597,953)	5.28%
Loss from financial investments	(19,493,800)	0.07%	(5,839)	0.00%
Cost of sold properties	(297,135,344)	1.09%	(43,949,250)	0.21%
Loans impairment loss (Reversal)	(639,049,047)	2.34%	(1,476,002,025)	6.99%
General and administrative expenses	(5,631,847,551)	20.65%	(3,723,551,120)	17.63%
Revaluation gain (losses) of assets and liabilities balances in foreign currencies with monetary nature other than held at fair value through profit and loss or classified at inception at fair value through profit and loss	2,348,628	-0.01%	(1,375,563)	0.01%
Impairment of other assets and projects (Reversal)	(32,134,126)	0.12%	(16,542,573)	0.08%
Other provisions expense (Reversal)	(604,111,171)	2.22%	(377,043,300)	1.79%
Income tax expense	(6,209,924,100)	22.77%	(4,103,845,578)	19.43%
Total Expenses	**(27,270,043,507)**	**100%**	**(21,121,901,337)**	**100%**

Below are the highlights on main items for each component of revenues and expenses, while comparing to the previous year:

Interest income from loans and similar income

- At the end of FY2025, the interest income on loans and facilities amounted to about EGP 13.457 Bln., compared to EGP 10.995 Bln. at the end of the FY2024, with a recorded increase of 22.39%.
- At the end of FY2025, the interest income from financial investments other than fair value through P&L amounted to EGP 17.777 Bln., compared to EGP 12.042 Bln. at the end of the FY2024, with a recorded increase of 47.62%.
- At the end of FY2025, the interest income from deposits & Current Accounts due from banks amounted to about EGP 8.886 Bln., compared to EGP 5.974 Bln. at the end of the FY2024, with a recorded increase of 49%.

Cost of deposits and similar expenses

- At the end of FY2025, the cost of deposits and due to banks amounted to about EGP 38 Mln., compared to EGP 147 Mln. at the end of the FY2024, with a recorded decrease of 74%.
- At the end of FY2025, the cost of customers' deposits amounted to about EGP 12.32 Bln., compared to EGP 9.8 Bln. at the end of the FY2024, with a recorded increase of 26%.
- At the end of FY2025, the cost of loans from financial institutions amounted to about EGP 133 Mln., compared to EGP 163 Mln. at the end of the FY2024, with a recorded increase of 18%.

General Outlines of the Bank's Strategy

The Strategy and Strategic Transformation Sector, in cooperation with the PwC office, has completed the development of our Bank's strategy (2025-2030), which includes the Bank's vision, mission and core values, and the main pillars and objectives from which the strategic initiatives are derived, in order to achieve the Bank's vision of being the preferred bank in Egypt through innovation, outstanding customer service, and trust.

Our Bank's vision, mission and values have been formulated to achieve the objectives of the current stage according to the following:

First: The Vision:

To be the preferred bank in Egypt through innovation, outstanding customer service and trust.

Second: The Mission:

Investment in technology, operational processes and people to achieve sustainable and growing returns for our shareholders, achieve the highest levels of resilience, adhere to the green financing goals, and provide an ideal experience for our customers and employees

Third: The Values to be established by our Bank are the following:

Customer Comes First
We adopt the "Customer Comes First" approach which prioritizes our customers' needs, preferences and satisfaction

Trust
We maintain transparency in our relationships with all stakeholders and deliver on our promises

Sustainability
We are committed to building a sustainable future that continually enhances the impact of our practices

Resilience
We deal with challenges as opportunities to strengthen our organization and learn from them to drive growth

Service Excellence
We strive to provide the best services to our customers in every transaction

Innovation
We embrace innovation and technology as a way of working to improve the services provided

Community
We aspire to become the employer of choice by investing in our community and fostering team spirit

Development
We are proud to support the State in its development and growth journey

The Bank's Activity in the Enterprises, Treasury and Investment Field

First: Treasury and Asset and Liability Management:

- Total investments as on 31/12/2025 amounted to EGP 130.8 Billion, with an increase of EGP 26.9 Billion compared to the total volume of investments as on 31/12/2024, which amounted to EGP 103.9 Billion, with a growth rate of 25.9%.
- Total returns from investments with banks and the Central Bank and financial investments as on 31/12/2025 amounted to EGP 26.5 Billion, with an increase of EGP 8.6 Billion compared to what was achieved on 31/12/2024, which amounted to EGP 17.9 Billion, with a growth rate of 47.5%.
- Capital gains earned from the sale of government treasury bills and bonds amounted to EGP 72.5 Million in 2025, compared to EGP 30.4 Million in 2024, with an increase of 132.89%.
- The total revenue generated from dealing in foreign currency as on 31/12/2025 amounted to EGP 41.484 Million, with an increase of EGP 31.148 Million compared to the revenue generated on 31/12/2024, which amounted to EGP 10.336 Million, with an increase of 301.35%.

It should also be noted that the above-mentioned returns and profits which were achieved during 2025 were with the lowest possible risk, while adhering to all of the CBE's instructions and the internal limits of the Risk Sector as follows:

- Interest rate variables during 2025 were handled by maximizing profitability through a change in the investment policy from interest-sensitive assets to fixed-income assets.
- The asset and liability maturity structure shall be managed on a monthly basis in accordance with the CBE's instructions in this regard and the internal limits of the Risk Sector.
- When making an investment decision, consideration shall be given to aligning the maturities of assets and liabilities, so that they do not exceed the current and cumulative gap limits approved by our Bank.
- Market indicators and variables and their impact on the pricing decision for both asset and liability products shall be considered in order to maintain the economic value of our Bank, so that the risk of change in the return rate does not exceed 15% of the total capital base.
- Net income generated from returns shall be maximized while the liquidity ratios stipulated by the CBE shall be maintained (20% for local currency and 25% for foreign currencies), in addition to the liquidity ratios according to Basel LCR & NSFR regulations.
- The emergency plan indicators shall be monitored on a monthly basis to ensure that there is no need to activate it.
- All necessary reports for the ALCO Committee shall be prepared in order to issue the required recommendations in a timely manner, as the Committee demonstrated:
  - High flexibility in dealing with the economic variables while maintaining the requirements of the CBE and regulatory requirements, maintaining liquidity, managing the return rate risks and achieving the net income generated from return in line with the Bank's strategy for 2025.
  - Maintaining the Bank's profitability from interest rate changes, as the interest rate decreased by 725 points during 2025 by adjusting the return rate on assets and liabilities with variable return and reducing the return rate on some saving products and saving certificates while maintaining our Bank's market share and reducing the return rate on retail banking loans, in addition to changing the investment policy from short-term assets with variable return to assets with fixed return and for longer periods.

  In light of the aforementioned, it is clear that our Bank has a strong liquidity position and the ability to cope with any changes that may occur or to make the best use of the investment opportunities to achieve the highest possible profitability.

Second: Investment

Non-financial Achievements:

1. Investments for Retention Purpose:

- Making efforts to improve the structure of the financial investment portfolio for the purpose of retention, through mergers of some companies that are compatible and complementary in their activities, with the aim of creating strong economic entities, which enhances the competitiveness of these companies and increases the targeted market share, as well as supporting the financial positions of these companies by reducing and achieving savings in costs, which will in turn improve the financial performance and maximize the achieved returns.

- Merger between Housing and Development Real Estate Investment (HDRIC) (the merging company) and El Tameer for Real Estate Development and Investment (the merged company), as well as between Himaya Company for Management of Tourist and Real Estate Cities and Resorts (the merging company) and El Tameer for Tourist and Real Estate Asset Management.
- Supporting the portfolio companies by entering into an increase in the capital of both El Tameer Real Estate Finance Company (the first) by an amount of approximately EGP 191 Million, according to the percentage of the Bank's shareholding ratio in the Company's capital, as well as entering into a part of the shares that were declined to be subscribed to.

2- The Field of Conducting of Feasibility Studies:

- Evaluating five feasibility studies for the purpose of granting loans and credit facilities.
- Preparing several market studies in cooperation with the Housing and National Projects Sector.
- Preparing financial and economic feasibility studies for the Bank and its companies.
- Preparing several financial and economic feasibility studies for the establishment and opening of new branches of the Bank.

3- Securitization Bonds:-

- Making efforts to grow the securitization bonds portfolio by entering into new subscriptions to diverse portfolios, the most important of which was entering into a securitization portfolio for the benefit of the New Urban Communities Authority, where securitization operations were entered into for the benefit of each of (Halan Consumer Finance Company in the Consumer Finance sector - Beltone Real Estate Finance Company in the Mortgage sector - Tasheel Microfinance Company - New Urban Communities Authority in the Real Estate sector).

4- Custodians:

- Successfully contracting with Egypt Post and transferring one of the postal portfolios to the custodians of our Bank with a market value of approximately EGP 4 Billion.
- Completing the transfer of all the share balances of the Bank's companies deposited with external custodians to the custodians of the HDB.
- Completing the transfer of our Bank's equity portfolio (managed by a third party) to the custodians of the HDB.
- Successfully contracting with 2 investment funds affiliated to the Arab African Portfolio Management Company and commencing operations during the end of the second quarter of 2025.
- Successfully contracting with Cairo Capital Investment Fund and commencing activity during the third quarter of 2025.
- Performing all the custodian's duties with respect to the transferred portfolios and balances (collecting coupons and refunds, certificates of attendance of general assemblies, settling purchase or sale transactions, transferring receipts).
- Continuing in receiving share transfers for the Bank's employees to benefit from the exemptions granted to them through our Bank's custodians.

Financial achievements:

1. Investments for Retention Purpose:

- The value of the investment in the subsidiary and associate companies reached approximately EGP 2.514 Billion, representing a growth rate of about 9% compared to the previous year. This resulted in the growth of most of the portfolio companies and an increase in their activity through the Bank's support and increased investments therein through capital increases, in addition to the achieved capital gains and dividends. The cash returns and bonus shares achieved during 2025 amounted to the following:
  - Cash dividends of EGP 244 Million, compared to EGP 232 Million in the previous year.
  - Bonus share dividends of EGP 21.5 Million.

2. Securitization Bonds Activity:

- The total new subscriptions of the securitization bond activity during 2025 amounted to EGP 1,335 Billion.
- It is worth noting that despite the CBE's announced lending rate decreasing by 26% (725 basis points) during 2025, total returns realized during 2025 from the securitization bond portfolio amounted to approximately EGP 314 Million.
- Total consumption during 2025 amounted to approximately EGP 1.2 Billion.

3. Custodial Activity:

- The total market value of portfolio balances under the management of our Bank’s custodians amounted to approximately EGP 15 Billion as on 31/12/2025.
- The total value of coupons and redemptions collected during the year amounted to approximately EGP 991 Million as on 31/12/2025, in addition to achieving indirect savings estimated at approximately EGP 2 Million, which represent the collection commissions paid by the Bank to external custodians in exchange for collecting the coupons, and achieving optimal performance in adding the value of coupons and redemptions due to our Bank’s account on their due date.

4. Portfolio of Financial Investments for Trading Purposes:

- The portfolio of financial investments for trading purposes has been increased to EGP 268 Million in 2025 compared to EGP 187 Million in 2024, with an increase of EGP 80 Million, representing a percentage of 43%.

5. Investment Funds:

- The balance of Mawared Fund has increased to approximately EGP 1.6 Billion in 2025, compared to EGP 1 Billion in 2024, with an increase rate of 61%.
- The balance of El Tameer Fund has increased to approximately EGP 62 Million in 2025, compared to EGP 38 Million in 2024, with an increase rate of 63%.
- Mawared Fund has achieved capital gains of EGP 11 Million in 2025, compared to EGP 9 Million in the previous year, with an increase of 22%, in addition to commissions for the benefit of the Bank amounting to EGP 7 Million, compared to approximately EGP 2 Million in the previous year.

- Al Tameer Fund with cumulative return has achieved capital gains of approximately EGP 12 Million, compared to EGP 5 Million in the previous year, with an increase of 45%. The Bank's commissions amounted to EGP 0.5 Million, compared to EGP 0.3 Million in the previous year.
- Accordingly, the total revenues of the investment funds in 2025 have amounted to approximately EGP 31 Million, with an increase of 72% compared to 2024.

Third: The Corporate and Syndicated Loan Sector:

- The Corporate Sector has achieved significant growth during 2025, with the corporate portfolio increasing from EGP 28.4 Billion in 2024 to EGP 32.8 Billion in 2025, with an increase of EGP 4.4 Billion.
- Credit approvals have increased in 2025 to EGP 21.1 Billion, representing 151% of total approvals in 2024 (EGP 14 Billion). The number of the corporate portfolio clients also increased by 18%, with new client approvals amounting to EGP 6.5 Billion.
- Regarding profitability, the Corporate Sector has achieved net profits of EGP 7.453 Billion till December 2025, compared to a target of EGP 6.589 Billion for December 2025, representing 113% of the target.
- As part of its sectoral expansion and portfolio diversification strategy, the Sector has successfully entered the petrochemicals sector in 2025 through participation in a syndicated loan for the Egyptian Ethanol Company, thus enhancing the Bank's presence in most of the State's strategic sectors.
- The Corporate Sector, supported by the Top Management and the expertise of the teamwork, has successfully executed and financed a number of unique transactions that are different from business-as-usual financing. This has contributed to strengthening our Bank's position as the preferred choice for major corporate clients in the banking market, enhancing customer loyalty, diversifying sources of profit, and creating greater opportunities for cross-selling.
- The Corporate Sector has witnessed remarkable progress in the speed and efficiency of executing the financing operations over the past period. Several financing transactions have been completed in record time compared to market norms, positively impacting customer satisfaction and giving our Bank the priority. This has also enhanced the Bank's competitive standing and value compared to other banks operating in the banking market, due to its rapid response and high efficiency.
- For the first time, the Sector, in collaboration with the Human Resources Sector, has managed to organized and implement an in-house credit course at the Bank. This program, accredited by the New York Institute of Finance (NYIF), encouraged the branches' young employees to enroll and provide them with the technical skills necessary to join various bank sectors related to finance and risk, thereby enhancing performance sustainability and skills development.
- GTB Department has achieved outstanding performance during the year, enhancing the growth of the portfolio and profitability, in addition to a significant expansion in digital solutions and operations.
  - **Trade Portfolio and Product Growth:**

    GTB Department has successfully boosted the performance of the trade products, achieving a 19% portfolio growth compared to 2024, along with a 36% increase in the profitability of 2024. This reflects the Department's efficiency in maximizing the returns and improving the revenue structure.

- **Digital Solutions and Operations (Corporate E-Channels):**
  Digital solutions, including Corpay / CPS products, delivered exceptional performance, with a 479% increase in profitability and a 130% growth in the portfolio compared to 2024. This reflects the success of the digital expansion strategy and the increased adoption of electronic payment solutions.

Fourth: Small and Medium Enterprises (SMEs)

- The Sector has issued credit approvals for new clients and increased facilities for 190 clients, with total authorized limits of EGP 1.3 Billion, representing 32% of the 2024 portfolio. This had a positive impact on maintaining almost the overall balances of the credit portfolio by the end of 2025 compared to 2024, in addition to achieving the targeted returns.
- The procedures and regulations governing credit granting under the standard product have been updated during 2025 to expand the target segment based on the business size and the value of the provided financings and facilities, in line with the inflation rates and the increased customer revenue over the preceding period, relying on creditworthiness and customer behavioral assessment criteria. The target segment of the product has been increased to include customers with annual revenues up to EGP 100 Million, instead of EGP 50 Million, and the maximum financing amount has been raised to EGP 10 Million, instead of EGP 5 Million.
- A cooperation protocol has been signed between our Bank and Misr Insurance Company to provide insurance coverage against default and non-payment risks for SMEs clients. The contracting procedures have been finalized and the contract is now deemed effective. Negotiations are currently underway to finalize a protocol to provide insurance coverage for the standard product's customer portfolio.
- A partnership agreement has been signed between our Bank and the National Bank of Egypt (NBE) within the framework of the Environmental Compliance Agreement signed between NBE, the Egyptian Environmental Affairs Agency (EEAA), and the Federation of Egyptian Industries (FEI), to finance companies and industrial facilities with environmental benefits or that contribute to the sustainable development goals in the field of environmental protection.
- We have expanded our non-financial services by participating in the NilePreneurs Initiative, under the auspices of the Central Bank of Egypt. Our bank ranked seventh among the participating banks and entities (out of 17).
- We have coordinated and taken steps to open new marketing channels. A meeting has been held with officials from the "E-Markets Egypt" platform to offer our Bank's financing services through them and attract new SMEs clients. We are currently studying the possibility of finalizing the contract with the company.
- The WORK FOLW is underway as a mechanism to monitor and reduce the review, activation, and disbursement periods for SMEs clients, in accordance with the SLA signed with the relevant stakeholders. It is expected to be operational during the first quarter of 2026.
- Coordination is underway with the Information Systems Technology Sector to develop automated programs for generating daily reports to measure the performance of the SMEs Sector and its employees.

Fifth: Sustainability and Sustainable Finance

Financial Achievements

- The Bank's total sustainable finance portfolio (used) reached EGP 6.558 Billion (6 Billion and 558 Million Egyptian pounds) as on 31/12/2025, representing a 27% increase compared to 2024.

- The Bank's total sustainable finance portfolio (authorized) reached EGP 10.126 Billion (10 Billion and 126 Million Egyptian pounds) as on 31/12/2025, representing a 21% increase compared to 2024.
- Most of sustainable financing falls under the Social Sector (82.6%), reflecting our Bank's commitment to supporting social projects and enhancing their positive impact on sustainable development in line with Egypt's Vision 2030.
- The total number of sustainable projects financed by our Bank reached 155 as on 31/12/2025, compared to 129 in 2024, representing a 20% increase.

Non-Financial Achievements

- Our Bank won the "Best Bank in Green and Sustainable Finance – Egypt" award from Cosmopolitan the Daily Business, in recognition of its outstanding performance in the Egyptian Banking Sector for 2025.
- HDB participates in a banking consortium to finance the bioethanol project with USD 135 Million.
- Our Bank participated in a banking consortium to sign a long-term syndicated loan agreement worth USD 135 Million for the Egyptian Bioethanol Company in Damietta Governorate. This project is considered one of the most important green production projects in the petrochemical sector. It aims to produce 100,000 tons annually of low-emission biofuel, contributing to reducing carbon emissions and promoting the efforts of transition to clean energy.
- Our Bank signed a Memorandum of Understanding with Frankfurt School to enhance its leadership in green and sustainable finance.
- The Bank signed a Memorandum of Understanding with Frankfurt School of Finance and Management, under the auspices of the German Agency for International Cooperation (GIZ), within the framework of the Green Capacity Building (GREET) Initiative funded by the German Ministry for Economic Cooperation and Development (BMZ). This partnership aims at developing innovative green financing products and enhancing the Bank's institutional capabilities in the field of sustainable finance.
- Updating the Environmental and Social Management System (to include the positive impact of each industry on the Sustainable Development Goals).
- Implementing the digital footprint within the sustainability sector (Going Paperless).

Internal Sustainability Practices

- Adopting a data Management System for Carbon Footprint in 2025, as well as a comprehensive system for management of greenhouse gas data and information related to measuring our Bank's carbon footprint. In cooperation with the Information Systems Sector, registration fields have been created. The system aims to enhance the Bank's ability to record, track, and manage greenhouse gas emissions resulting from all our Bank's activities, which are neutralized with carbon dioxide equivalent, known as the "carbon footprint," in line with the Bank's commitments to the sustainability standards and regulatory requirements.
- Activating new fields on the T24 platform to record data on sustainable and unsustainable financing, the degree of environmental risk related thereto, and its positive impact on the Sustainable Development Goals for 2030.

- The Bank's branch in the New Administrative Capital obtained the Green Pyramid Rating System (GPRS) certification in 2025. In cooperation with the Engineering Sector, all requirements for the Green Pyramid certification have been met by the New Administrative Capital branch, and the branch has received the Golden Certificate from the Housing and Building National Research Center.
- The Bank has issued the second sustainability report in accordance with the Global Reporting Initiative (GRI) standards, on 30 June 2025, for the fiscal year ending on 31 December 2024. This report, prepared with the participation of more than 20 departments and sectors, included data and information on the Bank's environmental and social governance performance, adopted the principle of transparency and promoted a culture of conserving and optimizing natural resources, along with implementing best practices in risk management. The report also highlighted the Bank's achievements in applying the sustainability principles as a fundamental pillar for enhancing its long-term stability.
- The Bank has raised awareness to promote and disseminate a culture of sustainability and sustainable finance by developing and implementing a training plan for 2025. The results of this plan are as follows:
  - Number of implemented training programs: 29
  - Total number of trainees: 438, including 272 new employees.
  - Number of training hours: 2457, including 680 training hours for new employees in 2025.

The Bank's Activities in Retail Banking, Real Estate Finance, and Branches

First: Retail Banking:

Financial Achievements

1- Retail Banking Loans: -

- Achieving 138% of the targeted sales of retail banking loans for 2025, with sales reaching EGP 8.3 Billion compared to a target of EGP 6 Billion, representing a 66% increase compared to 2024 sales.
- Achieving 145% of the targeted growth of the retail banking loan portfolio for 2025, with growth reaching EGP 4.05 Billion compared to a target of EGP 2.8 Billion, representing a 180% increase compared to the portfolio growth in 2024.
- Achieving 107% of the targeted balance of the retail banking loan portfolio for 2025, with the portfolio balance reaching EGP 17.7 Billion compared to a target of EGP 16.5 Billion, representing a 30% increase compared to the portfolio balance at the end of 2024.
- Achieving 118% of the targeted returns, with the returns realized from retail banking loans reaching EGP 3.2 Billion by the end of 2025, compared to a target of EGP 2.8 Billion.
- Auto loan sales surged in 2025, reaching EGP 3.4 Billion, compared to EGP 2 Billion in 2024, representing a 70% increase. This boosted the product portfolio balance to EGP 5.5 Billion, up from EGP 3.3 Billion at the end of 2024, reflecting a growth of EGP 2.2 Billion, or 40%.
- Sales of personal loans, marketed through the direct sales team of personal loans, reached EGP 700 Million, compared to a target of EGP 500 Million, with an increase of 140%.

2- Saving Vessels and Customer Segmentation:

- Achieving a total growth of EGP 34.2 Billion in the deposit portfolio in 2025, bringing the portfolio balance to EGP 179.1 Billion, representing a growth rate of 24% compared to the total deposit portfolio of 2024.

- Achieving a total growth of EGP 12 Billion in the family banking sector portfolio in 2025, bringing the portfolio balance to EGP 39.5 Billion, representing a growth rate of 44% compared to the total family sector portfolio of 2024. A percentage of 240% of the 2025 target which is EGP 5 Billion has been achieved.
- Attracting a number of 43,000 new family banking customers in 2025, with a total amount of EGP 4 Billion.
- Achieving a total growth of EGP 10.4 Billion in the corporate deposit portfolio (strategic and non-strategic) from the beginning of the year until the end of December 2025, reaching a balance of EGP 74.30 Million, with a growth rate of 16% compared to the total corporate deposit portfolio of 2024.
- Attracting a number of 1,000 new companies in 2025, with a total amount of EGP 2.2 Billion.
- Achieving a total growth of USD 15.6 Million in the US dollar deposit portfolio in 2025, reaching a balance of USD 102.2 Million, representing a growth rate of 18% compared to the total US dollar deposit portfolio of 2024.

3- Credit Cards:

a- Credit Card Portfolio

- Achieving a growth rate of 175% in the total credit card balances, reaching EGP 765 Million by the end of 2025 compared to EGP 278 Million by the end of 2024.
- Achieving a growth rate of 40% in the ratio of utilization to total credit limits by the end of 2025 compared to 25% by the end of 2024.
- Achieving a growth rate of 38% in the number of activated credit cards, reaching 51700 cards by the end of 2025 compared to 37500 cards by the end of 2024.
- Achieving a growth rate of 100% in the total sales of original Titanium and Platinum cards, reaching 22,000 cards by the end of 2025 compared to EGP 11,000 by the end of 2024.
- Achieving a growth rate of 385% in the installment portfolio utilization, reaching EGP 393 Million by the end of 2025 compared to EGP 81 Million by the end of 2024.
- Achieving a growth rate of 260% in the total credit card utilization (purchases and cash withdrawals), reaching EGP 3.6 Billion by the end of 2025 compared to EGP 1 Billion by the end of 2024.
- Achieving a growth rate of 67% in the total credit card portfolio revenue, reaching EGP 173 Million by the end of 2025 compared to EGP 103.5 Million by the end of 2024.

b- Debit Card Portfolio

- Achieving a growth rate of 119% in total purchases executed using debit cards, reaching EGP 2.41 Billion by the end of 2025 compared to EGP 1.1 Billion by the end of 2024.
- Achieving a growth rate of 12.5% in total cash withdrawals using debit cards, reaching EGP 16.24 Billion by the end of 2025 compared to EGP 14.44 Billion by the end of 2024.
- Achieving a growth rate of 20% in total utilization (purchases and cash withdrawals) of debit cards, reaching EGP 18.65 Billion by the end of 2025 compared to EGP 15.54 Billion by the end of 2024.
- Achieving an improvement in the utilization structure, with the ratio of purchases to total utilization increasing to 12.9% by the end of 2025 compared to 7.1% by the end of 2024.

4- Bancassurance:

- Achieving a total growth rate of 59% in the bancassurance portfolio in 2025 compared to 2024, with insurance sales reaching EGP 18.3 Million in 2025 compared to EGP 11.5 Million in 2024.
- Achieving a total growth rate of 25% in the number of bancassurance policies in 2025 compared to 2024, with 1,158 policies sold in 2025 compared to 928 in 2024.
- Achieving a total growth rate of 100% in bancassurance commissions in 2025 compared to 2024, with collected commissions reaching EGP 4 Million in 2025 compared to EGP 2 Million in 2024.

Non-Financial Achievements

1- Retail Banking Loans:

- Launching a major promotional campaign for all retail banking loan customers (personal loans with salary/installment/pension transfer, personal loans without salary transfer, and auto loans) by exempting customers from the administrative fees and offering cashback of up to EGP 100,000.
- Centralizing the execution works of all retail banking loan products across all our Bank branches to be done by the Retail Banking Loans Department through the Work Flow System.
- Centralizing the credit assessment for all new personal loan customers within the branch's jurisdiction, with the credit assessment now being conducted by the General Department of Retail Banking Loans Credit.
- Launching a promotional campaign for auto loans in cooperation with Allam Automotive Trading and Distribution Company, including attractive financing offers for Skoda and Audi customers.
- Centralizing the full and partial repayment processes for retail banking loans.
- Centralizing the registration operations of ECR (movable collateral) for secured loans.
- Centralizing the creation or cancellation of collateral portfolios for secured personal loans as well as credit limits.

2- Saving Vessels and Customer Segmentation:

- Assigning all family banking sector customers according to their respective marketing segments to all customer service/relations managers across our Bank branches.
- Applying the new customer segments to family banking sector customers based on their total deposit balances to be compatible with the specific criteria of each segment, enabling us to assign 600,000 customers to their designated segments.
- Segmenting the customers based on their total balances and assigning them to customer service/relations managers (RMs) across our Bank branches. A number of 1,000 new codes have been created on the Bank's T24 automated system for the employees, and all of the branches' employees have been divided to serve each segment (234 MAS, 101 EDGE, and 30 ROYAL) according to the organizational structure of each branch. Each employee's portfolio has been also identified.
- Consolidating the data of customers with multiple accounts across multiple branches.
- Developing a new mechanism in collaboration with the Systems Sector to link the automatically issued deposit products under the number number of the employee responsible for managing the customer's account at our Bank, according to the customer's marketing segment.

- Developing a performance monitoring system, Scorecard, in collaboration with the MIS department.
- Holding training courses for customer service/relations personnel at the branches to explain how to use the performance monitoring system (Scorecard) and clarify its objectives.
- Assisting in implementing the CBE's instructions to create awareness forms for each deposit product (saving accounts, current accounts, time deposits, and certificates of deposit) and circulating them to our Bank's branches.
- Effectively managing and monitoring the portfolio, which helped reduce cannibalization and consequently increase the profitability of the family sector deposit portfolio.
- Reducing the concentration of the New Urban Communities Authority account to 24% of the Bank's total deposit portfolio.
- Issuing and modifying some deposit products such as (Edge Saving Account - Royal Saving Account - Diamond Certificate - Luxury Certificate – Golden USD Certificate - .... etc.).

3- Cards

- Launching a promotional program for new customers, offering at most 5% cashback of the issuance fees when the credit card is issued for the first time and used within the month of issue or the following month.
- Launching a promotional program targeting customers holding dormant and unused credit cards for each type of cards (Classic, Titanium, and Platinum), offering 50% cashback.
- Making adjustments to the pricing of credit card fees and commissions, resulting in an increase in the product revenue.
- Modifying the withdrawal limits within and outside Egypt for both local and foreign currencies, according to card type and customer segment, and updating XCS files to enable debit customers to conduct local ECOM transactions without contacting the call center, in line with the current banking practices.
- Making amendments with the Customer Care Center regarding modifying the process of opening credit cards for international use, to align with the applicable banking procedures.
- Enabling utilization of credit cards in foreign currency 60 days after issuance.
- Launching a new page on the Bank's website featuring monthly offers and all promotional campaigns, including installment plans and discounts, which are updated monthly. The page also includes updates to the card issuance application and welcome letters.
- Holding training courses and preparing training content to enhance the marketing and sales of credit card product for the branches, the central sales team, the customer care center, and new employees.
- Launching a summer campaign for credit and debit cards.
- Launching a 6-month installment campaign with zero interest and zero administrative fees for credit cards, along with campaigns with certain merchants for installment on 12 and 18 months.
- Applying a discount of EGP 100 for credit card debt settlements at branches, generating revenue of EGP 192,000 by the end of December 2025.
- Modifying the printing of the credit cards to be embossed instead of using thermal printing.

4- Bancassurance

- Amending the bancassurance incentive system after its approval and adding it to the performance monitoring card (Score Card).
- Increasing the number of branches offering bancassurance services from 20 to 38 branches.

5- Salary Transfers:

- The total value of salaries transferred for 2025 reached EGP 18 Billion, divided into EGP 15.1 Billion from government entities and EGP 2.9 Billion from private entities.
- Improving the quality and accuracy of data for salary transfer customers in coordination with the Information Technology Department.
- Maintaining continuous communication with all salary transfer entities contracted with our Bank to provide the best possible service and overcome any obstacles.
- Activating the CPS system, through which taxes and government payments are paid automatically.
- Coordinating with the Ministry of Finance regarding the inclusion of 17 new financial directorates in our Bank's salary portfolio; implementation and contracting are underway.
- Renewing contracts with all government entities, with 183 entities having their contracts renewed for 2025.
- Activating a mechanism for a number of free withdrawals through ATMs not affiliated to our Bank to retain the existing salary transfer entities and attract new ones.

Second: Regions and Branches

a. Operations Centralization

- Commencing procedures for identifying and defining the tasks currently being carried out within each branch.
- It has been found that more than 38 procedures are assigned to the branches and it is necessary to centralize these procedures.
- Establishing a clear and specific framework for the procedures to be followed to ensure efficient implementation.
- Full adherence to the approved standards and instructions during execution of the procedures.
- Ensuring that any modification to the nature of the tasks is made according to clear and approved controls.
- To date, 15 procedures have been centralized.
- The centralization process has resulted in saving approximately 1,400 working hours per month across the branches.

b. New Systems

1- BPM System

- The BPM system has been implemented systematically and regularly.
- The implementation included four modules.
- All employees of the branches have been trained on using the system.
- The training aimed to ensure efficient use of the system.
- The training covered all job levels within the branches.
- This aims to standardize work methods and achieve integration between different departments.
- The system has been implemented after preparing the necessary forms and procedures.
- The necessary technical support has been provided during the initial stages of implementation.
- Technical support aims to ensure ease of use and system stability.

2- CCH System

- It is a new system to be implemented in the branches for cheques collection.
- The submitted cases related to the CCH system are currently being reviewed.
- The review shall take place before the system is implemented in the branches.
- The review aims to ensure the system is ready for operation.
- It also ensures that branch staff can use the system efficiently.

Third: Electronic Channels

- Contracting with Tafaseel Outsourcing Company instead of Go Partners to improve service level.
- Establishing a parallel call center for the housing offering service with a capacity of approximately 18,000 calls per day within 4 days only.
- Completing the setup of an alternative call center (DR) with a capacity of approximately 15 seats.
- Maintaining a call response rate of approximately 83%, answering nearly 1.4 million calls, with an increase of about 17% compared to 2024.
- Increasing the call response rate for Royal customers to approximately 98%, compared to approximately 60% in 2024.
- Raising service quality indicators to approximately 95%, compared to 94% in the previous year.
- Processing installment transactions worth approximately EGP 383 Million, with an increase of approximately 370%, and achieving a net profit of about EGP 20 Million.
- Maintaining approximately 3,600 cards, compared to 1,100 cards in 2024 (+220%), with credit limits of approximately EGP 198 Million.
- Activating approximately 25,000 cards (+9%), with issuance revenue of approximately EGP 6.5 Million.
- Reactivating dormant cards: Restoring approximately 1,200 customers, with total transactions of approximately EGP 13 Million.
- Installing approximately 31 new ATMs (2 branches, 3 salary transfer branches, and 26 external locations).
- Replacing approximately 23 old ATMs with new ones within branches.
- Increasing the withdrawal limit per transaction to approximately EGP 12,000 on the new ATMs.
- Updating the phone number data for prepaid cards and making it available to 1.2 Million customers. Approximately 30,000 customers have updated their data.
- Upgrading the ATM's identifier and appearance across all machines.
- Outsourcing the ATM's cleaning services to an external company.
- Outsourcing cash replenishment for approximately 60 ATMs to specialized companies instead of branches.
- Improving ATMs identification and complaint handling through instructional posters.
- Providing foreign currency through the currency exchange service provided by the Bank's ATMs, with approximate values of:

– Approximately USD 3.7 Million
– Approximately EUR 0.9 Million
– Approximately GBP 0.1 Million
– Approximately SAR 7 Million
– Approximately KWD 0.1 Million

Fourth: Digital Banking

- Increasing the limits of internet and mobile banking transfers from EGP 20,000 to EGP 500,000 per transaction.
- Increasing the transfer limits and the number of transactions via the Floosy Phone wallet.
- Adjusting the pricing of the Floosy Phone wallet to achieve profitability.
- Awarding the Queue System project to Raya Corp. after preparing the terms and conditions, completing the technical and financial evaluation, and submitting of bids by the competing companies.
- Awarding the CRM project to CUBIC.
- Implementing the integration between Banque Misr's Reservation Portal and Payment Gateway.
- Enabling the internet and mobile banking services from all countries worldwide.
- Upgrading the branches network (4G) to support digital activation.
- Growing the number of internet and mobile banking subscribers by approximately 21% to reach approximately 280,000 customers, compared to 231,000 in 2024.
- Growing the number of activated customers by approximately 31% to reach approximately 113,000 customers.
- Increasing the number of transactions by approximately 54% to reach approximately 18,000 transactions.
- Increasing the total value of transactions by approximately 157% to reach approximately EGP 852 Million.
- Increasing the number of actual users to approximately 6,000 customers (+200%).
- Maintaining the number of Floosy Phone subscribers at approximately 297,000, while the number of activated wallets as increased to approximately 49,000 (+9%).
- Executing approximately 505,000 transactions through the wallet, with a total value of approximately EGP 674 Million.
- Floosy Phone wallet profitability:
  - Total revenue: Approximately EGP 29 Million.
  - Total expenses: Approximately EGP 5.6 Million.
  - Net profit: Approximately EGP 23 Million.
  - Net profit (direct only): Approximately EGP 10.8 Million.
- Increasing the number of InstaPay customers by approximately 72% to reach approximately 241,000 customers.
- Processing approximately 4.2 Million transactions through InstaPay (+400%)
- Increasing the value of InstaPay transactions to approximately EGP 15.2 Billion (+800%)

Fifth: Housing Services

Non-Financial Achievements

- Opening and equipping six housing centers as part of the plan to establish service centers for housing customers.
- Centralizing the housing operations across 26 branches, representing 42% of the total number of housing service branches, and a total of 370,998 units, representing 31% of the total units.
- Serving 42,253 customers during the year.
- Completing the first phase of the new online booking platform.

- Developing the operational mechanism for Badr Project for employees relocating to the New Administrative Capital in coordination with the Cabinet, the Ministry of Housing, the Ministry of Finance, and the Central Agency for Organization and Administration, to allocate 8,408 residential units.
- Reviewing the residential unit status in coordination with the Urban Communities Authority to re-offer 6,606 units on the Maskan website.
- Electronically opening 4,899 accounts for the R3 project's customers to facilitate installment payment, given the specific nature of these clients.

Financial Achievements

- Collecting earnest money, free of charge, for reservations on the "Maskan" website during the previous offering over a period of 3 months, totaling EGP 21.65 Billion.
- Collecting earnest money for reservation and completion of residential units through our Bank's online reservation platform, totaling EGP 6 Billion.
- Collecting earnest money for reservations of land plots offered by the New Urban Communities Authority through the "Maskan" website, totaling EGP 4.2 Billion.
- Collecting earnest money for reservation, completion, and installments, totaling EGP 1.57 Billion, for 1,291 residential units allocated to employees relocating to the New Administrative Capital. An additional EGP 2.3 Billion will be collected later, bringing the total collected amounts to EGP 3.87 Billion.
- Collecting earnest money of EGP 446 Million for reservations of Phase II of Badr project through the "Maskan" website, representing 8,408 customers relocating to the New Administrative Capital.
- Collecting earnest money for reservations of units on the Egyptian Real Estate platform, as part of the second offering by the Urban Communities Authority, totaling EGP 4.73 Billion.
- Retaining funds at cost-free for periods ranging from two months to one year throughout 2025, totaling EGP 3.5 Billion, as net revenue for our Bank.
- Collecting various commissions totaling EGP 241.5 Million.

Sixth: Financial Inclusion

Financial Achievements

- Achieving a total number of retail customers of 2,877,824, with males comprising 63% and females 37%.
- Achieving a total number of young customers aged 15 to 35 years representing approximately 17% of our total retail customers.
- Achieving a total number of accounts in our financial inclusion products portfolio of 32,969 accounts, with total balances of EGP 267.8 Million.
- Opening 10,933 accounts during 2025, with total account balances of EGP 110.2 Million, representing 41% of the total balances in the financial inclusion accounts portfolio.
- Customers of financial inclusion accounts have conducted 87,463 transactions through 37,550 accounts via electronic channels (POS, Online Banking App, ATM, and Instapay), totaling EGP 2.4 Billion.
- 168 clients with disabilities have used their financial inclusion accounts.
- In cooperation with the Teachers' Syndicate, the Department contributed to increasing the Syndicate's account balance to EGP 296 Million by the end of 2025, representing an increase of 305% compared to the end of 2024.

- Receiving 102 transfers from the Teachers' Syndicate accounts, distributed among 63,388 customers, totaling approximately EGP 2 Billion. These transfers represented the end-of-service benefits of Syndicate members.
- Achieving a total number of customers whose pensions were transferred from the Teachers' Syndicate through Meeza prepaid cards of approximately 500,000 customers, with pensions disbursed totaling around EGP 600 Million.
- Generating profits of approximately EGP 26 Million through transactions on the accounts of the Teachers' Syndicate.
- In cooperation with the Armed Forces Finance Authority, printing 10,657 Meeza prepaid cards for disbursing conscripts' salaries, bringing the total number of printed cards to 27,657. Account balances on 31/12/2025 have reached EGP 9.6 Million, in coordination with the Cards Center.
- The account balances of The 30th of June Schools Group have increased by approximately EGP 900 Million during 2025, bringing the Group's account balance at the end of 2025 to approximately EGP 2.3 Billion.

Non-Financial Achievements

- Collaborating with the Teachers' Syndicate, the Armed Forces, and The 30th of June Schools Group on the E-Bazzar and School Bank initiative, which is deemed a pioneering project supporting digital transformation and promoting financial inclusion.
- Following with the regions and branches regarding the achievement of the targets of the financial inclusion products.
- Conducting market studies related to the financial inclusion products.
- Coordinating with the CBE and obtaining the necessary approvals from our Bank's Top Management to participate in the new university system approved by the CBE and the Ministry of Higher Education.
- Preparing a proposal to develop the youth product.
- Preparing a proposal to conduct a questionnaire for financial inclusion customers.
- Obtaining approval from the CBE for the Teachers' Syndicate to become a service provider for our Bank, and coordinating with all relevant departments and sectors to establish a mechanism for cooperation with the Syndicate to disburse the end-of-service benefits to its members through the financial inclusion accounts.
- Coordinating with the technical office of The 30th of June Schools Group to renew their contract with our Bank.
- Developing training programs for our Bank's employees regarding financial inclusion products, and training 480 employees to enhance their performance across branches, regions, and sectors.
- Developing training programs for teaching sign language within our Bank for 200 employees in various branches and sectors.
- Participating in the "100 Million Mental Health" initiative to raise awareness of financial literacy and promote financial inclusion products.
- Collaborating with the Egyptian Association for the Deaf/ thee Integrated Care Center/ Donitna Association for the Blind to conduct educational seminars in sign language for the deaf and hard of hearing.
- Developing a cooperation plan with the Ministry of Youth and Sports to provide financial literacy to youth and people with disabilities across 27 governorates.

- Developing a cooperation plan with the National Council for Women to implement the State's strategy for women empowerment and raise their financial awareness.
- Developing the report format according to the CBE's requirements.
- Preparing and compiling the necessary data for the CBE's Business Plan and submitting it on a monthly basis.
- Preparing presentations for each event and sending them to the CBE.
- Coordinating with the CBE and The 30th of June Schools Group to prepare an awards ceremony for the winners of the SCHOOL BANK initiative.
- Coordinating with the Technical Office of The 30th of June Schools Group to implement the E-BAZZAR proposal for its international schools, and obtaining approvals from our Bank and the Schools' Technical Office.
- Preparing a proposal for international school students to hold a bazaar that relies on e-payment channels instead of cash.
- Coordinating with national schools and the CBE regarding holding educational seminars for school teachers, and visiting the schools to coordinate with the schools administration, teachers, and students.
- Coordinating with the Technical Office of The 30th of June Schools Group and its branches to grant approvals for disbursement from the accounts at our Bank.
- Participating in changing the payment system for government payments for The 30th of June Schools Group to be through the CPS program.

Seventh: Mortgage Sector

- Achieving growth in the mortgage finance portfolio at the end of December 2025, by an EGP 708 Million, to amount to EGP 12.661 Billion compared to EGP 11.953 Billion at the end of December 2024.
- Achieving growth in the commission and expense revenue related to mortgages at the end of December 2025, reaching EGP 2.570 Billion compared to EGP 2.336 Billion at the end of December 2024.
- Achieving mortgage finance sales during 2025 of EGP 1.372 Billion, resulting in 2,700 mortgage loans being granted to customers. This supports the Bank's strategy to expand its customer base and enhance its market share.
- Signing a cooperation protocol with the New Urban Communities Authority to finance its residential units outside the scope of the CBE's mortgage finance initiatives. This strengthens the Bank's portfolio of protocols and achieves wider reach among customers.
- Launching new financing programs under the free mortgage finance umbrella aimed at diversifying products within the portfolio, in order to meet the needs of customers and the real estate market in Egypt and reduce the time required for credit appraisals and funding grants.

The Bank's Activity in the Systems and Information Field:

- During 2025, the IT Sector has continued implementing the strategic roadmap for digital transformation, while focusing on enhancing operational efficiency, supporting business requirements, achieving regulatory compliance and building a flexible and secure technological infrastructure capable of supporting the Bank’s future growth. These efforts have been reflected in the implementation of a range of impactful initiatives that contributed to improving the quality and continuity of banking services, reducing operational and regulatory risks, supporting digital innovation, enhancing customer experience, and increasing the efficiency of resource and cost management.

- Improving the mechanisms of monitoring the critical banking systems (Mobile Banking, Internet Banking, Switch, IPN) through regular checks and real-time transaction monitoring with proactive fault alerts.
- Collaborating with international payment networks to reduce non-compliance fees, resulting in cost savings and reduced operational risks.
- Automating several card-related operations, including promotional sweepstakes, cashback management, and transaction analysis.
- Enhancing data center readiness by upgrading critical power supplies (UPS) to ensure service continuity and system protection.
- Digital transformation and development of banking services.
- Implementing advanced stages of developing the Instant Payment Network (IPN) and achieving deeper integration with the core banking system (T24).
- Developing integration interfaces (APIs) to support the Bank's digital channels (Mobile & Internet Banking, IVR), thereby enhancing the speed and flexibility of service delivery.
- Launching new digital services including corporate e-statements and additional channels for updating customer data
- Developing internal digital solutions to support business and human resources sectors, thereby enhancing efficiency and reducing reliance on manual processing.
- Implementing technological solutions that support compliance with the requirements of the CBE and regulatory authorities, particularly regarding KYC, inactive customer accounts, and protection of sensitive data.
- Applying advanced database encryption technologies (Oracle TDE) to ensure the protection of stored data without impacting the operating systems.
- Upgrading critical regulatory and control systems to improve stability, security, and future readiness.
- Implementing an advanced data lifecycle management project, resulting in a nearly 60% reduction in storage space, improved performance, and lower costs.
- Implementing SAP HANA as a central platform to support governance and tracking of assets and procurement cycle, and improve oversight, compliance, and efficiency of related financial operations.
- Upgrading data center infrastructure with solutions based on automation and advanced security policies (ACI).
- Improving branch connectivity by implementing SD-WAN solutions to enhance network efficiency and ensure service continuity.
- Enhancing the isolation of operational environments for externally deployed applications by creating secure network zones (DMZs).
- Implementing centralized solutions for managing and securing the mobile devices issued by the Bank.
- Unifying the Bank's digital identity by implementing the email official e-signature across the organization.
- Supporting the recruitment and development of the technical competencies needed to achieve the digital transformation strategy.
- Implementing advanced analytical models to support customer segmentation and service targeting.
- Developing executive management information system (MIS) dashboards to support the Top Management in performance monitoring and decision-making.
- Implementing technical cost allocation mechanisms to enhance transparency and improve budget management.

The Bank's Activity in the Information Governance Field

- Complying with the requirements of the ISO/IEC 27001 standard, and obtaining the Bank's first certificate in compliance with the international information security standards, reflecting the Bank's commitment to applying the best global standards in the information security field, enhancing the effectiveness of the Information Security Management System (ISMS) and raising the level of the Bank's assets and data protection. The ISO certification serves as a global standard that reflects the ability of the HDB to create a strong electronic environment that can effectively and efficiently counter cyberattacks and threats.
- Identifying and monitoring the regulatory mechanisms for ISO 27001 certification to ensure their continued suitability for the electronic environment of HDB, in addition to raising awareness among all relevant sectors about the importance of these controls and their implementing mechanisms to enhance the system.
- SWIFT Accreditation Assessment: Conducting a comprehensive assessment to maintain and support SWIFT accreditation requirements, to ensure compliance with the standards and obtaining the accredited third-party certification and compliance with SWIFT's CSP standards for 2025.
- Reaching an agreement and commencing implementation of the systems, following up on the implementation of the corrective actions roadmap, and monitoring the agreed-upon timeline with the relevant departments to correct weaknesses in order to achieve full compliance.
- Continuously adhering to the security standards and regulations issued by the CBE to demonstrate ongoing compliance with the security standards and regulations that must be in line with the requirements of the CBE.
- Strengthening the infrastructure: Conducting security tests to the Bank's infrastructure and systems, with the aim of assessing the level of protection, detecting potential security vulnerabilities, and ensuring the stability and continuity of the operations. The tests have covered all critical network and system components, with a focus on enhancing data security and maintaining confidentiality, in accordance with the best practices and global standards in cybersecurity.
- Ongoing security assessment of systems and networks: Conducting comprehensive cyber risk assessments to a large number of applications and systems, and putting corrective actions in place to eliminate those risks with the relevant sectors.
- Completing penetration tests to discover security vulnerabilities before they are exploited, assessing the effectiveness of existing security controls, improving security policies and procedures, protecting sensitive data and reducing risks, and enhancing readiness to respond to cyberattacks.
- Continuous monitoring via the Cyber Security Operations Room (SOC) and strengthening SOC capabilities and technical controls: Implementing new SOC use cases, reviewing core technical controls, and driving the closure of the identified security gaps, resulting in improved incident response capabilities. Collection and analysis of cyber threat intelligence: conducting a comprehensive scan of the Deep & Dark Web, generate detailed reports, and providing IT teams and the Security Operations Center with up-to-date data on potential threats. As well, updating the cybersecurity incident response procedures adopted by the Security Operations Center.

- Conducting a practical training simulating a cyberattack on the HDB in cooperation with Google Mandiant, a leading global cybersecurity company, with the aim of raising awareness and enhancing full preparedness to deal with cyberattacks efficiently and effectively. The training included implementing a number of different scenarios to simulate potential cyberattacks on the HDB, ensuring testing of response capabilities and handling of security incidents in a realistic environment.
- Ensuring that the duties and responsibilities of all parties involved in addressing these attacks are clear for rapid decision-making and effective coordination between different teams, working on identifying the potential vulnerabilities in systems and procedures, and developing plans to address them and enhance cybersecurity.
- Mandatory awareness campaigns: Integrating interactive, face-to-face security awareness sessions and conducting mandatory campaigns for new employees and across the Bank to foster a culture of security awareness.
- Developing a strategic awareness framework: Designing a people-oriented awareness program that focuses on transitioning from basic security training to a comprehensive behavior-based approach aligned with the organizational risks and priorities.
- Updating the overall information security policy, including policies and procedures, and conducting a comprehensive review of the sectoral policies and procedures, as well as developing new policies and procedures to align with the international standards.
- Monitoring and addressing weaknesses identified through internal and external audits according to the established timeline.
- Improving the policies and introducing new technical assessments, along with enhancing the policies, procedures, access approval flows, and governance roles for users and suppliers, to strengthen security controls and mitigate supplier risks.
- Completing due diligence reports for contracted companies to ensure compliance with all legal, financial, operational, and security requirements.
- During 2025, implementing and completing twelve (12) vital projects in the field of information technology and cybersecurity, which had a direct positive impact on enhancing the efficiency and stability of the HDB's electronic environment. These projects contributed to a significant improvement in the level of information security and increased preparedness to face potential cyber threats, in addition to developing controls and procedures governing the work. The results of these projects were reflected in improved compliance with the approved international standards and controls, and increased security awareness across various sectors, which supports business continuity and maintains the confidentiality, integrity, and availability of the Bank's information and electronic systems.
- For example (certified network infrastructure – privileged permissions management system – mobile device protection – data leak prevention system – file integrity monitoring system – hybrid and cloud application protection system - comprehensive monitoring system - information asset protection - database monitoring system - source code protection - network access control - identity and access management system – AI-driven deceptive virtual environment creation system).

The Bank's Activity in the Risk Management Field

- The Bank attaches great importance to risk management at all its levels through a framework that ensures a delicate balance between risk and return, where the Risk Sector works to identify, measure, monitor, track and manage risk.
- Continuously monitoring and measuring current and anticipated Key Risk Indicators (KRIs).

- The Bank's successful development of its risk management information systems resulted in more accurate data in reports and faster responses to the regulatory bodies regarding the required data.
- Updating the risk register and matrix across all business units.

To further improve risk identification frameworks and ensure early warning indicators and timely decision-making, the Risk Sector has taken the following actions:

First: Credit and Investment Risk:

The credit and investment risk group represent the backbone and support for banking business and credit and investment groups through its active role in controlling the potential exposure to risks resulting from the expansion in credit and investment activities. This role is particularly prominent during times of local and global economic changes, ensuring maintenance of credit quality, promoting optimal capital utilization, and maximizing return rates from activities, as well as ensuring that operations comply with the internal policies, controls, and regulatory instructions issued by the CBE.

Loan Credit Risks:

- Upgrading and recalibrating the creditworthiness assessment system (AVRA).
- Improving and enhancing the efficiency of the Bank's data reported to the CBE and the Egyptian Credit Bureau (I-Score) regarding corporate customers and syndicated loans.
- Coordinating quarterly with the MIS Department to review data and reports related to the Bank's and Banking Group's investment portfolio.
- Preparing credit risk reports for corporate and SME customers.
- Reviewing the status of the standard product (Khutwa product) and issuing the necessary recommendations in light of the results of the subsequent review, contributing to reducing risk levels and improving the quality of the credit portfolio.
- Participating in the development of regulations for granting facilities secured by liens and pledging of saving vessels.
- Coordinating with other relevant departments and sectors regarding any inquiries or feedback received from the CBE concerning corporate and SME customers.
- Reviewing and preparing reports on early warning memos to prevent an increase in the default rate of the SMEs portfolio.
- Participating in workshops on developing sustainability programs for SMEs customers with FRANKFURT BUSINESS SCHOOL.
- Updating and modifying some of the determinants of auto loans in general.
- Updating and completely restructuring all credit card programs and having them approved by the relevant committee.
- Working on creating and developing periodic reports for monitoring and tracking the performance of retail banking credit products and mortgage finance, including the housing portfolio, and issuing the necessary recommendations as a corrective measure in coordination with business sectors in order to strengthen oversight.
- Amending the collateral code for mortgage customers to comply with the CBE's instructions.
- Establishing a specific mechanism for dealing with the categories of Social Housing Fund customers with difficult-to-prove income.

Investment Risk:

- Analyzing, measuring, and evaluating the risk aspects of each company in which the Bank invests, to ensure the safe deployment of the Bank's resources and achieve an economic return on investment in line with the various investment risks and the Bank's cost of funds, while taking care not to exceed the acceptable level of risk.
- Analyzing, measuring, and evaluating the risk aspects of each subscription to bonds, in order to ensure the safe deployment of the Bank's resources and achieve an economic return on investment in line with the various investment risks and the Bank's cost of funds, while taking care not to exceed the acceptable level of risk.

Investment Risk at Banks, Financial Institutions and Groups within country and Abroad:

- Updating and developing the work procedures and the risk assessment forms and tools in accordance with the best practices based on the efficiency standards of the internal control environment.
- Analyzing, measuring and evaluating the risk aspects of each bank, whether abroad or at home, in accordance with the controls and limits on the concentration of investments in banks and financial institutions and groups issued by the CBE.

Second: Credit and Investment Portfolio Risk:

Continued monitoring and ensuring that the Bank's overall framework and risk management system are completed in the field of credit and investment portfolio risk management, through monitoring compliance with all regulatory instructions issued by the CBE, and working to implement the best practices and policies in the field of risk management and internal control systems in banks through the following:

- Continuously monitoring and measuring the substantial risks that the credit and investment portfolio may be exposed to by presenting a set of reports periodically and regularly to the Executive Management, the Risk Committee and the Board of Directors of the Bank that include all current and expected KRIs (Key Risk Indicators) and their maximum limits within the Bank's acceptable risk levels (Risk Appetite).
- Conducting the Internal Capital Adequacy Assessment Process (ICAAP) to ensure the adequacy and capacity of the Bank's capital base to absorb and cover all risks that the Bank may be exposed to, while monitoring the results and indicators of the periodic Capital Adequacy Report (CAR) within the ICAAP assessment results.
- Continuously maintaining safe levels of the Bank's capital adequacy rate that exceed the regulatory, internal and average rates at the level of banking system units, despite the good growth achieved in the credit investment portfolio, reflecting the quality and diversity of those investments.
- Participating in the preparation of the first report on disclosure requirements within the third pillar of Basel II regulations, which includes the most important information related to the regulatory capital structure of banks and methods for measuring and managing overall risks within the framework of the CBE's instructions No. 3406 dated 04/08/2025.
- Conducting an annual review and update of the elements and indicators of the Expected Credit Loss (ECL) provisioning model in light of the effects of the global financial crisis on the macroeconomic indicators, particularly regarding the rise in inflation and interest rates, the decline in the value of the Egyptian pound against foreign currencies, and the downgrading of Egypt's credit rating by international rating agencies, and conducting a number of stress test scenarios, calculating, evaluating, and measuring the specific impact and correlation of each scenario on the portfolio structure, with the application of the most likely scenario, with the aim of hedging against the effects and repercussions of the crisis, pressures, and potential negative effects on the quality and indicators of the credit investment portfolio.

Third: Market and Liquidity Risk:

The Market and Liquidity Risk Management Department identifies, measures, monitors, and controls the risks that the Bank may face as a result of unfavorable changes in capital markets and foreign exchange markets, interest rates and liquidity risks to avoid the negative impact of these variables on the Bank's profitability and capital. Potential risks are measured using advanced analytical tools derived from Basel Committee regulations and the regulatory instructions issued by the CBE, through the following:

- Regularly implementing policies and procedures to monitor risks and ensure the availability of an action plan that includes maximum permissible limits for avoiding and mitigating each type of risk.
- Developing an organizational structure for market and liquidity risk management, approved by the Risk Committee and the Board of Directors.
- Reviewing the Bank's risk matrix periodically, in addition to conducting tests of the accuracy of the results by comparing the actual results of an activity with the expected results to assess the accuracy and effectiveness of the risk management process and make the necessary adjustments when necessary.
- Adopting the acceptable and maximum limits through the market and liquidity risk policy and ensuring that the policies and procedures guarantee compliance with the Bank's acceptable risk limits, and ensuring that they are not exceeded.
- Preparing reports on market and liquidity risk management to assess capital adequacy to align with the Bank's overall risk framework.
- Developing effective information and communication systems that enable the Risk Sector to provide the Risk Committee and the Board of Directors with periodic reports (at least quarterly) that include all types of market and liquidity risks in the Bank, the extent of the Bank's compliance with the maximum limits for each of them, any excesses (if any), their causes, and the proposed corrective plan in this regard.
- Implementing an early warning system for potential risks, in alignment with the Bank's acceptable risk level and established maximum limits, through monitoring the early warning indicators of the Bank's recovery plan.
- Establishing a specific policy for stress testing, and developing various scenarios to address market risks, interest rate fluctuations, and liquidity risks, according to the nature of those risks.

Fourth: Operational Risks and Fraud Control:

Within the Bank's management keenness and interest in continuously developing the control and oversight systems, several methodologies are applied to manage operational risks, aiming to identify and evaluate the risks to which the Bank may be exposed, in order to take the appropriate regulatory measures that will facilitate the decision-making process in mitigating those risks. The most important of these methodologies are the following:

- Continuously following proactive approaches to mitigate operational risks by updating the risk matrices of the Bank's various work centers within the continuing application of the Risk and Control Self-Assessment (RCSA) methodology and identification of the key risk indicators at the level of various banking activities.
- Developing the Bank's key risk indicators, which are relied upon as an indicator or indication of potential risks, and are considered an early warning system for potential exposure to certain risk.

- Identifying and assessing operational risks related to all banking products, activities, processes and systems, whether current or new, particularly in light of the development the Bank has witnessed, especially at the level of digital transformation in various products as well as the shift towards centralization in operations.
- Conducting business continuity plan testing exercises through the alternative headquarters while continuing to take all necessary measures to ensure the continuity of vital operations and maintain the provision of essential services without interruption in various circumstances, while maintaining the safety of individuals and measuring the readiness of the systems to deal with emergencies efficiently and effectively.
- Preparing and implementing internal Service Level Agreements (SLAs) for operational risk management departments, clearly defining the roles, responsibilities, and response times between different departments and sectors within the Bank, in order to enhance coordination and speed in dealing with operational events.
- Updating the Business Impact Analysis (BIA), Business Continuity Policy (BCP), Business Continuity Plan (BCP), and preparing a plan for alternative suppliers, and a Crisis Management & Incident Response Plan.
- Providing the necessary training to spread awareness among the Bank's employees regarding operational risks and fraud risks, methods of risk mitigation, and methods of combating fraud, to include new employees and current employees.
- Implementing the fraud reporting system issued by the CBE to ensure immediate and accurate notification of all fraudulent incidents detected by the specialized departments of the General Bank Fraud Combating Department, in support of the CBE's efforts to enhance control and supervision of the banking sector.
- Preparing and implementing internal Service Level Agreements (SLAs) for the General Bank Fraud Combating Department, clearly defining the roles, responsibilities, and response times between the various departments and sectors within the Bank, in order to enhance coordination and speed in dealing with suspected cases of internal and external fraud.
- Commencing the "Enterprise Fraud Management (EFM) System" project, which is a bank-level fraud management and prevention system that allows real-time review of suspicious movements and transactions. The system aims to enhance early detection capabilities and intelligent analysis of abnormal patterns related to mobile and internet banking, thereby supporting faster decision-making and reducing fraud risks.

Fifth: Credit Monitoring and Centralized Inquiries

- Tightening control and oversight of the activation and availability of credit limits and their uses in accordance with the credit approvals issued to all corporate and project customers of various types.
- Providing business sectors (companies and projects) with advance data on general and sub-limits due in the upcoming periods, as well as data related to delay periods before classifying customers as non-performing and insurance policies due in the next month
- Preparing regular periodic reports, on monthly and quarterly basis, for the credit committees on expired limits, outstanding arrears, actions taken regarding them, uses of credit limits, usage rates, customers subject to early warning indicators of default, as well as reports on the development of the credit portfolio and default rates, thus giving a clear and transparent picture of the credit portfolio.
- Regularly updating inquiries about corporate and project customers every 6 months, in accordance with the CBE's instructions, and supervising the business of the external companies tasked with inquiring about retail banking customers of all types.

Sixth: Credit Information:

Updating the contracts for services provided by the Egyptian Credit Bureau (I-Score), upgrading two services, and implementing a new service based on our Bank's instructions. Furthermore, updating all contracts for all contracted services, upgrading two services (Analytical Market Data MIS – Bank representatives' signature attestation) according to the updates made through the Egyptian Credit Bureau (I-SCORE), activating the service of instant inquiry about deaths, and contracting for other services after expressing the opinion of the sectors benefiting from the use of these new services.

The Bank's Activity in Operations Field

Banking Operations

- Centralizing all credit card issuance activities.
- Implementing automatic updates to the In-House Card Program
- Providing the necessary staff for centralization (fresh graduates)
- Centralizing card service operations on the T24 system, such as canceling and modifying credit limits, instead of having them processed by our Bank's branches and approved by regional offices.
- Centralizing personal loan and credit facility operations for individuals.
- Centralizing new post-dated cheque operations.
- Developing and implementing an automated program for receiving and processing new post-dated cheques (in-house).
- Adopting and applying new work procedures for centralization of post-dated cheques (Phase1)
- Centralizing operations of retail customer accounts
- Creating and implementing a mechanism for collecting the approved commission for correspondence storage at a rate of EGP 100 per month from each customer, as this commission has not been previously collected by the branches. The mechanism has been activated and commissions have been collected automatically in bulk starting from October 2025, at an amount of EGP 7.4 Million.

Cash Remittances:

- Opening new communication channels with several local banks that the bank had not previously dealt with in cash remittance process.
- This resulted in a 25% increase in the volume of funds disbursed from surplus cash in our Bank's vaults, amounting to approximately EGP 6 Billion out of a total cash disbursement of EGP 24.5 Billion.
- Overseeing the organization and management of the tripartite protocol between our Bank, the Urban Communities Authority, and both the National Bank of Egypt and Banque Misr, whereby our Bank assumed the role of custodian and collection agent for 5,700 cheques valued at EGP 44 Billion in record time not exceeding 4 working days during the month of Ramadan.
- Amending the collection mechanism so that the cheque list for the next full week is delivered to the National Bank, which then debits the Authority's accounts at the CBE , authorizes delivery of the cheques to the Authority, which is responsible for receiving those cheques, and then follows up on collecting their value from the developers, and redeposit the value into its accounts with our Bank, while keeping those balances in a dedicated escrow account that is dealt with directly through the Financial Sector.
- Successfully communicating with the New Urban Communities Authority to continue providing the settlement service for payments on the Egyptian Real Estate Platform. In order to receive daily payment balances for any projects offered by the Authority that represent inexpensive funds that are invested through the Treasury Sector.

The Bank's Activity in the Compliance and Corporate Governance Field

- In this context, the Sector is committed to implementing the optimal approach to corporate governance in accordance with the highest performance standards and best international practices, and in alignment with the size, complexity, and diversity of our Bank's activities. To that end, it strengthens and establishes a culture of governance by preparing and updating various governance policies to comply with all instructions and regulations of the CBE, such as (the Code of Professional and Ethical Conduct - Conflict of Interest Management Policy – Whistleblowing and Whistleblower Protection Policy – Gift Acceptance Policy – Clean Desk Policy) within an effective framework of disclosure and transparency works to enhance business growth and profitability and reinforce the trust of customers and investors, and to protect the rights of stakeholders, in compliance with the Central Bank of Egypt Law No. 194 of 2020, and the Governance and Supervision Instructions issued by the CBE in 2024.
- The Compliance Sector also plays a vital role in achieving the Bank's vision and objectives by maintaining the highest quality standards through reviewing all procedures, policies, forms and products in our Bank upon issuance or update in accordance with the laws and regulatory instructions and ensuring that regulatory instructions are applied to all sectors and branches of our Bank.
- In light of the increasing and developing various banking products and services, especially diverse technological products and services and financial inclusion products, in line with the directives of the CBE, our Bank is keen to formulate policies and work procedures; develop automated programs; issue and update more scenarios related to combating money laundering and terrorist financing to keep pace with these developments and diversifications in order to ensure full compliance with local laws (the Anti-Money Laundering and Terrorist Financing Law and its amendments, and the Law Regulating the Lists of Terrorist Entities and Terrorists and its amendments), and the supervisory instructions issued by the CBE and the Anti-Money Laundering Unit, as well as all the international laws and regulations in this regard; and update the programs related to international sanctions and blacklists imposed on countries, institutions and individuals locally and internationally on a real-time basis. Intensive training of colleagues has also played a key role in increasing and diversifying experiences in dealing with modern systems and applying procedures and instructions.

The Bank's Activity in the Human Capital Field

- In line with the Bank's strategy for 2025-2030, studying the existing and proposed organizational structures and updates related to job description cards, and approving the restructuring of several sectors in 2025 in accordance with the approved strategic initiatives presented by PwC.
- Studying the jobs in those sectors in accordance with the updated job description cards, sector tasks and approved organizational structures of the Bank, evaluating those jobs (Job Evaluation) and determining the financial grades for each job by the trained team (the Organization and Performance Evaluation Department and the Benefits and Compensations Department of the consultant (KORN FERRY)) to ensure the application of the established and approved methodology. Approving the job evaluation and financial grades determination for a total number of (600 jobs - 46% of the total jobs in the Bank).
- **Hiring a number of 427 employees to join the Bank in 2025, compared to 344 in 2024.**
  - Hiring 305 fresh graduates (71% of total appointments), based on the labor needs reported by the Bank's various departments and branches. This selection process involved 1,793 fresh graduate candidates applying to work at the Bank, who have been tested at the Banking Institute before being presented to the Selection and Appointment Committee.

- Hiring 122 experienced employees (29% of total appointments) from among 25,000 applicants, in light of meeting the urgent needs during the year that resulted from the creation of some jobs or the modification of some structures in accordance with the requirements of the Bank's 2025-2030 strategy. Likewise, appointing branch managers and regional heads according to the urgent needs of regions and branches.

- Collecting objective forms from all sectors, branches, and general departments, and preparing periodic reports on Bank employees for 2025, along with the distribution of annual employee performance evaluations according to the approved performance evaluation curve.
- Providing a total of 16,866 training opportunities, divided into 13,692 opportunities within the plan and 3,174 training opportunities outside the plan.
- Delivering a total of 123,885 training hours during 2025.
- Holding focus Group meetings.
- Organizing sessions with some employees from different age groups (Generation Z, Millennials, and Generation X) and different departments and job levels, with the aim of listening to their opinions and identifying the most important factors that constitute an exceptional employee experience, by presenting some topics related to the work environment for discussion and evaluation using clear criteria, and thus setting their priorities with regard to improvement.
- Conducting an employee satisfaction survey.
- Conducting a comprehensive employee satisfaction survey to enhance communication and understanding of employee experiences within the Bank. This survey provided accurate data on overall satisfaction levels and employee engagement, and identified areas for improvement from the employees' perspective.
- Providing the necessary support, in addition to supporting project stakeholders, and initiating the pilot phase for disbursing employee salaries to the Bank's employee current accounts.
- Implementing the ITSM system for receiving HR correspondence requests addressed to external parties.
- Participating in improving the email signature creation project in collaboration with the Technology and Information Systems sector.
- Achieving a turnover rate of 6.34% for 2025.
- Conducting a study to analyze employee turnover and providing several suggestions to retain competent staff at the Bank. These proposals resulted in several decisions by the Bank's Board of Directors to implement the following:
- Supporting the alignment of the Bank's employee benefits with those offered by their counterparts in the banking sector, based on the consultant's study.
- Enhancing the Bank's competitiveness in attracting fresh graduates by increasing the fixed monthly salary upon employment to match the banking market rates.

The Bank's Activity in the Engineering, Housing, and National Projects Field

- The Housing and National Projects Group is the group responsible for achieving the Bank's housing objectives in the areas of real estate investment and contributing to increasing the Bank's profitability and maximizing its returns.
- Providing investment trustee and marketing services for the Bank's and others' projects through auctions or direct sales, as well as marketing and monitoring of tourism projects owned by the Bank and others on the North Coast (Marakia – Marbella – Marina – Casabianca – Beau Rivage Fayed)

- Investing the Bank's units (investment units) and maximizing returns by leasing them to others at the highest market rental value, receiving lease requests from companies, proceeding with contracting procedures, collecting rental payments, and renewing lease contracts with those lessor companies (Petroleum Marine Services – HD Leasing – Information and Transactions Services- National Bank of Egypt – Bethlehem – City Edge – Egyptian Credit Bureau – Banks of Egypt for Technological Advancement – promotion Company – Himaya Company – Holding Company – Development and Housing Company for Utilities – Egyptian Contracting Office).
- Receiving requests from Customers seeking to change the property use from residential to commercial or administrative, in accordance with the approved procedures, including notifying the relevant branches and collecting the applicable fees for the change of purpose.
- Selling 149 units with a sales value of EGP 458 Million and achieving revenues of EGP 404 Million, compared to EGP 216 Million in 2024, and other housing revenues of EGP 169 Million, compared to EGP 124 Million in 2024, and collected rents of EGP 97 Million, compared to EGP 63 Million in 2024.
- Marketing commercial, administrative and residential units, garages, and warehouses in the Bank's various projects throughout the country through direct sale and public auctions.
- Coordinating between the Bank and the New Urban Communities Authority and its agencies, collecting down payments, and following up with the branches to collect the Bank's commission on the collected amounts (investment trustees' commission).
- Maximizing the return of selling and marketing the units owned by others (residential/commercial/administrative) by preparing marketing studies, developing marketing plans, and participating in determining prices and payment systems, where the units are marketed through direct sale or public auctions, with the total revenues of the investment trustees' sales amounting to EGP 16.5 Million.
- Marketing units owned by the Cooperative Housing Association for the Cabinet's employees in the "Al-Waha" project.
- Marketing parking spaces owned by the Economic Housing Finance Fund in the Nozha Third Settlement project in Cairo Governorate.
- Marketing residential units owned by the New Urban Communities Authority and its agencies in various projects.
- Supervising all procedural and executive aspects of all national projects financed by the Bank or whose execution is financed and supervising by the Bank in all new cities and governorates in accordance with the procedures and policies adopted by the Bank, as well as monitoring the regions and branches in implementing the decisions and instructions issued regarding the organizational aspects of the national housing project issued by the competent authorities, with achieved revenues amounting to EGP 1.6 Million.
- Finalizing the assignment and contracting procedures for the units located in the North Coast villages (owned by the Bank and the New Urban Communities Authority), with a number of 472 assignments and commission amounting to EGP 1.6 Million, and leasing shops owned by the Bank in Casabianca village on the North Coast with a total rental value of EGP 510,000. Thus, achieving total revenues of EGP 2.1 Million.

The Bank's Activity in the Internal Audit Field

- Within the framework of the strategic role played by the Internal Audit Sector, and in accordance with the international standards of internal audit, the Sector provided independent and objective audit services during 2025 aimed at enhancing corporate governance, improving the effectiveness of risk management and supporting the efficiency of internal control systems, which contributes to protecting the assets of the HDB and supporting the achievement of its strategic goals.

- The approved audit plan for 2025 has been fully implemented during the same year. It has been prepared according to a risk-based methodology, ensuring that audit resources are directed to activities with the highest impact on achieving the Bank's objectives and its financial and operational stability. The plan included a review of the branches, main sectors and departments, and information systems, along with consulting tasks and quality assurance activities, with a total of (89) review tasks.
- The audit work and reports issued during the year contributed to achieving tangible added value for the Bank, represented in enhancing the effectiveness of internal control systems by monitoring shortcomings and proposing practical and implementable improvements; supporting risk management by identifying operational, credit and compliance risks and assessing the adequacy of their mitigation controls; improving the quality of administrative decisions by providing objective and independent information to the executive management and the Auditing Committee; reducing potential losses and protecting the Bank's funds and customer rights, and promoting compliance with the regulatory instructions issued by the CBE and the relevant regulatory bodies.
- Additional tasks and their role in risk management: In addition to implementing the audit plan, the Sector undertook special checks and investigations related to customer complaints and incidents with financial or operational impact. This has contributed to the early detection of the shortcomings and unsound practices, supporting the Department in making appropriate corrective decisions, and reducing operational and corporate reputation risks.
- This approach has also contributed to enhancing the ability of the Internal Audit Sector to provide sustainable added value to the Board of Directors and the Auditing Committee, through professional outputs that are efficient and reliable and that support decision-making and achievement of the Bank's strategic objectives.
- Therefore, the Internal Audit Sector confirms that its work during 2025 has not been limited to the traditional supervisory role, but extended to providing real added value through supporting governance, enhancing risk management, and improving internal control systems, in order to support the Board of Directors and the Executive Management in achieving the objectives of the HDB and ensuring the sustainability of its business.

The Bank's Activity in the Legal Affairs Field

- Activating the e-litigation system at our Bank, which allows access to the Economic Court website and taking of the necessary steps to electronically register and file lawsuits and upload documents and memoranda in the same manner, and issuing digital signature certificates to some colleagues in the legal groups concerned with these steps, so that they can register lawsuits and submit memoranda and documents electronically. Notifications and announcements sent by the court are also received through this system, in addition to periodically inquiring about the status of lawsuits and the decisions issued regarding them.
- Completing the procedures for aligning the legal affairs work system with ISO 9001-2015 standards and obtaining the ISO certificate in November 2025.
- Taking legal action against defaulting retail banking customers that resulted in tangible results represented in the number of lawsuits filed against these customers, and handling all pending lawsuits during that year through all stages before the court of jurisdiction, as well as the judgments issued in favor of our Bank, which contributed to reducing the default rate of the credit portfolio.
- The number of filed and pending cases and issued judgments during 2025 totaled 1525 cases, including 339 pending cases, 1009 issued judgments, and 177 cases and judgments that resulted in full payment.

- The number of warnings issued to customers to urge them to pay in 2025 totaled 176 warnings; including warnings issued to 27 customers that have paid the required amount, and warnings to 149 customers against whom lawsuits are being filed.

The Bank's Activity in the Board Affairs Sector (Board Secretariat):

Creation and development of a decision support and making database

- The Board Affairs Sector plays the role of the mover and mediator between the Board members and the Bank's Top Management. In addition, it establishes an ongoing bond between the Board members and the Bank's Management, and provides all information to the members, which contributes to the decision support and making process.

Activation of the digital transformation system with regard to electronic voting, as well as electronic archiving and anything related to the Sector's work

- The Board Affairs Sector is working on digital transformation in addition to continuous development of databases related to the Board affairs, issuance of follow-up reports, participation in the preparation of governance reports and the regulatory authorities reports, and activation of the document archiving system (electronic archiving) with the company specialized in this regard.

Regulatory Coordination:

- The Board Affairs Sector shall adhere to all instructions issued by the CBE, the Investment Authority, the Financial Regulatory Authority and the Accountability State Authority, provide them with periodic reports and statements, and ensures that the minutes are approved on time and the requirements set by the CBE are met.

The Bank's Activity in the Corporate Communication Field:

During 2025, the Corporate Communications and Sustainable Development Sector has continued to play its pivotal role in supporting the Bank's strategic direction, through unifying the corporate identity, enhancing brand awareness and solidifying the Bank's image as one of the largest comprehensive commercial banks offering all services in the Egyptian banking market, in line with its ambitious strategy and vision.

The Sector has implemented an integrated communication plan for 2025 within the strategic framework for the period 2025–2030, which aimed to introduce the Bank's banking services and products, highlight its institutional achievements, and enhance effective communication with various stakeholders, including employees, customers, suppliers, media, government bodies, decision-makers, investors, and all relevant parties.

As part of the Bank's commitment to its social role, the Sector has been keen to highlight and promote the Bank's efforts in the field of social responsibility and sustainable development, through active participation in initiatives and programs with a positive impact, contributing to meeting the needs of the society, supporting the sustainable development priorities, and solidify the Bank rank as a financial institution that adopts the best social practices, which in turn had positive impact on its institutional reputations.

The Sector has also paid special attention to strengthening the internal communication system, by developing and unifying the communication channels between the Top Management and employees, and implementing a range of internal events and activities aimed at establishing a culture of teamwork, enhancing institutional belonging, and supporting a positive work environment, which contributes to consolidating the Bank's position as a preferred employer.

In this context, the Corporate Communications and Sustainable Development Sector has implemented a range of activities and initiatives during 2025 in the areas of marketing, public relations, internal communication, and social responsibility, the most prominent of which can be summarized as follows:

- During 2025, the Corporate Communications and Sustainable Development Sector has implemented a number of integrated promotional campaigns, which achieved a positive and effective return in enhancing the Bank's image as a comprehensive commercial bank, raising brand awareness and introducing its banking products and services, which contributes to expanding the customer base and increasing market share, through well-thought-out marketing messages that are precisely directed to the target groups.

A: Ramadan Campaign "Endless Banking Services":

The Corporate Communications Sector has launched its advertising campaign "Endless Banking Services" during Ramadan 2025 through integrated marketing channels, with the aim of improving the Bank's image as a comprehensive commercial bank and highlighting the diversity and competitiveness of its banking services. The campaign has achieved remarkable success during Ramadan 2025 despite strong competition, ranking among the most successful banking campaigns of 2025. This contributed to supporting the Bank's strategic objectives and strengthening its position in the Egyptian banking market.

B: Credit and Debit Card Campaign:

The Corporate Communications Sector has launched a promotional campaign for credit and debit cards under the slogan "What you buy in a day... could win you a million" during July and August 2025, through various advertising channels, with the aim of stimulating the use of cards and enhancing the customer experience, in support of the Bank's strategic direction for the period 2025-2030 to become at the forefront of banking options for the public in Egypt. The campaign has achieved widespread reach, exceeding 155 million views, and resulted in significant growth in card usage rates, reflecting its success in achieving its promotional and commercial objectives and strengthening the Bank's competitive position in the banking market.

C: Retail Loan Campaign:

- The Corporate Communications Sector has launched its promotional campaign for retail loans under the slogan "A loan that doesn't need anything for those who can't bear more expenses," during November 2025, which will continue until March 2026 through various advertising channels with the aim of stimulating demand for retail loan products by offering competitive advantages. The campaign, which ran during November and December 2025, contributed to stimulating demand and increasing the rates of personal and auto loan approvals during the campaign period, thus supporting the Bank's strategy for the period 2025–2030, reinforcing its position as a comprehensive commercial bank offering flexible financing solutions that meet the needs of various customer segments, strengthening its presence on social media and developing the content regularly, which has contributed to enhancing interaction with the public and reaching target groups, through the following:

  - Developing and regularly updating the Bank's official website in line with the Bank's distinguished position and public image, while keeping pace with the technological market developments, so that the Bank's official website becomes the main and official source of information. The number of new visitors to the website reached 1.7 Million visitors by the end of 2025, with an increase of 7% compared to 2024.

- Developing the content of the Bank's official pages on Facebook, Instagram, LinkedIn, YouTube, and TikTok, and publishing the Bank's media and advertising content, as well as everything related to banking products, services, and news on a regular basis, which led to the following:
  - An increase in the number of followers of the Facebook page from 1,303,923 in December 2024 to 1,354,737 in December 2025, representing a 4% increase. The Bank

ranked first in the banking sector in terms of the highest number of times its name is mentioned in conversations and discussions related to the banking sector across all social media pages and digital platforms, reaching 37% (Share of Voice).
  - An increase in the number of followers of the Bank's official social media pages by 74% for the Bank's YouTube page and 29% for the Bank's Instagram page.
  - An increase in the Bank's reach to the public to be 167 Million on Facebook and 67 Million on Instagram, with an increase of 5%.
  - An increase in the number of views of published content by up to 792% on Facebook, 204% on Instagram, and 14.5 Million views on YouTube, as well as an increase in the number of followers of the Bank's page on LinkedIn by about 93% compared to 2024 as the views reached 365,500, with an increase of 1,064%.
  - Launching of an official bank account on TikTok in March 2025, reaching 7,490 followers by the end of the year, with 52 Million views of content and an average audience reach of 4 Million.
- Following the CBE's instructions regarding financial inclusion and awareness against fraud, the Sector has prepared and published content through its official pages to participate in raising awareness about financial inclusion and awareness against cyber fraud.
- The Corporate Communications Sector has participated in launching the new residential unit e-booking portal for the New Urban Communities Authority projects, where it took over the management of the visual identity, the production and management of the introductory videos for the portal, in addition to the development and implementation of the digital launch plan.
- Enhancing the Bank's presence during the summer season of 2025 in distinguished and strategic locations, including sponsoring a number of La Vista beaches on the North Coast (La Vista Bay, La Vista Bay East, and La Vista Ras El Hekma), as part of its ongoing efforts to consolidate the Bank's image as a comprehensive commercial bank.
- This presence has contributed to enhancing the reach of the Bank's development communication messages to the target segments, and increasing levels of awareness and positive association with the brand, which supports the Bank's strategic objectives and strengthens its presence with current and prospective customers.
- Out of the Bank's belief in the importance of preserving national heritage and supporting local industries and crafts, the Corporate Communications and Sustainable Development Sector has participated in sponsoring the seventh edition of Torathna (Our Heritage) exhibition, in cooperation with the Micro, Small and Medium Enterprises Development Agency. This participation came within the Bank's commitment to its social role and its support for small and medium enterprises, which contributes to strengthening national identity, empowering traditional craftsmen, and consolidating the Bank's role as an active development partner in supporting the national economy and achieving sustainable development objectives.
- The Sector has played an active role in implementing the financial inclusion plan and activities, through participation in a number of national and international events, including the celebration of the International Women's Day, the Arab Day for Financial Inclusion, International Youth Day, Farmers' Day, World Savings Day, and the International Day of Persons with Disabilities, through participation in 234 exhibitions across the country during 2025. This comes as part of the Bank's commitment to spreading the culture of financial inclusion and targeting new segments of customers, which contributes to supporting the goals of sustainable economic and social development.
- Enhancing the Bank's media presence and solidifying its positive public image and position as a comprehensive commercial bank

- The Sector has worked to increase the rate of positive news reports and press interviews about the Bank's achievements on a regular and real-time basis, through various major newspapers, magazines, and news websites, as the number of news articles and press reports published across social media platforms, newspapers, magazines and news websites has increased to (8,020) publications, with the Bank ranking second among banks in terms of the number of press and media coverage, with a total of 334 topics published about it across various media outlets, which contributed to enhancing the Bank's media presence and visibility in a distinctive way among competing banks, enhancing brand awareness among the public, and consolidating its positive public image, thus confirming the Bank's leading position as a comprehensive commercial bank that offers a complete and diverse range of competitive banking services and products.
- Creating and building effective relationships between the Sector and the various business sectors of the bank, with the aim of developing a plan to introduce the Bank's products and services to the public of customers, which contributes to maximizing the Bank's profitability.
- The Sector has been keen to enhance communication with major global rating agencies, which specialize in classifying and evaluating the largest institutions, resulting in the Bank receiving of more than 30 excellence awards from prestigious global rating agencies, reflecting the Bank's leadership and the diversity of its areas of excellence.
- The Corporate Communications and Sustainable Development Sector has strengthened the internal communication system contributed to creating a stimulating work environment, and enhanced the Bank's image to become the preferred employer in line with the Bank's vision and strategy for the period 2025-2030, through the preparation and implementation of an integrated plan during 2025, which aimed to unify internal messages, informing employees of the Bank's strategy for the period 2025–2030, and promoting effective communication between the Top Management and employees, which contributes to raising levels of loyalty and institutional belonging in line with the Bank's strategic objectives.

In this context, a number of activities and initiatives have been implemented, most notably:

- Organizing the annual staff meeting in Al Galala City – Ain Sokhna 2025, to discuss the year's achievements and review the Bank's strategy for the period 2025–2030, in a festive atmosphere full of vitality and positive energy that contributed to appreciating the employees' efforts, strengthening team spirit and institutional belonging, and enhancing the Bank's image to become the preferred employer.
- The Sector has organized ceremonies to honor outstanding employees in various branches of the Bank in recognition of their achievements and efforts, as part of the Bank's commitment to improving the work environment and its continuous support for its human resources, motivating them to achieve excellence, and strengthening their sense of belonging to the institution in line with its strategic vision.
- The Sector has been keen to involve employees through internal events to celebrate various occasions such as Christmas, New Year's Day, Ramadan, Mother's Day, and Eid al-Fitr, by distributing seasonal gifts; to promote team spirit and belonging to the institution, and to create a joyful atmosphere within the work environment.
- As part of the Bank's efforts to improve the work environment, the Sector supports all employee-related activities, including organizing sports and social activities for employees, such as the Ramadan tournament in football, padel, table tennis, and chess, with the aim of developing team spirit, and to enhance effective communication between employees, in addition to creating an atmosphere of entertainment and a spirit of competition among employees during the holy month of Ramadan. The Sector has also provided support and motivation to the Bank's football team, in order to enhance the team's efficiency and create a positive spirit, which contributed to the team's qualification for the 2025 Banks League final.

- As part of the Bank's commitment to strengthening its corporate identity and creating an attractive work environment for young cadres and fresh graduates, the Sector, in cooperation with the Human Capital Sector, has participated in and sponsored a number of job fairs at universities, including the Maritime Academy, the German University, ESLSCA University, and Cairo University, with the aim of introducing the requirements of the labor market to fresh graduates and job seekers and providing the latest job opportunities that contribute to achieving their professional aspirations and open up new horizons for them towards a promising career future, and introducing the Bank's culture and corporate identity, in order to activate its strategic vision of enhancing the Bank's image as a preferred employer.

The Bank's Activity in the Social Responsibility and Sustainable Development Field:

- The Bank believes in the importance of its role as a responsible financial institution and an active member of society, striving to create a positive and sustainable impact that benefits all segments of society. The Bank continues to intensify its efforts in the field of social responsibility and sustainable development through its strategy aimed at social responsibility and sustainable development, by actively participating in initiatives and programs with a tangible impact on sustainable development, which contributes to achieving equal opportunities and consolidating the principles of justice and equality.
- The Bank plays an active role in supporting and empowering the most vulnerable groups, especially in the areas of health and education, which are at the top of the Bank's priorities in the field of social responsibility, in addition to its interest in supporting and empowering women and youth, which enhances their role in achieving comprehensive development, This besides its ongoing commitment to continuing to achieve social inclusion and supporting the principle of equality and diversity, as the Bank gives top priority in its sustainable development program activities to supporting people with disabilities, through participation in initiatives that contribute to providing for their needs and requirements in all aspects and fields with the aim of integrating them into society, to create equal opportunities and achieve the principle of justice and equality among all, in addition to providing community support to the largest number of beneficiaries.

The Bank's Achievements in the Health Sector:

- Signing a protocol with Magdi Yacoub Heart Foundation to support the establishment and equipping of the sterilization department at the new Magdi Yacoub Heart Center in Cairo, with a value of EGP 15,000,000 - the value of the first installment - with total contributions of EGP 30,000,000.
- The Bank contributed to the eye screening project in the neediest villages in cooperation with Mervat Soltan Charitable Foundation, with total contributions of EGP 564,425.
- The Bank resumed its contribution to the Baheya Foundation for the construction of an operating suite at Baheya hospital in Sheikh Zayed, with an amount of EGP 7,000,000, representing the second installment of a total amount of EGP 21,000,000.
- Supporting the equipping of the Electroencephalography (EEG) and Epilepsy Treatment Unit at Ain Shams University Hospitals which will provide advanced technologies to accurately diagnose the type and location of epileptic focus for intractable cases, with an amount of EGP 11,000,000, representing the value of the first installment of the total contributions of EGP 21,000,000.
- Cooperating with Alnas Hospital in equipping the pediatric ward with 3 rooms and bearing the costs of 23 cases on the waiting lists of heart or gastrointestinal diseases, with a total contribution of EGP 11,382,000.

- Developing and improving the efficiency of the health unit in Kafr El-Sanabsa village in Menofia Governorate and adding an internal medicine clinic alongside the existing specialties to ensure raising the level of health service provided, in cooperation with the Decent Life Foundation, with total contributions of EGP 18,878,062.
- Continuously supporting El Qasr El Ainy Hospitals to establish El Qasr El Ainy Center for Limbs and Diabetic Foot, with a value of EGP 7,967,500 out of a total amount of EGP 22,641,925.
- Contributing to the installation of fixed sunshades in some waiting and service areas to the Agouza Hospital that are exposed to sun and rain, with the aim of providing a suitable and safe environment that protects patients and their families from exposure to sun and rain, which contributes to maintaining the safety and comfort of patients and enhances the quality of service provided in the hospital, with a total amount of EGP 1,110,022.82.

The Bank's Achievements in the Education Sector

- Signing a cooperation protocol with the Elsewedy Foundation to contribute to supporting and sponsoring 96 students of the Elsewedy and HDB Technical Academy in Sadat City, with a total amount of EGP 7,632,000 divided over 3 academic years. The first two payments have been disbursed with a value of EGP 5,088,000.
- Continuing support for the Early Childhood Development Project by establishing 20 nursery classes in five different governorates in the poorest villages in cooperation with the Ministry of Social Solidarity, with a value of EGP 2,000,000 out of a total amount of EGP 10,000,000 divided over 5 years.
- Contributing to completing the support of the “Reading, Writing and Accounting” Program in Bahariya Oasis in cooperation with the Sustainable Human Development Foundation by training 1,800 students in the new phase of the program with a total contribution value of EGP 3,060,000.

Marginalized Groups Support and Decent Life:

- Resuming the support of the Safe Homes initiative to reconstruct the neediest villages in Egypt where the Bank has contributed to the reconstruction and rebuilding of three houses out of a total of 20 houses in the village of Hijaza in Aswan Governorate in cooperation with the Orman Association, with an amount of EGP 693,000.
- Continuing support of the development of Al Nour School for the Blind in Fayoum Governorate in cooperation with Al-Masry Al-Aseel Association by establishing a kindergarten building at the school with a value of EGP 1,000,000 out of total contributions amounting to EGP 3,000,000.
- Providing the necessary support for the rehabilitation and renovation of the dormitory building at Al Amal School for the Deaf and Dumb in Fayoum Governorate, in cooperation with the Good Makers (Sona' Elkhair) Foundation for Development, with total contributions amounting to EGP 2,000,000.
- Signing a cooperation protocol with the Ministry of Social Solidarity to support and empower university students with disabilities through the Social Solidarity Units project in 42 Egyptian universities by funding activities dedicated to supporting students with disabilities, with total contributions of EGP 10,000,000.

As part of promoting a culture of volunteerism among the Bank's employees and instilling values of social belonging and corporate social responsibility, the Sector has been keen to involve the Bank's employees in initiatives that promote social solidarity and volunteer work, including the following two initiatives:

“Eid is a Joy” which aims to encourage employees to make in-kind donations of clothes, shoes, blankets and other necessary items to support the neediest families to celebrate Eid al-Fitr.

"My Book is My Gift" which aims to encourage employees to donate books and school supplies to be distributed to the neediest areas for the new academic year. This initiative is in cooperation with the Egyptian Clothing Bank, reflecting the Bank's commitment to making a positive and lasting impact on the community.

Sustainability

The Bank's Management continuously strives to uphold the principles of sustainability across all its operational activities, believing that creating sustainable value for all stakeholders is both a strategic objective and a moral obligation. This commitment is reflected in the implementation of effective measures to promote the transition to a green economy and the optimal use of natural resources, in addition to establishing a specialized sustainability department to enable the Bank to reduce its carbon footprint and improve the environmental impact of its sustainable financing activities. The Bank's Management is committed to following all the sustainable practices recognized in the Egyptian banking sector.

- The annual report template for disclosure of the environmental, social, and governance (ESG) practices related to Sustainability, pursuant to the Authority Resolutions No. (107) and (108) of 2021 – (attached).
- The annual report template for disclosure of financial disclosure practices related to climate change (TFCD), pursuant to the Authority Resolutions No. (107) and (108) of 2021 – (attached).

Conclusion

Our Bank undertakes to continue its high performance on all indicators during the coming period, and under the professional banking management of its Board members, and the efficiency of its employees. It also undertakes to work on strengthening the Bank's position in the banking market through expansion and greater spread in all governorates of the Republic.

Chief Executive Officer

Managing Director

Hassan Ismail Ghanem

Thank you.. The annual report on the Environmental, Social and Governance Disclosures has been successfully registered and your registration code number is 45770. You are kindly requested to print the report and attach it to the annual report of the Board of Directors attached to the annual financial statements for the year 2025/2026

الهيئة العامة للرقابة المالية
FINANCIAL REGULATORY AUTHORITY

Annual report for FY 2025/2026
on Environmental, Social and Governance Disclosures Related to Sustainability(ESG)
In implementation of the authority's Decrees no. (107) and (108) for the year 2021

First: Introduction

This report on the disclosure of Environmental, Social and Governance (ESG) reflects the strength of the company's management to implement the principles of sustainable development and integrate sustainability practices into the company's activities and operations, which generates confidence among investors that enables them to make informed investment decision, By identifying risks and opportunities that may not be monitored by traditional financial reports, especially in light of the increasing demand by investors for **ESG** Data and how companies integrate sustainability practices into the daily operations and activates in order manage the risks and opportunities associated with the various dimensions of sustainability, and thus enhance its financial position. Based on the **FRA** responsibility towards **NBFI** including listed Companies on the Egyptian Stock Exchange, and within the framework of assisting these companies to submit annual reports to disclose ESG sustainability standards in accordance with the **FRA** decisions No. **107** and **108** of **2021**, and to facilitate them, the **FRA** has prepared this electronic form to companies to fulfill the **KPIs** for the disclosure of sustainability standards **ESG**

Therefore, please be careful, accurate and transparent when filling out this form, and please attach the report form within the annual report prepared by the Board of Directors attached to the annual financial statements for the year 2025/2026 In case of any inquiries related to this matter, you can contact sustainable development department via email sustainable.development@fra.gov.eg

Second: Basic Data on The Status of Company

1. **Select the company's name:**
   Housing and development Bank

2. **Company's sector:**
   Banking sector

Third: Basic Data of The Person Responsible for Completing the Report

1. **Name: Sherif Taher**
   Job Title: Head of Sustainability and Sustainable Finance
   Email: Sherif.Taher@hdb-egy.com

2. **Name: Naglaa El-Saftawy**
   Job Title: Internal Sustainability and Reporting Manager
   Email: Naglaa.Elsaftawy@hdb-egy.com

   Phone: +201006099564
   Tax Card:204-899-958
   IFC Code:660036

Fourth: Environmental KPIs

1. **Environmental Operations & Oversight (E1).**

1. **Has the company developed any official Environmental and Social (E&S) or Sustainability policies?**

   Yes, Housing & Development Bank believes sustainability is the cornerstone of a better future for Egypt and its next generations. As a leading financial institution, we integrate sustainability principles across all banking operations in alignment with Egypt's Vision 2030 and the national transition toward a green economy, balancing economic growth with environmental and social responsibility.

- **To Reinforce our commitment, the Bank has adopted key sustainability policies**
    - **Sustainability Policy (approved by the Executive Committee, a Board sub-committee). Covers five core pillars:**
        - **Environmental Policy**
        - **Social Policy**
        - **Governance Policy**
        - **Strategy**
        - **Risk Management**
    - **Sustainable Finance Policy (approved in 2023 by the Risk & Executive Committees, Board sub-committees) The main goals of SF policy are Support and finance projects aligned with the UN Sustainable Development Goals (SDGs) Reduce environmental and social risks in financing activities**

2.Is this policy originating from within the company or derived from global or national policies?

Yes, Our Sustainability and Sustainable Finance policies are driven by the Bank's internal strategy and objectives to support and promote sustainable economic sectors, integrating environmental, social, and governance (ESG) considerations across both operations and financing.

These policies are aligned with:

1. **The Housing & Development Bank's Sustainable Finance Strategy Framework (2022), which is approved by the bank executive committee.**
2. **Egypt's Vision 2030.**
3. **The guiding principles on Sustainability and Sustainable finance issued by the Central Bank of Egypt.**

3. **Does the company identify and assess the environmental and social risks arising from its economic activity?**

   Yes, Our Bank evaluates environmental and social risks in all credit operations through the Environmental and Social Risk Management (ESRM) system, applied to both large Corporations and SMEs. HDB ESRM framework, developed in line with IFC standards, includes an exclusion list of activities prohibited from financing, Environmental and social risk assessment for the proposed projects and risk rating according to the Ministry of Environment, the Industrial Development Authority, or IFC standards. And, appointment of environmental consultants in the cases specified by the Central Bank of Egypt Monitoring the project E&S performance throughout the financing period.

4. **Does the company follow specific policies concerned with waste recycling, water consumption, or energy consumption?**

   Yes, Our Bank is committed to implementing operational practices that comply with Egypt's sustainable building standards, including the GPRS guidelines issued by the Housing and Building Research Center.
   Key measures include:

   - **Waste Recycling: paper waste is recycled through a contracted specialized company. (Attachment: Waste Recycling Company Contract).**
   - **Water & Energy Efficiency: Water-saving devices are installed in selected buildings, LED energy saving lights are used across all facilities, with motion sensors in some buildings and, most air conditioning units are advanced VRF systems for higher energy efficiency.**
   - **Recognition: In 2025, our Bank received the Golden Green Pyramid (GPRS) Certificate for its New Administrative Capital branch.**

5. **Does the company set any goals related to reducing greenhouse gas (GHG) emissions?**

   Yes, our bank has successfully developed and activated a comprehensive Carbon Footprint (CFP) Data Management System to ensure accurate monitoring and management of greenhouse gas (GHG) emissions across all operational activities.

   This initiative reflects our commitment to sustainability, operational efficiency, and compliance with international best practices

   Objectives of the System:

   To manage GHG data in order to meet the operational needs of the bank and its branches, enabling accurate measurement and monitoring of emissions associated with the bank's activities.

   To take corrective actions whenever the consumption of any GHG-related element in operations exceeds normal levels, thereby ensuring energy efficiency across all functions.

   Scope of Coverage:

   - **Scope 1: Direct emissions**

- **Scope 2: Indirect emissions from purchased electricity**
- **Scope 3: Other indirect emissions, including purchased goods, employee travel and commuting, and operational waste.**

Implementation Milestones:

- **In 2025, the design and activation of dedicated fields and screens for recording the above-mentioned data were completed on the T24 system.**
- **At the beginning of Q1 2026, the responsible team will undergo training and commence recording consumption data related to carbon emissions CFP calculations for Scope 1 and Scope 2 were completed in 2023, covering the year 2022.**

6. **Does the management have any system/certification regarding the company's environmental practices (ISO 14001 certification)?**

   Yes, our bank has been awarded the Golden Certificate of the Green Pyramid for Sustainable Building, issued by the Housing Research Center for the branch located in the New Administrative Capital.

2. Carbon Emissions / Greenhouse gases (GHG) (E2)

1. **Does the company calculate the total amount of carbon emissions (Carbon Footprint) in metric tons?**

   Yes, the total carbon emissions are calculated regularly in accordance with the directives of the Central Bank. In line with these directives, the total carbon emissions for Scope 1 and Scope 2 were calculated in 2023, covering the year 2022. In accordance with the Carbon Footprint Data Management System adopted by our bank in 2025, the bank will be able to measure its carbon footprint on an annual basis starting from 2026.

3.Energy sources usage and diversification (E3).

1. **Does the company calculate the total amount of energy directly consumed?**

   Yes, our bank is committed to calculating energy consumption indicators as a strategic KPI to measure environmental performance, enhance efficiency, and ensure compliance with global sustainability standards.

   The calculation of energy consumption indicators is directly linked to managing greenhouse gas emissions data and measuring our carbon footprint
   These indicators are calculated annually and include:

   i. **Electricity consumption.**
   ii. **Gasoline consumption.**
   iii. **Diesel oil consumption**

   The reported energy consumption indicators of our bank are disclosed in:

- **The annual Sustainability Report, in accordance with the Global Reporting Initiative (GRI) (GRI Report 2024, p. 83)**
- **CFP Data Management System dashboards.**

2. **Does the company calculate the percentage of energy consumption according to the type of generation source?**

Yes, our bank is committed to environmental and social responsibility. Energy consumption is monitored annually, with purchased electricity powering all buildings and gasoline/diesel fueling vehicles. Since each category relies on a single source, consumption is reported as 100%. Energy indicators are disclosed in the annual sustainability report (GRI P.83).

The 2025 report is in preparation and will be finalized by June 30, 2026

3. **Does the company calculate the percentage of annual saved energy?**

Yes, Calculating the percentage of energy saved annually serves as a key indicator to measure the effectiveness of the bank's efforts in improving operational efficiency and reducing its carbon footprint. It is a complementary step to the initial calculation of energy consumption The General Department of Sustainability and Sustainable Finance prepares an annual comparison of total energy consumption and identifies the amount of energy saved, if applicable

4.Water Usage (E4).

4. **Does the company calculate the total amount of water annual consumed?**

Yes, our bank places strong emphasis on monitoring sustainability indicators that reflect the efficient use of natural resources. Annual water consumption is a key metric, helping measure environmental performance, improve resource management, and comply with global sustainability standards. Tracking this indicator enables us to identify conservation opportunities and reduce environmental impact to optimize water use, measures include:

- **Low-flow faucets for efficient consumption and modern water filters that support conservation.**
- **Annual water consumption and applied technologies are disclosed in the GRI Sustainability Report (2024, P.80, 83). The 2025 report is currently being prepared and will be finalized by June 30, 2025**

1. **Does the company calculate the total amount of annual water recycled and treated?**

No, the bank doesn't recycle nor treat water.

5. Waste Management (E5)

1. **Does the company calculate the total amount of waste generated or recycled and that, which has been treated according to type and weight?**

Yes, in accordance with our bank's operations, the primary type of waste generated is paper. Our bank implements a comprehensive environmental procedure for waste management, which includes contracting specialized companies to recycle paper waste.
Attached - copy of the contract signed with the recycling company

Fifth: Social KPIs

Gender Diversity & Pay Ratio (S1)

1. **Does the company disclose the number of male and female employees according to the type of employment (temporary or permanent)?**

Yes, our bank is committed to strengthening human capital management as the core of its success and distinction. We strive to build an integrated framework that attracts top talent and nurtures employee potential. In line with this commitment, the bank discloses annually the detailed number of employees, particularly by type of employment, which is clearly reflected in the GRI 2024 Sustainability Report (pages 67–76).
The GRI Report for 2025 is currently being prepared and is scheduled for completion in June 2026.

2. **Does the company disclose the percentage of total employees who are male and female?**

   Yes, diversity and inclusion are core pillars of our bank's strategy. We disclose detailed workforce data including gender representation, new hires, and employees of determination in our annual Sustainability Report (HDB GRI 2024, pages 67–69). The 2025 report is currently in preparation and will be finalized by June 30, 2025

3. **Does the company disclose the percentage of positions held by males and females (specifically for entry-level and mid-level jobs)?**

   Yes, Disclosing the number of employees and the representation of men and women across different job levels is a key social governance indicator, reflecting our bank's commitment to transparency, diversity, and inclusion in the workplace.

   This is clearly demonstrated in the table presented in the GRI 2024 Sustainability Report, page 85, under the section 'Social Governance Indicators. The GRI 2024 Report has been issued, while the GRI 2025 Report is currently under preparation and scheduled for completion and approval on June.30, 2025

4. **Does the company disclose the percentage of positions held by males and females (specifically for senior-level and executive positions)?**

   Yes, Disclosing the number of employees and the representation of men and women across different job levels is a key social governance indicator, reflecting our bank's commitment to transparency, diversity, and inclusion in the workplace.
   This is clearly demonstrated in the table presented in the GRI 2024 Sustainability Report, page 85, under the section 'Social Governance Indicators
   The GRI 2024 Report has been issued, while the GRI 2025 report is currently under preparation and scheduled for completion and approval on June.30, 2025

5. **Does the company disclose the average pay ratio for females compared to the male?**

   Our bank considers the disclosure of monthly salaries for all employees to tax and social insurance authorities a key social governance indicator. This practice demonstrates transparency, ensures compliance with regulations, and reinforces trust with regulators while safeguarding employee rights.

2.Employee Turnover rate (S2).

1. **Does the company disclose the annual percentage rate of turnover for full-time employees?**

   Yes, the annual employee turnover rate by gender is a key social governance indicator, reflecting workplace stability and fairness. Our bank discloses this rate in the Sustainability Report shown on page 85 of HDB GRI 2024 and it will also appear in the 2025 report to be released on June 30, 2025

2. **Does the company disclose the annual percentage rate of turnover for part- time employees?**

   The majority of our workforce consists of permanent and contracted employees.

3. **Does the company disclose the annual percentage rate of turnover for contract employees and consultants?**

   As noted in Question 19, the annual employee turnover rate by gender is considered a key social governance indicator in our bank. This disclosure appears in the 2024 Sustainability Report on page 85

3.Non-Discrimination (S3).

1. **Does the company follow a policy condemning sexual harassment and a non-discrimination policy based on any racial, religious, or gender basis? Yes**
   Yes, Our bank's Code of Professional and Ethical Conduct strictly prohibits any form of discrimination based on gender, race, color, age, religion, or health conditions. We also ban all forms of harassment, intimidation, bullying, insults, threats, or harmful behavior that violate the Code of Conduct.

4.Global Health & Safety Standards (S4)

1. **Does the company follow an occupational health and safety (OHS) policy and/or a policy related to global health and safety standards (for example ILO's International Labor Standards on Occupational Safety and Health)?**

   Yes, The bank fully complies with Occupational Safety and Health (OHS) regulations under Labor Law No. 12 of 2003 and Decree No. 134 of 2003.
   We conduct regular risk assessments, prepare emergency plans, and report quarterly to the OHS Committee.
   To safeguard employee health, the bank partners with hospitals, pharmacies, labs, clinics, and specialized providers across governorates. We ensure access to treatment, medication distribution, and sick leave rights In 2024, we launched an integrated healthcare system with GLOBE MED, equipped all branches with first-aid kits, and trained staff in emergency response. The GRI 2024 Report has been issued, while the GRI 2025 Report is currently under preparation and scheduled for completion and approval on June.30, 2025

2. **What is the number of occupational accidents if any?**
   No accident-related casualties

3. **Does the company offer trainings related to environmental, social and Occupational Health and safety (OHS) issues for employees? If the answer is yes, please disclosing the number of trainings hours?**

   Our bank prioritizes training in environmental, social, and occupational health and safety issues as part of its commitment to sustainability and employee well-being

Results 2025:

- **Environmental & social training: 2,457 hours**
- **Health & safety training: 1,626 hours These achievements will be disclosed in the 2025 GRI Sustainability Report (to be released June 30, 2025) the data related to 2024 recorded in sustainability report 2024**

5.Children & Forced Labor (S5)

1. **Does the company follow a policy prohibiting child labor and forced labor?**

Our bank is fully committed to prohibiting child labor and forced labor, in line with national laws and International Labor Organization conventions, ensuring a fair and responsible workplace.
Attached: Sustainability Report (GRI 2024, p.85) includes employee age groups. This will be disclosed in our 2025 Annual Sustainability Report, with the link shared on June 30, 2025

2. **Does that policy apply to the suppliers and vendors dealing with the company?**

Our Suppliers Code of Conduct p.7 (Board approved 2023) prohibits child and forced labor under national law. Suppliers must review and sign it.

6.Labor Rights (S6).

1. **In addition to the requirements of Egyptian Labor Law, does the company follow the laws and standards of the International Labor Organization or any other international framework, standards, or laws related to labor's rights?**

Our bank aligns with GRI standards on employee rights while complying with Egyptian Labor Law. Disclosure appears in the GRI Report2024 (p.93) and will be included in the 2025 Sustainability Report

2.Does that policy include the suppliers and vendors dealing with company?

Yes, in line with international GRI reporting standards, our bank's sustainability framework extends to suppliers as well-p64-65 at sustainability report.

Sixth: Governance KPIs

1.Board Diversity (G1)

1. **Does the company disclose the number and percentage of the board of directors occupied by males and females?**

Yes, our bank discloses the composition of the Board of Directors, including the number and percentage of seats held by men and women, as part of its commitment to corporate governance and transparency.

2. **Does the company disclose the number and percentage of committee chairs occupied by males and females?**

   Yes, the company discloses the number and percentage of committee chair positions held by men and women, as part of its commitment to corporate governance, transparency, and gender diversity.

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2. Bribery / Anti-corruption (G2).

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1. **Does the company issue any decisions related to combating bribery / corruption and follow them?**
   Yes, our bank issues a clear anti bribery and anti-corruption policy, updated regularly to ensure compliance with governance and transparency standards, reinforcing trust and integrity across all operations

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3. Ethics and Code of Conduct (G3).

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1. **Does the company issue code of conduct / Ethic and follow them?**
   Yes, our bank issues a Code of Ethics and Conduct, which is regularly updated and accompanied by employee awareness sessions to ensure compliance and transparency.

4. Data Privacy (G4).

1.In addition to the requirements of the Egyptian data protection law, does the company follow any other international frameworks, rules, or recommendations regarding data privacy?

Yes, the bank applies robust cybersecurity policies—including application security, identity management, and vulnerability controls—regularly updated to align with global standards (CIS, NIST, CBE, ISO27001), ensuring resilience and trust across all operations225HDB-Sustainability Report2024.pdf p.29 the 2025 Report will be released upon completion on June 30, 2025

5. Sustainability Reporting & Disclosure (G5)

1. **Does the company issue sustainability report according to GRI, CDP, SASB, IIRC, UNGC, or any other type of sustainability reports frameworks?**
   Yes

   The bank publishes sustainability reports in line with GRI standards, and SASB, P. 96-97 in GRI2024 report, with Board approved editions released in 2023 and 2024, and the 2025 report scheduled for publication on June 30, 2025.

2. **Is the company striving to achieve specific goals from the United Nations Sustainable Development Goals?**

   Yes, our bank is strongly committed to aligning its strategy and activities with the United Nations Sustainable Development Goals (SDGs).
   We focus on Goals 3, 4, 5, 8, 9, 10, and 17, as detailed in the 2024 Sustainability Report (pages12–13)

   The 2025 report is scheduled for publication on June 30, 2025

3. **Does the company identify these goals and report on the progress made within the framework of the United Nations Sustainable Development Goals (SDGs)?**

   Yes, these goals are disclosed in detail annually in the GRI Sustainability Report. In addition, internal reports such as ESRM are prepared to link the bank's financed activities with the United Nations Sustainable Development Goals (SDGs).

4. **Has the company clearly declared its commitment towards corporate social responsibility standards**

   Yes, the bank aligns its core values with Egypt's Vision 2030, focusing on sustainable development through key initiatives in education, healthcare, the "Rawad El Nile" program, support for people of determination, environmental protection, financial inclusion, and other community sectors.

5. **Does the company follow a clear and explicit policy / principle regarding community investments?**
   Yes, our bank adopts a detailed and transparent policy on community investment, which is clearly reflected in our Sustainability Policy and in the annual Sustainability Report prepared in accordance with GRI standards.
   The report discloses the bank's role and performance in community investment.

6. **Does the company participate in public or private sector initiatives concerned with community development?**
   Yes, In 2025, our bank invested around EGP 100 million in community initiatives, focusing on healthcare, education, support for people with disabilities, economic empowerment, and entrepreneurship. Detailed information on these initiatives is provided in the annual Sustainability Report (GRI, pages 61–63).

   The 2025 Sustainability Report is currently being prepared and will be shared once finalized and approved.

6.External Assurance (G6)

1. **Are the company's ESG disclosures assured by an independent third party ?**
   Yes, our bank partners with leading environmental consulting firms to independently validate our Sustainability Reports, ensuring transparency and alignment with global best practices p.104 at sustainability report.

Thank you.. The Annual Report on the Environmental, Social and Governance Disclosures has been successfully Registered and your Registration Code Number is 45774. You are kindly Requested to print the report and attach it to the annual report of the Board of Directors attached to the annual financial statements for the year 2025/2026



Annual report for FY 2025/2026

On Financial Disclosures Related To Climate Change (TCFD)

In implementation of The FRA's Decrees no. (107) and (108) for the year 2021

First: Introduction

The report on financial disclosures related to climate change - recommendations of the Task Force on Climate Financial Disclosure TCFD reflects the company's ability to manage the risks and opportunities associated with climate change, which creates confidence among investors that enables them to make investment decisions that take into consideration the range of financial risks and opportunities associated with climate change and the company's management mechanisms for transitional risks and Physical risks of the effects of climate change on the company's financial performance, thus providing more transparency regarding climate-related risks and opportunities for Investors.

Based on the FRA responsibility towards NBFI including listed Companies on the Egyptian Stock Exchange, and within the framework of assisting these companies to submit annual reports to disclose ESG sustainability standards in accordance with the FRA decisions No. 107 and 108 of 2021, and to facilitate them, the FRA has prepared this electronic form to companies to fulfill the KPIs for financial disclosures related to climate change - TCFD recommendations.

Therefore, please be careful, accurate and transparent when filling out this form, and please attach the report form within the annual report prepared by the Board of Directors attached to the annual financial statements for the year 2025/2026 In case of any inquiries related to this matter, you can contact sustainable development department via email sustainable.development@fra.gov.eg

Second: Basic Data on The Status of Company

1. Company's name: Housing and Development Bank.
2. Company's sector: Banking.

Third: Basic Data of The Person Responsible for Completing the Report

1. Name: Sherif Taher
   Job Title: Head of Sustainability and Sustainable Finance
   Email: Sherif.Taher@hdb-egy.com

2. Name: Naglaa El-Saftawy
   Job Title: Internal Sustainability and Reporting Manager
   Email: Naglaa.Elsaftawy@hdb-egy.com.

Phone: +201006099564

Tax Card:204-899-958

IFC Code:660036

Fourth: TCFD KPIs

1. Governance KPI (Climate Related Governance).

1. Does the board have oversight of climate-related risks and opportunities?

   No, but a climate risk and opportunity dashboard is being developed by the SSF Department and will be presented to the Board of Directors or the Sustainability and Sustainable Finance Committee (currently being activated) in 2026.

2. Does the management have a role in assessing and managing climate related risks and opportunity?
   Yes.
   1. All financing provided by our bank to large, medium and small enterprises is being assessed for environmental and social risks and opportunities through the activation of the ESRM system.
   2. Climate-related risks will be integrated into the financing evaluation process via ESRM.

2. Strategy KPI (Environmental Operations, Oversight and Mitigation)

1. **Does the organization identify any climate related risks and opportunities over the short, medium and long run?**
   Yes
   Environmental risks of financing limits are identified through the ESRM, (Environmental and Social Risk Management) system. A climate risk assessment will also be integrated into ESRM in Q4 2026

2. **Does the company reflect the climate-related risks and opportunities on the organization's business, strategy, and financial planning?**
   No
   It will be included upon activation of IFRS S2, once instructions are issued by the Central Bank.

3. **Does your company invest, annually, in climate-related infrastructure, resilience, and product development?**
   Yes
   By applying sustainable building standards, the bank obtained the Golden GPRS Certificate from the Housing Research Center, Ministry of Housing for the New Administrative Capital branch.

3. Risk Management KPI (Climate-Related Risks).

1. **Does the company set a defined process for identifying and assessing the climate related risks?**
   Yes

- **Financing for large corporate and SMEs is assessed for environmental and social risks under the ESRM.**
- **Climate risk evaluation will be integrated into ESRM in 2026.**
- **Scope 1 & 2 carbon footprint for 2022 has been measured, and the CFP Data Management System is being activated to track energy and resource usage.**

2. **Does the company have a solid process for managing the climate related risks?**
   No
   Our bank evaluates the environmental risks of financing for large and small businesses under ESRM

3. **Does the company incorporate climate-related risks in the company's overall risk management?**
   No
   This has not been implemented so far; however, the feasibility and mechanism for application are under review.

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4. Metrics & Targets KPI (Carbon/ GHG Emission).

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1. **Does the company use any metrics to assess climate-related risks and opportunities in line with its strategy and risk management process?**
   No
   Currently not implemented; however, it will be reviewed for future application
2. **Total amount, in CO2 equivalents, for Scope 1 (if applicable)?**
   Yes
   -Our bank discloses Scope 1 & Scope2 emissions (2022) in the annual Sustainability Report2024.
   - Our bank is activating the CFP Data Management System to monitor energy and resource consumption.