

Transforming Today Shaping Tomorrow

Housing & Development Bank
بنك التعمير و الإسكان

Annual Report 2024

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CHAPTER 1
Shaping The Future

Introduction

This report transcends being merely a record of performance figures and indicators; it is a vibrant canvas upon which we portray the essence of our ambitious strategic vision. Every detail is carefully woven into the narrative, meticulously illustrating the defining features of our transformation. We are not simply shifting roles — we are evolving from a specialized financial institution into a visionary strategic partner, actively engaged in every dimension of comprehensive and sustainable national development.

With a thoughtfully designed plan guiding us, we have moved beyond the confines of traditional banking services, reinforcing our unwavering commitment to building a financial future that is prosperous, resilient, sustainable, and enduring.

Our journey extends far beyond conventional banking channels. We are embracing advanced digital services and innovative solutions that redefine the customer experience, while remaining firmly anchored in our core strategy — a strategy that champions operational excellence, promotes sustainability, and lays the groundwork for long-term, sustainable growth.

This report also reflects our dedication to advancing diversity and inclusion, values that are deeply embedded within our organizational culture. It demonstrates our proactive approach to leadership and our relentless pursuit of new horizons, where innovation and value creation converge to shape opportunities that once seemed beyond reach.

We invite our esteemed partners to immerse themselves in this report and explore the innovations, achievements, and bold aspirations that define our path forward. Within these pages, you will discover not only the highlights of our proud accomplishments but also a compelling vision for a future illuminated by creativity, trust, and leadership in banking.

About Us

The Housing and Development Bank (HDB) was established in 1979 as an Egyptian joint stock company, setting a benchmark for specialized banks in housing and urban development. Guided by an ambitious strategy, HDB has since evolved into a fully-fledged commercial institution, offering a comprehensive range of banking services and products. Over the past 45 years, customer trust has remained the cornerstone of HDB's growth and transformation.

During this journey, HDB has succeeded in cultivating lasting trust and loyalty among its clients. Through landmark housing projects that enabled thousands of families to realize their dreams, the bank has left a distinct mark on Egypt's real estate landscape. This foundation of trust has powered HDB's expansion into a dynamic commercial bank, delivering competitive and innovative financial solutions tailored to diverse customer needs. In recent years, HDB has made significant progress in enhancing its offerings for both individuals and businesses, positioning itself at the forefront of technological innovation and fintech development.

HDB has successfully broadened its portfolio of products and services to address the diverse banking needs of all customer segments. HDB has also significantly expanded its physical presence, now operating approximately 100 branches and 458 ATMs strategically distributed across Egypt to ensure accessibility and convenience. In parallel, HDB has placed strong emphasis on advancing digital banking solutions, aligning with the evolving expectations of its customers and reinforcing its commitment to innovation and service excellence.

To crown these efforts, HDB has rapidly expanded its customer base to over 2 million clients in a remarkably short period. This impressive growth, combined with its pioneering role in mortgage finance across Egypt and the wider MENA region, has firmly established HDB as one of the fastest-growing commercial banks in the country. Beyond financial success, HDB remains deeply committed to supporting comprehensive and sustainable economic growth in Egypt.

Our Vision:

We strive to be a top commercial bank in the industry while ensuring current exceptional operational efficiency.

Our Mission:

Our mission is to strive for excellence in providing banking, housing, and real estate services to our clients. We aim to continually advancing our human capital and delivering exceptional services that align with the aspirations of our customers and shareholders.

Our Values

Credibility

Credibility forms the foundation of our banking system, guiding every interaction with clients and stakeholders. It safeguards and enhances our Bank's interests, position, and reputation, ensuring trust remains at the heart of all we do.

Customers & Partners

We are devoted to meeting both the current and future needs of our customers and partners. Our philosophy is rooted in delivering top-tier banking services seamlessly and professionally, ensuring that every solution aligns with their aspirations and expectations.

Excellence

We are unwavering in our commitment to excellence across all operations, consistently adhering to both local and international standards. This dedication drives us to deliver outstanding services and to continually raise the bar for performance and customer satisfaction.

Teamwork

We believe in the power of teamwork, encouraging collaboration, healthy competition, and strong relationships. Together, we strive to achieve our Bank's vision and objectives.

Respect

Our relationships are built on respect, equality, and the preservation of dignity at every level. We are committed to upholding these values in all our dealings.

Sustainability

We aim to be a responsible and influential institution within society. Guided by governance principles and social and environmental standards, we pursue our sustainable development goals with a focus on contributing to societal well-being alongside economic growth.

Corporate Structure and Share Performance

31st December 2024

Market
EGX

Stock Ticker
HDBK.CA

Date of Listing
September 1983

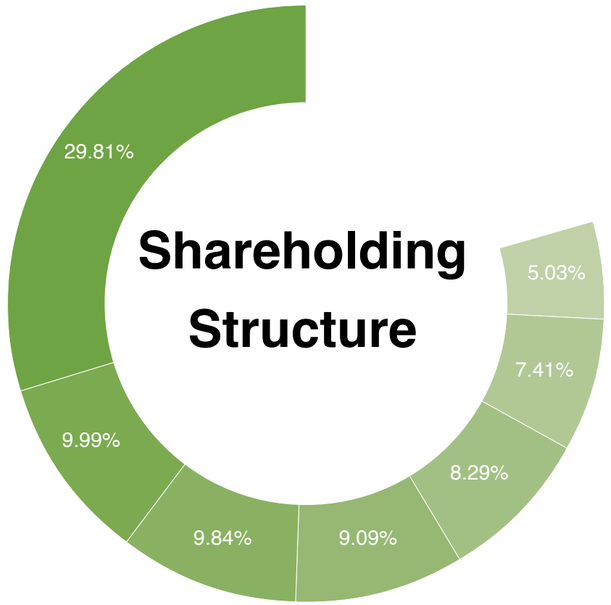
Latest Issued Capital
EGP 5.313bn

Latest Authorized Capital
EGP 10bn

Latest Paid-up Capital
EGP 5.3bn

Market Cap
EGP 28.4bn

Par Value/Share
EGP 10



Shareholders	No. of shares held on reporting date	%
NEW URBAN COMMUNITIES AUTHORITY-NUCA	158395608	29.81%
ROLACO EGB INVESTMENT	53127655	9.9996%
RIMCO E G T INVESTMENT LLC	52264800	9.84%
MISR LIFE INSURANCE	48295170	9.09%
MISR INSURANCE	44068465	8.29%
BUILDINGS FINANCE FUND	39355890	7.41%
AL AWQAF EGYPTIAN AUTHORITY	26724390	5.03%
Total	**422231978**	**79.47%**

The majority of shares, representing 79.47% of the total, are held by shareholders with individual stakes exceeding 5%. The remaining shares are distributed among shareholders with smaller ownership interests.

Where We Stand

Non-Financial Highlights

More Than
2mn
Customers in Egypt

458
ATMs

About
100
Branches

33
(Subsidiaries, Affiliates & Companies for Sale)

3039
Employees

Financial Highlights

EGP **11.040bn**
Net Profit After Taxes

EGP **179.456bn**
Total Assets

55.75%
Return on Equity

EGP **18.922bn**
Net Interest Income

EGP **144.959bn**
Customers' Deposits

EGP **50.989bn**
Loans & Facilities to Customers

EGP **953.974mn**
Net Fees & Commissions Income

HDB’s Strategy General Outline

Vision-fueled Transformation, Built with Determination

An inspiring journey is driven by a proactive vision and enlightened leadership. In 2017, the Housing and Development Bank (HDB) embarked on a strategic transformation to evolve into a fully-fledged commercial bank, expanding its scope to deliver a comprehensive range of banking services while preserving its strong commitment to urban development. With more than 45 years of experience and the enduring trust of a broad client base, HDB continues to pursue new opportunities with confidence. Its trajectory is powered by a steadfast commitment to innovation, resilience, and sustainable growth, reinforcing its role as a trusted partner in Egypt’s financial and developmental landscape.

The Bank’s strategy was never a mere theoretical roadmap; it has been a living journey of comprehensive transformation. In 2019, under the leadership of CEO Hassan Ghanem, a new phase of institutional operations began. This phase encompassed a complete restructuring, the introduction of new sectors, and the enhancement of the organizational framework to align with the Bank’s evolution into a fully-fledged commercial institution.

This stage represented a pivotal beginning for the transformation strategy, concentrating on key priorities such as implementing a distinctive business model, expanding geographical presence, and accelerating digital transformation. Over five years of dedicated effort and strategic planning, HDB crystallized a clear vision aimed at achieving sustainable growth and strengthening competitiveness within the Egyptian banking market.

In 2024, the Bank reached the defining moment of its transformational journey — a point where vision converged with reality. The ambitious strategy materialized into tangible achievements and remarkable results, reflecting success across every dimension.

These accomplishments are not coincidental; they are the outcome of a long-term strategic vision, executed with precision, discipline, and an unwavering commitment to excellence. Yet, this progress does not mark an ending. Instead, it signals the beginning of a new chapter — one defined by sustained leadership, resilience, and sustainable growth.

At the Housing and Development Bank, the conclusion of one vision is always the dawn of another.

HDB Main Pillars

I. Revamped Business Model

Guided by a clear vision to establish a highly effective business model, HDB has diligently pursued enhanced profitability and broadened revenue streams across its entire banking spectrum. This commitment has been reinforced by a significant diversification of its portfolio of services and products, offering a comprehensive range of financial solutions designed to support businesses, trade sectors, and small and medium-sized enterprises (SMEs), alongside various development projects.

As a result, HDB has firmly consolidated its market presence, positioning itself as one of Egypt’s most extensive and integrated commercial banking institutions — a testament to both its strategic foresight and its unwavering dedication to operational excellence.

Retail

Capitalizing on its strong position within the Egyptian banking landscape and the growing confidence of its clientele, the Bank is dedicated to pioneering and delivering a broad portfolio of superior banking solutions designed to meet the evolving needs of both existing and prospective customers.

Corporates

Recognizing the importance of growth and the demand for competitive, distinctive services, the Bank remains committed to offering a comprehensive suite of financing options tailored to its corporate and institutional clients. These clients play a vital role in strengthening the national economy, enhancing production capabilities, and driving overall development.

SMEs

HDB upholds a steadfast commitment to supporting the Small and Medium-sized Enterprises (SME) sector, acknowledging its indispensable contribution to economic expansion, job creation, and the reinforcement of Egypt’s industrial foundation. The Bank actively works to cultivate a resilient national industry capable of elevating the quality and competitiveness of local products. In line with the mandates of the Central Bank of Egypt (CBE), HDB has successfully dedicated 25% of its loan portfolio to SMEs, underscoring its role as a catalyst for sustainable growth and industrial advancement.

II. Wide-Reaching Network

HDB has pursued an ambitious and carefully executed strategy to broaden its geographical footprint, significantly strengthening its presence across all Egyptian governorates. This expansion has been driven by a substantial increase in both branch coverage and ATM infrastructure, complemented by continuous service innovation designed to deliver a seamless, top-tier banking experience.

At the heart of this growth lies the Bank's steadfast commitment to financial inclusion. By extending access to banking services to underserved communities, HDB aligns directly with the Central Bank of Egypt's national inclusion strategy.

To ensure comprehensive nationwide coverage, HDB is actively establishing a presence in every governorate, with each new branch meticulously equipped with cutting-edge banking technology and constructed to high engineering standards, guaranteeing efficient and premium services. By the close of 2024, the Bank's network successfully reached approximately 100 branches and 458 ATMs.

In parallel, 2024 witnessed a strategic expansion of HDB's premium client services. The Bank inaugurated 13 new centers, raising the total to 43 centers, each designed to provide a distinguished and personalized experience. These centers offer tailored financial and non-financial advisory services, empowering clients to optimize wealth management with confidence and sophistication.

This focused strategy has yielded tangible results: premium client deposits surged by 31%, reaching EGP 16.069 billion by year-end 2024.

III. Digital Transformation

HDB recognizes digital technology as a cornerstone for delivering banking services that are efficient, swift, and secure. This vision drives the Bank's comprehensive digital transformation strategy, which emphasizes the continuous integration of advanced financial technologies. By modernizing its infrastructure and deploying cutting-edge digital systems, HDB ensures it remains at the forefront of the fast-paced digital evolution, charting a promising trajectory for the future.

To strengthen its position as a leading financial institution, HDB has made significant strides in expanding its digital reach and tailoring innovative solutions to meet the diverse needs of its clients. Central to this progress is the Bank's commitment to financial inclusion and the promotion of electronic payments.

Among its pioneering initiatives are the launch of an electronic wallet and robust internet and mobile banking platforms, offering more than 50 direct services. These platforms simplify access to banking while introducing practical innovations such as an electronic reservation service for residential unit purchases, streamlining one of the most important financial transactions for customers.

Transforming into a Comprehensive Bank

Building on its established success, HDB has embarked on a bold strategic transformation, transitioning its focus from urban development to positioning itself as a comprehensive commercial banking institution. Today, the Bank offers a wide-ranging portfolio of services and products, thoughtfully designed to meet the diverse needs of its customer base. This evolution reflects HDB's vision of growth and adaptability, enabling it to serve individuals, businesses, and communities with precision and innovation. Through this strategic shift, the Bank has reinforced its standing as a leading force within the Egyptian banking sector.

Pioneering Experience and a Long History in Urban Development (1979-2002)

HDB was established with a clear mission: to provide accessible housing solutions by financing affordable units for young people and low-income households. Throughout this period, the Bank played a vital role in narrowing the supply–demand gap in Egypt's real estate sector, while actively driving the growth of emerging urban communities.

Transformation into a Full-Fledged Commercial Bank (2003-2024)

In response to Monetary Law No. 88 of 2003, which required the cessation of specialized banking operations in Egypt, HDB embarked on a bold strategic transformation. Beginning in 2003, the Bank initiated a comprehensive overhaul to evolve into a fully integrated commercial banking institution. By 2017, this blueprint had been successfully executed, firmly establishing HDB as a dynamic player in Egypt's financial sector. This transformation was anchored on three strategic pillars:

Business Development

Expanding and diversifying banking activities across retail, corporate, and SME segments to meet the evolving needs of customers.

Geographical Presence

Extending the Bank's branch and ATM network nationwide while strengthening its corporate brand to attract and serve diverse customer segments.

Digital Technology

Increase investments in fintech solutions to enhance efficiency, elevate commercial banking operations, and broaden the scope of digital services.

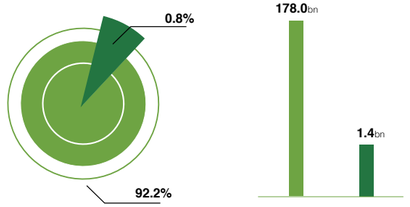
The Rewards of the Transformation Strategy

Commercial Banking Activities Have Become an Essential Pillar of The Bank's Success

Expansion fueled by the accelerated growth in commercial banking contribution over the years

Commercial Banking vs Real Estate Business Volumes

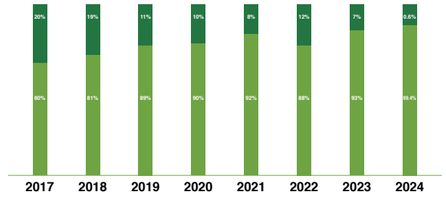
(FY-2024I%, EGP Bn)



Real Estate Activities Commercial Banking

Commercial Banking activities now contribute the majority of HDB's bottom-line

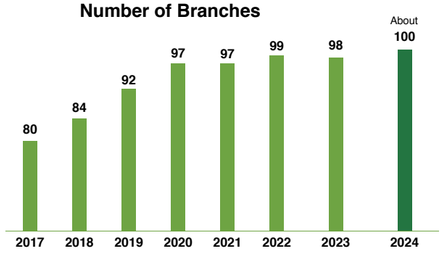
Commercial Banking Contribution (%) Real Estate Contribution (%)



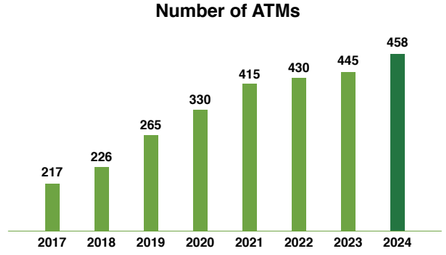
Real Estate Contribution Commercial Banking Contribution

Network Growth Aligned with Visibility Strategy

Number of Branches



Number of ATMs



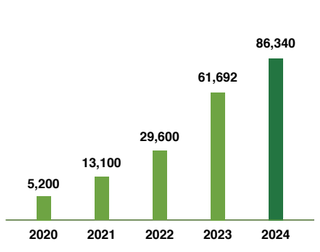
Tech Investments Fruitful Yields

Tech investment strategy has yielded strong results and notable growth rates in digital transformation.

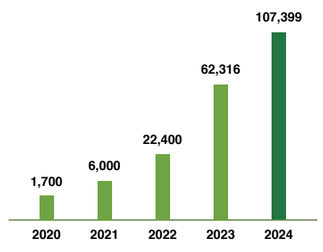
Mobile and Internet Banking: Services and Products in numbers (2015-2024)



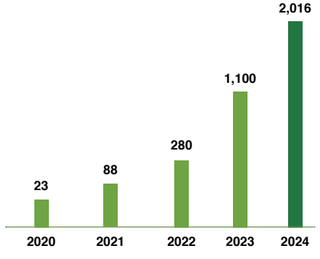
Number of Active Users



Number of Transactions



Value of Transactions (EGP Mn)



Strategic Milestones: Built for Lasting Success

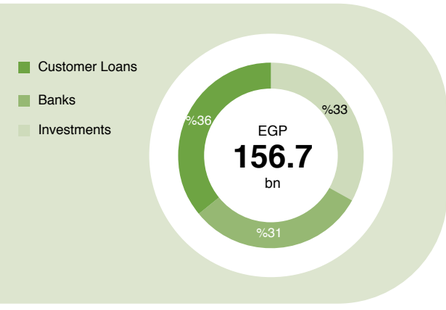
HDB has successfully executed its strategic transformation into a full-fledged commercial banking institution, with commercial banking activities contributing approximately 99.4% of total profits in fiscal year 2024. While strengthening this new core, HDB has also preserved its distinguished role in the real estate sector, which continues to generate substantial profit contributions and reinforce its diversified strength.

Looking ahead, HDB's ambition is firmly focused on accelerating growth and scaling its commercial banking operations to secure a position among Egypt's top ten commercial banks.

A testament to its effective development strategy, the Bank has achieved outstanding results across its wide array of activities

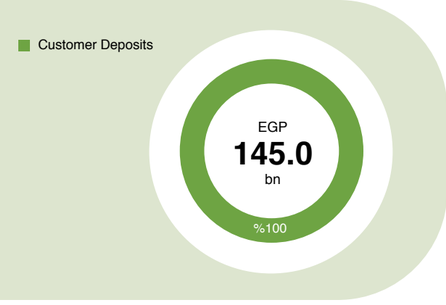
Earning Assets Structure (FY-2024I%)

The Bank's earning assets are strategically structured within a robust and diversified portfolio, meticulously optimized to generate compelling returns through a precisely calibrated mix of interest types across different maturities



Interest Bearing Liabilities Structure (FY-2024I%)

The Bank has a stable flow of customer deposits, which includes interest and non-interest-bearing funds.

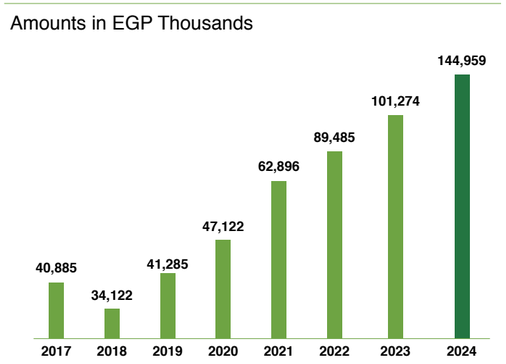


Profitability and Liquidity Strengthened by Continued Growth in Loans and Deposits

Total Deposits

29%

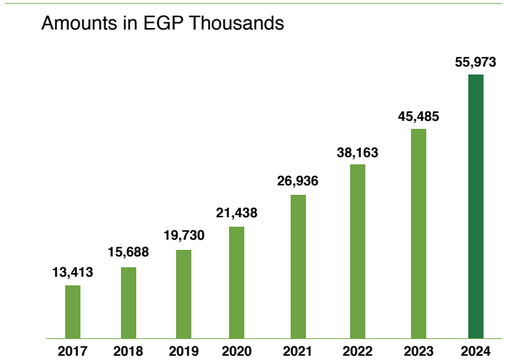
5 Year CAGR (2019-2024) I EGP Mn



Gross Total Loans

23%

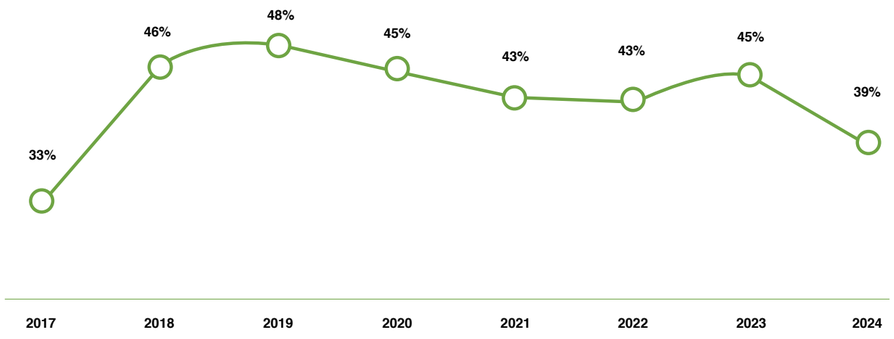
CAGR-5 years (2019-2024)



Loans to Deposits Ratio

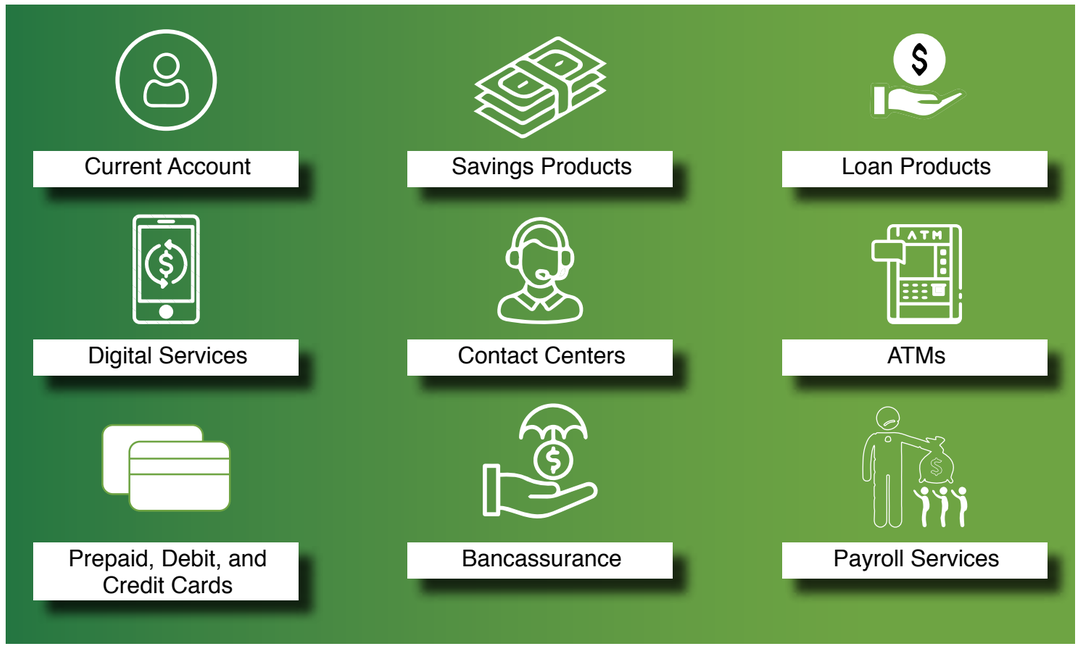
39%

(LDR/%)

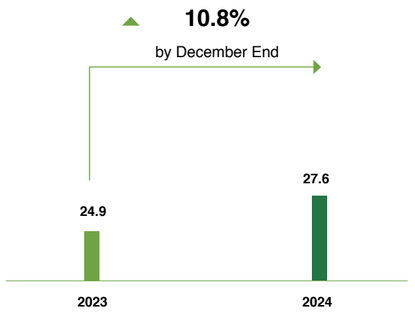


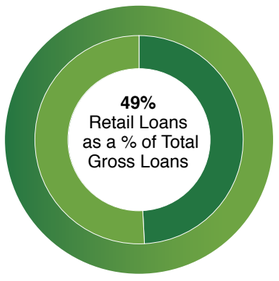
Providing A Comprehensive Approach to Retail Banking That Caters to Our Wide Customer Base

Full-Fledged Retail Service Offering

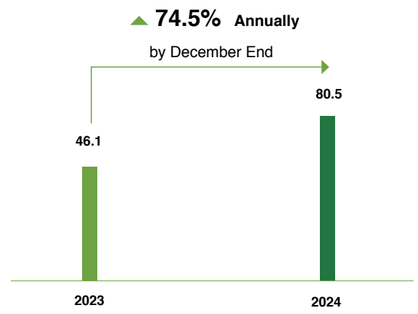


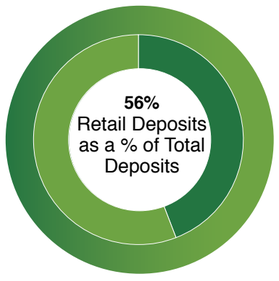
Gross Retail Loans (EGP bn)





Retail Deposits (EGP bn)



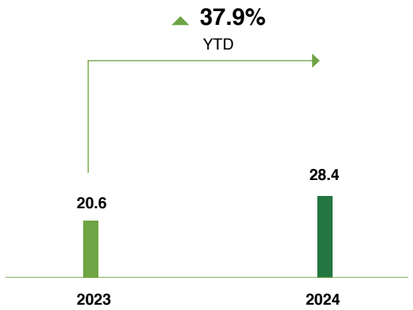


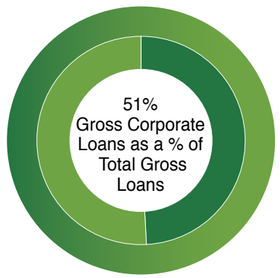
HDB Leverages Its Capacities to Serve Egypt's Leading Businesses and Drive Growth

Corporate Banking Products and Services

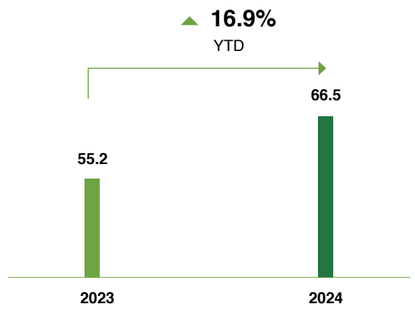
- Credit Facilities
- Trade Finance
- Financing Customs & Taxes
- Specialized Services to SMEs
- Treasury and Cash Management
- Select Investment Banking Services

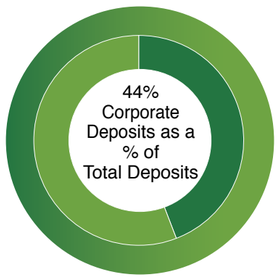
Corporate Loans (EGP bn)





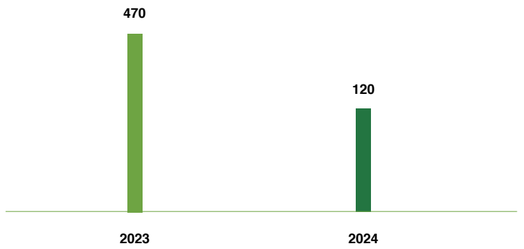
Corporate Deposits (EGP bn)



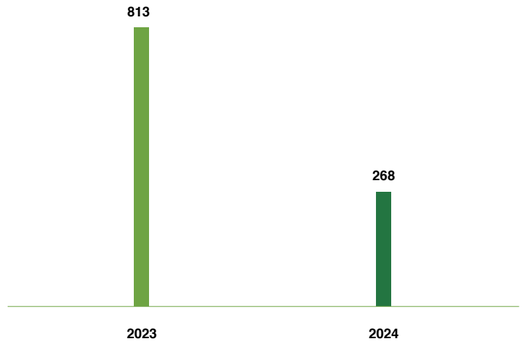


HDB Supports and Finances the Real Estate Sector to Foster Economic Development.

Number of Units Sold



Gross Contracted Sales (EGP mn)



Real Estate Portfolio

- Strategic sale opportunities
- Enhances the Bank's profitability
- Flagship developments included

0.6% Contribution to Net Income (FY-2024)

EGP 1.4bn Real Estate Business (FY-2024)

CHAPTER 2
Leaders Forge the Future

Chairman’s Note



Dear Esteemed Shareholders,

As we conclude 2024, it is with both pride and pleasure that I address you. My pride stems from the remarkable achievements of your bank, Housing and Development Bank, which has delivered record-breaking financial results—the strongest in its history. These accomplishments were realized while upholding a solid institutional framework rooted in the principles of good governance, thereby reinforcing the strength and effectiveness of our regulatory environment.

My pleasure arises from the collective success of our Board of Directors, Executive Management, and dedicated employees. Through unity, cooperation, and shared purpose, they have skillfully fulfilled the aspirations of our shareholders. This success is reflected not only in the profits distributed but also in the maximization of shareholder value, the growth of equity, and the consolidation of our position among Egypt's top-performing banks.

The year 2024 concluded on a high note, marking a period in which HDB achieved exceptional growth rates and robust financial indicators. This success was crowned by the formulation and launch of the Bank's new five-year strategy for 2025–2030. Building on consecutive years of achievement, the Board's vision has crystallized into a forward-looking plan that leverages past accomplishments and the Bank's distinguished market position, propelling it toward new horizons of growth, development, and expansion.

At the heart of this strategy lies a clear objective: to firmly establish HDB as a full-fledged commercial institution and the bank of choice within the Egyptian market. This will be realized through the delivery of innovative banking services and a superior customer experience—anchored in more than 45 years of trust—while continuing to earn confidence and attract new clients.

To achieve this vision and remain aligned with modern advancements, the strategy places strong emphasis on technology investment and the continuation of the Bank's digital transformation journey. Guided by the conviction that technology is the cornerstone of progress, HDB is committed to enhancing efficiency, accessibility, and innovation. Equally, the strategy recognizes human capital as a fundamental pillar: by attracting top talent, fostering continuous training and development, and embracing the ambition of becoming Egypt's best employer, the Bank ensures that its people remain the driving force behind sustainable success.

By embedding a steadfast commitment to green finance targets, all strategic components have converged to shape a framework that delivers sustainable growth and maximizes long-term value for our shareholders.

Through the launch of this strategy and its diligent oversight, the Board of Directors reaffirms its deep understanding of its role and responsibilities, as outlined by the corporate governance regulations of the Central Bank of Egypt. At the forefront of our priorities remain the protection of shareholder interests and the maximization of their investments, alongside our dedication to safeguarding customer rights and consistently providing the highest standards of banking services. Equally, the Board is committed to cultivating a healthy and empowering work environment for our employees, enabling them to continue elevating the stature of the institution they proudly represent. With solidarity and cooperation among the Board, Executive Management, employees, and stakeholders, we pledge not only to preserve the momentum of our consecutive achievements but also to build upon them, ensuring HDB continues to play a vital role in advancing Egypt's national economy.

In conclusion, I extend my sincere gratitude and appreciation to my colleagues on the Board of Directors for their vision and support; to the Executive Management and employees for their exceptional performance and dedication; to our valued customers, whose partnership fuels our success; and to our esteemed shareholders, whose trust inspires us to strive ever harder to remain worthy of their confidence.

Basel El-Hini

Chairman

The Executive Chairman, Managing Director Speech



Dear Esteemed Shareholders,

I am honored to present the Annual Report of Housing and Development Bank for the fiscal year ended December 31, 2024. This report highlights the Bank's continued progress along its institutional journey and demonstrates its ability to achieve sustainable growth across all business sectors.

HDB has undergone a significant qualitative transformation, firmly establishing its position among the leading banking institutions in the Egyptian market. Within a relatively short period, the Bank has achieved successive milestones and delivered exceptional results across its various activities and business sectors. This performance reflects the strength and effectiveness of its business model, as well as its proven capability to successfully execute its strategic vision over the past five years.

These achievements are underpinned by the adoption of a comprehensive transformation and development strategy encompassing all sectors and services of the Bank. The strategy focused on enhancing operational efficiency, elevating service quality, and applying best-in-class banking practices in line with evolving market requirements and competitive standards. As a result, the Bank has accelerated its growth trajectory while preserving a solid financial position, expanding its customer base, and maximizing sustainable value for customers, shareholders, investors, and all stakeholders.

Building on past successes and renewed commitment, HDB has launched its 2025–2030 strategy to strengthen its market position and become a leading choice in Egypt's banking sector. With a customer-centric focus and innovation driving sustainable growth, the Bank aims to enhance service quality and efficiency. This approach will boost customer trust, support targeted expansion, and enable resilient responses to challenges, delivering strong growth that meets both customer and investor aspirations while creating lasting value.

Despite ongoing global and domestic economic challenges in 2024, key indicators in Egypt showed gradual stabilization. This progress was driven by coordinated monetary policies and structural reforms focused on restoring macroeconomic balance and improving market efficiency. The Central Bank of Egypt's prudent decisions were crucial in controlling inflation and promoting exchange rate flexibility, leading to unified pricing, better foreign exchange regulation, and a narrower gap between official and parallel exchange rates.

These policies have improved dollar inflows and market stability, leading to positive assessments from credit rating agencies. Despite ongoing challenges, economic indicators have improved, boosting Egypt's ability to attract foreign investment and fostering a more stable, sustainable environment for future growth, reflecting growing trust in the economy.

In this context, HDB effectively translated these economic developments and reform initiatives into robust financial and operational results throughout 2024. This achievement underscores the resilience of the Bank's business model and its steadfast capacity to deliver sustainable and profitable growth, even amid prevailing economic challenges.

HDB prioritized improving operational efficiency and proactively managing financing costs during, in response to the economic challenges posed by high inflation. By adopting a flexible and innovative business model, the Bank effectively capitalized on available opportunities while ensuring prudent resource management and maintaining the highest standards of operational excellence, all aimed at supporting sustainable profitability.

This approach was clearly reflected in the Bank's financial performance, with net operating income rising by 67.6% to EGP 20.5 billion by the end of the fiscal year on December 31, 2024. Net standalone profits after taxes also surged to EGP 11 billion, up from EGP 6 billion the previous year, an increase of EGP 5 billion, representing growth of 83.1% during the same period.

Operational indicators further demonstrated the Bank's strengthened leadership in the Egyptian banking sector, driven by sustainable asset growth. Total assets reached EGP 179.45 billion by the end of 2024, up from EGP 125.1 billion at the close of 2023, an increase of EGP 54.35 billion, representing a robust growth rate of 43.4%.

This performance was driven by the strategic expansion of the loan portfolio across both retail and corporate sectors, with total loans reaching EGP 55.97 billion, recording arowth rate of 23.1% by the end of fiscal year 2024. The Bank's ability to achieve balanced growth while maintaining strict quality and risk management standards is evident in the improved asset quality, as reflected by the coverage ratio increasing to 137.1% on December 31, 2024, compared to 114.1% in the previous year.

I would like to highlight the Bank's success in executing its ambitious strategy that prioritizes customer satisfaction. This approach demonstrates the Bank's deep understanding of, and responsiveness to, the needs and aspirations of both new and existing customers. As a result, the Bank has expanded its customer base and strengthened its market share, which is clearly reflected in the strong and sustainable growth of customer deposits.

In this context, customer deposits rose by 43.1% to EGP 144.95 billion by the end of 2024, up from EGP 101.27 billion at the close of 2023, marking an increase of EGP 43.68 billion. This growth was driven by balanced increases in both retail and institutional deposits, reflecting growing trust in the Bank, its products, and services, and underscoring its success in fostering long-term, stable relationships that deliver added value to clients.

The Bank further strengthened its resilience to economic fluctuations by adopting a flexible business model and executing proactive strategies. This approach supports sustainable performance and reinforces its standing as one of the largest full-fledged commercial banks in the Egyptian market.

In 2024, the Bank's financial performance demonstrated notable resilience, driven by effective management of its asset and liability portfolios. This was evident in balanced liquidity ratios and a substantial 81% increase in net interest income, which rose to EGP 18.92 billion from EGP 10.45 billion.

The Bank delivered strong returns through effective strategies across all sectors, resulting in notable improvements in profitability. Return on average equity rose to 55.7% by the end of 2024, up from 46.9% the previous year, while return on average assets increased to 7.2% from 5.2%. These outcomes highlight the efficiency of the Bank's business model and its dedication to maximizing value for both shareholders and stakeholders. Moreover, the Bank maintained a solid capital base, with a capital adequacy ratio exceeding regulatory standards, reinforcing its ability to sustain growth and withstand economic challenges.

HDB recognizes the critical role of small and medium enterprises (SMEs) in driving economic growth, creating employment, and establishing a robust industrial and productive base that enhances the competitiveness of local products. In alignment with this belief, the Bank has successfully met CBE's target by allocating 25% of its credit portfolio to support SMEs, reinforcing its commitment to fostering sustainable development within this vital sector.

Alongside its strong financial performance in 2024, HDB prioritized sustainability as a core element of its strategy to foster balanced growth, financial stability, and support the Sustainable Development Goals. This commitment was recognized with the Gold Award for Green Finance at the Africa Grows Green Awards during COP29 in Azerbaijan, highlighting the Bank's leadership in green finance aligned with Egypt's Vision 2030. The Bank continues to adopt best sustainable practices and actively finances strategic projects that drive the nation's transition to a green economy and long-term sustainable development.

During the fiscal year ending December 31, 2024, the Bank allocated a total of EGP 8.37 billion in financing dedicated to sustainable finance initiatives across corporate finance, syndicated loans, and the SMEs sector. This commitment underscores the Bank's strategic focus on creating sustainable value for all stakeholders, reflecting both an institutional priority and a strong ethical responsibility.

Demonstrating a strong commitment to governance and transparency, HDB consistently provides timely and accurate disclosures of its financial and non-financial performance. This is reflected through comprehensive corporate reporting, such as the annual report, sustainability reports aligned with international standards, and carbon footprint assessments, underscoring the Bank's dedication to accountability and fostering trust among shareholders and stakeholders alike.

Moreover, HDB is proud to have a highly skilled and experienced workforce, with deep expertise across diverse banking disciplines. The Bank actively attracts top talent to uphold excellence in institutional performance and to enhance the efficiency and quality of its operations. Additionally, it fosters a positive and motivating work environment that encourages continuous development and innovation.

The Bank places a strong emphasis on developing its human capital through ongoing investment in specialized and diverse training programs designed to enhance employee efficiency and productivity. This commitment reflects the Bank's conviction that its workforce is the foundation of sustainable success and the driving force behind its exceptional achievements.

Simultaneously, the Bank has adopted a bold digital transformation strategy, integrating the latest financial technologies. Through continuous enhancement of its technological infrastructure and implementation of advanced digital systems, the Bank stays at the forefront of digital innovation. This strategy aligns with the efforts of the state and the Central Bank of Egypt to encourage electronic payments and progress toward a cashless society, widely acknowledged as a safer and more efficient method of conducting financial transactions.

In a relatively short time, the Bank has made significant progress in its digital transformation journey, steadily expanding its reach to a broader customer base. By offering a diverse range of services and products, the Bank actively supports financial inclusion and promotes the adoption of electronic payment culture.

Furthermore, it places strong emphasis on financial inclusion, aligning with the integrated strategy adopted by the state and the Central Bank to bring previously unbanked populations into the formal banking system. To support this goal, the Bank has introduced a range of tailored facilities for people of determination at its branches. Additionally, it has designated trained staff to assist people with disabilities and the elderly at select branches, ensuring they can access and benefit fully from all banking services and products with ease and convenience.

HDB boasts a broad geographical presence across the various governorates of the Republic, supported by an integrated network of branches. These branches are designed and equipped with the latest engineering and operational standards, complemented by advanced banking technologies. This infrastructure ensures the delivery of competitive, high-quality, and efficient banking services, enabling the Bank to effectively serve diverse customer segments throughout Egypt.

By the end of 2024, the Bank had expanded its network to approximately 100 branches and 458 ATMs, enhancing its accessibility to a wide customer base, including individuals, institutions, organizations, and companies. This expansion reinforces the Bank's competitive position and its commitment to delivering the highest standards of banking service.

I am pleased to express my satisfaction with the strong business performance of the Bank's subsidiaries and affiliates in 2024. According to the consolidated financial statements, net profit after taxes reached EGP 12.45 billion, compared to EGP 6.56 billion the previous year, recording an increase of EGP 5.89 billion, representing growth of 89.8%. These results underscore the Bank's success in executing its strategic plan to develop its group companies and optimize its investments by enhancing integration across operations, improving efficiency, and elevating service quality. This approach has effectively supported market share expansion and sustained profit growth.

HDB is committed to comprehensive development and embedding sustainability across all its operations through a dedicated social responsibility strategy. The Bank actively engages in initiatives and programs that deliver sustainable developmental impact, with a particular focus on the health and education sectors, recognizing their vital role in empowering individuals and strengthening communities.

The Bank is deeply committed to supporting and empowering people with disabilities, in line with government efforts to promote their social inclusion and provide necessary support. It has played an active role in initiatives that address their educational and healthcare needs while easing daily challenges to foster greater inclusion. Furthermore, the Bank is dedicated to uplifting vulnerable and underserved populations, including orphans, residents of impoverished areas, and those in border regions, by offering essential resources like housing, education, healthcare, and other basic services, thereby improving their quality of life and preserving their dignity.

Moreover, HDB persistently pursues its strategic goals through a clear and ambitious vision aimed at sustainable growth and strengthening its competitive standing. This is supported by a thoughtful and targeted expansion of its market share across both the banking and real estate sectors.

I would like to express my trust in the management's capability to continue capitalizing on promising opportunities and delivering strong financial and operational results. This confidence stems from the ambitious vision and clear growth pillars outlined in the Bank's new strategy for the 2025–2030 period, coupled with management's steadfast commitment to executing the strategy with efficiency and resilience. I am optimistic that these efforts will further solidify the Bank's leadership position in the banking sector, despite the challenges posed by an evolving economic landscape.

In conclusion, I would like to extend my sincere gratitude to the Bank's esteemed shareholders and valued customers for their continued trust in the Bank's performance and its ability to create sustainable value. This trust remains our greatest motivation to achieve further progress, success, and excellence. We reaffirm our unwavering commitment to pursuing the Bank's vision and strategic objectives with steady, well-considered steps, guided by the trust our shareholders and customers

My appreciation is also extended to the members of the Board of Directors, the executive management, and all employees for their dedication, professionalism, and team spirit, which have been instrumental in achieving these remarkable results and maintaining the Bank's growth momentum.

Finally, I am deeply honored to express my profound gratitude to the Governor of the Central Bank of Egypt and the Minister of Housing, Utilities, and Urban Communities for their continuous guidance and invaluable support, which have played a pivotal role in enabling the Bank to fulfill its mission and realize its strategic objectives.

Hassan Ghanem

Executive Chairman - Managing Director

BOARD OF DIRECTORS

Mr. Basel El-Hini

Chairman - Non Excutive

Mr. Hassan Ghanem

Executive Chairman - Managing Director Representative of the Insurance Fund of HDB Personnel

Dr. Assem Al-Jazzar

Board Member - Non-executive Representative of the New Urban Communities Authority

Dr. Hani Sweilem

Board Member - Non-executive Representative of the New Urban Communities Authority

Eng. Randa Al-Minshawy

Board Member - Non-executive Representative of the New Urban Communities Authority

Mr. Mohamed Essam El-Din

Board Member - Non-executive Representative of Urban Communities Authority, Until 23/9/2024

Mr. Mohamed Al-Maazawy

Board Member - Non-executive Representative of Rolaco AGB Investment Company

Mr. Sharif Al-Akhdar

Board Member - Non-executive Representative of RIMCO EGT Investment

Mr. Moustafa El Kamash

Board Member - Non-executive Representative of Misr Life Insurance Company

Mr. Aladdin Hassan

Board Member - Non-executive Representative of Misr Life Insurance Company

Mr. Ahmed Abu Hindia

Board Member - Non-executive Shareholder



Mr. Basel El-Hini

Chairman

Mr. Basel El-Hini joined the Housing and Development Bank in May 2023, assuming the role of Non-Executive Chairman of the Board of Directors. With more than 41 years of distinguished experience spanning commercial and investment banking, as well as diverse financial and fiscal domains, he brings a comprehensive understanding of the financial landscape and a proven record of leadership.

Basil El-Hini's extensive expertise has been shaped through his work with prominent regional and local financial institutions, reflecting a career marked by diversity, impact, and steady progression. His professional journey includes:

Early Career: Beginning at Misr-Iran Development Bank, followed by a move to Saudi Arabia in the mid-1980s to join Arab Petroleum Investments Corporation (APICORP), where his career advanced to the role of Middle East & North Africa Business Group Head.

Return to Egypt: In the early 2000s, he joined ABN AMRO Bank as Regional Head of Integrated Energy and Power. He later served as General Manager and Board Member at Misr Exterior Bank, before advancing to Banque Misr in 2004 as General Manager.

Government Service: In 2005, El-Hini transitioned to public service as Advisor to the Minister of Finance. He played a pivotal role in major financial reforms, including the privatization of ALEXBANK, the introduction of Egypt's third mobile license, and the establishment of the Government's PPP unit to foster private sector partnerships.

Leadership Roles: In 2008, he became Chairman and Managing Director of NAEEM Holding for Investments, leading investment banking activities in Egypt. Later that year, he was appointed Managing Director of Banque du Caire, a position he held until 2011, where he oversaw credit, corporate, and retail banking divisions—driving the bank's transformation into a leading market player.

Continued Impact: In 2012, El-Hini joined the Financial Sector Investment Fund Company as Non-Executive Chairman, where his strategic vision and innovative approach contributed significantly to the company's success in financial investment.

El-Hini's distinguished career includes serving as Vice Chairman for Finance and Investment at Egypt Insurance Holding Company from 2013 to 2016. In 2016, he assumed the role of Chairman of the Board of Trustees for Best Foundation, an organization dedicated to advancing microfinance initiatives.

In 2018, El-Hini was appointed Chairman and Managing Director of Misr Insurance Company. During his tenure, notable achievements included establishing an integrated financial group with exceptional growth and profitability rates. In the same year, he also became chairman for both Zilla Capital and Taageer for Investment and Development.

Beyond his executive responsibilities, El-Hini has contributed extensively as a non-executive board member and committee leader across a wide range of institutions, including:

- HSBC Bank Egypt
- ALEXBANK Intesa Sanpaolo
- Nasser Social Bank
- Egyptian Insurance Company
- Tourism Development Authority
- Eastern Company
- Egyptian Petrochemicals Holding Company
- The Holding Company for Maritime & Transport
- Sidi Kerir Petrochemicals Co. (SIDPEC)
- Mortgage Finance Fund
- ADIB Capital
- Oriental Petrochemicals Co.
- Insurance Holding Company

A well-educated and accomplished professional, Basel El-Hini holds a Bachelor's degree in Economics from Cairo University (1980) and a Master's degree in Economics from the American University in Cairo. In addition to his executive and advisory roles, he serves as a lecturer at the Egyptian Banking Institute, where he shares his expertise and insights with future generations of banking professionals.



Hassan Ghanem

Executive Chairman - Managing Director

Mr. Hassan Ghanem began his tenure at Housing and Development Bank in September 2017 as Managing Director for Banking Affairs. He was promoted to Vice Chairman and Managing Director in January 2018. In December 2019, Hassan Ghanem officially took on the role of Executive Chairman and Managing Director of the Housing and Development Bank.

After earning a bachelor's degree from the Faculty of Commerce at Ain Shams University, he furthered his education with a Master's Degree in Business Management (MBA) and a Diploma in Finance and Investment.

Ghanem launched his banking career at Misr International Bank and, between 1986 and 2005, held several key banking and leadership positions. Over the course of more than 35 years, he has built extensive expertise in corporate finance, structured finance, operations, and multinational banking, serving in both domestic and international institutions. His career highlights include:

- Head of Corporate Banking and Head of Investment Banking, Financial Institutions, and Bank Transfers Sector
- Head of the Medium Projects Department sectors, and Executive Board Member at ALEXBANK
- Head of the Corporate Credit Sector at Emirates NBD (formerly known as BNP Paribas)

Throughout his career, Mr. Hassan Ghanem has assumed several leadership positions in both international and local institutions. Notably, he served as:

- Board Member at Emirates NBD Financial Leasing Company
- Board Member at Alcatel Egypt, which is one of the international companies operating in the field of communications



Dr. Assem Al-Jazzar

Board Member - Representative
of the Urban Communities Authority

Dr. Assem Al-Jazzar has been Minister of Housing, Utilities, and Urban Communities between 2020 and June 2024. He is also Chairman of the General Authority for Urban Planning at the Ministry of Housing and Urban Communities and a faculty member at the Faculty of Regional and Urban Planning at Cairo University.

Dr. Al-Jazzar earned his bachelor's degree in Regional and Urban Planning from Cairo University, followed by a PhD in Urban Design from the university's Faculty of Regional and Urban Planning. He has also pursued advanced studies through a range of diplomas and certificates in fields such as urban design, ecotourism, environmental monitoring methods and techniques, and environmental impact assessment and management. These qualifications were obtained from leading institutions and specialized scientific centers, including Cairo University, Oxford Brookes University in the United Kingdom, and George Washington University in the United States.

Furthermore, Dr. Assem Al-Jazzar has held a number of distinguished positions, including:

- Deputy Minister of Housing and Urban Development in 2018
- Chairman of the Board of the General Authority for Urban Planning
- Vice President of the General Authority for Urban Planning for Research, Studies, and Regional Planning
- General Manager of the National Urban Observatory
- Head of the Technical Committee for the Preparation of Strategic Plans for New Cities



Dr. Hani Sweilem

Board Member - Representative
of the Urban Communities Authority

Hani Sweilem is the Egyptian Minister of Water Resources and Irrigation. He has previously served as Professor of Water Management, Director of Water and Climate Change Management at UNESCO, and Academic Director of the Department of Water Engineering at Aachen University in Germany. His career also includes experience as a Research Assistant at Aachen University, as well as service as a member of the Egyptian technical team between 2018 and 2021.

Dr. Sweilem holds a bachelor's degree in environmental engineering and Irrigation from Zagazig University, a Master's Degree in Environmental Engineering and Irrigation from the University of Southampton in the UK, and a PhD from Aachen University in Germany.



Mrs.Eng. Randa Al-Minshawi

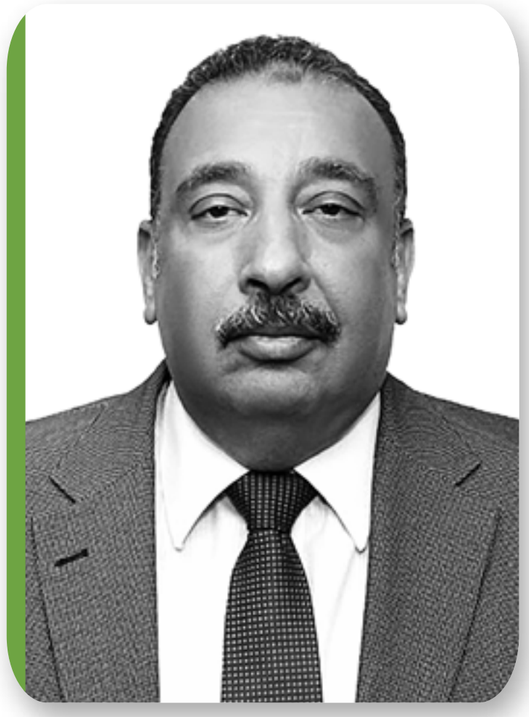
Board Member - Representative
of the Urban Communities Authority

Randa Al-Minshawi has been serving as First Assistant to the Prime Minister and Deputy Minister of Housing, Utilities, and new Urban Communities since 2019.

She earned her bachelor's degree in architecture in 1985 and has been actively engaged in public works ever since. Her expertise and commitment have guided her through a range of leadership and managerial roles.

Prior to 2019, Al-Minshawi held several key positions within the Ministry of Housing, including:

- The Technical Supervisor at the Minister of Housing, Utilities and Urban Communities Offices
- Head of the Research and Studies Department at the Ministry of Housing, Utilities and Urban Communities
- Head of the Central Administration for the Affairs of the Office of the Minister of Housing, Utilities and Urban Communities
- Head of the Project Monitoring and Evaluation Unit at the Ministry of Housing, Utilities and Urban Communities
- First Undersecretary of the Ministry of Housing, Utilities and Urban Communities and Supervisor of the Minister's Office
- Deputy Minister of Housing, Utilities and Urban Communities and Supervisor of the office of the Prime Minister



Mr. Mohamed Essam El-Din

Board Member - Representative
of the Urban Communities Authority
(until September 23, 2024)

Mr. Mohamed Essam El-Din Ramadan is the Assistant Minister of Housing, Utilities and Urban Communities and overseeing the office of the Minister and the General Development Department (formerly).

He holds a Bachelor of Science in Law and a bachelor's degree in Police Sciences from the Police Academy.

Throughout his career, Mr. Ramadan has held several notable positions, including:

- Officer of the General Department of Police Special Forces
- Director of the Cabinet Guard Department.
- Undersecretary of the Ministry of Housing, Utilities and Urban Communities
- Supervisor for the organizational divisions for the affairs of the members of the House of Representatives at the Minister's office in addition to his other duties



Mr. Mohamed Al-Maazawy

Board Member - Representative of Rolaco EGB Investment Company

Mr. Mohamed Al-Maazawy holds a bachelor's degree in accounting from the Faculty of Commerce and Business Administration at Helwan University.

With extensive financial and managerial expertise, he currently serves as First Manager at the Movenpick Hotel. Over the course of his career, he has also held a number of esteemed positions, including:

- CFO at Silver Windows for Contracting
- Financial Director of Sahara Holding Company
- Owner's representative at the Four Seasons, Beirut
- CFO at Rolaco EGB Investment Company



Mr. Sharif Al-Akhdar

Board Member - Representative of RIMCO EGT Investment

Mr. Sharif Al-Akhdar earned his master's degree in finance from George Washington University in 2006, following a bachelor's degree in accounting and economics from The American University in Cairo in 2003. With nearly two decades of experience, he has developed extensive expertise in finance, real estate, and investment across both local and international markets.

He currently holds several prominent managerial positions, including:

- Founder and Executive Partner at Lime Vest Partners for direct investments
- Founder and Executive Partner of the Direct Investment Fund (BPE Partners)
- Chairman of the Board at NSA Diagnostics, a leading clinical laboratory in Egypt.
- A Board Member at various companies across different diverse in Egypt.

In addition, he has previously held a number of distinguished roles, such as:

- Managing Director at Arabia Investments Holding Company, representing Beltone Financial Company in forming and managing securities portfolios and direct investment funds
- Investment Manager at Beltone
- Vice Chairman of ABT Associates Inc.
- Partner and Executive Committee Member at American Capital in the United States (2004–2008)



Mr. Mostafa El Kamash, a graduate of Cairo University with a Bachelor's degree in Commerce, currently holds the position of Deputy Managing Director of Financial and Administrative Affairs at Misr Life Insurance Company. Over the course of his career, he has developed extensive expertise in financial and managerial affairs and has held several esteemed positions, including:

- First Assistant Auditor at Arthur Andersen- Cairo
- Assistant Controller at Garden "Botanica" Seattle- USA
- Chief Financial Officer at Allianz Egypt
- Head of Finance at Bupa Global in Egypt and the Middle East
- Deputy Auditor at Orascom Group for ConstructionandIndustry

Mr. Moustafa El Kamash

Board Member - Representative
of Misr Life Insurance Company



Mr. Aladdinn Ahmed Ali Hassan earned a bachelor's degree in insurance commerce in 1983, followed by a Postgraduate Diploma in Public Insurance in 1989.

Over the course of his career, he has built extensive expertise through various roles at Misr Insurance Company. His most notable positions include:

- Board Member for Finance, Planning and Investment at Misr Insurance Company
- Board Member of the Permanent Committee of Investment and Securities at Misr Insurance Company
- Board Member at Housing and Development Bank Representing Misr Insurance

Mr. Aladdin Hassan

Board Member - Representative
of Misr Life Insurance Company

Executive Managers



Mr. Ahmed Abu Hindia

Board Member - Shareholder

Ahmed Abu Hindia is a highly experienced lawyer with a Bachelor of Science in Law from Ain Shams University, earned in 1987. He has provided legal counsel to a wide range of clients, including companies, institutions, and individuals in Egypt and other Arab and foreign countries, coupled with his registration as an arbitrator with the Ministry of Justice and the Cairo Regional Center for International Commercial Arbitration.

Abu Hindia held several other positions, including:

- Vice Chairman of the Board of First Arabian Development & Investment Co. (FADICO)
- Vice Chairman of the Board of Al Ahly for Development and Investment
- Board member at several companies such as El Sewedy Electric - Speed Medical - Holding Company for Investment and Development and Egyptian Resorts Company (ERC)
- Member of the Egyptian Bar Association
- Member of the International Bar Association
- Member of the Arab Lawyers' Union - ALU
- Member of the Cairo Regional Centre for International Commercial Arbitration
- Member of the American Chamber of Commerce in Egypt
- Member of the Egyptian Lebanese Businessmen Association - ELBA
- Member of the Arab Management Association
- Member of the Board of Trustees of Nile University and Misr International University.
- Lawyer at the Saudi Egyptian Construction Company (SECON)
- Legal advisor to First Arabian Real Estate and Tourism Investment Company
- Arbitrator, lawyer, and legal consultant for many companies, institutions, and individuals in Egypt and other Arab and foreign countries



Mr. Walid Matar

Assistant Managing Director for Retail Banking - Real Estate Finance and Branches

Mr. Walid Matar joined the Housing and Development Bank in 2018, bringing with him extensive experience in the banking industry. Over the course of his career, he has held a variety of key positions within the sector, including:

- Director of Sales at American Express Cards and Director of Public Relations for Corporate Accounts at Diners Club
- Bank Card Sales Manager at United Bank
- Sales Manager at Piraeus Bank-Misr
- Director of the Credit Department for Bank Loans for Goods and Cars
- Director of the Projects Department and Deputy Resident Manager at CitiBank
- General Manager and Head of the Financing Department at Banque du Caire

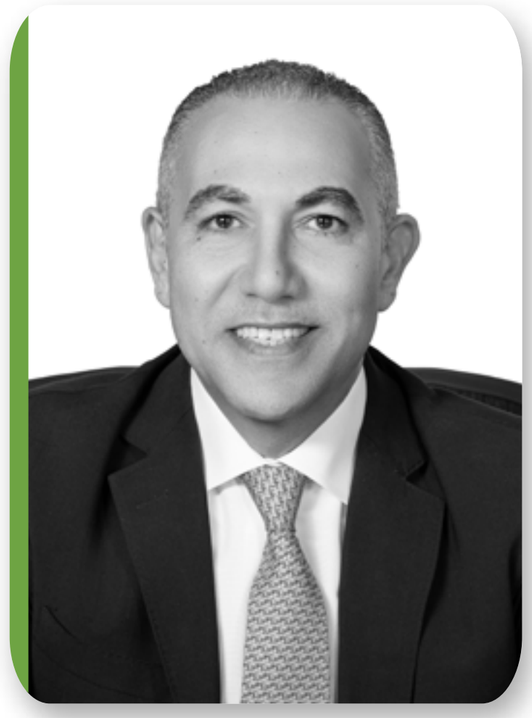


Mr. Tamer Ismail Negm joined the Housing and Development Bank in 2019. With extensive experience in the banking sector, he has held a range of key positions within the industry, including:

- Credit Officer at Corporate Credit Department in Misr International Bank
- Assistant Corporate Credit Supervisor at Misr International Bank
- Director of the Central Relations Department of the Group of Companies at Misr International Bank
- General Manager and Head of the Large Companies Department at BNP Paribas Bank-Egypt
- Executive Director responsible for the Large Corporate Banking Services Department at ALEXBANK

Mr. Tamer Negm

Assistant Managing Director for Institutions, Treasury and Investment



Mr. Tamer Mohamed Talaat earned his bachelor's degree in commerce with a major in accounting from Cairo University in 1992. With over 30 years of experience across diverse banking sectors, he has developed expertise in branch management, risk management, and operations.

Throughout his career, Talaat has successfully overseen the restructuring of organizational processes. Through careful planning, design, development, and implementation of policies and procedures, he established a framework that centralized banking activities and advanced comprehensive automation systems.

He began his professional journey at Misr International Bank, where he gained valuable experience across multiple divisions. In 2023, he joined the Housing and Development Bank as Assistant Managing Director for Operations.

In addition, Talaat has held several notable positions, including:

- Executive Director of the Operations Risk Sector at Bank Audi
- Head of the Risk Operations Sector at Banque Du Caire
- Chief Operations Officer at Banque Du Caire

Mr. Tamer Talaat

Assistant Managing Director for Operations

Sector Heads

Name	Position	Sector
Mohamed Hamed Ibrahim	Head of Risk	Risk Sector
Ashraf Eid Ahmed	Head of Internal Audit sector	Internal Audit Sector
Mohamed Ahmed El-Badawy	Head of Compliance and Corporate Governance sector	Compliance and Corporate Governance Sector
Gamal Mahmoud Suleiman	Head of Financial Affairs Sector	Financial Affairs Sector
Mohamed Ahmed Gamal	Head of Corporate Banking and Syndicated Loans Sector	Corporate and Syndicated Loans Sector
Mina Labib Maurice	Head of Retail Banking Sector	Retail Banking Sector
Sherif Mounir El-Maghraby	Head of SMEs Sector	SMEs Sector
Doaa Tawfik Gameel	Head of Human Capital Sector	Human Capital Sector
Gihan El-Gouly	Head of Corporate Communication and Sustainable Development Sector	Corporate Communication and Sustainable Development Sector
Ezz El-Din Mohamed El-Qalla	Head of Investment Sector	Investment Sector
Khaled Nabil Imam	Chief Information Officer	Information Technology Sector
Rady Mostafa Rady	Legal Affairs Group Head	Legal Affairs Group
Khaled Mohamed El-Saadawy	Engineering Execution Group Head	Engineering Execution Group
Mohamed Hassan Metwally	Head of Administration Sector	Administrative Sector
Ehab Ibrahim Omar	Head of Board Affairs Sector	Board Affairs Sector
Rania Abdel-Halim Reda	Head Of Executive Chairman and Managing Director Technical Office	Chief Executive Officer (Managing Director)

Name	Position	Sector
Mohamed Mohy El-Din El-Naggar	Head of Operational Risk and Fraud Prevention Group	Operational Risk and Fraud Prevention Group
Mohamed Reda Khalil	Credit Admin and Central Investigation Group Head	Credit Admin and Central Inquiries Group
Yehia Sayed Selem	Credit and Investment Risk Group Supervisor	Credit and Investment Risk Group
Mostafa Awad El-Qouni	Head of Centralized Operations sector	Central Operations Sector
Hanan Farouk Ahmed	Acting Head of Treasury Sector – Head of Fixed-Income Instruments	Treasury, Assets, and Liabilities Sector
Hani Helmy Nasef	Head of Strategy, Planning, monitoring, and Control sector	Strategy, Planning, monitoring, and Control Sector
Mohamed Adel El-Badawy	Head of Mortgage Finance Sector	Mortgage Finance Sector
Mohamed Ibrahim El-Desouky	Internal Control Sector Supervisor	Internal Control Sector
Abdel-Hakim Abdel-Fattah Mohamed	Corporate Legal Affairs Group Head	Corporate Legal Affairs Group
Ahmed Ibrahim El-Desouky	Head of Legal Group for Regional Affairs	Legal Group for Regional Affairs
Taghreed Sabry El-Attar	Investment, Contracts, and Investigations Group Head	Investment, Contracts, and Investigations Group
Tarek Mohamed Radwan	Engineering Execution Group Head	Engineering Execution Group
Mohamed Abdel-Raouf El-Feki	Designs and Projects Group Supervisor	Designs and Projects Group
Ahmed Hassan Hussein	Housing and National Projects Group Head	Housing and National Projects Group
Medhat El-Sayed Tawfik	Head of Branches Network Sector	Branches Network Sector

Internal Committees of the Board of Directors

The formation of internal committees within the Housing and Development Bank (HDB) stands as a cornerstone of its governance framework, ensuring the sound and effective management of operations. These committees play a vital role in strengthening transparency, accountability, integrity, and overall efficiency, while also underscoring HDB's commitment to social responsibility. Their impact is driven by the careful selection of members and the clear definition of each committee's mandate. Through this structured approach, HDB not only enhances organizational performance but also deepens the confidence of clients, investors, and regulators in the Bank's enduring credibility.

The Audit Committee

The Audit Committee is entrusted with overseeing the operations of the Bank's Internal Audit Department, with a particular emphasis on safeguarding the integrity of internal control systems. Both the Head of Internal Audit and the Head of Compliance report directly to the Committee, which subsequently submits its findings to the Board of Directors.

Beyond its internal oversight, the Committee plays a pivotal role in liaising with external auditors, serving as a transparent and direct channel of communication. Its responsibilities include reviewing the Bank's annual financial statements prior to Board approval, recommending the appointment or dismissal of external auditors, and assessing their audit plans while providing constructive feedback.

The committee includes the following members:

- Mr. Basel El-Hini - Committee head
- Mr. Moustafa El kamash - Member
- Mr. Ahmed Abu Hindia - Member

Governance and Nominations Committee

The Governance and Nominations Committee operates in alignment with the governance framework established by the Central Bank of Egypt. Its mandate includes conducting regular evaluations of the Bank's governance practices and recommending policy enhancements for approval by the Board of Directors.

The Committee also reviews governance-related disclosures in the Bank's Annual Report and carefully considers inspection observations issued by the Central Bank of Egypt. In addition, it oversees the retention, documentation, and follow-up of reports concerning the Board's performance evaluation.

The committee includes the following members:

- Mr. Mohamed Al-Maazawy - Committee Head
- Dr. Assem Al-Jazzar - Member
- Dr. Hani Sweilem – Member
- Mr. Aladdin Hassan - Member

Compensations and Remunerations Committee

The Compensations and Remunerations Committee is entrusted with submitting proposals on the remuneration of executive Board members, as well as recommending rewards and allowances for non-executive members, subject to approval by the General Assembly.

The Committee is further responsible for developing clear, written policies on salaries and remuneration across the Bank. These policies are periodically reviewed and reassessed in light of the risks to which the Bank is exposed, with transparent clarification of the principles guiding approval.

In addition, the Committee conducts comparative analyses of the Bank's salary structures against those of peer institutions. This ensures that compensation practices remain competitive, enabling the Bank to attract, motivate, and retain top talent.

The committee includes the following members:

- Mr. Ahmed Abu Hindia - Committee head
- Mr. Basel El-Hini - Member
- Mr. Mohamed Al-Maazawy - Member

Risk Committee

The Risk Committee fulfills its mandate in full alignment with the governance and internal control directives issued by the Central Bank of Egypt, complemented by its operational framework as approved by the Board of Directors. It diligently oversees the performance of the Bank's various risk sectors, ensuring that risk management practices remain both comprehensive and effective.

Senior management is responsible for designing the organizational structure of these sectors and defining their respective roles, which are then submitted to the Risk Committee for endorsement and subsequently approved by the Board of Directors. In addition, the Committee monitors adherence to established risk management strategies and policies, reviews periodic reports from relevant departments, and provides well-considered recommendations and proposals.

The committee includes the following members:

- Mr. Sharif Al-Akhdar – Committee Head
- Dr. Hani Sweilem – Member
- Mr. Moustafa El Kamash - Member
- Mr. Mohamed Al-Maazawy - Member

Donations Committee

The Donations Committee is tasked with formulating a comprehensive strategy to enhance the Bank's societal engagement, achieved through its annual philanthropic contributions. These donations are meticulously directed to benefit a significant proportion of civil society.

The committee includes the following members:

- Mr. Hassan Ghanem - Committee Head
- Dr. Assem Al-Jazzar - member
- Dr. Hani Sweilem – Member
- ENG. Randa Al-Minshawy - Member
- Mr. Ahmed Abu Hindia - Member

Engineering and Real Estate Affairs Committee

The Engineering and Real Estate Affairs Committee is entrusted with shaping strategies, formulating policies, and proposing developmental initiatives that guide the engineering operations of the Bank and its affiliated subsidiaries. In fulfilling this mandate, the Committee carefully aligns both long-term objectives and short-term priorities to ensure effective implementation.

In addition, the Committee supervises the activities of the Bank's engineering, investment, and housing sectors, while also monitoring the engineering and real estate projects undertaken by the holding company and its associated investment firms.

The committee includes the following members:

- ENG. Randa Al-Minshawy - Committee Head
- Dr. Assem Al-Jazzar - Member
- Mr. Ahmed Abu Hindia - Member

IT Board Committee

The IT Board Committee is entrusted with overseeing the Bank's overall IT strategy, ensuring that technology initiatives remain aligned with evolving business needs and advancements. Its mandate includes monitoring the implementation of the IT strategic plan and recommending updates to maintain agility and relevance. The Committee also reviews planned IT projects for the upcoming year, ensuring they support the Bank's operational and strategic objectives.

In fulfilling its responsibilities, the Committee compares budgeted expenses for the information systems sector against actual expenditures, providing clear explanations for any variances. It further submits supervisory reports from the Central Bank of Egypt concerning the information systems sector, along with the corresponding corrective action plans.

The Committee plays a critical role in safeguarding the Bank against external threats and capitalizing on emerging technological opportunities. It reviews proposed changes to the Bank's IT security policy, monitors the business continuity plan to ensure rigorous testing and satisfactory outcomes, and addresses any other IT-related matters that may affect the Bank's resilience and performance.

The committee includes the following members:

- Mr. Ahmed Abu Hindia - Committee Head
- Dr. Hani Sweilem – Member
- Mr. Aladdin Hassan - Member
- Mr. Sharif Al-Akhdar - Member
- Mr. Moustafa El Kamash - Member

Investment Committee

The Investment Committee is responsible for overseeing the Bank's investment sector. It examines investment proposals and issues recommendations for each before submitting them to the Board of Directors for approval. Additionally, the committee evaluates the outcomes of the bank's investments to various companies and financial tools. It also reviews the performance of the investment sectors on a quarterly basis.

The committee includes the following members:

- Mr. Sharif Al-Akhdar - Committee Head
- Mr. Moustafa El Kamash - Member
- Mr. Aladdin Hassan – Member

CHAPTER 3
Achievement Mirrors Reality

General Overview on the Egyptian Economy

Building on its solid economic fundamentals and the effective execution of fiscal and monetary policies, Egypt is steadily positioning itself as one of the most promising emerging markets, distinguished by significant untapped growth potential.

Real Domestic Growth (GDP): Positive Growth Despite Global Slowdown

The Egyptian economy maintained positive growth despite global pressures, with real GDP rising by 2.4% during the 2023/2024 fiscal year. This performance was supported by contractionary fiscal and monetary measures designed to contain inflation.

Inflation Rates: Annual Indicators Reflect Relative Improvement

Inflation in Egypt showed marked improvement by the close of 2024, driven by the Central Bank's continued adoption of contractionary monetary policies. Headline inflation fell to 24.1% in December 2024, down from 33.7% a year earlier, while core inflation declined to 23.2% from 34.2% over the same period. These results highlight the effectiveness of monetary interventions and signal steady progress toward enhanced price stability.

Foreign Exchange Inflows: Significant Growth and Renewed Confidence

During the 2023/2024 fiscal year, Egypt recorded foreign exchange inflows of approximately $82.4 billion, compared to $45.7 billion in the previous year. These inflows were primarily driven by three main sources: remittances from Egyptians abroad, tourism revenues, and foreign direct investment (FDI). This notable growth reflects an improved investment climate, a recovery in the tourism sector, and relative stability in expatriate remittances.

Banking Sector: Resilient Growth in an Underserved Market

Despite economic headwinds, Egypt's banking sector continues to demonstrate resilience, adaptability, and robust growth. With a considerable unbanked population, the sector holds significant potential for expansion, offering new opportunities to deepen financial inclusion and drive sustainable development.

Loan Portfolio: Loan balances expanded to approximately EGP 7.8 trillion by September 2024, up from EGP 5.5 trillion in FY2022/2023. This growth reflects heightened financing demand across both retail and corporate segments.

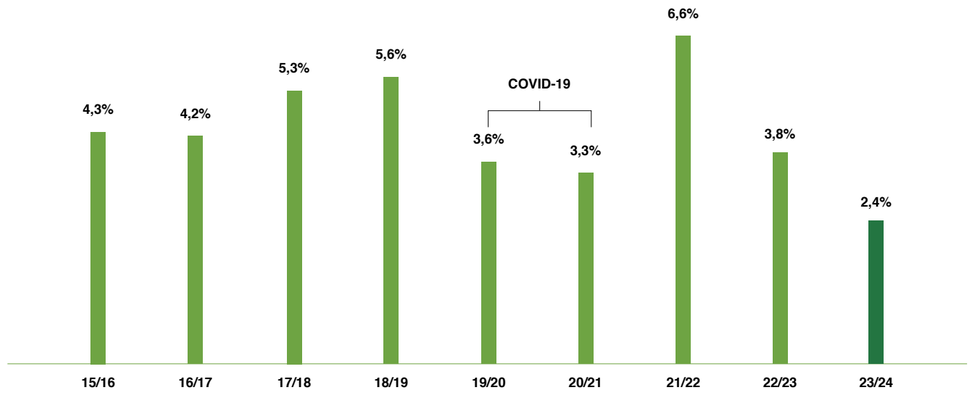
Deposits: Deposits rose significantly to EGP 12.8 trillion, compared to EGP 10.2 trillion in FY2022/2023. This substantial increase highlights reinforced depositor confidence.

Loan-to-Deposit Ratio: The loan-to-deposit ratio climbed to 61% in September 2024, up from 54% in FY2022/2023. This improvement demonstrates greater efficiency in channeling savings into productive credit, thereby facilitating investment and stimulating economic growth.

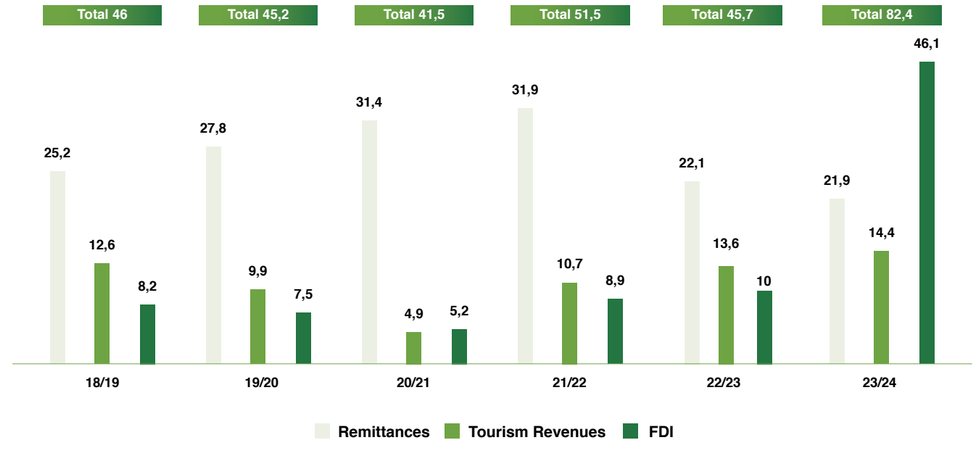
Expansion of Banking Services

The Egyptian banking sector continued to expand in 2024, marked by growth in service accessibility. The number of ATMs increased by 1,100, reaching 23,805 by the end of June 2024. Similarly, bank branches grew by 35, bringing the total to 4,717.

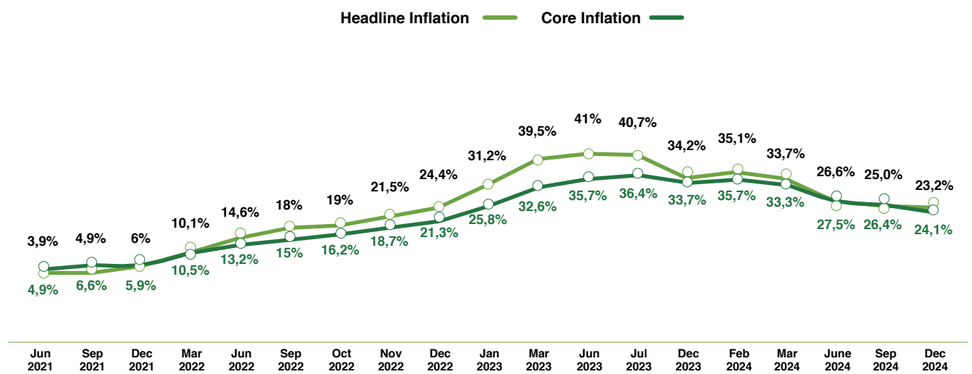
GDP Growth (Annually %)



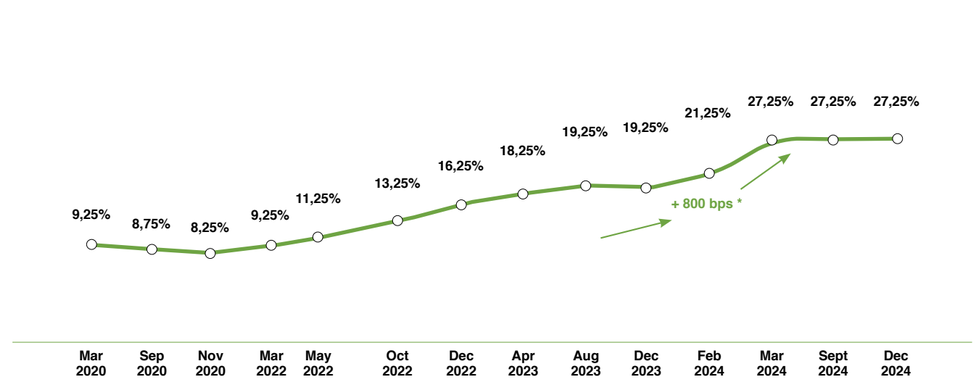
Foreign Exchange Inflows (Billion USD)



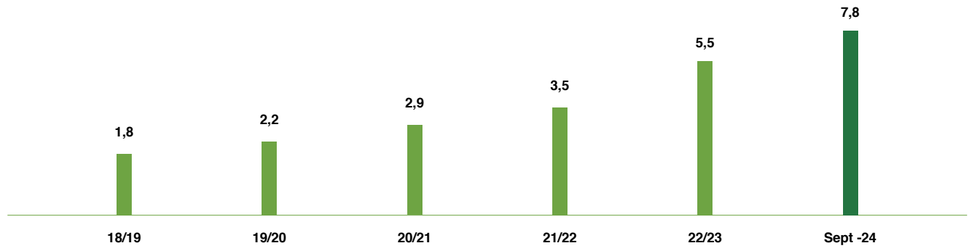
Inflation Rate



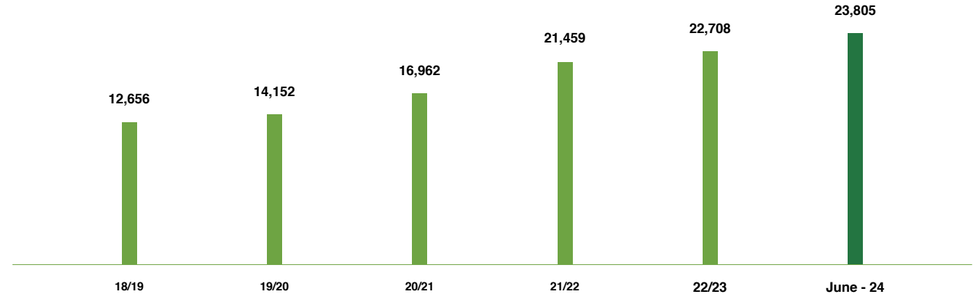
Discount Rate %



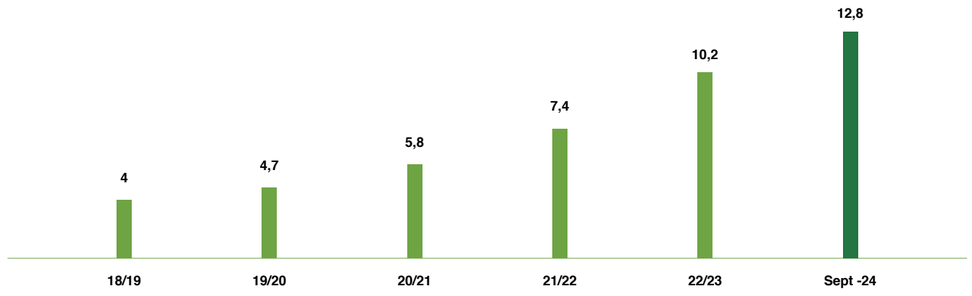
Loans (Trillion EGP)



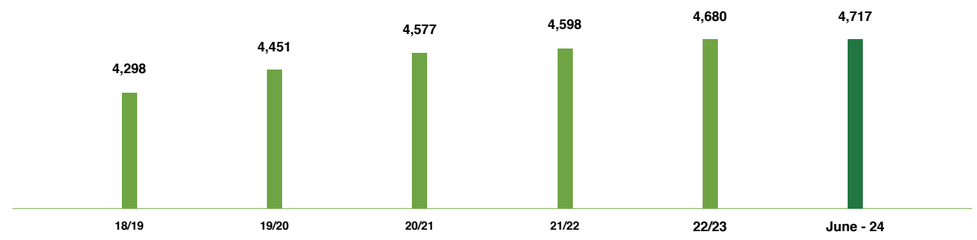
ATMs Network in The Egyptian Banking Sector



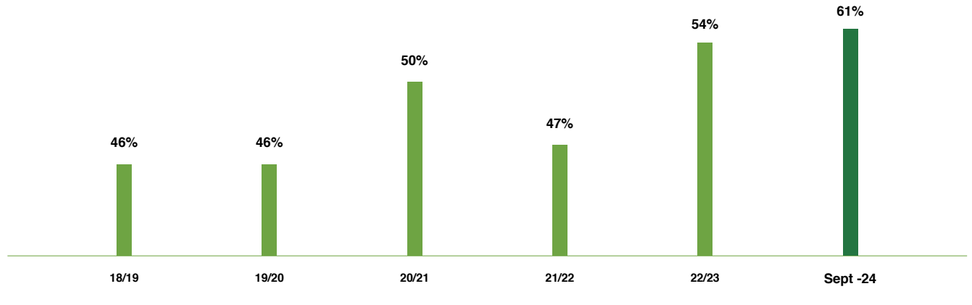
Deposits (Trillion EGP)



Branches Network in The Egyptian Banking Sector



Loans to Deposits Ratio (%)



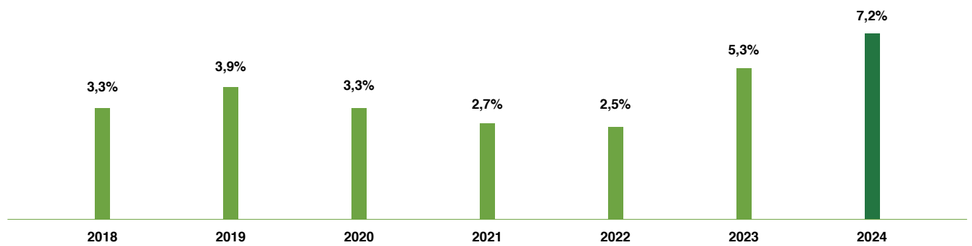
Financial Performance and Key Indicators

Robust portfolio expansion and prudent budgetary management were instrumental in achieving exceptional performance in 2024.

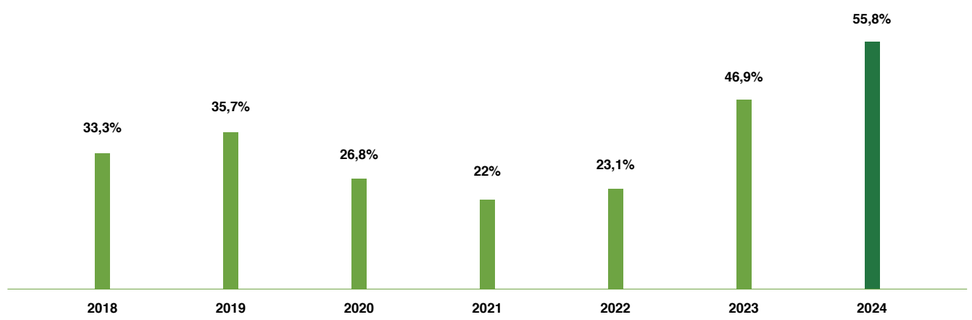
Housing and Development Bank Realizes Substantial Returns

HDB achieved the highest profitability ratios on both average assets and equity, outperforming its peers in the Egyptian banking market.

Return on Average Assets (%)

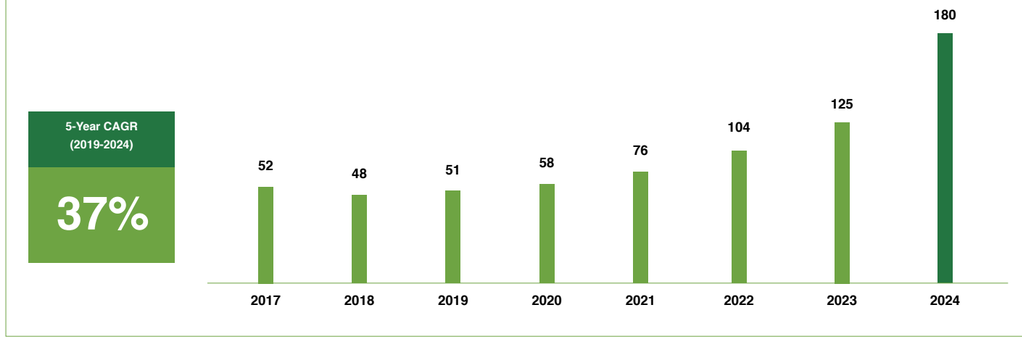


Return on Average Equity (%)

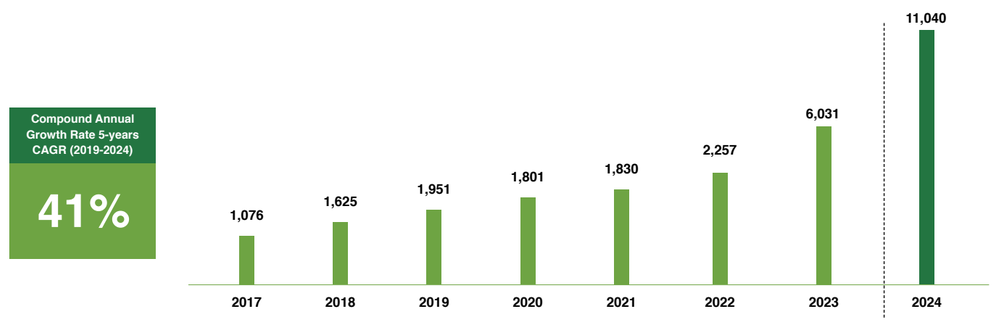


The Bank's expanding asset base, coupled with its prudent approach to asset management, has driven a steady and sustained increase in profitability over time.

Total Assets (Million EGP)

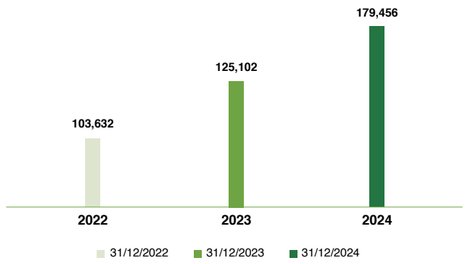


Net Profits (Million EGP)



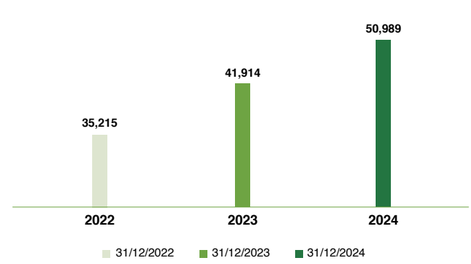
Separate Financial Ratios During 2024

Total Assets
(EGP bn)



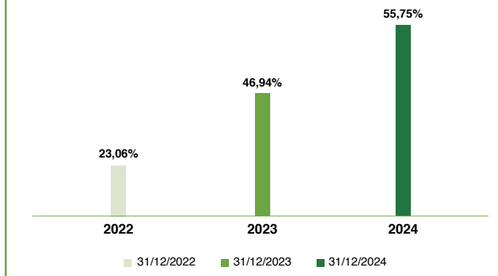
HDB's total assets increased by EGP 54,354 bn in 2024, marking a 43% growth compared to 2023.

Net Loans to Customers
(EGP bn)



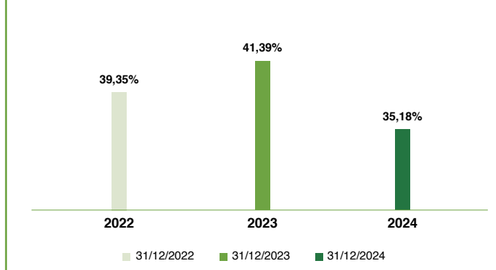
HDB's net loans to customers increased by EGP 9.076 bn in 2024, marking a 22% growth compared to 2023.

Return on Average Equity



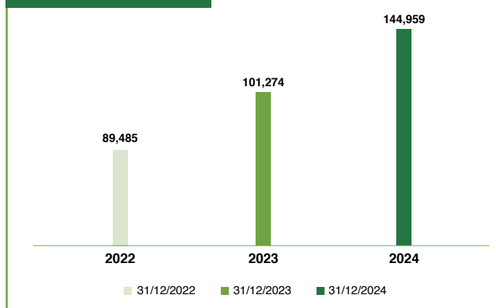
HDB's return on average equity increased reached 55.7%, with an increase of 8.82% over 2023.

Net Loans to Deposits Ratlo



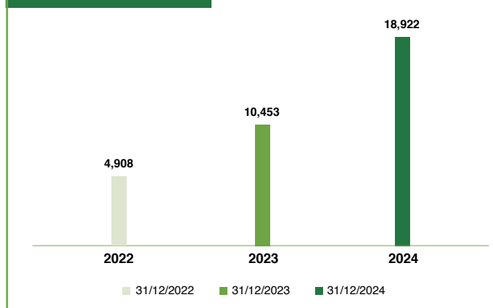
HDB net loans to deposits ratio reached 35.18% in 2024, marking a 6.21% decrease compared to 2023.

Customer Deposits
(EGP bn)



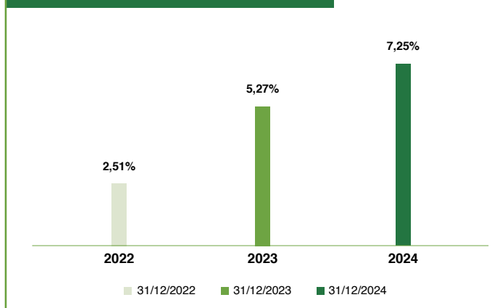
HDB's customer deposits increased by EGP 43.686 bn in 2024, marking a 43% growth compared to 2023.

Net Interest Income
(EGP bn)



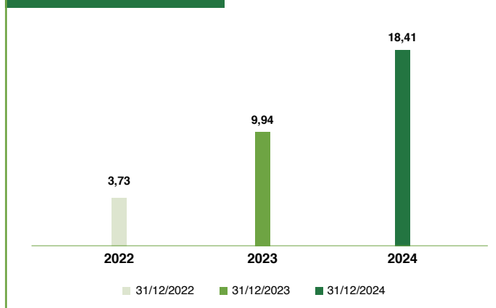
HDB's net interest income increased by EGP 8.469 bn in 2024, marking an 81% growth compared to 2023.

Return on Average Assets



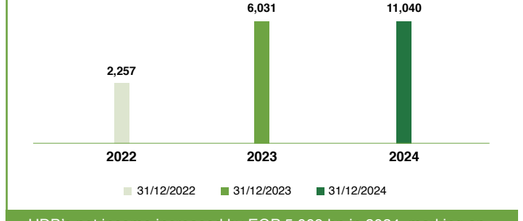
HDB return on average assets in 2024 reached 7.25%, with an increase of 1.98% over 2023.

Earnings Per Share



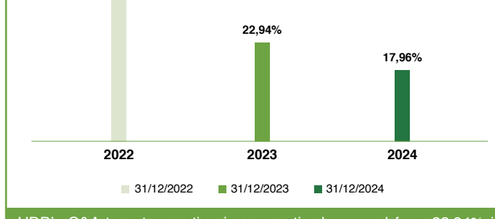
HDB earning per share reached EGP 18.41 in 2024, marking an 85.21% growth compared to 2023.

Net Income For the Year 2024
(EGP bn)



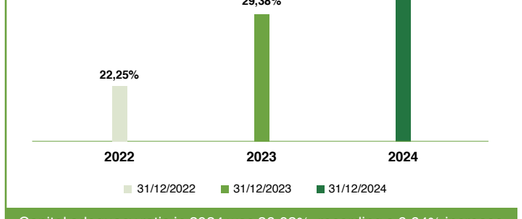
HDB's net income increased by EGP 5.009 bn in 2024, marking an 83% growth compared to 2023.

G&A to Net Operation Income



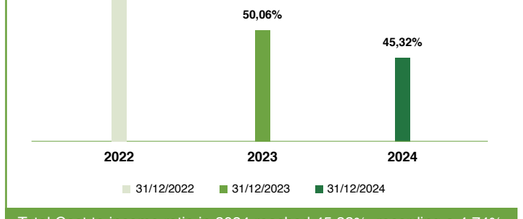
HDB's G&A to net operation income ratio decreased from 22.94% in 2023 to 17.96% in 2024.

Capital Adequacy Ratio



Capital adequacy ratio in 2024 was 36.02%, recording a 6.64% increase over 2023.

Cost to Income Ratio



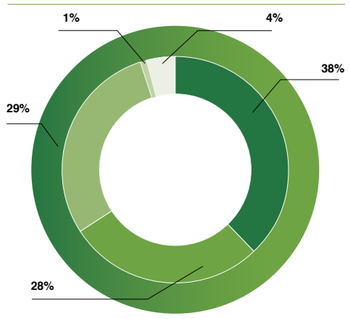
Total Cost to income ratio in 2024 reached 45.32%, recording a 4.74% decrease compared to 2023.

Separate financial position highlights

Amount (EGP-mln)	31 December 2024	31 December 2023	Growth	Growth Rate
Total Assets	179,456	125,102	54,354	43%
Net Loans to Customers	50,989	41,914	9,075	22%
Due from Banks	49,141	14,049	35,092	250%
Financial Investments	51,581	45,970	5,611	12%
Housing Projects	1,449	1,198	251	21%
Customers Deposits	144,959	101,274	43,685	43%
Equity	24,245	15,357	8,888	58%

Total Assets

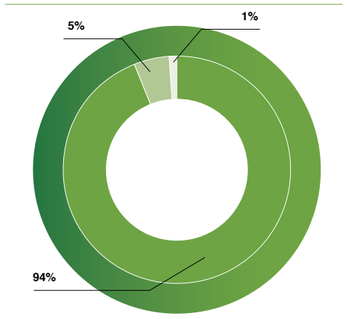
As of 31/ 12/2024



- Cash and balances with Central Bank of Egypt: 38%
- Financial Assets: 28%
- Financial assets at fair value through profit and loss: 29%
- Financial assets in subsidiaries and associates: 1%
- Other assets: 4%

Total Liabilities

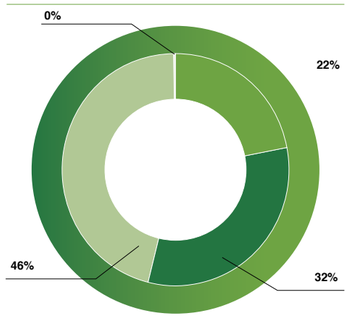
As of 31/12/2024



- Customers' Deposits: 94%
- Other liabilities: 5%
- Due to banks: 1%

Total Shareholders' Equity

As of 31/12/2024



- Issued and Paid-up-Capital: 22%
- Reserves: 32%
- Retained Earnings (including net profit of the year): 46%
- Other Comprehensive Income: 0%

The Bank's assets expanded by EGP 54.354 billion in 2024, reflecting a robust year-over-year growth rate of 43%. This increase was primarily driven by the following factors:

- Net Loans and Facilities: Customer loans and facilities rose by EGP 9.075 billion, marking a 22% increase compared to FY2023. Retail loans grew by EGP 2.695 billion (11%), while corporate loans surged by EGP 7.792 billion (38% before provisions).
- Financial Investments and Debt Instruments: Investments reached EGP 5.581 billion, up 12% due to acquisitions of treasury bills and bonds. Additionally, balances due from banks climbed to EGP 35.092 billion, a remarkable 250% increase, reflecting a strategic shift to deploy excess liquidity into treasury bills, bonds, and certificates.
- Loan-to-Deposit Ratio: The ratio declined to 35.18% in 2024, compared to 41.39% in 2023, highlighting stronger deposit growth relative to lending.
- Deposit Portfolio: Deposits increased by EGP 43.686 billion (43%), reinforcing the Bank's primary financing base. Retail deposits were the key driver, rising by EGP 34.351 billion (75%), while corporate deposits grew by EGP 9.335 billion (17%).
- Deposit Composition: Corporate deposits accounted for 45% of total deposits in 2024, down 10% from the prior year, while retail deposits rose to 55%, reflecting a more diversified and resilient funding structure.
- Equity: Equity reached EGP 8.8 billion in 2024, a 58% increase compared to 2023, largely supported by net profits of EGP 11 billion during the year.

Separate Income Statement for the Fiscal Year ending on December 31, 2024

The Bank recorded a net profit of EGP 11.040 billion for Fiscal Year 2024. The following section presents the detailed income statement:

		EGP
Interest from Loans and Similar Income		
Loans and facilities to customers	11,138,241,181	
Financial investments other than fair value through P&L	11,935,881,459	
Deposits & Current Accounts with banks	5,965,052,228	
Total Interest from Loans and Similar Income		**29,039,174,868**
Deduct: Cost of Deposits and Similar Expense		
Deposits & Current Accounts		
Banks	(146,895,323)	
Customers	(9,807,562,838)	
Other Financial Institutions Loans	(162,725,829)	
Total Cost of Deposits and Similar Expense		**(10,117,183,990)**
Net Interest Income		**18,921,990,878**
Fees and Commission Income		
Credit-related fees & commissions	183,903,993	
Institutional finance service fees	222,655,996	
Other fees	710,205,176	
Total Fees and Commission Income		**1,116,765,165**
Deduct: Fees and Commission Expenses		
Other fees Expenses	(162,791,094)	
Total Fees/Commission Expenses		**(162,791,094)**
Net Fees/Commission Income		**953.974.071**
Dividend Income		
Equity instruments at fair value through profit and loss	525,000	
Equity instruments at fair value through other comprehensive income	8,316,969	
Subsidiaries and associates companies	222,544,535	
Total Dividend Income		**231,386,504**
Net Trading Income		
Gain from dealing in foreign currencies	51,733,073	
Equity instruments at fair value through profit and loss	46,958,423	
Total Net Trading Income		**98,691,496**
HDB Housing Project Revenue		
Sales of housing properties	266,097,177	
Cost of sold properties	(50,444,485)	
Income from properties	**215,652,692**	
Other housing revenues	123,641,198	
Total HDB Housing Projects Revenue		**339,293,890**
Loss from financial investments		**(5,839)**
Credit impairment losses		**(1,475,941,929)**
G&A		
Wages and salaries	(1,215,539,659)	
Social insurance	(77,588,618)	
Retirement Benefit Cost	(17,696,606)	
Operating Supplies	(1,765,195,737)	
Current Expenses	(559,370,520)	
Share of sports and social activities	(8,107,756)	
Donations	(46,215,578)	
Total G&A		**(3,689,714,474)**
Other provisions expense		**(368,525,717)**
Other Operating Revenue		
Revaluation (losses) profit 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	(41,396,765)	
Property & Equipment Sale Profit	842,291	
Other assets and projects impairment burden	(28,959,955)	
Collected Rentals	62,549,618	
Other	6,122,602	
Total Other Operating Revenue		**(842,209)**
Net Profit before income tax		**15,010,306,671**
Income Tax Expenses		**(3,970,512,469)**
Net Profit for the year		**11,039,794,202**

HDB's separate net profit rose by EGP 5.009 billion compared to 2023, reflecting a strong 83% growth rate and reaching a total of EGP 11.040 billion at the end of 2024. This remarkable performance was driven by several key factors:

- Net Interest Income: Increased by EGP 8.5 billion (81%).
- Interest Income from Loans and Similar Sources: Grew by EGP 12 billion (70%), supported by higher customer deposits and a diversified portfolio of loans, facilities, treasury bills, bonds, and deposits at the Central Bank of Egypt.
- Cost of Deposits and Similar Expenses: Rose by EGP 3.5 billion (54%), reflecting the significant expansion of the customer deposits portfolio, which reached EGP 44 billion.
- Impairment Credit Losses: Increased by EGP 523 million (55%), primarily due to IFRS9 implementation, which heightened impairment requirements, alongside growth in both corporate and retail loan portfolios.
- Administrative Expenses: Expanded by EGP 879 million (31%), driven by higher wages and salaries (EGP 169 million, 18% increase). This reflects annual bonus payments, inflation-linked raises, promotions, and workforce expansion to 3,039 employees, up from 2,926 as of 31/12/2023.
- Medical Expenses: Rose by EGP 22 million (38%), largely due to inflationary pressures on hospital and medicine costs impacting employee healthcare.
- Other General & Administrative Expenses: Surged by EGP 532 million, with operating expenses rising by 40% (EGP 506 million). This increase stemmed from higher life insurance costs for the retail loan portfolio, as well as greater spending on security, maintenance, cleaning, internet services, technical support, and annual license renewals.
- Current Expenses (Depreciation & Amortization): Increased by EGP 155 million (38%), reflecting branch network expansion, the establishment of the VIP "ROYAL" center, and upgrades to the core banking system to meet Central Bank of Egypt requirements and strengthen internal controls in line with international standards.

The table below presents a comparison of separate revenues for the fiscal years ending December 31, 2024 and 2023, highlighting each item's share as a percentage of total revenues:

Revenue Items	January 1 - December 31, 2024		January 1 - December 31, 2023	
	Amount	%	Amount	%
Interest income from loans and similar income	11,138,241,181	35.99%	6,539,700,118	34.19%
Income from financial investment (other than that at fair value through profit and loss)	11,935,881,459	38.57%	5,996,713,760	31.35%
Return from Deposits & Current Accounts	5,965,052,228	19.28%	4,506,733,177	23.56%
Credit-related fees & commissions income	183,903,993	0.59%	137,176,101	0.72%
Institutional finance service fees	222,655,996	0.72%	219,371,066	1.15%
Other fees	710,205,176	2.30%	413,448,487	2.16%
Dividends income - Equity instruments at fair value through profit and loss	525,000	0.00%	0	0.00%
Dividends income - Equity instruments at fair value through other comprehensive income	8,316,969	0.03%	5,660,940	0.03%
Dividends- Subsidiaries and associates companies	222,544,535	0.72%	238,812,395	1.25%
Gain from dealing in foreign currencies	51,733,073	0.17%	16,122,252	0.08%
Equity instruments held at fair value through profit and loss	46,958,423	0.15%	92,520,956	0.48%
Total HDB housing projects revenue	389,738,375	1.26%	916,213,325	4.79%
Gain from selling properties plants & equipment	842,291	0.00%	105,211	0.00%
Collected Rentals	62,549,618	0.20%	36,543,793	0.19%
Other	6,122,602	0.02%	9,143,571	0.05%
Total Revenue	**30,945,270,919**	**100%**	**19,128,265,152**	**100%**

The table below provides a comparison of separate expenses for the fiscal years ending December 31, 2024 and 2023, illustrating each item's share as a percentage of total expenses:

Expense Items	January 1 - December 31, 2024		January 1 - December 31, 2023	
	Amount	%	Amount	%
Cost of Deposits & Current Accounts – Banks	(146,895,323)	0.74%	(60,404,496)	0.46%
Cost of Deposits & Current Accounts – Customers	(9,807,562,838)	49.27%	(6,371,224,933)	48.65%
Cost of Other Financial Institutions Loans	(162,725,829)	0.82%	(158,819,186)	1.21%
Other fees and commissions expenses	(162,791,094)	0.82%	(65,531,362)	0.50%
Losses from financial investments	(5,839)	0.00%	(1,199,999)	0.01%
Cost of sold properties	(50,444,485)	0.25%	(188,413,450)	1.44%
Credit impairment losses	(1,475,941,929)	7.41%	(953,168,466)	7.28%
Administrative expenses	(3,689,714,474)	18.54%	(2,811,127,889)	21.46%
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	(41,396,765)	0.21%	(19,942,548)	0.15%
Other assets and housing projects impairment loss	(28,959,955)	0.15%	(7,290,675)	0.06%
Other provisions expense	(368,525,717)	1.85%	(275,156,812)	2.10%
Income Tax Expenses	(3,970,512,469)	19.95%	(2,185,084,665)	16.68%
Total Expenses	**(19,905,476,717)**	**100%**	**(13,097,364,481)**	**100%**

Key Highlights: Revenues and Expenses Compared to Previous Year:

Interest Income from Loans and Similar Sources

- Interest income from loans and facilities reached EGP 11.138 billion as of December 31, 2024, up from EGP 6.540 billion in 2023, reflecting a 70% increase.
- Income from financial investments (excluding those classified at fair value through profit and loss) rose to EGP 11.936 billion in FY2024, compared to EGP 5.997 billion in FY2023, marking a strong 99% year-over-year growth.
- Interest income from deposits and current accounts due from banks climbed to EGP 5.965 billion in FY2024, up from EGP 4.507 billion in FY2023, representing a 32% year-over-year increase.

Cost of Deposits and Similar Expenses

- Deposits and Amounts Due to Banks: Reached EGP 147 million at the end of FY2024, compared to EGP 60 million in FY2023, reflecting a sharp 143% year-on-year increase.
- Customer Deposits: Recorded at EGP 9.808 billion in FY2024, up from EGP 6.371 billion in FY2023, marking a solid 54% growth.
- Loans from Financial Institutions: Stood at EGP 163 million in FY2024, compared to EGP 159 million in FY2023, showing a modest 2% increase.

Draft Proposal by the Board of Directors Profit Distribution for the Financial Year Ending December 31, 2024:

Description	31/12/2024
Net Profit for the year (as derived from the Income Statement)	**11,039,794,202**
Deducted	
Profits from the sale of fixed assets transferred to the capital reserve in accordance with the provisions of the Law	(842,291)
General banking risk reserve	(6,289,042)
Net Distributable Annual Profits	**11,032,662, 869**
Opening Retained Earnings	66 ,074,738
Retained Earnings during the year	427,000
Net Distributable Profits	**11,099,164,607**
Distributed as follows	
Statutory Reserve	551,989,710
General Reserve	6,450,000,000
Shareholder Dividends (cash distribution of EGP 5/share)	2,656, 500 000
Employee Profit Share	1,200,000 000
Board of Directors Members Remuneration	60,000,000
Banking System Support and Development Fund	110, 326,629
Ending Balance of Retained Earnings	70,348,268
Total	**11,099,164, 607**

Separate revenues and expenses have been outlined based on banking and housing activities as of December 31, 2024.

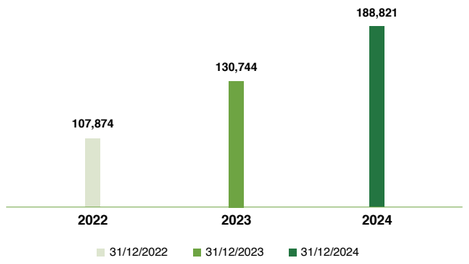
Description	Banking	Housing	Total
Net income from returns	18,921,990,878	-	18,921,990,878
Net Fees/Commission Income	771,653,496	182,320,575	953,974,071
Dividend Revenue	231,386,504	-	231,386,504
Net Trading Income	98,691,496	-	98,691,496
HDB Housing Project Revenue	-	339,293,890	339,293,890
Losses from financial investments	(5,839)	-	(5,839)
Credit Impairment burden	(1,475,941,929)	-	(1,475,941,929)
G&A	(3,192,466,659)	(497,247,815)	(3,689,714,474)
Other Provisions	(368,525,717)	-	(368,525,717)
Other Operating Income	(63,391,827)	62,549,618	(842,209)
Net Profit before deducting income tax	**14,923,390,404**	**86,916,267**	**15,010,306,671**
Income Tax Expenses	(3,950,956,309)	(19,556,160)	(3,970,512,469)
Net Profit for the Year	**10,972,434,095**	**67,360,107**	**11,039,794,202**

Issued & Paid-up Capital

- The Authorized capital is EGP 10 billion, while the issued and paid-up capital is EGP 5.313 billon, with a total of 531.30 million shares with nominal value of EGP 10 each.
- On November 5, 2007, HDB Extraordinary General Assembly approved raising the authorized capital from EGP 1 billion to EGP 3 billion. At the same time, the issued and paid-up capital increased from EGP 550 million to EGP 1.150 billion, reflecting a rise of EGP 600 million. The first phase prospectus was announced on January 16, 2008, with an EGP 120 million increase allocated to existing shareholders. This subscription was fully covered and recorded in the commercial register. The second phase was launched in March 2010, with subscriptions open for existing shareholders until April 29, 2010, and for new shareholders until May 13, 2010. This phase included: 45 million shares priced at EGP 20 each, plus issuance expenses of EGP 0.25 per share; and 3 million incentive shares for HDB employees, priced at EGP 10 per share, with issuance expenses of 25 piasters. The subscription was fully covered and recorded in the commercial register on September 29, 2010, confirming the increase of the issued and paid-up capital to EGP 1.150 billion.
- On April 10, 2013, HDB Extraordinary General Assembly approved raising the issued and paid-up capital from EGP 1.150 billion to EGP 1.265 billion. This increase was achieved by allocating EGP 115 million from the general reserve and issuing one free share for every existing share. The subscription was fully covered and recorded in the commercial register on December 14, 2014, bringing the issued and paid-up capital to EGP 1.265 billion.
- On December 20, 2017, the Extraordinary General Assembly approved raising the issued and paid-up capital from EGP 1.265 billion to EGP 1.518 billion. The increase involved allocating EGP 253 million from the general reserve, based on HDB's financial position as of September 30, 2017, through the distribution of one free share for every five existing shares. The subscription was fully covered and recorded on May 17, 2021, bringing the paid-up capital to EGP 1.518 billion.
- On March 30, 2022, HDB Extraordinary General Assembly approved raising the issued and paid-up capital from EGP 1.518 billion to EGP 5.313 billion. This increase was achieved through the transfer of EGP 3.283 billion from the general reserve and EGP 512 million from retained earnings, accompanied by the distribution of 2.5 free shares for each existing share, each with a nominal value of EGP 10. The revised issued and paid-up capital was fully recorded in the commercial register on October 4, 2022, confirming the new total of EGP 5.313 billion.
- On December 15, 2024, the Board of Directors 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 billion to EGP 10.626 billion. This increase will be executed by transferring EGP 5.313 billion from the general reserve and granting one free share for each existing share, each with a nominal value of EGP 10. The Chairman of the Board was further authorized to convene an Extraordinary General Assembly within 60 days, in accordance with Law No. 194 of 2020 (Central Bank and Banking Law), following approval from the Central Bank of Egypt to amend Article 7.6 of the Bank's Articles of Association.

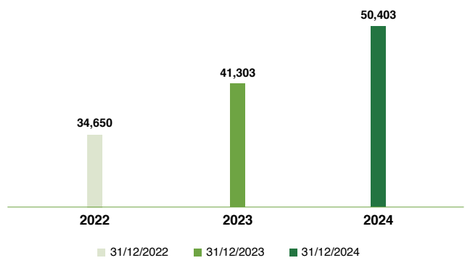
Consolidated Financial Ratios During 2024

Total Assets
(EGP bn)



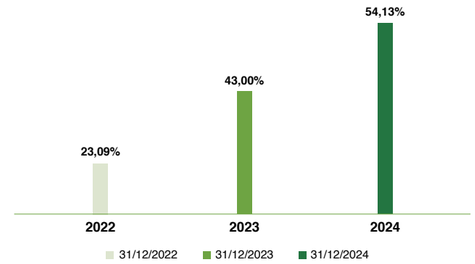
HDB's total assets increased by EGP 58.077 bn in 2024, marking a 44% growth compared to 2023.

Net Loans to Customers
(EGP bn)



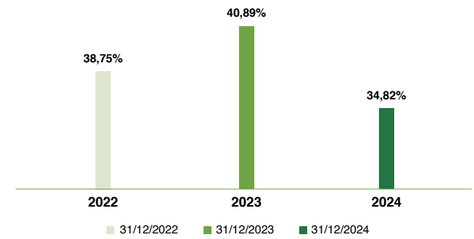
HDB's net loans portfolio increased by EGP 9.100 bn in 2024, marking a 22% growth compared to 2023.

Return on Average Equity



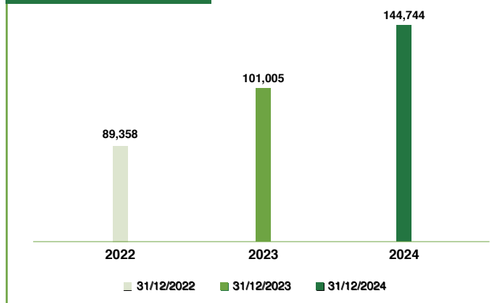
The return on average equity (including net profit) of 2024 recorded 54.13%, with a 11.13% increase compared to 2023.

Net Loans to Deposits Ratlo



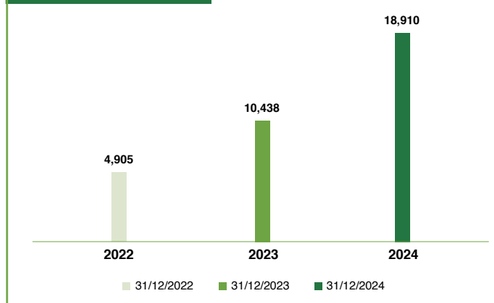
HDB net loans to deposits ratio reached 34.82% in 2024, marking a 6.07% decrease compared to 2023.

Customer Deposits
(EGP bn)



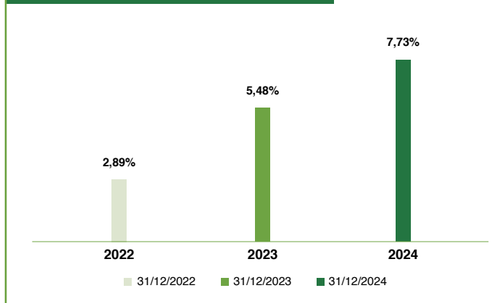
HDB's Customer deposits increased by EGP 43,738 bn in 2024, marking a 43% growth compared to 2023.

Net Interest Income
(EGP bn)



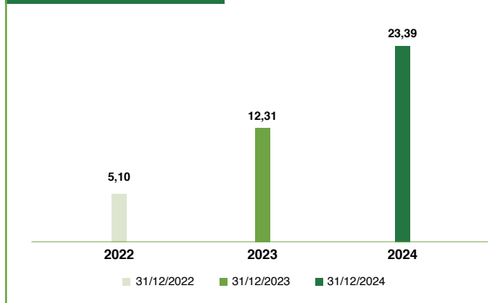
HDB's net interest income increased by EGP 8,472 bn in 2024, marking an 81% growth compared to 2023.

Return on Average Assets



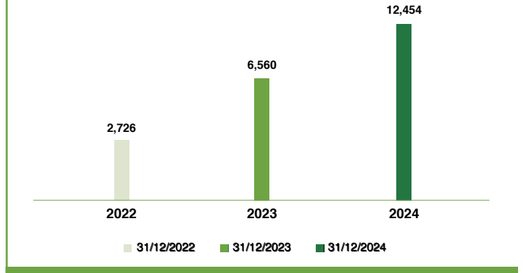
Return on average assets in 2024 recorded 7.78% with a 2.30% increase compared to 2023.

Earning Per Share



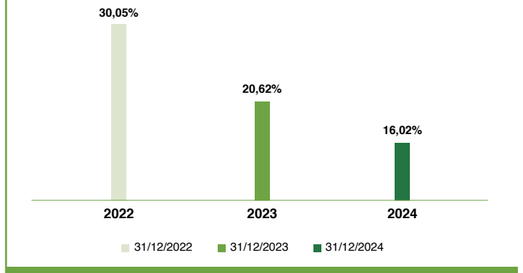
Earnings per share reached EGP 23.39 in 2024, recording a 90% increase compared to 2023.

Net Income For the Year
(EGP bn)



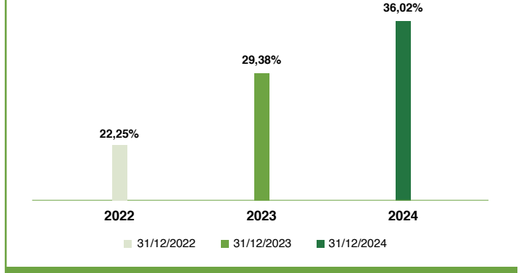
HDB's net profit increased by EGP 5,894 bn in 2024, marking a 89.86% growth compared to 2023.

G&A to Net Income



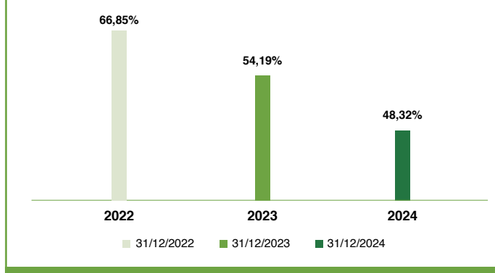
G&A to Net Income decreased from 20.62% in 2023 to 16.02% in 2024.

Capital Adequacy Ratio



Capital adequacy ratio stood at 36.02% in 2024, recording a 6.64% increase compared to 2023.

Cost to Income Ratio



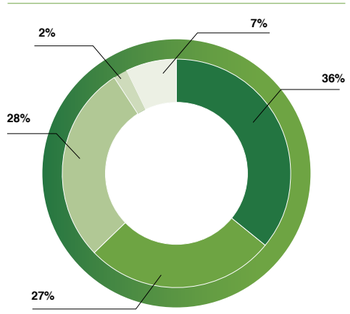
Total Cost to income ratio in 2024 recorded 48.32%, indicating a 5.88% decrease compared to 2023.

A Review of Consolidated Financial Position

Amount (EGP mn)	31 December 2024	31 December 2023	Growth	Growth Rate
Total Assets	188,821	130,744	58,077	44%
Net Loans to Customers	50,403	41,303	9,100	22%
Due from Banks	49,262	14,113	35,150	249%
Financial Investments	52,735	46,625	6,109	13%
Housing Projects	4,973	3,212	1,760	55%
Customers Deposits	144,744	101,005	43,738	43%
Equity	28,003	17,907	10,097	56%
Non-Controlling interest	**168**	**145**	**23**	**16%**

Total Assets

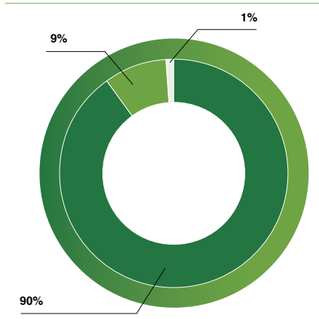
As of 31/12/2024



- Cash and due from banks: 36%
- Customers' loans and facilities: 27%
- Financial investments: 28%
- Investments in associates: 2%
- Other assets: 7%

Total Liabilities

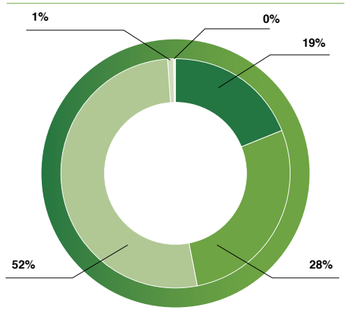
As of 31/12/2024



- Customers' deposits: 90%
- Other liabilities: 9%
- Balances due to banks: 1%

Total Shareholders' Equity

As of 31/12/2024



- Issued and Paid-up Capital: 19%
- Reserves: 28%
- Retained Earnings (including net profit of the period/ year): 52%
- Other Comprehensive Income: 1%
- Non-controlling Interest: 0%

HDB's assets recorded a substantial 44% year-on-year growth, rising by EGP 58.077 billion in FY2024. This strong performance was primarily driven by the following factors:

- Net Loans and Facilities to Customers: Increased by EGP 9.100 billion (22% growth versus FY2023). This expansion was supported by a 10.8% rise in retail loans (EGP 2.696 billion) and a robust 39.2% increase in corporate loans (EGP 7.8 billion, before provisions).
- Financial Investments: Reached EGP 6.109 billion, reflecting a 13.1% increase driven by acquisitions of treasury bills and bonds. Growth was further supported by a sharp rise in balances due from banks (+EGP 35.149 billion), as the Bank strategically deployed excess liquidity into treasury bills, bonds, and certificates.
- Loans-to-Deposits Ratio: Declined to 34.82% in 2024, compared to 40.89% in 2023.
- Deposit Portfolio: Expanded by EGP 43.738 billion (43% growth), reinforcing its role as the Bank's primary financing source. Retail deposits were the key driver, surging by EGP 34.351 billion (74% increase), while corporate deposits rose by 17.1%, reaching EGP 9.388 billion.
- Deposit Mix: The ratio of corporate deposits to total deposits declined by 10 percentage points, reaching 45% in 2024. In contrast, the ratio of retail customer deposits rose by 10 percentage points, accounting for 55.6% of total deposits in 2024.
- Equity: Totaled EGP 10.1 billion, marking a 56% increase compared to 2023. This growth was largely attributable to the strong net profit achieved in 2024, which reached EGP 12 billion.

Consolidated Income Statement – Fiscal Year Ending December 31, 2024

- The net profit of the Bank and its subsidiaries for FY2024 amounted to EGP 10.817 billion, compared to EGP 5.793 billion in FY2023, reflecting an increase of EGP 5.024 billion and a strong 86.7% growth rate.
- The net income of subsidiary companies totaled EGP 407 million, while the net income of associate companies reached EGP 1.230 billion.

Following is the detailed income statement for the fiscal year ending on December 31, 2024:

		EGP
Interest from Loans and Similar Income		
Loans and facilities to customers	10,995,452,515	
Financial investments other than fair value through P&L	12,041,902,539	
Deposits & Current Accounts with banks	5,974,478,441	
Total Interest from Loans and Similar Income		**29,011,833,495**
Deduct: Cost of Deposits and Similar Expense		
Deposits & Current Accounts		
Banks	(146,895,323)	
Customers	(9,792,575,890)	
Other Financial Institutions Loans	(162,725,829)	
Total Cost of Deposits and Similar Expense		**(10,102,197,042)**
Net Interest Income		**18,909,636,453**
Fees and Commission Income		
Credit-related fees & commissions	183,903,993	
Institutional finance service fees	222,655,996	
Other fees	706,665,991	
Total Fees and Commission Income		**1,113,225,980**
Deduct: Fees and Commission Expenses		
Other fees Expenses	(162,791,094)	
Total Fees/Commission Expenses		(162,791,094)
Net Fees/Commission Income		**950,434,886**
Dividend Income		
Equity instruments at fair value through P&L	2,275,000	
Equity instruments at fair value through other comprehensive income	9,567,803	
Total Dividend Income		**11,842,803**
Net Trading Income		
Gain from dealing in foreign currencies	51,733,073	
Equity instruments at fair value through profit and loss	52,304,835	
Total Net Trading Income		**104,037,908**
HDB Housing Project Revenue		
Sales of housing properties	932,033,346	
Cost of sold properties	(43,949,250)	
Income from properties	**888,084,096**	
Other housing revenues	201,311,553	
Total HDB Housing Projects Revenue		**1,089,395,649**
Subsidiaries Revenues		**898,759,580**
Subsidiaries Expenses		**(1,114,597,953)**
The bank portion from associates companies income		**1,229,877,085**
Financial investments loss		**(5,839)**
Credit impairment losses		**(1,476,002,025)**
G&A		
Wages and salaries	(1,250,346,088)	
Social insurance	(77,633,507)	
Retirement Benefit Cost	(17,696,606)	
Operating Supplies	(1,679,859,287)	
Current Expenses	(577,275,047)	
Share of sports and social activities	(8,107,756)	
Donations	(46,215,578)	
Others	(66,417,251)	
Total G&A		**(3,723,551,120)**
Other provisions expense		**(377,043,300)**
Other Operating Revenue		
Revaluation (losses) profit 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	(1,375,563)	
Property & Equipment Sale Profit	6,301,470	
Other assets and projects impairment burden	(16,542,573)	
Other	66,490,370	
Total Other Operating Revenue		**54,873,704**
Net Profit before income tax		**16,557,657,831**
Income Tax Expenses		**(4,103,845,578)**
Net Profit for the year		**12,453,812,253**

HDB's separate net profit recorded a remarkable 89.8% increase in 2024, rising by EGP 5.894 billion to reach EGP 12.454 billion at year-end. This strong performance was driven by the following factors:

- Net Interest Income: Increased by EGP 8.5 billion, reflecting a growth rate of 81.2%.
- Interest Income from Loans and Similar Sources: Grew by EGP 12 billion (70.5% increase), supported by expanded funding sources—particularly customer deposits, which were optimally utilized during 2024—and a diversified portfolio of loans, facilities, treasury bills, bonds, and deposits with the Central Bank of Egypt.
- Cost of Deposits and Similar Expenses: Rose by EGP 3.5 billion (53.6% increase), driven by the significant expansion of the customer deposits portfolio, which reached EGP 44 billion.
- Impairment Credit Losses: Increased by EGP 523 million (55% growth), primarily due to the implementation of IFRS 9, which heightened impairment requirements, alongside growth in both corporate and retail loan portfolios.
- Administrative Expenses: Rose by EGP 934 million (33% increase), largely due to higher wages and salaries (+EGP 179 million, +18%). This reflects annual bonus payments, inflation-driven adjustments, promotion-related increases, and workforce expansion to 3,039 employees, up from 2,926 as of December 31, 2023.
- Medical Expenses: Increased by EGP 22.4 million (38.3% growth), mainly due to rising medical treatment costs for employees, impacted by inflation in hospital and medicine prices.
- Other General and Administrative Expenses: Surged by EGP 733 million, driven by a 49.6% increase in operating expenses (EGP 557 million). Key contributors included higher life insurance costs for the retail loan portfolio, as well as increased spending on security, maintenance, cleaning, internet services, technical support, and annual license renewals.
- Current Expenses (Depreciation & Amortization): Totaled EGP 156 million, representing a 37.1% increase. This was attributed to branch network expansion, the establishment of the VIP Center (ROYAL), and enhancements to the core banking system to meet Central Bank of Egypt requirements and strengthen internal controls and operational efficiency in line with international standards.

The table below presents a comparison of consolidated revenues for the fiscal years ending December 31, 2024 and 2023, highlighting each item's share as a percentage of total revenues.

Revenue Items	January 1 - December 31, 2024		January 1 - December 31, 2023	
	Amount	%	Amount	%
Interest income from loans and similar income	10,995,452,515	32.75%	6,437,469,920	31.12%
Income from financial investment (other than that at fair value through profit and loss)	12,041,902,539	35.86%	6,058,859,927	29.29%
Return from Deposits & Current Accounts	5,974,478,441	17.79%	4,518,193,075	21.84%
Credit-related fees & commissions income	183,903,993	0.55%	137,176,101	0.66%
Institutional finance service fees	222,655,996	0.66%	219,371,066	1.06%
Other fees	706,665,991	2.10%	412,522,653	1.99%
Dividends income - Equity instruments at fair value through profit and loss	2,275,000	0.01%	2,063,976	0.01%
Dividends ncome - Equity instruments at fair value through other comprehensive income	9,567,803	0.03%	6,503,607	0.03%
Gain from dealing in foreign currencies	51,733,073	0.15%	16,122,252	0.08%
Equity instruments held at fair value through profit and loss	52,304,835	0.16%	94,764,099	0.46%
Total HDB housing projects revenue	1,133,344,899	3.38%	1,636,815,502	7.91%
Subsidiaries revenues	898,759,580	2.68%	565,959,545	2.74%
The bank portion from associates companies income	1,229,877,085	3.66%	537,526,185	2.60%
Gain from selling properties plants & equipment	6,301,470	0.02%	6,016,339	0.03%
Other	66,490,370	0.20%	39,713,691	0.19%
Total Revenue	**33,575,713,590**	**100%**	**20,689,077,938**	**100%**

The table below presents a comparison of consolidated expenses for the fiscal years ending December 31, 2024 and 2023, highlighting each item's share as a percentage of total expenses:

Consolidated expense Items	January 1 - December 31, 2024		January 1 - December 31, 2023	
	Amount	%	Amount	%
Cost of Deposits & Current Accounts – Banks	(146,895,323)	0.70%	(60,404,496)	0.43%
Cost of Deposits & Current Accounts - Customers	(9,792,575,890)	46.36%	(6,357,876,092)	45.00%
Cost of Other Financial Institutions Loans	(162,725,829)	0.77%	(158,819,186)	1.12%
Other fees and commissions expenses	(162,791,094)	0.77%	(65,531,362)	0.46%
Subsidiaries expenses	(1,114,597,953)	5.28%	(679,165,341)	4.81%
Financial investments losses	(5,839)	0.00%	0	0.00%
Cost of sold properties	(43,949,250)	0.21%	(486,966,118)	3.45%
Credit impairment losses	(1,476,002,025)	6.99%	(953,189,981)	6.75%
Administrative expenses	(3,723,551,120)	17.63%	(2,789,286,913)	19.74%
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	(1,375,563)	0.01%	(21,037,943)	0.15%
Other assets and housing projects impairment loss	(16,542,573)	0.08%	(9,066,194)	0.06%
Other provisions expense	(377,043,300)	1.79%	(304,504,616)	2.16%
Income Tax Expenses	(4,103,845,578)	19.43%	(2,243,626,292)	15.88%
Total Expenses	**(21,121,901,337)**	**100%**	**(14,129,474,534)**	**100%**

The following section highlights the key factors driving changes in revenues and expenses compared to the previous fiscal year:

Interest Income from Loans and Similar Sources

- Interest income from loans and facilities totaled EGP 10.995 billion in FY2024, compared to EGP 6.437 billion in FY2023, reflecting a strong 71% increase.
- Income from financial investments (excluding those measured at fair value through profit and loss) reached EGP 12.040 billion in FY2024, up from EGP 6.059 billion in FY2023, marking an impressive 99% year-on-year growth.
- Interest income from deposits and current accounts due from banks rose to EGP 5.974 billion in FY2024, compared to EGP 4.518 billion in FY2023, representing a 32% increase.

Cost of Deposits and Similar Expenses

- The cost of deposits and amounts due to banks reached EGP 147 million at the end of FY2024, compared to EGP 60 million in FY2023, representing a sharp 143% increase.
- The cost of customers' deposits totaled approximately EGP 9.8 billion in FY2024, up from EGP 6.4 billion in FY2023, reflecting a solid 54% increase.
- The cost of loans from financial institutions amounted to EGP 163 million in FY2024, compared to EGP 159 million in FY2023, showing a modest 2% increase.

Forward-Looking Strategy, Outstanding Performance

Driven by a strong investment vision and a promising outlook, the Bank continues to leverage its robust brand equity to fuel its growth.

Growing profitability margins are reflective of HDB's well managed operations

HDB's ROAE and ROAA are some of the highest when compared to the market average

Nationwide footprint provides easy access to grow desired customer segments

Strong liquid base provides for potentially aggressive lending capabilities to fuel growth

Providing an exceptional customer centric service offering

One of Egypt's fastest growing commercial banking institutions

The Bank's investment vision has reinforced the Bank's ability to consistently realize the benefits of its strategic roadmap, positioning it as one of the largest full-fledged commercial banks in the Egyptian banking market.

2024: A Year of Remarkable Achievements and Success!

HDB has firmly established itself as one of Egypt's leading commercial banks, propelled by strong performance and outstanding operational results. The Bank has been honored with numerous prestigious awards from both international and regional institutions, reflecting its superior performance, unwavering commitment to excellence, and ability to deliver innovative banking solutions that effectively address evolving market needs.

Boston Brand Media

- Best Bank for Consumers – Egypt
- Best Managed Bank – Egypt

International Business Magazine

- Best Managed Bank – Egypt

The European Magazine

- Banking Innovators of the year -Egypt
- Mobile Banking App - Egypt
- Retail Banking Provider - Egypt
- Fastest Growing Bank - Egypt
- The Peoples Bank of the year - Egypt

Gazet International

- Best Banking CEO of the Year - Egypt - Mr. Hassan Ismail Ghanem
- Best Managed Bank - Egypt

Asian Banking & Finance Awards

- Egypt Domestic Cash Management Bank of the Year

World Economic

- Best Banking CEO - Egypt - Mr. Hassan Ismail Ghanem
- Best Bank for Consumers - Egypt

The Digital Banker

- CEO of the Year - Egypt - Mr. Hassan Ismail Ghanem

World Business Stars

- Best Banking CEO of the Year - Egypt - Mr. Hassan Ismail Ghanem
- Best Cash Management Bank - Egypt
- Best Managed Bank - Egypt
- Fastest Growing Commercial Banking Bank - Egypt

Global Business Outlook

- Most Innovative Customer Experience Enhancement Initiatives - Banking

The Bizz Awards

- The Bizz Award for Business Excellence

Cosmopolitan the Daily

- Best Bank in Sustainable Financing - Egypt
- Best Green Bank - Egypt

Global Business & Finance

- Best Banking CEO – Egypt - Mr. Hassan Ismail Ghanem
- Best Cash Management Bank - Egypt
- Best Commercial Bank - Egypt
- Best Credit Card Issuer - Egypt
- Best Auto Loans Provider - Egypt

Global Banking & Finance

- Fastest Growing Retail Bank - Egypt
- Best Cash Management Bank – Egypt

International Finance Magazine

- Most Innovative Cash Management Bank - Egypt

CHAPTER 4
Operational Performance, Banking Activities

Housing and Development Bank Activities

Housing and Development Bank (HDB) holds a pivotal position within Egypt's banking sector, distinguished by its leadership and comprehensive financial capabilities. Guided by an ambitious strategy rooted in innovation and excellence, the Bank has achieved notable qualitative advancements in operational performance and consistently delivered advanced banking services that surpass client expectations. This commitment was clearly demonstrated in 2024 through the achievement of robust business results, whose impact extended beyond financial performance to include meaningful contributions toward sustainable development initiatives, alignment with Egypt's Vision 2030 objectives, and the reinforcement of HDB's role as a key catalyst for national growth and progress.

The Bank's Activity in the Retail Banking Sector

Housing and Development Bank's Retail Banking Sector is witnessing accelerated growth, offering a wide range of products and services tailored to individuals and SMEs, which reinforce the Bank's strong position in the Egyptian market. The Retail Banking Sector is structured as follows:

First: Financial Data

A. General Administration of Banking Services and Deposit Products

- The Bank's total deposit portfolio grew by EGP 43.7 billion in 2024, achieving 137.7% of the targeted deposit portfolio.
- The family sector deposit portfolio recorded exceptional growth of EGP 34.4 billion in 2024, representing 238.9% of the targeted individual deposits.

B. Retail Banking Loans

- Achieved 125% of the targeted sales value, with actual sales of EGP 5 billion compared to the target of EGP 4 billion.
- Attained 103% of the retail banking product portfolio balance target.
- Increased the average return on the retail banking loan portfolio to 18.68% at year-end 2024, compared to 17.2% at year-end 2023.
- Auto loan sales experienced significant growth, reaching approximately EGP 2 billion in 2024, up from EGP 1.28 billion in 2023—a 55% increase.
- The product portfolio balance rose to EGP 3.35 billion at the end of 2024, compared to EGP 2.09 billion in 2023, recording a growth of EGP 1.26 billion (a 60% increase).

C. General Administration of Card Products

- The total credit card portfolio expanded to 77,000 cards by year-end 2024, compared to 56,000 cards in 2023, reflecting a 38% growth rate.
- Total credit limits granted for credit cards reached EGP 1.1 billion in 2024, up from EGP 520 million in 2023, marking a substantial 110% increase.
- Credit Card ENR rose to EGP 278 million at the end of 2024, compared to EGP 125 million in 2023, representing a strong 130% growth rate.
- Total revenues from credit card products recorded EGP 103 million in 2024, compared to EGP 50 million in 2023, achieving a notable 106% increase.

D. General Department of Top Customers

- The top customers' portfolio recorded notable growth in 2024, with balances reaching EGP 3.755 billion. This raised the total portfolio to EGP 16.069 billion by year-end, compared to EGP 12.314 billion in December 2023, reflecting a 31% growth rate.

E. Digital Banking (Internet & Mobile Banking – Floussy Phone Electronic Wallet)

- The number of internet banking subscribers grew by 28% in 2024, reaching 230,575 customers by year-end, compared to 166,305 customers in 2023.
- The total number of active internet banking users rose to 86,340 customers in 2024, up from 61,692 customers in 2023, representing a 30% increase.

F. ATM Management

- 25 new ATMs were installed across various regions of the Republic during 2024.
- ATM operations were sustained at a strong 90% efficiency rate.

Second: Non-Financial Data

A. General Administration of Banking Services and Deposit Products

- Interest rates were adjusted and new tranches were issued for the Royal Saving Account..
- Modifications were introduced to the Diamond Certificate, the Luxury Certificate, and the 3-Year Variable Certificate to align with market dynamics.
- Effective and balanced portfolio management minimized sales cannibalization, notably improving the profitability of the family sector deposit portfolio.
- An automated program was launched to renew 2,400 deposits for city authorities and New Urban Communities Authority (NUCA) projects, eliminating manual intervention. This initiative met NUCA's requirements and facilitated two price adjustments during 2024.
- Corporate Deposits: Pricing was closely monitored through the Special-rate Desk, in coordination with Treasury, Corporate, Regional, and Branch sector heads. This contributed to healthy corporate portfolio growth and boosted net income from returns.
- A new pension sub-segment was established and integrated into the Bank's automated system, serving 63,000 pension customers.
- Comprehensive work procedures for the General Department of Banking Services and Deposit Products were prepared and formalized.
- A new Target ID was established for each segment to streamline individual account organization and optimize the ratings of existing marketing segments, ensuring alignment with current banking market requirements.

B. Retail Banking Loans Field

- Updated all procedure manuals for retail banking loan products to strengthen control and compliance.
- Introduced new products within the personal loan programs package.
- Launched a major auto loan promotional campaign in Q2-2024, providing gasoline cards as an incentive.
- Contributed to the implementation of the automated workflow system.

C. General Administration of Card Products

- Introduced the "Cashback" service on credit cards, along with a direct installment service without interest but with administrative fees.
- Restructured credit card procedures.
- Launched an incentive contest for branch and sales teams to drive activation and sales of Platinum and Titanium credit cards.
- Rolled out a marketing campaign in coordination with Meeza to stimulate usage of Meeza prepaid cards.

E. Digital Bank (Internet & Mobile Banking – Floussy Phone Electronic Wallet)

- Successfully completed the project of sending paper account statements to customers.
- Work procedures for Digital Bank management were formally approved.

F. Customer Care Department

- Maintained a strong response rate of 95% for incoming calls, with the abandonment rate kept below 5%.
- Transferred 25 new services from branches to the Customer Service Department, fully suspending their provision at branch level.

G. General Department of Top Customers

- Opened 13 new centers nationwide dedicated to top customer service, joining existing facilities and bringing the total to 43 specialized branches across the Republic.
- Signed a marketing protocol for hotel units at Karma Hotel with Three Brothers Company in Hurghada, valued at EGP 250 million for the first phase and EGP 1 billion for subsequent phases.

The Bank's Activity in the Financial Inclusion Field

HDB is committed to fostering a sustainable financial ecosystem that ensures all citizens have access to essential banking services. In line with its dedication to advancing financial inclusion in Egypt, the Bank has introduced a range of initiatives designed to meet diverse societal needs. These efforts not only enhance the quality of life for individuals but also contribute to strengthening economic stability across the nation.

First: Financial Data

A. Total Portfolio of Salary Transfers (Government / Private)

The portfolio demonstrated strong growth during the period from 31/12/2023 to 31/12/2024:

- The total portfolio of salary transfers increased by 21%.
- Private entity salary transfers rose by 14%, while governmental transfers grew by 22%.
- In a highly competitive environment, 315 out of 322 contracts across the public and private sectors were successfully renewed, achieving a 98% renewal rate in 2024.
- Governmental contract renewals reached 101 out of 102 entities, reflecting a 99% renewal rate.
- Private sector contract renewals totaled 214 out of 220 companies, representing a 97% renewal rate.
- The sector contributed to preserving balances of strategic private entities, including the "30th of June Schools" Group, whose balance reached EGP 2.1 billion as of 31/12/2024—an increase of EGP 704 million.
- New contracts were secured with 15 additional entities for salary transfer services, further expanding the Bank's reach.

Second: Non-Financial Data

- Coordinated with branches and regional offices to determine event exhibition locations, while collaborating with the Corporate Communications Sector on advertising and publicity plans.
- Promoted the Bank's products and facilities tailored to financial inclusion customers during these events. Implementation was closely monitored, with results measured and reported to the Central Bank of Egypt (CBE) after each event.
- The financial inclusion account portfolio was tracked against regional monthly targets, with continuous follow-up conducted with branches to ensure alignment.
- Partnered with several branches and events to actively promote financial education.
- Monitored and addressed branch-related issues arising during the opening of financial inclusion accounts to ensure smooth operations.
- Trained 325 new branch employees on financial inclusion accounts and related events, enhancing knowledge and raising overall performance levels.
- 50% of branch employees were trained in sign language, equipping them to effectively serve and support people of determination.
- Coordinated with the Central Bank of Egypt and the 30th of June Schools Group to deliver financial literacy programs and the SCHOOL BANK initiative across all affiliated schools. This included training 122 schools, evaluating student research outcomes, and awarding financial prizes to distinguished students, including those with determination.
- Implemented financial awareness programs in Hayah Kareema villages, including the opening of free accounts with Meeza cards and the provision of micro-finance services through the Projects Sector.
- Conducted field visits with several branches to extend support to remote villages under the Hayah Kareema initiative.
- Coordinated with the General Administration of Operational Risks to prepare the COSO risk matrix, strengthening risk management practices.
- Collaborated with the ATMs Department, Information Sector, Retail Banking Sector, Salary Transfer Department, and Cards Center, ensuring full adherence to the Central Bank of Egypt's monthly schedule.
- Worked jointly with the ATMs Department and the Systems and Information Sector to upgrade all ATM machines, making them fully accessible to people of determination.

The Bank's Activity in the Mortgage Finance Field

HDB actively supports national efforts to drive urban growth and ensure access to suitable housing for all segments of society. Through a wide range of mortgage financing programs, the bank addresses diverse individual housing needs—leveraging both Central Bank initiatives and its own competitive offerings. By streamlining procedures and providing expert advisory services, the Bank empowers citizens to achieve homeownership, while contributing to greater social stability.

- In 2024, the Bank achieved outstanding performance in the mortgage finance sector. The mortgage finance portfolio grew to EGP 11.9 billion by year-end, compared to EGP 10.8 billion in 2023, reflecting a net growth of EGP 1.1 billion. Additionally, total sales reached EGP 1.7 billion by the close of 2024.
- The Bank successfully attracted 3,537 new customers across all real estate products during 2024, reinforcing the sector's ability to meet its strategic objectives. Supported by the expanding mortgage finance portfolio, revenues rose to EGP 2.3 billion at the end of 2024, up from EGP 1.5 billion in 2023.
- The Real Estate Finance Legal Group finalized registration and guarantee procedures for financed units, while remaining guarantees are being completed in succession.
- The Mortgage Finance sector continues to invest in its people by offering specialized training programs that strengthen technical expertise and professional skills. These courses keep employees aligned with industry developments, enhancing performance and enabling them to deliver services with greater effectiveness and impact.

The Bank's Activity in the Small and Medium Enterprises Field

Small and Medium-sized Enterprises (SMEs), together with entrepreneurship initiatives, form a cornerstone of Egypt's private sector development. Their pivotal role in generating sustainable employment within local communities and driving economic progress underscores their importance to the nation's growth. Over the past decade, this sector has experienced remarkable expansion, fueled by the rapid rise of entrepreneurial activity and the emergence of dynamic small projects that contribute significantly across diverse economic fields.

- By the end of 2024, the sector achieved 85% of its targeted balances for direct SME facilities, with the financing portfolio reaching EGP 4.1 billion. Indirect balances met their full target, recording EGP 1.4 billion.
- Returns exceeded expectations, achieving 110% of the required value, with total realized returns amounting to approximately EGP 690 million.
- The sector successfully attracted 155 new customers, generating total balances of EGP 600 million, alongside notable growth in the balances of existing clients.
- The customer base expanded further with the addition of 77 new clients under the standard product framework, securing facilities worth EGP 207 million. These achievements were realized despite the recent approval of amendments, which were implemented starting from the third quarter of 2024.
- Beyond financial services, the sector strengthened its role in supporting entrepreneurship by participating in the Central Bank of Egypt's Nile Pioneers initiative, where the Bank ranked fourth among participating institutions.
- The administrative structure of the sector was formally approved, leading to the creation of new positions and the modification of career progression pathways within the general departments. Colleagues have been successfully placed in the newly established grades.
- The sector contributed to updating the credit policy for SMEs, which has now been officially approved.
- Newly developed work procedures for the SMEs Sector were submitted to the competent authority for approval. Following endorsement, these procedures were uploaded to the Bank's internal platform for circulation and immediate implementation.

- The mechanism for managing sub-limits (time loans) was revised to streamline daily operations.
- The Executive Committee approved a strategic partnership agreement between the Bank and the National Bank of Egypt (NBE). This collaboration aligns with NBE's environmental commitment agreement with the Environmental Affairs Agency and the Federation of Egyptian Industries, aiming to provide financing solutions for companies and industrial enterprises dedicated to achieving environmental benefits and advancing sustainable development goals in the field of environmental protection.
- The COSO-related procedures governing internal operations of the SMEs sector were successfully completed in line with the specified quarterly timelines.
- A cooperation protocol was finalized between the Bank and Misr Insurance Company, aimed at providing insurance coverage against default and non-payment risks for SME customers. All contracting procedures have been completed and fully implemented.

It is important to highlight that the business results outlined above were accomplished despite numerous challenges encountered by the sector during 2024. The most significant of these difficulties are reviewed below:

- In early 2024, the Central Bank of Egypt raised its lending and discount rate by 8% and introduced a flexible exchange rate for the Egyptian Pound. This policy shift resulted in more than EGP 550 million in unusual, non-reused payments.
- The registration of six new industrial sector customers under the Ministry of Finance initiative at a preferential interest rate of 15% could not be completed, despite authorized limits totaling approximately EGP 75 million.
- Debt management procedures were finalized for SME customers, with write-offs approaching EGP 50 million. Additionally, debts amounting to EGP 90 million were transferred to large corporate customers by year-end 2024.
- The sector faced challenges from the entry of re-lending companies into SME financing, as they extended facilities exceeding customers' actual needs. This led to aggregated data reflecting inflated balances across customer accounts.
- In response to market volatility, rising interest rates, and exchange rate fluctuations, the sector continues to adopt a cautious and prudent approach in attracting new customers, focusing on economically sound sectors and sustainable activities.

The Bank's Activity in the Corporates and Syndicated Loans Field

HDB draws on its extensive expertise in corporate finance and syndicated lending to support the funding of major projects across infrastructure, energy, oil, gas, industry, and tourism. With comprehensive technical support provided from the planning stage through to implementation, the Bank delivers flexible financing solutions through a diverse suite of banking products tailored to client needs. This sector has recorded numerous achievements, including:

- Credit limits rose by a total of EGP 14 billion, driven by facilities granted to new customers worth EGP 9.9 billion, alongside an increase of EGP 4.1 billion in facilities for existing clients.
- The sector recorded robust growth in direct facilities utilization, achieving a 47% increase compared to 2023 and surpassing the target by 143%. The targeted growth for 2024 stands at EGP 3.2 billion.
- Utilization of indirect facilities also expanded significantly in 2024, reaching EGP 1.5 billion. This reflects a 41% growth compared to 2023, exceeding the target of EGP 1.2 billion with an achievement rate of 29%.
- The sector successfully attracted 27 new corporate customers, expanding the portfolio by 17%. This drove new approvals to EGP 9.9 billion, representing 155% of 2023's total (EGP 6.4 billion) and accounting for 71% of all approvals in 2024 (EGP 14 billion). Approvals for existing customers also rose to EGP 4.1 billion, marking a 146% increase over 2023 (EGP 2.8 billion).
- New utilizations during the year reached EGP 11.5 billion, comprising EGP 6 billion for newly added customers and EGP 5.5 billion for existing clients. After deducting payments of EGP 2.2 billion, this contributed to a net increase of EGP 9.3 billion in both direct and indirect utilizations.
- Concentration ratios were successfully maintained within the agreed limits, while preparations are underway for an ambitious plan in 2025 to enhance sectoral diversity across the credit portfolio.
- The Bank participated in seven syndicated loans totaling EGP 75 billion, with our share amounting to approximately EGP 3.5 billion. These contributions spanned multiple sectors—including real estate development, contracting, and industry—underscoring the Bank's continued role in advancing the state's strategic objectives and fostering national economic growth.

	Limit			Utilization		
	Direct	Indirect	Total	Direct	Indirect	Total
2023	21,983	4,753	26,737	16,510	3,782	20,291
2024	33,820	6,771	40,592	24,296	5,318	29,614

- The Bank has supported several strategic projects in line with the state's plan to advance sustainable financing, addressing the funding needs of customers implementing initiatives with long-term social and environmental impact. The total value of sustainable financing within the large corporates and syndicated loans portfolio reached approximately EGP 5.1 billion, allocated as follows:

  - EGP 3.8 billion directed toward social purposes.

  - EGP 1.3 billion dedicated to environmental purposes.

This sustainable financing represents about 12.5% of the Bank's large corporates and syndicated loans portfolio.

The Bank's Activity in the Treasury, Asset and Liability Management Field

The Treasury and Asset & Liability Management sector stands as a cornerstone of HDB, playing a vital role in safeguarding liquidity, balancing assets and liabilities, and ensuring overall financial stability while maximizing returns. Leveraging advanced analytical tools and industry best practices, the Bank applies rigorous financial analysis and risk management to guide effective investment decisions in full compliance with Central Bank regulations. In addition, the sector contributes to sustainable growth by strategically utilizing financial instruments across both local and international markets.

- As of 31/12/2024, total returns from investments in banks, the Central Bank of Egypt (CBE), and other financial institutions reached EGP 17.901 billion, surpassing the target of EGP 7.397 billion. This compares to EGP 10.5 billion achieved in 2023, reflecting a performance achievement rate of 70.4%.

- Capital gains from the sale of government treasury bills in 2024 amounted to EGP 30.4 million, up from EGP 9.4 million in 2023—representing an impressive growth rate of 222.5%.

- Profits from interbank borrowing and lending activities (Zero Cost) totaled EGP 2 million in 2024, a sharp increase compared to EGP 570,000 in 2023, marking a growth rate of 250%.

- Returns from foreign exchange operations aggregated EGP 51.7 million in 2024, a significant rise from EGP 16.1 million in 2023, representing a growth rate of 221%.

It is imperative to emphasize that the returns and profits outlined above were realized within a disciplined risk management framework, in full compliance with all directives issued by the Central Bank. The detailed breakdown is as follows:

- Maturity gap limits for assets and liabilities were maintained in strict alignment with the internal thresholds approved by the Risk Sector.

- Pricing decisions for both asset and liability products were carefully structured to safeguard the Bank's economic value, ensuring that risks from fluctuations in return rates remain below 15% of the total capital base.

- Net interest income was maximized in 2024, achieving a remarkable 81% growth rate compared to 2023.

- The 2025 estimated budget was prepared with close attention to liquidity ratios, key financial indicators, and re-pricing strategies.

- This proactive approach highlights the strength of the Bank's liquidity position and its ability to effectively navigate market fluctuations while capitalizing on emerging investment opportunities to maximize profitability.

The Bank's Activity in the Banking Operations Field

Banking operations serve as a fundamental pillar of HDB, underpinning the institution's entire operational framework. This function ensures the efficient and precise execution of daily banking services, reinforcing reliability and trust. Committed to continuous improvement, the Bank consistently enhances its procedures and upgrades its systems to keep pace with technological advancements, thereby elevating service quality and delivering greater value to customers.

First: Plastic Card Manufacturer

- All credit card issuance procedures have been fully centralized.
- Amendments to the contract terms with EBE for card printing services delivered a 37% annual cost reduction, equivalent to approximately EGP 580,000 in savings. This achievement was realized through:
- Establishing a unified printing price of $0.088 per card, covering machine maintenance, spare parts, printing labor, receipt of raw card balances, and management of card delivery to postal companies.
- Reducing the annual increase rate from 10% to 5%.
- The Bank successfully activated Visa card transactions across its ATM network, supported by:

-Implementation of an integrated accounting system.

- Generation of comprehensive daily reports for general ledger accounts, detailing usage, surpluses/deficits, and dispute resolutions.

- Employee training programs leveraging prior operational experience.

- In collaboration with the IT sector and Retail Banking sector, several measures were introduced to overcome barriers to card usage, including:

- Standardizing and correcting customer text messages, benchmarked against other banks.

- Aligning usage limits for all card types with product specifications.

- Enabling online transactions for debit and prepaid cards.

- Activating direct debit cards in foreign currencies (USD, EUR).

- Launching the Master Travel Service for Royal customers at airports.

- In coordination with card delivery companies and relevant departments, a new policy was introduced whereby undelivered cards will be retained for 60 days before being returned. These cards will then be securely destroyed at the card center rather than sent back to branches. This initiative is expected to significantly reduce card backlogs at branches and enhance overall operational efficiency.
- Amendments to the contract terms with Xerox for card envelope services were successfully implemented, resulting in notable improvements:

- Fixing the envelope price at $0.156, inclusive of VAT.

- Reducing the minimum annual printing requirement to 270,000 envelopes, down from 500,000.

- Eliminating the penalty fee of $1,580 for not meeting the annual minimum, with any shortfall carried forward to the following contract year.

- The administration successfully completed the data entry and review of approximately 14,000 Know Your Customer (KYC) forms that had accumulated over several months. Remarkably, this extensive task was finalized in just 20 business days, compared to the previously estimated 88 business days. This achievement was accomplished entirely by the administration's existing personnel, who managed the process alongside their daily responsibilities without delay and without reliance on external labor. The administration remains firmly committed to the continuous and immediate updating of customer data.

Second: Electronic Payments

- Activation of Dollar Tax Receipts Service: Work procedures were prepared and circulated across all branches to ensure smooth implementation.
- Expansion of Government Receipts Services: The second phase on the CPS platform was launched, introducing eight new services tailored for major customers.
- Strategic Customer Engagement: Focused on companies with the highest volume of manually executed government receipts, the electronic payments team achieved notable milestones:

- Finalized a contract with Al-Nozha Association, enabling government payments through the CPS system across 10 affiliated institutes.

- Reached an agreement with our customer, the 30th of June Schools Group, covering 125 affiliated schools (contracting currently in progress).

- Floussy Cash Wallet Study: A comprehensive analysis of wallet transactions was conducted to enhance profitability. The study examined customer usage patterns and benchmarked interest and commission rates across competing banks. Based on these insights, proposals for new pricing strategies—particularly for cash withdrawal fees—will be submitted.

Third: Transfers

- Automated Interface Activation: The integration between EBC WorkStation and T24 has been successfully launched, enabling seamless automatic transfer of incoming remittance files from ACH to T24. This enhancement eliminates manual intervention, thereby reducing operational risks and safeguarding against potential file manipulation.
- Optimized Meeza Card Processing: A new mechanism for executing incoming remittance files related to Meeza cards has been activated. Processing is now routed through the SWITCH system instead of T24, a strategic redirection that has effectively resolved issues previously encountered during execution via the T24 banking system.
- Establishment of Transfer Inquiry Operations Team:
- A dedicated unit has been formed to handle inquiries from both external banking partners and internal departments. This initiative responds to customer requests and addresses errors identified during the transfer process.
- Since May, the team has managed 166 inquiries concerning outgoing transfers and 669 inquiries regarding incoming transfers.
- Notably, 42 outgoing transfers have been successfully recovered, while approximately 17 incoming transfers have been processed.
- The team's scope has expanded to include inquiries related to transactions via the InstaPay app, following a rise in customer complaints under the "Goodwill Request" initiative.

The Bank's Activity in the Investment Field

Housing and Development Bank (HDB), renowned for its deep banking expertise and trusted reputation, stands as a strategic partner in driving investment and fostering economic growth. Over the years, the bank has solidified its position as a leader in investment services by offering a comprehensive suite of solutions thoughtfully designed to meet the diverse needs of individuals, corporations, and institutions alike.

First: The Field of Investments for Retention Purpose

- The nominal value of the financial investment portfolio retained in subsidiaries and sister companies reached approximately EGP 2.520 billion across 17 entities at year-end, compared to EGP 2.509 billion in the previous year. This portfolio generated cash dividends of EGP 222.5 million, along with free share distributions from the Housing and Construction Company for Utilities valued at EGP 10.5 million.
- The nominal value of the financial investment portfolio designated for retention in companies available for sale totaled approximately EGP 71.092 million across 15 entities at year-end, up from EGP 59.540 million in the preceding year. This portfolio yielded cash dividends of EGP 8.3 million, in addition to free stock distributions of about EGP 11.2 million. Key contributors included:
- Iskan Insurance Company: EGP 5.2 million
- Egyptian Real Estate Refinance Company: EGP 3.3 million
- El-Taamir Securitization Company: EGP 2.5 million
- Misr for Central Clearing, Depository and Registry Company: EGP 0.2 million
- Total returns realized from the financial investment portfolio held for retention purposes—covering subsidiaries, sister companies, and available-for-sale entities—amounted to EGP 230.8 million. This represents approximately 9% of the portfolio's total nominal value, which stood at EGP 2.591 billion.

Second: The Field of Conducting Feasibility Studies

- Loan and Credit Facility Evaluations: Approximately 14 feasibility study evaluations were prepared to support the granting of loans and credit facilities.
- Market Studies: A total of 7 market studies were conducted in collaboration with the Housing and National Projects Sector.
- Financial and Economic Studies: 6 financial and economic feasibility studies were prepared for the Bank and its affiliated companies.
- Audited Study: Additionally, 1 financial and economic feasibility study for the bank and its companies underwent a comprehensive audit.

Third: The Field of General Management of Capital Markets

A. Securitization Activity

- The total value of new securitization subscriptions during 2024 reached EGP 385 million, executed across three transactions:
- Tasaheel Company: EGP 170 million
- Reefy Company: EGP 80 million
- Halan Company: EGP 135 million
- Total revenues realized in 2024 amounted to EGP 375 million, compared to EGP 328 million in the previous year, reflecting a growth rate of 14.3%.
- Total consumption realized during 2024 stood at approximately EGP 792.711 million.

B. Custodial Activity

- The aggregate market value of portfolio balances under the Bank's custodianship reached EGP 9.5 billion as of December 31, 2024.
- The total value of collected coupons and redemptions amounted to EGP 204 million by year-end. This activity generated estimated savings of EGP 121,000 in collection fees, representing amounts typically paid to external custodians.
- The Bank demonstrated strong operational efficiency, ensuring the timely crediting of coupon and redemption values on their respective due dates.

C. Portfolio of Financial Investments for Trading Purpose

- The portfolio of financial investments designated for trading purposes was managed by CI Asset Management until December 31, 2024, achieving a return of EGP 47 million.

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

The Housing and National Projects Group is entrusted with managing and developing the Bank's real estate investments, with the dual objective of maximizing profitability and achieving strategic growth. In addition to investment management, the Bank provides specialized services in marketing its own projects as well as third-party projects, utilizing both auctions and direct sales channels.

First: General Administration of Housing Marketing and Affairs

The General Administration successfully generated financial gains through the marketing and sale of residential units across several flagship projects:

- Acacia – Fifth Settlement (residential and roof units)

- Palma – Fifth Settlement (villas)

- El Montazah – 6th of October City (residential and roof units)

- Al-Jawhara – Port Said (residential units)

- Al-Fayrouz – Hurghada (residential units)

- Al-Masaieed / Al-Arish (residential units)

In total, 80 residential units were sold, achieving a sales value of EGP 268 million and generating realized revenues of EGP 340 million.

Second: General Administration of Investment Trustees

- The Administration oversees the marketing and sale of commercial, administrative, residential, garage, and warehouse units nationwide, leveraging both direct sales initiatives and public auctions. It facilitated the marketing of units owned by the Cooperative Society for Construction and Housing for Cabinet Employees, located within the Al-Waha Project.
- A collaborative framework was established with the Communities Authority and its agencies to manage the collection of initial payments and ensure branches collect the Bank's stipulated investment trustee commission on all transactions.
- Returns from third-party-owned units (residential, commercial, administrative) were optimized through comprehensive marketing studies, with units offered via direct sales or auctions. This activity generated total sales revenues of EGP 9.9 million for the investment trustees..

Third: General Department of Online Booking and National Projects

- Successful Tendering of Projects: A total of 20 projects were tendered on behalf of the New Urban Communities Authority (NUCA) and various Real Estate Development Companies through the Bank's dedicated online booking system. This process involved meticulous preparation of tender documents and close coordination with all relevant internal and external stakeholders to ensure compliance with established terms. Customer inquiries were efficiently managed via email correspondence. For the first time, commercial units were listed through the online platform, generating significant interest. The initiative attracted 20,480 reservation applications, resulting in the successful reservation of 2,132 residential units and commercial stores.
- Revenue Collection and Compliance: Rigorous follow-up was undertaken to ensure the proper collection of registration fees and online booking commissions, in line with signed cooperation protocols. This effort yielded EGP 98.5 million in online booking commissions and an additional EGP 28.5 million in website registration fees.

The Bank's Activity in the Information Systems Field

Housing and Development Bank places paramount emphasis on developing its information systems, as it believes in the importance of streamlining financial transactions for clients and refining administrative decision-making processes to realize strategic aims and bolster the Bank's competitive standing across multiple domains.

First: Infrastructure Improvements

- **Messaging Systems Upgrade:** The Bank's messaging infrastructure underwent a comprehensive modernization through the deployment of IBM MQ appliances, ensuring greater stability, scalability, and strengthened security protocols.
- **Branch Network Maintenance:** Extensive upgrades were carried out across the branch network infrastructure, aimed at improving operational efficiency and elevating security standards.
- Backup Solutions: Advanced backup systems were introduced to safeguard critical applications, particularly the T24 system. Replication capabilities were activated to ensure robust business continuity and comprehensive data protection.
- **Disaster Recovery:** A full replication of all critical applications was meticulously implemented within a dedicated disaster recovery environment, guaranteeing uninterrupted operations in the face of unforeseen contingencies.
- **ATM Inventory:** A detailed inventory of Automated Teller Machine (ATM) assets was compiled, including performance assessments to support strategic maintenance planning and optimize service delivery.

Second: Governance Improvements

- **Policies and Procedures Documentation:** Comprehensive creation and updating of IT policies and procedures were carried out, aligning them with industry best practices and international standards.
- **Multi-Factor Authentication (MFA):** Cybersecurity was strengthened through the implementation of MFA across critical systems. This measure significantly enhances protection levels and mitigates risks of unauthorized access.
- **Network Traffic Management:** Data traffic flow across the network was restructured using demilitarized zones (DMZs), securing connections to electronic services such as Internet banking and mobile banking platforms.
- **Vulnerability Assessment:** Conducted comprehensive security vulnerability assessments to proactively identify potential system weaknesses and implement corrective measures.

Third: Applications and Digital Transformation

- **Business Process Management (BPM) System:** Implemented a BPM system to enhance operational efficiency, streamline workflows, and improve adaptability across business functions.

- **Mobile Device Management (MDM):** Deployed advanced solutions for securing, monitoring, and managing mobile devices. This initiative supports remote work environments while strengthening both operational efficiency and cybersecurity.
- **Medical Platform:** Launched an electronic medical website to manage employees' and their families' medical information, simplifying processes and streamlining the issuance of medical cards.
- **Enterprise Application Support:** Established a dedicated department to oversee enterprise applications and deliver technical support, ensuring improved performance and sustained operational efficiency.
- **Unified Credit Card Payment Gateway:** Developed an integrated system that simplifies electronic payment processes, offering customers a seamless and secure experience when using credit cards.
- **Legacy System Modernization:** Migrated the traditional "Iskan" system to a modern, internally developed solution, enhancing efficiency and aligning with evolving technological advancements.

Fourth: Operational Upgrades and Automation

- **Automation of Central Bank of Egypt (CBE) Reports:** Successfully completed the first phase of automating the Central Bank's reporting processes.
- **E-commerce Enablement:** Enabled virtual electronic debit card transactions while implementing advanced security enhancements.
- **ATM Switch Upgrade:** Upgraded the ATM system and its associated database to significantly improve transaction processing speed, reliability, and overall operational efficiency.
- **Data Lifecycle Management (DLM):** Automated data management processes to enhance usability, and strengthen security.

Fifth: Customer-Focused Initiatives

- **VISA Card Acceptance via ATMs:** Expanded the Bank's ATM network capabilities to support VISA card transactions, aligning with international standards and delivering a more convenient customer experience.
- **University Fees Payment System:** Developed an internal system to manage and execute university fee payments, ensuring speed, accuracy, and a seamless experience for both students and parents.
- **E-Learning Platform:** Introduced a digital learning platform offering specialized training courses for Bank employees, designed to strengthen skills, enhance competencies, and support continuous professional development.
- **Call Center Launch:** Successfully established and operated an integrated Call Center powered by the CISCO system, aimed at elevating service quality and providing customers with efficient, responsive support.

Sixth: Sustainability and Preparing for the Future

- **Digital Statements Transition:** Completed all requirements necessary for the full migration to digital statements, paving the way for the eventual cancellation of paper statements.
- **Currency Rates Update:** Successfully resolved issues related to currency rate updates across online and mobile banking platforms, ensuring timely and accurate information delivery to customers.

The Bank's Activity in the Information Security and Systems Governance Field

HDB places the highest priority on information security and systems governance, recognizing them as essential pillars of its corporate governance framework and as critical enablers of its digital transformation strategy. The Bank's objective is to ensure the secure, efficient, and effective deployment of information technology in direct alignment with its strategic goals.

In pursuit of this vision, HDB adheres to international best practices to strengthen information security, safeguard business continuity, and maintain regulatory compliance, while proactively managing digital risks. The Bank remains committed to advancing its technological infrastructure, embracing cutting-edge digital solutions, and implementing world-class cybersecurity standards to protect data, uphold customer privacy, enhance operational efficiency, and reinforce stakeholder trust..

First: Strategic Compatibility and Security Policies and Procedures

- Enhanced Strategic Compatibility: Comprehensive reviews of governance frameworks and sector strategies were conducted, alongside updates to the cyber defense strategy. Foundational pillars and targeted programs were established to strengthen resilience and ensure strategic alignment.
- SWIFT Compliance and Accreditation: Full alignment with the security requirements of the SWIFT Authority was achieved through a rigorous assessment process. This ensured continued compliance and resulted in the successful acquisition of the approved certificate from a certified third party.
- Policies and Procedures Improvement: The policies and procedures of the Information Security and Systems Governance Sector were thoroughly reviewed and enhanced. New procedures were also developed to ensure comprehensive security across all frameworks.

Second: Comprehensive Risk and Gap Assessment & Corrective Action Roadmap Follow-up

- Cyber Risk Assessments: Extensive cyber risk evaluations were conducted across multiple applications and systems. Coordination with relevant sectors ensured the development and implementation of corrective measures to effectively mitigate identified risks.
- Environmental Gap Assessment: A comprehensive gap analysis was carried out, resulting in the creation of a roadmap outlining the technical actions required to address key risks. This roadmap ensures alignment with the CBE's cybersecurity framework, as well as PCI, ISO, and other international standards.

- Systems and Engineering Assessments: In-depth evaluations of systems and engineering processes were performed, encompassing risk analysis, configuration enhancements, and strengthened protection measures. Daily exception requests were also reviewed, contributing to an overall improvement in the Bank's security posture.
- Application Design Review: Application design architectures and dataflows were thoroughly examined to verify compliance with established security standards. This process ensures the safeguarding of functional characteristics and guarantees the availability and integrity of application data..

Third: Cybersecurity Team

- SOC Capabilities Enhancement: Strengthened the Security Operations Center (SOC) by implementing new use cases, reviewing core technical controls, and closing identified security gaps. These measures have significantly improved the SOC's incident response capabilities.
- Cyber Threat Intelligence: Established advanced processes for the collection and analysis of cyber threat intelligence. This included comprehensive scans of the Deep and Dark Web, the creation of detailed intelligence reports, and the delivery of timely threat data to IT teams and the SOC, ensuring proactive defense against emerging risks.
- Incident Response Procedures: Updated and refined the SOC's incident response procedures, reinforcing the Bank's ability to respond swiftly and effectively to cybersecurity incidents.

Fourth: Security Testing of Infrastructure and Systems

- Periodic Security Checks: Regular assessments were conducted across the Bank's networks, servers, and devices to identify vulnerabilities. Findings were coordinated with IT teams to ensure timely remediation, thereby strengthening the Bank's overall cybersecurity posture.
- Penetration Testing: Comprehensive penetration tests were performed, with corrective measures fully implemented prior to retesting. Close collaboration among relevant teams ensured that detected vulnerabilities were effectively addressed.
- Asset Discovery Project: In partnership with Cyshield Company, the Bank successfully executed the Asset Discovery project. This initiative enabled the identification and documentation of all digital assets—including hardware, software, and servers—and provided detailed reports to the relevant departments.
- Time-Sensitive Repairs: Critical repairs were implemented within prescribed timelines, in accordance with recommendations from the Central Bank of Egypt and the Unit42 team. A coordinated time plan with the IT Sector ensured vulnerabilities were closed, corrective actions applied, and solutions monitored, resulting in a marked improvement in the Bank's security environment.
- Regulatory Audit and Compliance: The Bank acted as a primary liaison for regulatory audits, following up on engagements from the Central Bank of Egypt and leading efforts to resolve and close regulatory observations..

Fifth: Security Awareness and Culture Building

- Mandatory Awareness Campaigns: Organization-wide campaigns were implemented, featuring live interactive sessions and the distribution of awareness materials. These initiatives targeted both new employees and the broader workforce, reinforcing a strong culture of security awareness.
- • Strategic Awareness Framework: A comprehensive, people-oriented awareness program was developed, shifting from basic security training to a behavior-based approach. This framework is aligned with risk management priorities and regulatory requirements.

Sixth: Compliance with International Requirements and Standards

- ISO27001 & PCI-DSS Certification Preparation: Measures and controls were introduced to address environmental gaps identified during assessments. These actions represent the first step toward obtaining certification, with relevant parties engaged to ensure compliance.
- Continuous Adherence to Standards: The Bank maintains permanent compliance with applicable security standards and regulations, ensuring alignment with the requirements of the Central Bank of Egypt.
- Application Governance Enhancement: Collaboration across departments has strengthened application governance through the implementation of strict security policies, including strong password protocols, access monitoring, and regular awareness training.

Seventh: Security Policies and Procedures for External Companies and Service Providers

- Policy and Process Improvements: Operational policies and procedures were enhanced, with approval flows redesigned to streamline processes. These improvements increased efficiency, reduced risk, and enabled greater flexibility and responsiveness, while maintaining full compliance with regulatory standards.
- Vendor Access Control: A comprehensive project was executed to restructure and regulate IT vendors' access to the Bank's systems.
- Staff Access Permissions: IT staff access permissions were redesigned and managed to reinforce governance and strengthen security controls.
- Role-Based Access Review (RBAC): The permission matrix was restructured and governed, with an RBAC mechanism implemented.

The Bank's Activity in Risk Management Field

HDB places strong emphasis on risk management across all operations, ensuring a prudent balance between risk and return. The Bank's Risk Management Sector is responsible for identifying, measuring, monitoring, and managing risks, with significant issues consistently reported to the Risk Committee for oversight. Periodic evaluations of risk control effectiveness are conducted to maintain robust management practices and reinforce resilience. In addition, the Bank is committed to advancing its risk identification frameworks, establishing early warning indicators that enable proactive monitoring and support timely, informed decision-making.

In line with international best practices in risk management and internal control systems, HDB ensures full compliance with the regulatory guidelines established by the Central Bank of Egypt. This commitment encompasses the preparation of a comprehensive recovery plan and the development of a detailed assessment report on the internal control system.

First: Credit and Investment Risk

The Credit and Investment Risk Group plays a pivotal role in supporting banking operations by effectively managing exposures related to credit and investment activities. This function is especially critical during periods of local and global economic fluctuations. The Group's efforts are central to:

- Maintaining strong credit quality
- Optimizing capital utilization
- Maximizing returns on investment activities
- In addition, the Group ensures strict adherence to internal policies and full compliance with the regulatory guidelines established by the Central Bank of Egypt.

Second: Market and Liquidity Risk

- The Market and Liquidity Risk Department identifies, measures, monitors, and manages the Bank's exposure to market and liquidity risks. It evaluates risk trends and actively mitigates them through periodic management reports.
- Established policies and procedures are consistently applied to monitor risks, ensure compliance with permissible limits, and conduct monthly reviews and verification of risk reports.
- A dedicated organizational structure, accredited by the Risk Committee and the Board of Directors, oversees market and liquidity risk management.
- The Bank's risk matrix is periodically reviewed, with accuracy tests conducted to compare actual performance against expected activity. This process ensures efficiency and effectiveness in risk management, enabling timely adjustments.
- Maximum and permissible limits are accredited through the Market and Liquidity Risk framework. Policies and procedures are designed to ensure adherence to these limits and prevent breaches.
- Comprehensive policies and action plans outline maximum permissible limits for each type of risk.
- The Risk Management Department maintains robust information and communication systems, providing quarterly reports to the Risk Committee and Board of Directors. These reports cover all aspects of market and liquidity risks, including compliance with limits, any violations and their causes, and proposed corrective actions.
- An early warning mechanism is implemented to identify potential risks, ensuring alignment with acceptable risk levels and established maximum limits.
- Market and liquidity risk management policies incorporate stress testing mechanisms.

Third: Operational Risks and Anti-Fraud

In line with management's steadfast commitment to strengthening control and oversight systems, the Bank actively deploys diverse operational risk management methodologies. These frameworks are designed to identify, assess, and mitigate potential risks, enabling sound oversight and informed decision-making. Key initiatives include:

- Operational risks are systematically addressed through the continuous updating of risk matrices across all operational centers. This process is guided by the Risk and Control Self-Assessment (RCSA) methodology and incorporates the identification of Key Risk Indicators (KRIs) across the full spectrum of banking activities.
- Comprehensive KRIs have been established as predictive metrics, serving as an early warning system to identify and signal potential exposures to specific risk types.
- Operational risks are thoroughly identified and assessed across all banking products, activities, processes, and systems—both existing and new. This is particularly critical given the Bank's ongoing digital transformation (e.g., Internet Banking, Mobile Apps) and its strategic shift toward centralized operations.

- Regular emergency preparedness tests and the use of alternative operational sites ensure resilience and continuity of operations. These measures are complemented by strict precautions to safeguard the health and safety of personnel and clientele.
- Targeted training programs are delivered to raise awareness among employees—both new and existing—on operational and fraud risks. These programs cover risk mitigation methodologies and strategies for combating fraudulent activities.
- The General Anti-Fraud Department has broadened its scope to include specialized units for retail banking loans and real estate financing, corporate loans and SMEs, internal fraud detection and reporting, as well as cards and digital banking transactions. This expansion supports the implementation of a robust monitoring system to combat and prevent fraud.
- The Department continues to refine its operational procedures to strengthen preventive measures for fraud detection and mitigation. Efforts also focus on recovering losses from fraud incidents, applying deterrent measures, and conducting root cause analyses to identify underlying factors. Recommendations are then developed to prevent recurrence and reinforce resilience.

The Bank's Activity in the Human Capital Sector

The Human Capital sector at HDB serves as a strategic pillar supporting the Bank's growth and long-term objectives. Recognizing human capital as the most critical driver of success, HDB is deeply committed to investing in the development and empowerment of its employees. This commitment ensures the creation of a resilient institution capable of adapting to the rapid transformations within the banking industry.

HDB applies best-practice HR management through integrated training programs, a supportive work environment, and transparent evaluation systems. Its talent retention policies are designed to strengthen employee loyalty, boost productivity, and sustain long-term excellence.

- Organizational Framework Review: A comprehensive review of the Bank's organizational framework was conducted, including analysis of existing and proposed structures, along with updates to job descriptions.
- Restructuring Initiatives: In collaboration with sector heads and assistant managing directors, restructuring initiatives were studied and implemented. As a result, 14 sectors were successfully restructured in 2024, ensuring direct alignment with the Bank's strategic objectives.

In 2024, the Bank recruited 344 new employees, marking an increase from 268 hires in 2023. The distribution of new hires is as follows:

- Fresh Graduates: A total of 295 employees were recruited to support sector and branch requirements. These hires were selected from a pool of 1,710 applicants, following rigorous testing at the Banking Institute and final approval by the Selection and Appointment Committee.
- Experienced Employees: To address urgent staffing needs during the year, 85 experienced professionals were hired from a pool of 620 candidates.

First: Training and Development

- A total of 536 training courses were delivered in 2024, comprising 448 courses within the plan and 88 outside the plan. These courses provided 15,457 training opportunities (7,457 within the plan and 8,000 outside the plan). The initiatives amounted to 105,483 total training hours.

Second: Human Capital Sector Business Automation Project (HITS)

- System Integration and Maintenance: Periodic reviews and maintenance of the fingerprint system were conducted to restore full efficiency. The attendance and departure system, leave program, and wage system were successfully integrated into the HITS platform.
- Wage System Launch: The live operation of the wage system was initiated, enabling employees to access and review their monthly payslips with ease.
- Salary Adjustments: Compensation structures were updated in collaboration with the Compensations and Benefits Department, based on the Korn Ferry study.

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

The Compliance and Corporate Governance sector, leveraging its deep expertise in the regulatory and legal landscape, ensures the Bank's strict adherence to all applicable laws, regulations, and controls. It provides essential support, guidance, and advisory services to all business sectors, while preparing detailed periodic reports on its activities for the Board of Directors' committees.

- Corporate Governance Practices: The sector is committed to implementing governance practices that align with international best standards, tailored to the Bank's size, complexity, and diverse activities.
- Governance Culture: A strong governance culture is fostered through a comprehensive Code of Professional and Ethical Conduct, a Conflict of Interest Management Policy, and a Whistleblowing Policy designed to protect whistleblowers.
- Anti-Corruption and Bribery Policy: This policy reinforces integrity, promotes sustainable business growth, enhances profitability, and strengthens the trust of customers and investors, while safeguarding stakeholder rights.
- Transparency and Disclosure: The sector upholds transparency and disclosure standards, complemented by periodic assessments of employee compliance with governance requirements.
- Regulatory Alignment: All practices are aligned with the Central Bank of Egypt Law No. 194 of 2020 and the Governance and Control Instructions issued in 2024, ensuring adherence to proper professional standards.
- The Compliance Sector plays a vital role in supporting the Bank's vision, mission, objectives, and values. It ensures the highest standards of quality by reviewing all approved procedures, policies, forms, and products during renewal or updates. The Sector actively monitors for deficiencies through inspections of branches and departments, recommending necessary amendments to strengthen policies and procedures where required. A structured plan is developed to evaluate compliance activities, enabling the identification of violations and guiding corrective actions in full alignment with established regulations. Furthermore, the Sector disseminates the Central Bank of Egypt's instructions and oversees their implementation, ensuring that information related to quality standards and best practices is communicated effectively across the organization.
- Driven by its strategic expansion in the Egyptian banking sector, a diversified client base, and the growth of innovative banking products—particularly in technology and financial inclusion—the Bank has established comprehensive policies, developed automated programs, and continuously updated scenarios to combat money laundering and terrorist financing. These measures ensure full compliance with local laws, including the Anti-Money Laundering and Terrorist Financing Law and the Law Regulating Terrorist Entities and their amendments, as well as supervisory instructions from the Central Bank of Egypt and the Anti-Money Laundering Unit. In addition, the Bank adheres to all relevant international regulations, with immediate updates applied to global sanctions and prohibitive lists.
- In alignment with recent Central Bank of Egypt directives on customer rights, the Bank has enhanced its complaint system by introducing a unified Arabic/English form. This update is integrated with customer satisfaction surveys to evaluate services and products offered across branches. A new mechanism has been implemented to assess the quality of complaint resolution, aiming to achieve optimal performance indicators while leveraging customer feedback for service improvement, root cause analysis, and corrective action. Complementing these efforts, the Bank has launched training and awareness initiatives, including a dedicated website section on customer rights and a QR code to streamline communication and complaint submission. Tailored training programs further emphasize the protection of customer rights, particularly for customer-facing staff.

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

The Board Affairs Sector (Board Secretariat) is a vital organizational unit within HDB. Its primary responsibility is to support the Board of Directors and its committees, ensuring their operations consistently adhere to the highest standards of corporate governance and transparency. By fulfilling this role, the sector significantly enhances the efficiency and effectiveness of the Bank's overall management system. The sector's key responsibilities include:

First: Creation and Development of a Decision Support Database

The Board Affairs Sector acts as a vital catalyst and liaison between the Board of Directors and the Bank's senior management. By ensuring a continuous flow of essential information to Board members, the sector significantly strengthens and facilitates the decision-making process.

Second: Digital Transformation Initiatives

The Board Affairs Sector is actively advancing digital transformation by enhancing databases related to board affairs, issuing comprehensive follow-up reports, and contributing to the preparation of governance and regulatory documentation. In collaboration with a specialized firm, the sector is also implementing an electronic document archiving system and activating digital tools such as electronic voting and other operational processes.

Third: Digital Format

The Board Affairs Sector is committed to ensuring full compliance with the directives issued by the Central Bank of Egypt, the General Authority for Investment, the Financial Regulatory Authority, and the Central Auditing Organization. It consistently provides timely periodic reports and statements, facilitates the prompt approval of meeting minutes, and ensures strict adherence to the requirements set forth by the Central Bank of Egypt.

Finally, it is important to highlight that these achievements have been accomplished in alignment with the duties and terms of reference outlined in the governance instructions issued on 19 September 2024.

The Bank's Activity in Corporate Communication Sector

The Corporate Communication Sector plays a pivotal role in unifying the Bank's corporate identity, strengthening brand awareness, and reinforcing its position as a leading commercial bank in the Egyptian market. These efforts are fully aligned with the Bank's strategic vision and long-term objectives. Through the implementation of a comprehensive 2020–2024 communication plan, the sector actively promotes the Bank's services, products, and achievements to a wide range of stakeholders—including the public, employees, customers, suppliers, media, government agencies, investors, and other key partners.

The Corporate Communication Sector seeks to The Corporate Communication Sector is dedicated to enhancing community engagement and reinforcing the Bank's commitment to social responsibility. By actively participating in initiatives that promote sustainable development and address community needs, the sector positions the Bank as a leader in socially responsible practices, thereby strengthening its positive public image.

In addition, the sector plays a key role in establishing and standardizing effective internal communication channels to foster stronger interaction between employees and senior management. Through internal events and activities, it promotes a culture of teamwork, strengthens institutional loyalty, and supports the Bank's ambition to be recognized as an employer of choice.

In 2024, the Corporate Communication Sector executed the following activities:

First: Promotional Campaigns

The Corporate Communication Sector launched several promotional campaigns that positively reinforced the Bank's image as a full-fledged commercial institution, strengthened brand awareness, and introduced its products and services to a wider audience. These initiatives contributed to expanding the customer base and increasing market share by delivering targeted messages to key segments.

A. Auto Loan Fuel Cards Campaign

From April to June 2024, the Corporate Communication Sector executed a promotional campaign for auto loan fuel cards across multiple advertising channels. The campaign achieved notable results:

- The total value of auto loans granted rose to EGP 2.220 billion, up from EGP 1.736 billion, reflecting an increase of EGP 483.8 million.
- Auto loan sales generated EGP 605.3 million.
- A total of 492 fuel cards were issued, with a combined value of EGP 2.534 million.

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B: Credit Card (Cash Back) Campaign

The Corporate Communication Sector launched a promotional campaign for the bank's cashback credit cards, running from August 1 to December 31, 2024, across digital and traditional channels, including Facebook, Instagram, YouTube, websites, billboards, and TV. The campaign aimed to reposition the bank as a leading full-fledged commercial bank, moving away from its traditional image as a housing bank. This initiative boosted public awareness of the credit cards, which contributed to enhancing the growth of card issuance and expanding the customer base. 16,000 new credit cards were issued, in addition to increasing total credit limits from EGP 240 million to EGP 475 million. The average credit limit per card doubled from EGP 20,000 to EGP 40,000. Platinum and titanium card sales also increased from 20% to 70% of total credit card sales.

Second: Enhancing and Strengthening the Bank's Presence on Social Media and Content Development

- The Bank's official website was continuously updated throughout 2024 to reflect its strong market position and reputation, while incorporating the latest technological advancements. By year-end, the website had successfully attracted 1.5 million new visitors.
- Content across the Bank's official social media channels (Facebook, Instagram, LinkedIn) was consistently developed and updated. Media and advertising content, along with information on banking products, services, and news, was published regularly, resulting in significant growth and engagement:

- Facebook: Followers increased by 15%, rising from 1,133,845 in December 2023 to 1,303,923 in December 2024.

- Growth in followers across platforms with following percentages:

- Instagram: Followers grew by 32%.

- YouTube: Followers increased by 11%.

This growth positioned the Bank among the top 10 banks in Egypt in terms of followers on Facebook and Instagram.

- Audience reach expanded notably, with engagement levels rising to 33% on Facebook and 32.7% on Instagram.

- The published content saw a 15% increase in views on Facebook, while Instagram attracted a remarkable 56 million views, YouTube garnered 14.5 million views, and LinkedIn received 747,000 views.

- In alignment with the Central Bank of Egypt's directives on financial inclusion and anti-fraud awareness, the Bank prepared and published dedicated content across its official digital platforms. These efforts aim to raise public awareness of financial inclusion initiatives and highlight the importance of safeguarding against cyber fraud.

- The Corporate Communication Sector also launched an additional official social media page on Facebook and Instagram to showcase the Bank's internal events and activities. This initiative highlights the Bank's distinguished work environment, strengthens its employer brand, and reinforces staff loyalty and belonging.

Third: Enhancing the Bank's presence during summer in distinct and various locations

- The sector has enhanced the Bank's visibility during summer by sponsoring prominent destinations, such as Marina 5 Beach and several La Vista beaches on the North Coast (La Vista Bay Beach - La Vista Bay East Beach - La Vista Ras El Hekma Beach). These efforts helped rebranding the Bank from a housing bank to a full-fledged commercial bank, offering a wide array of competitive services and products. This approach has successfully conveyed the bank's marketing message to its target demographics, solidified its new corporate identity, and enhanced brand awareness and positive public engagement.

Fourth: Enhancing the Bank's media presence and solidify its position as a Full-Fledged commercial bank

- The sector increased the frequency of positive news reports and press interviews highlighting the bank's achievements, which were published in major newspapers, magazines, and news websites. As a result, media coverage reached 6,529 in press and social media publications. Thus, the Bank ranked second among Egyptian banks for press and media coverage, with 373 topics published across various outlets. This enhanced media presence has strengthened the Bank's brand awareness and reinforced its leading position as full-fledged commercial bank that provides an integrated package of competitive banking services and products.

Fifth: Enhancing engagement with major international rating institutions

- The sector has actively sought to strengthen its relationship with major international rating agencies specializing in institutional classification and evaluation. This focused engagement has resulted in the bank receiving numerous prestigious awards and recognitions

Sixth: Sponsoring Job Fairs to Support Youth Empowerment

- In line with the Bank's strategy to support and empower youth, and its vision of preparing qualified professionals who meet evolving labor market demands, the Corporate Communication Sector sponsored several prominent job fairs. These events provided fresh graduates and job seekers with valuable exposure to market requirements and career opportunities, helping them pursue and realize their professional aspirations. The sponsored fairs included notable events held at Al-Galala University, the Faculty of Economics and Political Science at Cairo University, MSA University, ESLESCA University, the American Chamber of Commerce, and Jobzella.

Seventh: Improving Communication and Empowering Employees in an Engaging Work Environment

- The Corporate Communication Sector has fostered collaborative relationships across the Bank's various business units, with the aim of promoting products and services to customers and ultimately driving higher profitability.
- Internal communication channels were enhanced and new tools introduced to ensure the effective dissemination of the Bank's strategy among senior management and employees. These initiatives have strengthened loyalty, deepened engagement, and cultivated a positive organizational culture.

- Recognition Ceremonies: Honoring outstanding employees across the Bank's sectors for their exceptional achievements and dedicated efforts, in line with the Bank's strategic commitment to supporting its human capital and fostering a culture of excellence.

- Annual Staff Gathering at Abdeen Palace: Presenting the Bank's 2025–2030 vision and strategy, reinforcing employee loyalty, and highlighting HDB's leadership within the Egyptian banking sector.

- Recreational Event in Ain Sokhna: Organized for support staff, recognizing their contributions and promoting equality across the workforce.

- International Women's Day Celebration: A special gathering at Ahimsa Gardens, Cairo, under the theme "Yes She Can", underscoring the Bank's conviction in supporting and empowering women, and affirming their pivotal role across various fields in alignment with state and Central Bank of Egypt directives.

- Seasonal Celebrations: Marking occasions such as New Year, Eid Al-Fitr, Eid Al-Adha, and Mother's Day with tokens of appreciation, fostering inclusivity and employee satisfaction throughout the year.

- As part of the Bank's ongoing commitment to enhancing the work environment, the Corporate Communication Sector supported a wide range of employee-focused initiatives and encouraged athletic activities within the institution. These efforts aimed to strengthen teamwork and foster effective communication among employees, while also creating an atmosphere of enjoyment and healthy competition—particularly during the holy month of Ramadan. Such initiatives not only cultivated a positive spirit among staff but also elevated the performance of the Bank's football team, which proudly secured first place in the recent Ramadan Banking Tournament.
- The sector also played an active role in advancing financial inclusion initiatives, participating in key national events such as International Women's Day, Youth Day, Farmers' Day, People of Determination Day, and Savings Day. Through these engagements, the Bank helped raise awareness of financial inclusion, attracted new customer segments, and reinforced its alignment with Egypt's sustainable economic and social development goals.

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

HDB is dedicated to achieving comprehensive development and embedding sustainability across all aspects of its operations. Guided by this vision, the Bank strives to provide citizens with a decent quality of life, supporting their fundamental needs in areas such as health, education, housing, and other essential rights. In parallel, HDB actively contributes to reviving national heritage and preserving Egypt's cultural identity. HDB also places strong emphasis on empowering youth and women, as well as supporting people of determination, with the goal of integrating them fully into society. By fostering equal opportunities and promoting the principles of justice and equality, HDB reinforces its alignment with Egypt's Vision 2030.

First: First: Health Sector

- • HDB funded and inaugurated the first medical suite comprising two operating rooms at Baheya Hospital for Early Detection and Treatment of Breast Cancer in Sheikh Zayed City. This milestone project, named after the Bank, reflects a total contribution of EGP 21 million, allocated over a three-year period.
- HDB participated in the "Reducing Waiting Lists" initiative, sponsored by the Central Bank of Egypt in collaboration with the Medical Emergency Response Fund of the Cabinet, with a contribution of EGP 10 million.
- A cooperation protocol was signed with the Yasmine El Samra Foundation, with a total contribution of EGP 2 million, to support and care for patients suffering from epidermolysis bullosa and to raise awareness about this rare disease.
- The Bank also completed its cooperation protocol with the Ibrahim Badran Charitable Foundation, contributing an additional EGP 4.14 million to establish two clinics in the governorates of Aswan and Qalyubia. This brought the Bank's total contributions to the foundation to EGP 9.74 million.

Second: Education Sector

- "El Sewedy and Housing and Development Bank Technical Academy" was officially inaugurated in Sadat City.
- A cooperation protocol was established with the Ministry of Social Solidarity to enhance and develop infrastructure for 20 kindergarten classrooms, with an initial contribution of EGP 2 million. This forms part of a broader initiative valued at EGP 10 million, to be disbursed over five years.
- The Bank contributed to the upgrade and equipping of six laboratories within the June 30 Group Schools. This initiative aims to foster a culture of satellite technology and equip students with skills in programming and computational manufacturing, with total contributions exceeding EGP 1.5 million.

Third: Supporting Marginalized Groups and Promoting a Dignified Life

- The Bank contributed EGP 4,497,000 to the Safe Housing initiative, in partnership with the Orman Association, to rebuild underprivileged villages in Aswan Governorate.
- A contribution of EGP 3,000,000 was made to the Abwab El-Kheir convoy, a joint initiative of the Tahya Misr Fund and the Central Bank of Egypt, aimed at providing one million food boxes to families in need.
- A cooperation protocol was signed with the Ministry of Endowments, allocating EGP 2,000,000 as part of the Eid al-Adha Sukuk initiative, which provides food supplies to families in need.

Fourth: Economic Empowerment

- A cooperation protocol was signed with the Sustainable Development Foundation, allocating EGP 1.5 million to support Bahariya Oasis Population Development Project.
- Fifth: Supporting People of Determination
- The Bank continued its support for the redevelopment of Al-Nour School for the Blind in Fayoum, contributing an additional EGP 1 million in collaboration with the Al-Masry Al-Aseel Association. This brought the Bank's total contributions to the school to EGP 3 million.

Sixth: Heritage Revival

- The Bank supported the sixth edition of the Turathna Exhibition for Handicrafts and Heritage Products, in cooperation with the Micro, Small, and Medium Enterprise Development Agency, with a contribution of EGP 3 million.

The Bank's Activity in Sustainability Field

HDB has crafted a forward-looking strategy that anchors its continued success, seamlessly weaving sustainability into every facet of its operations. With a steadfast commitment to generating lasting value, the Bank views sustainability not only as a strategic imperative but also as a profound ethical responsibility to all stakeholders.

HDB is driving the transition toward a green economy by championing optimal resource use through well-designed, impactful measures. At the core of this effort is a dedicated sustainability department, focused on reducing the Bank's carbon footprint and enhancing the environmental outcomes of its financing activities. In addition, HDB actively supports green investments that strengthen financial stability, boost energy efficiency, and expand renewable energy adoption. These initiatives are closely aligned with global sustainable development goals and reflect best practices across the Egyptian banking sector.

By embedding sustainability into its core financing, HDB embraces environmentally friendly solutions, fosters innovation, and integrates environmental, social, and governance (ESG) criteria into decision-making to improve corporate performance and mitigate risk.

Guided by Egypt Vision 2030, HDB channels capital into sustainable projects through the issuance of green financial instruments. This strategy rests on key pillars designed to fuel long-term growth and societal prosperity. In doing so, the bank adheres to leading international standards, including the Global Sustainability Reporting Initiative (GRI) guidelines and annual ESG disclosures, reinforcing its role as a catalyst for sustainable development and the advancement of the green economy.

Environmental, Social, and Governance Standards

HDB embraces a strategic framework rooted in Environmental, Social, and Governance (ESG) principles, seamlessly integrating global best practices in corporate social responsibility.

This framework employs a robust mix of quantitative and qualitative indicators to assess project compliance with environmental standards, including key metrics such as energy consumption, carbon emissions, and resource efficiency. Beyond environmental considerations, it also evaluates social dimensions—ranging from labor rights and community impact to equitable practices—while scrutinizing governance structures to ensure transparency, regulatory compliance, and effective management.

First: Environmental Standards

HDB has embedded sustainability into its credit and investment policies across all relevant sectors, integrating environmental, social, and governance considerations alongside strategy and risk management.

In 2023, the Executive Committee approved the Sustainable Financing Policy, setting a clear roadmap to expand and strengthen the Bank's sustainable financing portfolio. These policies are designed to align seamlessly with HDB's internal objectives while supporting Egypt Vision 2030. Looking ahead, the Bank is developing an advanced model to evaluate the environmental and social risks associated with its economic activities.

A. Recycling

HDB implements a proactive recycling policy that emphasizes repairing appliances and furniture to extend their lifecycle, maximize resource efficiency, and reduce waste. The Bank also takes deliberate steps to minimize plastic usage and collaborates with paper recycling companies, underscoring its strong commitment to sustainable environmental practices.

B. Water Consumption

HDB closely monitors its annual water consumption through utility tracking, ensuring accountability and efficiency. In alignment with its corporate sustainability policy, the Bank has introduced water-saving devices across selected branches. These initiatives form part of a broader commitment to sustainable environmental practices and the optimal use of resources.

C. Energy Supplies

HDB relies primarily on electricity as its main energy source and carefully tracks consumption by calculating total kilowatts used across its branches.

This monitoring system enables the Bank to analyze energy efficiency and measure annual savings. As part of its conservation efforts, the Bank has introduced LED lighting and smart sensors in selected buildings, reducing energy use while enhancing operational efficiency. These initiatives reflect the Bank's ongoing commitment to sustainable environmental practices.

D. Climate Change

HDB is firmly committed to combating climate change by actively reducing carbon emissions and consistently measuring its carbon footprint. To strengthen this effort, the Bank is developing an integrated system to manage greenhouse gas data across all locations, ensuring accuracy and transparency. The Bank also advances climate action by optimizing resource use, improving energy efficiency, and delivering environmentally friendly banking services. In addition, it supports sustainable industrial practices and recycling initiatives, raising environmental awareness and safeguarding natural resources for future generations.

To effectively address climate-related risks, HDB employs a comprehensive approach:

- The Bank organizes specialized training programs for employees engaged in all stages of the insurance process. These programs enhance efficiency and deepen knowledge of legislation and regulatory decisions issued by local and international bodies, strengthening employees' ability to assess environmental and social risks.

- The Bank has established a clear list of activities and projects with negative environmental or climatic impacts that are prohibited from receiving financing. Clients are also required to comply with environmental and social standards when signing financing contracts, ensuring alignment with sustainable development goals.
- The Bank verifies that projects meet all environmental and health requirements, including necessary licenses, to minimize adverse impacts on the environment and public health. In addition, the Bank offers financial incentives to encourage sustainable, environmentally compliant projects.

As part of its broader commitment to sustainable financing and environmental stewardship, HDB has developed a structured system to assess environmental and climate risks. This mechanism evaluates the impact of economic activities on both the environment and public health, applying specific criteria to determine financing eligibility. Activities are classified into three levels of climate risk:

- First Level – Low Climate Risks: Activities with no significant negative impact on the climate or environment, or those that actively contribute to achieving the Sustainable Development Goals. These projects are prioritized for financing due to their alignment with the Bank's sustainability objectives.

- Second Level – Acceptable Climate Risks: Activities with limited environmental impacts that can be managed or mitigated through compliance with environmental requirements and the adoption of sustainable technologies. Clients must commit to specific measures to reduce impacts before financing is approved.

- Third Level – High Climate Risks: Activities with direct negative environmental or societal impacts that may cause significant short- or long-term harm. In line with its environmental and social commitments, the Bank refrains from financing projects in this category to prevent emissions growth and environmental degradation.

Second: Social responsibility

In line with its deep commitment to corporate social responsibility, Housing and Development Bank (HDB) implements a comprehensive strategy designed to generate meaningful and lasting social impact. The Bank strengthens stakeholder confidence through continuous, transparent communication, highlighting its community initiatives and achievements across diverse media and social platforms.

This approach underscores the Bank's unwavering dedication to serving community.

The Bank's strategy is centered on supporting initiatives that address fundamental human needs—ensuring a decent quality of life, access to education, and reliable healthcare.

Particular emphasis is placed on vulnerable groups, including orphans and residents of remote areas. Through these efforts, the Bank seeks to nurture an empowered generation capable of driving development and shaping a brighter future for Egyptian society.

Third: Governance

Customers

HDB is committed to delivering a top-tier digital banking experience by offering a diverse range of innovative services and products, guided by market analysis and customer needs. This strategy strengthens the Bank's competitive position and expands its customer base by effectively targeting various market segments.

The Bank adopts an integrated approach that combines digital innovation with employee skill development, ensuring the delivery of high-quality, efficient, and reliable services supported by the latest financial technologies. This approach enhances customer experience and fosters long-term satisfaction.

Expanding beyond traditional commercial banking, the Bank now serves new segments such as SMEs and entrepreneurs. It designs tailored financing solutions to support their growth, generate employment opportunities, and reinforce financial stability over the long term. In addition, the Bank prioritizes funding small, sustainable projects and supports cultural initiatives—such as traditional handicrafts—to preserve and celebrate Egypt's national identity.

In the framework of promoting financial inclusion, Housing and Development Bank (HDB) is dedicated to integrating unbanked segments into the formal financial system. The Bank provides accessible and secure services tailored to community needs, while maintaining strict compliance with data protection regulations. Through advanced encryption technologies, the Bank ensures the highest levels of security and confidentiality for all banking information.

Employees

HDB is committed to full compliance with Egyptian labor laws, safeguarding the rights of both employees and supply chain partners. The Bank maintains continuous internal controls to ensure compliance and enhance operational efficiency, contributing to positive growth rates despite global and local economic challenges.

The Bank fosters a safe and stimulating work environment, guided by its Code of Professional and Ethical Conduct. This framework promotes a culture of diversity, equality, and inclusion, ensuring equitable employment and career opportunities for all. The Bank upholds a workplace free from discrimination based on gender, race, or religion, and strictly prohibits harassment, violence, or abuse.

Recognizing human capital as a cornerstone of success, the Bank prioritizes ongoing training and development programs. These initiatives strengthen professional capabilities and support the achievement of the Bank's long-term strategic objectives.

Gender Parity and Equal Pay

- HDB upholds transparent wage policies and equitable salary structures, supported by effective employee retention strategies. Periodic reports are submitted to the Compensation and Remuneration Committee, outlining the distribution of male and female employees by job type, representation percentages, and career progression.
- The empowerment of women stands as a core pillar of the Bank's sustainability strategy. Grounded in equality and non-discrimination, compensation is determined solely by job responsibilities rather than gender. This approach reinforces professional equity and fosters a fair, inclusive workplace culture.

Global Health and Safety Standards

HDB is committed to the full implementation of occupational health and safety standards in line with directives from the Ministry of Manpower. The Bank achieved a "zero accident" rate during the reporting period, underscoring the effectiveness of its preventive measures and its dedication to maintaining a safe work environment. A specialized committee oversees the implementation of these policies, ensuring workplaces are equipped to assess potential risks and pollutants. Through this continuous monitoring and provision of necessary equipment, the Bank drives ongoing improvement and mitigates any potential negative impacts on employee health and safety.

Indicators

Child and Forced Labor Index

HDB is firmly committed to upholding the principles of decent work and human rights, explicitly prohibiting all forms of forced labor and child exploitation. The Bank pledges not to employ individuals below the legal working age, in full compliance with Egyptian law and relevant international standards.

This commitment reflects the Bank's dedication to cultivating a work environment built on respect, responsibility, and adherence to the highest standards of social governance.

Performance Indicators for Sustainability-Related Governance Disclosures

A. Board Diversity Performance Indicator

The annual governance report for listed companies details the composition of the Board of Directors and its committees, including the number of members serving on each. This indicator forms an integral part of the Bank's corporate governance policy and is transparently disclosed on the Bank's official website.

By doing so, the Bank demonstrates its commitment to fostering diversity and inclusion within leadership structures and ensuring balanced representation, in alignment with international best practices.

B. Performance Indicator for Bribery and Anti-Corruption

HDB is committed to implementing a comprehensive corporate governance framework that upholds the highest standards of transparency and integrity. The Bank's governance policies encompass a Code of Professional and Ethical Conduct, a Conflict of Interest Management Policy, and a Gift Acceptance Policy.

These policies are reinforced by stringent controls and procedures designed to prevent corruption and bribery, ensuring accountability at every level. Through this framework, the Bank fosters a strong culture of compliance and ethical conduct across the institution.

C. Performance Indicator for Ethical Conduct and Code of Honor

HDB issues and enforces a comprehensive Code of Professional and Ethical Conduct, ensuring its effective implementation through continuous monitoring. This process guarantees full compliance with established professional standards.

D. Data Privacy Performance Indicator

HDB applies robust security policies and procedures across its systems, applications, banking services, and infrastructure. These measures are designed to safeguard sensitive data and financial transactions, with advanced encryption technologies ensuring the confidentiality and protection of customer information.

H. Performance Indicator for Reporting and Disclosure of Sustainability Practices

HDB is committed to the regular issuance of sustainability reports, reflecting its dedication to sustainable development and transparent disclosure. The Bank aligns its initiatives with the United Nations Sustainable Development Goals (SDGs), focusing on key priorities such as:

- Poverty reduction and expanded access to quality education
- Promotion of occupational health and safety standards
- Advancing gender equality and reducing disparities through equitable human resources policies
- Stimulating economic growth by financing small and medium-sized enterprises and supporting entrepreneurship

These objectives are transparently disclosed in the Bank's sustainability reports and further communicated through diverse media channels and social platforms.

As part of its social responsibility, HDB actively participates in national initiatives aimed at empowering women and youth, enhancing their productive capacities, and improving overall quality of life. The Bank also contributes to broader development through strategic partnerships with both public and private sectors. These collaborations, which include cooperation with key government ministries, extend the Bank's positive impact across multiple governorates, including the Delta and Upper Egypt

CHAPTER 5
Financial Performance

Separate Financial Statements For Fiscal Year Ending on 31 December 2024

AUDITORS' REPORT

To The Shareholders of Housing and Development Bank - Egypt (S.A.E)

Report on the Separate Financial Statements

We have audited the accompanying separate financial statements of Housing and Development Bank - Egypt (S.A.E), represented in the separate statement of financial position as of 31 December 2024, and the related separate statements of income, comprehensive income, cash flows and changes in equity for the financial year then ended, and a summary of significant accounting policies and other related explanatory notes.

Management's Responsibility for the Separate Financial Statements

These separate financial statements are the responsibility of the Bank's management. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the rules of preparation and presentation of Banks' financial statements and basis of recognition and measurement issued by the Central Bank of Egypt on 16 December 2008, as amended by the regulations issued on 26 February 2019, and in light of the prevailing Egyptian laws. Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; this responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Egyptian Auditing Standards and in light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgment, including risk assessment of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the bank's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the separate financial statements.

Accountability State Authority

BT Mohamed Hilal - Wahid Abdel Ghaffar
Public Accountants & Consultants

Opinion

In our opinion the separate financial statements referred to above, present fairly, in all material aspects, the separate financial position of **Housing and Development Bank - Egypt (S.A.E)** as of 31 December 2024 and its separate financial performance and its separate cash flows for the year then ended in accordance with the rules of the preparation and presentation of the banks' financial statements, basis of recognition and measurement issued by the Central Bank of Egypt on 16 December 2008 as amended by the regulations, issued on 26 February 2019 and in light of prevailing Egyptian laws and regulations related to the preparation of the separate financial statements.

Report on Other Legal and Regulatory Requirements

The Bank maintains proper accounting records that comply with the laws, and the Bank's Articles of Association and the financial statements are in agreement thereto.

The financial information included in the Board of directors' report, prepared in accordance with the provisions of Law No.159 of 1981 and its executive regulations, is in agreement with the Bank's accounting records within the limit that such information is recorded therein.

Auditors

Sameh Saad Mohamed Abel-Megeed

Accountability State Authority

Amr Wahid Abdel Ghaffar

American Institute of Certified Public Accountants Member

Egyptian Society of Accountants & Auditors Member

Independent Auditors Record No. (406) at the Egyptian Financial Regulatory Authority CBE Register No. (623)

BT Mohamed Hilal - Wahid Abdel Ghaffar

Public Accountants & Consultants

Amr Wahid Abdel Ghaffar

Cairo: 20 February 2025

Housing and Development Bank
Separate Financial Position
as of 31 December 2024

	Note No.	31/12/2024 EGP	31/12/2023 EGP
Assets			
Cash and balances with central bank of egypt	**16**	**18,642,075,071**	15,510,503,633
Due from banks	**17**	**49,140,861,474**	14,048,716,801
Loans & facilities to customers	**18**	**50,989,489,873**	41,913,767,050
Financial assets			
Financial assets at fair value through profit and loss	**19**	**187,375,950**	175,729,023
Financial assets at fair value through other comprehensive income	**20**	**34,377,531,372**	43,201,786,950
Financial assets at amortized costs	**20**	**17,015,721,300**	2,592,518,213
Financial assets in subsidiaries and associates	**21**	**2,194,604,842**	2,194,604,842
Housing projects	**22**	**1,449,204,800**	1,198,035,812
Investments properties	**23**	**72,812,828**	79,319,793
Intangible assets	**24**	**546,688,349**	149,579,245
Other assets	**25**	**3,549,485,226**	2,775,577,753
Deferred tax assets	**32**	**164,399,994**	215,185,281
Fixed assets	**26**	**1,125,638,120**	1,046,542,242
Total assets		**179,455,889,199**	125,101,866,638
Liabilities and equity			
Liabilities			
Due to banks	**27**	**2,034,043,365**	2,316,994,794
Customers' deposits	**28**	**144,959,299,997**	101,273,768,246
Other loans	**29**	**236,690,866**	315,089,458
Dividends payable		**21,682,091**	13,184,762
Other liabilities	**30**	**4,617,742,578**	3,788,187,652
Other provisions	**31**	**973,874,586**	622,144,619
Current income tax liabilities		**2,256,743,098**	1,326,827,844
Retirement benefit obligations	**33**	**110,877,616**	88,733,410
Total liabilities		**155,210,954,197**	109,744,930,785
Equity			
Issued and paid-up-capital	**34**	**5,313,000,000**	5,313,000,000
Reserves	**35**	**7,913,460,311**	4,290,896,164
Retained earnings (included net profit of the year)	**35**	**11,106,295,940**	6,092,797,701
Other comprehensive income	**35**	**(87,821,249)**	(339,758,012)
Total shareholders'equity		**24,244,935,002**	15,356,935,853
Total liabilities and shareholders'equity		**179,455,889,199**	125,101,866,638

- The accompanying notes are an integral part of the financial statements

- Audit report attached to be read therewith

Chief Financial Officer

Gamal Mahmoud Soliman

CEO & Managing Director

Hassan Ismail Ghanem

Auditors

Sameh Saad Mohamed Abdel-Megeed

Accountability State Authority

Amr Wahid Abdel Ghaffar

BT Mohamed Hilal - Wahid Abdel Ghaffar

Public Accountants & Consultants

Housing and Development Bank
Separate Income Statement
for the year ended 31 December 2024

	Notes	From 01/01/2024 to 31/12/2024	From 01/01/2023 to 31/12/2023
	No.	EGP	EGP
Interest from loans and similar income	6	**29,039,174,868**	17,043,147,055
Interest on deposits and similar expense	6	**(10,117,183,990)**	(6,590,448,615)
Net interest income		**18,921,990,878**	10,452,698,440
Fees and commissions revenue	7	**1,116,765,165**	769,995,654
Fees and commissions expense	7	**(162,791,094)**	(65,531,362)
Net fees and commission income		**953,974,071**	704,464,292
Dividends income	8	**231,386,504**	244,473,335
Net trading income	9	**98,691,496**	108,643,208
Housing projects profits'	10	**339,293,890**	727,799,875
(Loss) from financial investments	20	**(5,839)**	(1,199,999)
Credit impairment (losses) / reversal	13	**(1,475,941,929)**	(953,168,466)
General and administrative expenses	11	**(3,689,714,474)**	(2,811,127,889)
Other provisions (expense) / reversal	31	**(368,525,717)**	(275,156,812)
Other operating (expense) / revenues	12	**(842,209)**	18,559,352
Net profit before income tax for the year		**15,010,306,671**	8,215,985,336
Income tax expense	14	**(3,970,512,469)**	(2,185,084,665)
Net profit for the year after income tax		**11,039,794,202**	6,030,900,671
Earnings per share for the year	15	**18.41**	**9.94**

Housing and Development Bank
Separate Statement of Comprehensive Income
for the year ended 31 December 2024

		From 01/01/2024 to 31/12/2024	From 01/01/2023 to 31/12/2023
	Notes	EGP	EGP
Net profit for the year		**11,039,794,202**	6,030,900,671
comprehensive income items			
Change in fair value of financial assets at fair value through other comprehensive income	20	**292,504,709**	(250,086,213)
Expected credit loss of debt instruments at fair value through other comprehensive income	35	**25,245,614**	6,762,834
Deferred tax	35	**(65,813,560)**	56,269,398
Total comprehensive income items		**251,936,763**	(187,053,981)
Total comprehensive income for the year		**11,291,730,965**	**5,843,846,690**

Housing and Development Bank
Separate Statement of Cash Flow
for the year ended 31 December 2024

	Notes	From 01/01/2024 to 31/12/2024	From 01/01/2023 to 31/12/2023
		EGP	EGP
Cash Flows From Operating activities			
Profit before tax		**15,010,306,671**	**8,215,985,336**
Adjustments to settle the net profit with the cash flow from operating activities:			
Depreciation and amortization	26,24,23	346,043,796	240,473,512
Credit impairment losses	13	1,475,941,929	953,168,466
Impairment losses from other assets and housing projects (Reversal)	12	28,959,955	7,290,675
Other provisions-charged during the year	31	370,266,444	277,990,274
Revaluation difference of financial assets at fair value through profit and loss	9	(46,958,423)	(92,553,696)
(Loss) from financial investments	20	5,839	-
Impairment loss of equity instruments of associate and subsidiaries companies	20	-	1,199,999
Amortization (Premium) of issuing financial investments.	20	(4,687,954)	(7,130,230)
Dividends income	8	(231,386,504)	(244,473,335)
Utilization of other provision	31	(17,365,373)	(14,867,093)
Provisions no longer required	31	(1,740,727)	(2,833,462)
Gain from selling fixed assets	12	(842,291)	(105,211)
Operating income before changes in operating assets and liabilities		**16,928,543,362**	**9,334,145,235**
Net decrease (increase) in assets			
Due from banks		(3,201,480,165)	(228,782,204)
Financial assets at fair value through profit and loss		35,305,657	399,206,523
Loans and advances to customers and banks		(10,516,326,765)	(7,640,914,380)
Housing Projects and investments properties		(250,459,378)	(77,327,549)
Other assets		1,409,396,894	888,717,238
Net (decrease) increase in liabilities			
Due to banks		(282,951,429)	2,316,709,185
Customers' deposits		43,685,531,751	11,788,587,426
Other liabilities		(1,374,629,939)	(13,987,844)
Retirement benefit obligations		22,144,206	30,895,952
Income tax paid		(3,055,625,488)	(1,287,780,260)
Net cash flows from operating activities		**43,399,448,706**	**15,509,469,322**

	Notes	From 01/01/2024 to 31/12/2024	From 01/01/2023 to 31/12/2023
		EGP	EGP
Cash flows from investing activities			
Payments for purchase of fixed assets		**(255,604,392)**	(135,389,732)
Proceeds from selling fixed assets		**862,349**	113,440
Payments for purchase of financial assets (Bonds) other than at fair value through profit and loss		**(1,147,303,276)**	(994,621,150)
Proceeds from sale of financial assets(Bonds) other than at fair value through profit and loss		**6,263,557,718**	5,405,588,899
Net financial investments (Treasury bills) other than at fair value through profit and loss		**(7,516,134,883)**	(10,677,933,924)
Proceeds from disposal of investments to an associate company		**-**	3,600,000
Payments for purchase of intangible assets		**(559,790,151)**	(160,453,864)
Dividends income		**158,029,036**	104,018,682
Net cash flows from (used) in investments activities		**(3,056,383,599)**	(6,455,077,649)
Cash flows from Financing activities			
Long-term loans		**(337,679,093)**	(310,702,050)
Dividends paid		**(2,335,402,671)**	(830,322,418)
Net cash flows used in financing activities		**(2,673,081,764)**	(1,141,024,468)
Net Increase in cash and cash equivalents during the year		**37,669,983,343**	7,913,367,205
Cash and cash equivalent at the beginning of the year		**30,087,444,186**	22,174,076,981
Cash and cash equivalents at the end of the year		**67,757,427,529**	30,087,444,186
Cash and cash equivalents are represented in:			
Cash and balances with Central Bank of Egypt		**18,642,075,071**	15,532,804,852
Due from banks		**49,145,806,594**	14,030,904,744
Financial assets at fair value through Profit and Loss		**48,612,300,846**	38,448,874,524
Obligatory reserve balance with CBE		**(17,555,717,236)**	(14,354,237,071)
Financial assets other than at fair value through profit and loss with maturity more than 3 Months		**(31,087,037,746)**	(23,570,902,863)
Cash and cash equivalents at the end of the year	**37**	**67,757,427,529**	**30,087,444,186**

Housing and Development Bank
Separate Change in Shareholders' Equity Statement
for the year ended 31 December 2024

	Paid-in-capital EGP	Legal reserves EGP	General reserve EGP	Special Reserve EGP	Other reserve EGP	Reserve of General Banking Risk EGP	General risk reserve EGP	Retained earnings EGP	Other comprehensive income EGP	Total EGP
Balance as of 1 January 2023	**5,313,000,000**	**850,442,723**	**1,910,977,430**	**9,344,966**	**34,255,730**	**-**	**89,215,810**	**2,287,385,175**	**(152,704,031)**	**10,341,917,803**
Dividends paid for the year 2022	-	-	-	-	-	-	-	(806,300,000)	-	(806,300,000)
Transferred to reserves	-	112,834,454	1,280,000,000	-	3,825,051	-	-	(1,396,659,505)	-	-
Transferred to banking sector support and development fund	-	-	-	-	-	-	-	(22,528,640)	-	(22,528,640)
Net change in other comprehensive income items	-	-	-	-	-	-	-	-	(187,053,981)	(187,053,981)
Net profit For The year 2023	-	-	-	-	-	-	-	6,030,900,671	-	6,030,900,671
Balances at 31 December 2023	**5,313,000,000**	**963,277,177**	**3,190,977,430**	**9,344,966**	**38,080,781**	**-**	**89,215,810**	**6,092,797,701**	**(339,758,012)**	**15,356,935,853**
Balance as of 1 January 2024	**5,313,000,000**	**963,277,177**	**3,190,977,430**	**9,344,966**	**38,080,781**	**-**	**89,215,810**	**6,092,797,701**	**(339,758,012)**	**15,356,935,853**
Dividends paid for the year 2023	-	-	-	-	-	-	-	**(2,343,900,000)**	-	**(2,343,900,000)**
Transferred to reserves	-	**301,545,034**	**3,316,000,000**	-	**105,211**	**4,913,902**	-	**(3,622,564,147)**	-	-
Selling of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	**427,000**	-	**427,000**
Transferred to banking sector support and development fund	-	-	-	-	-	-	-	**(60,258,816)**	-	**(60,258,816)**
Net change in other comprehensive income items	-	-	-	-	-	-	-	-	**251,936,763**	**251,936,763**
Net profit For The year 2024	-	-	-	-	-	-	-	**11,039,794,202**	-	**11,039,794,202**
Balances at 31 December 2024	**5,313,000,000**	**1,264,822,211**	**6,506,977,430**	**9,344,966**	**38,185,992**	**4,913,902**	**89,215,810**	**11,106,295,940**	**(87,821,249)**	**24,244,935,002**

Housing and Development Bank
Separate Profit Appropriation Statement
for the year ended 31 December 2024

	31/12/2024 EGP	31/12/2023 EGP
Net Profit for the year (as derived from the Income Statement)	**11,039,794,202**	6,030,900,671
Deducted		
Profits from the sale of fixed assets transferred to the capital reserve in accordance with the provisions of the Law	**(842,291)**	(105,211)
General banking risk reserve	**(6,289,042)**	(4,913,902)
Net Distributable Annual Profits	**11,032,662,869**	6,025,881,558
Opening Retained Earnings	**66,074,738**	61,897,030
Retained Earnings during the year	**427,000**	-
Net Distributable Profits	**11,099,164,607**	6,087,778,588
Distributed as follows		
Statutory Reserve	**551,989,710**	301,545,034
General Reserve	**6,450,000,000**	3,316,000,000
Shareholder Dividends (cash distribution of EGP 5/share)	**2,656,500,000**	1,593,900,000
Employee Profit Share	**1,200,000,000**	700,000,000
Board of Directors Members Remuneration	**60,000,000**	50,000,000
Banking System Support and Development Fund	**110,326,629**	60,258,816
Ending Balance Of Retained Earnings	**70,348,268**	66,074,738
Total	**11,099,164,607**	**6,087,778,588**

Housing and Development Bank
Notes To The Separate Financial Statements
For The Year Ended
31 December 2024

1- Background

Housing and Development Bank provides banking services for corporates rather than investments, retail banking services in the Arab republic of Egypt through 98 branches, and hires 3039 employees at the date of the financial position.

Housing and Development Bank is an Egyptian Joint Stock company established as Investments and Business Bank on 30 June 1979 by virtue, ministerial Decree No.147 for a year 1979 and it handles its activity through the head office in Giza governorate and the bank is listed in the Egyptian Stock Market for Securities.

2- Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

A. Basis of Preparation

The financial statements are prepared in accordance with Central bank of Egypt instructions approved by its board of directors on 16 December 2008, with consideration to requirements of IFRS 9 (Financial instruments) in accordance with the instructions issued by central bank of Egypt on 28 January 2018, in addition to the historical cost basis, modified by the revaluation of financial assets and liabilities originally valued with fair value through profits and losses, and financial assets at fair value through other comprehensive income, and all financial derivatives contracts.

These separate financial statements were prepared in accordance with relevant local laws, investment in associates are presented in bank's separate financial statement and valued according to cost less impairment loss method.

These separate financial statements had been prepared in accordance with the instructions of the Central Bank of Egypt (CBE) rules that had been in force until 31 December 2018; that have been changed under central bank of Egypt instructions issued on 26 February 2019, regarding the implementation of IFRS 9 – financial instruments.

Effect of Implementation IFRS 9 on Accounting Policies

IFRS 9- Financial Instruments

The Bank applied the instructions of the Central Bank of Egypt (CBE) rules IFRS 9 "Financial Instruments" dated February 26, 2019 starting from January 1, 2019. Requirements of IFRS 9 represents material change than required under Egyptian accounting standard no. 26 "financial instrument- recognition and measurement" especially when related to classification, measurement and disclosure of financial assets and some of financial liabilities; the following summarize the main accounting policies changes resulted from applying the required standards:

Classification of financial assets and liabilities

Financial assets have been classified through three main categories as the following:

- Financial assets at amortized cost.
- Financial assets at fair value through other comprehensive income.
- Financial assets at fair value through profit and loss.

Based on IFRS 9, financial assets have been classified according to how they are managed (the entity's business model) and their contractual cash flow characteristics. Therefore, Egyptian accounting standard no. (26) is no longer applied (Held to maturity, Loans and available for sale).

- The implicit derivative contracts shall not be separated when derivatives are associated with a financial asset. Thus, the implicit derivative contract is fully classified according to the related financial asset.
- The change in financial liabilities at fair value through profit or loss is presented as follows:

  - The change in the fair value related to the change in the degree of the credit rating is presented in other comprehensive income.

  - The remaining amount of the change in fair value under (net income from financial assets at fair value through profit or loss) is presented in the income statement.

Impairment of financial assets

IFRS 9 and Central Bank of Egypt (CBE) instructions replaced the impairment loss model recognized according to EAS 26 with expected credit loss (ECL) model, also, IFRS 9 & CBE instructions requires from the bank to implement the measurement of expected credit loss (except for measured at fair value through profit and loss and fair value through other comprehensive income).

The Bank excludes the following from the calculation of expected credit losses:

- Deposits at banks with a maturity date of one month and less than the date of the financial position.
- Current accounts at banks.
- Balances at the Central Bank in local currency.
- Debt instruments issued by the Egyptian government in local currency.

Provision shall be identified based on the expected credit losses relating to probability of default over the next 12 months unless the credit risk has increased substantially since inception.

Segment reporting

An operating segment is a group of assets and operations providing products or services whose risks and benefits are different from those associated with products or services provided by other operating segments. A geographical segment provides products or services within a specific economic environment characterized by risks and benefits different from those related to other geographical segments operating in a different economic environment.

B. Subsidiaries & Associates

B.1. Subsidiaries

Subsidiaries are the entities over which the bank owns directly or indirectly the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the bank has the ability to control the entity.

B.2. Associates

Associates are the entities over which the bank owns directly or indirectly significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Accounting for subsidiaries and associates in the separate financial statements are recorded by cost method, according to this method, investments are recorded at cost of acquisition including any good- will after deducting any impairment losses in value, and the dividends in the income statement are recorded in the adoption of the distribution of these profits and evidence of the bank's right to collect it.

C. Translation of Foreign Currencies

C.1. Functional and presentation currency

The financial statements are presented in Egyptian Pound, which is the Bank's functional and presentation currency.

C.2. Functions and balances in foreign currencies

- The Bank maintains its accounts in Egyptian Pound and transactions are recorded in foreign currencies during the financial year on the basis of prevailing exchange ratios at the date of the transaction, monetary assets and liabilities denominated in foreign currencies are retranslated at the end of the financial year on the basis of prevailing exchange ratios at that date. Foreign exchange gains and losses resulting from the settlement and translation of such transactions and balances are recognized in the income statement and reported under the following items:

- Net income from financial assets at fair value through profit and loss/or net income from financial instruments classified at fair value through profit and loss at the date of inception of the assets/ liabilities or those classified at the date of inception with its fair value through profits and losses according to their type.

- Shareholders' equity of financial derivatives as a coverage for cash flow/net investment or as a coverage for net investment.

- Other operating income (expenses) for the other items.

- Changes in fair value of financial instruments denominated in foreign currency classified at fair value through other comprehensive income (debt instruments) is analyzed between valuation differences from changes in amortized cost of the instrument, differences resulted from changes in the prevailing exchange rates, differences resulted from changes in the fair value of the instrument, and differences resulted from the impairment of the financial assets. Those changes are recognized in the income statement as income on loans and similar items regarding changes in amortized cost and differences related to changes in the exchange rate are recognized as other operating income(expense).
- Changes in fair value are recognized in equity (Other comprehensive income/Financial assets at fair value through other profit and loss).
- Evaluation differences resulting from non-monetary items include profit and loss resulting from changes in fair value such as equity instruments held at fair value through profit and loss, while evaluation differences resulting from equity instruments classified as financial assets at fair value through other comprehensive income are recognized as other comprehensive income.

D. Financial Assets

D.1. Recognition

The Bank classifies its financial assets into the following categories: fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVTOCI) and amortized cost. Management determines the classification of its investments at initial recognition.

D.2. Classification

Financial assets Policies applied starting from 1 January 2019:

- At the time of initial recognition, the bank determines the classification of financial assets to be classified as amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL).
- Financial asset classified as amortized cost if the following two conditions are met and was not recognized at inception date by the bank as fair value through profit or loss:

  - The financial asset is retained in the business model of financial assets held to collect contractual cash flow.

  - The contractual terms of the financial asset at specific dates result in contractual cash flows of the asset represented only in the principal financial instrument amount and the return.

- Financial assets classified as fair value through other comprehensive income if the following two conditions are met and was not recognized at inception date by the bank as fair value through profit or loss:

  - The financial asset is retained in the business model of financial assets held to collect contractual cash flows and sales.

  - The contractual terms of the financial asset at specific dates result in contractual cash flows of the asset represented only in the principal financial instrument amount and the return.

- The debt instrument that was not allocated at the initial recognition at the fair value through profit or loss is measured at the fair value through other comprehensive income if both of the following conditions are met:

  - The financial asset is retained in the business model that aims to collect contractual cash flows and sell the financial asset.

  - The contractual terms of the financial asset on specific dates result in cash flows of the asset and not represented only the principal debt and the return.

- Upon the initial recognition of an equity instrument that not held at fair value through profit and loss, the bank may make an irrevocable choice to present subsequent changes in the fair value through the other comprehensive income statement. This choice shall be made for each investment individually.
- The remaining financial assets are classified as investments at the fair value through profit or loss.
- In addition, upon the initial recognition, the bank may irrevocably allocate a financial asset measured at the fair value through profit or loss, although it meets the criteria of classification as a financial asset at amortized cost or at the fair value through other comprehensive income, if this action substantially reduces the inconsistency that may arise in the accounting measurement.

Business models Evaluation

1) Following debt and equity instruments are classified and measured according to the following:

Financial Instrument	Methods of Measurement According to the Business Model		
	Fair Value		
	Amortized Cost	Through Comprehensive Income	Through Profit or Loss
Equity Instruments		One-time irrevocable choice at the initial recognition	Normal transaction of equity instruments.
Debt Instruments	Business model of assets held to collect contractual cash flows.	Business model of assets held to collect contractual cash flows and sale.	Business model of assets held at fair value through profit and loss.

2) The bank prepares, documents and approves a business model in accordance with the requirements of the IFRS 9 in a way that reflects the Bank's strategy to manage the financial assets and their cash flows as follows:

Financial Asset	Business Model	Basic Characteristics
Financial assets at amortized cost	Business model of financial assets held to collect contractual cash flows	▪ The business model is aimed to retain the financial assets to collect the contractual cash flows of the investment principal amount and the revenues. ▪ The sale is an exceptional action comparing to the purpose of this model and the terms of the standard represented in the deterioration in the creditworthiness of the financial instrument issuer. ▪ Less sales in terms of frequency and value. ▪ The bank performs a clear and reliable documentation of the rationale of each sale process and its compliance with the requirements of the Standard.
Financial assets at fair value through comprehensive income	Business model of financial assets held for the collection of contractual cash flows and sale.	▪ Both the collection of contractual cash flows and sales are complementary to the objective of the model. ▪ Sales are high (in terms of frequency and value) compared to the business model held for the collection of contractual cash flows.
Financial assets at fair value through profit or loss	Other business models include (trading – managing the financial assets based on fair value - maximizing cash flows through sale)	▪ The business model is not aimed to retain the financial asset for the collection of contractual or this retained for the collection of contractual cash flows and sales. ▪ Collecting contractual cash flows is an exceptional action comparing to the model objective. ▪ Managing the financial assets at the fair value through profit or loss to avoid inconsistency in accounting measurement.

- The bank shall evaluate the business model goals on the portfolio's level in which the financial asset is retained, being the way that reflects both the methods of work management and information provided. The information to be taken into consideration while evaluating the business model goals include the following:

  - The approved and documented policies and the objectives of the portfolio in addition to applying such policies in practical reality, specially whether the management strategy focuses only on collecting the contractual cash flows of the asset and retaining a certain return rate to meet the dates of financial assets' maturity with the dates of the liabilities' maturity that are funding such assets; or rather on generating cash flows through selling such assets.

  - The method of evaluating the portfolio's performance and reporting the same to the top management.

  - The risks affecting the business model performance, including the nature of the financial assets retained within such model and the method of managing such risks.

  - The method of evaluating the performance of work managers (fair value and/ or returns on the portfolio).

  - Frequency, value and timings of sales transactions in the previous periods; the reasons of such transactions; as well as the expectations regarding the future sale activities. However, the information of the sales activities are not taken into consideration in isolation, but rather as a part of a comprehensive evaluation of the method of carrying out the bank's goals regarding managing financial assets and how cash flows are generated.

- The financial assets, which are retained for the purpose of trading or those which are managed and evaluated based on the fair value, are calculated by the fair value through profits and losses because they are not retained for the purpose of collecting contractual cash flows and/ or selling financial assets.

- **Evaluating whether the asset's contractual cash flows represent payments that are only limited to the original amount of the instrument and the return.**

For the purpose of carrying out this evaluation, the Bank defines the original amount of the financial instrument as the fair value of the financial asset at initial recognition. The return is defined as the consideration of the time value of money, the credit risks attached to the original amount during a certain period of time, other basic lending risks and costs (such as the risks of liquidity and administrative costs), and profit margin.

For the Bank to determine whether the asset's contractual cash flows are payments that are limited to the asset and return on the financial instrument, the Bank puts the contractual terms of the instrument into consideration. This includes evaluating whether the financial instrument includes contractual terms that may change the timing or amount of contractual cash flows, which may lead to non-acceptance of such terms.

For the purpose of carrying out the above evaluation, the Bank needs to take the following into consideration:

- Potential events that may change the timing or amount of contractual cash flows;

- Characteristics of the financial leverage (rate of return, time limits, currency…)

- Terms of prompt payment and extension of time limits;

- The terms that may limits the Bank's ability to claim cash flows from certain assets;

- The characteristics that may amend the consideration of the time value of money (re-estimating the return rate on a periodical basis).

- The Bank does not reclassify groups of financial assets unless the business model is changed, which rarely happens, or does not happen except infrequently or when the credit capacity of one of the debt instruments declines at amortized cost.

E. Offsetting between Financial Instruments

Financial assets and liabilities are offset when the Bank has a legally enforceable right to offset the recognized amounts and it tends to settle this amount on a net basis, or realize the asset and settle the liability simultaneously.

Repos and reverse repos agreements related to treasury bills are netted on the balance sheet and disclosed under “treasury bills and other governmental notes” caption of the balance sheet.

F. Financial Derivatives Instruments and hedging accounting

- Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.
- Embedded derivatives are not isolated if they were included in a financial instrument that falls under the financial assets definition as per IFRS 9 “Financial Instruments”.
- Recognizing the profits and losses resulted from the fair value depends on whether the derivative is a covering instrument provision and according to the nature of the covered item, the Bank classifies some of the derivatives as one of the following:

  - Risk hedging of the fair value of recognized assets and liabilities or confirmed commitments (fair value hedging).

  - Risk hedging of future highly expected cash flows related to a recognized asset or liability or related to an expected transaction (cash flows hedging).

  - Hedging accounting is used for provision derivative for that purpose if the needed conditions are available.
- At the initiation of the transaction the Bank documents the relations between the covered items and hedging instruments, also the objectives of risk management and the strategy of having different hedging transactions. At the beginning of hedging and consciously, the Bank documents the estimation of whether the derivative used in hedging transactions are effective in facing the changes in the fair value or cash flows of the covered items.

F.1. Fair value hedging

The changes in the fair value of qualified derivatives provisions for hedging of the fair value are recognized in the income statement, this with any change in the fair value related to the risk of the covered asset or liability.

The effective changes in the fair value of return transfers contracts and the related hedged items are added to the net return and effective changes in the fair value of the future currency contracts are added to net income from financial assets at fair value through profit and loss.

Inefficiency in all of the contracts and the related hedged items mentioned in the previous paragraph are added to the net income from financial assets at fair value through profit and loss.

If the hedging is no longer following the hedging accounting procedures, the modification added to the book value of the hedged items recorded by the amortized cost method, this is through charging it against the profits and losses along the year till its maturity. Amendments in hedged equity instrument’s book value remain within the shareholders’ equity till it has been excluded.

F.2. Cash flows hedging

The effective part in the changes in the fair value of the qualified derivative provision to hedge the cash flows is recognized as shareholders’ equity, while the profit and losses related to the ineffective part are recognized immediately as (net income from financial assets at fair value through profit and loss) in the income statement.

The amounts accumulated in the shareholders’ equity are transferred to the income statement in the same period that the hedged item has an effect on profits and losses, profits and losses related to the effective part of the currency transfers and options are added to the net financial assets at fair value through profit and loss item.

When the hedging instrument is being due or sold, or when the hedging is no longer following the hedging accounting procedures, the profits and losses accumulated in the shareholders’ equity in that time remain within the shareholders’ equity item and it is recognized in the income statement when the expected transaction is finally recognized. But if the expected transaction is no longer expected to occur then the profits and losses accumulated in the shareholders’ equity are immediately transferred to the income statement.

F.3. Unqualified derivative of hedging accounting

Changes in the fair value of the unqualified derivatives of hedging accounting are being recognized in the (net income from financial assets at fair value through profit and loss) item. In the income statement, the profits and losses resulted from the changes in the fair value is recognized as (net income of classified financial instruments valued by the fair value of profits and losses), this is through the profits and losses resulted from the changed in the fair value of derivatives managed in relation to the classified assets and liabilities at fair value through profits and losses.

G. Recognizing first day’s deferred profits and losses:

Regarding the tools that evaluate the fair value, the transaction price is considered to be the best instrument to evaluate the fair value on the transaction date(fair value of delivered or received return) unless the fair value of the instrument on that date is indicated depending on the transaction’s price in published market or using evaluation modules. When the Bank has a long-term transaction, its fair value is specified using evaluation modules that their inputs may not all be from the published market ratios or prices, those financial instruments are recognized according to transaction price which is the best indication of the fair value.

Although the value calculated from evaluation modules may be different, and the difference between the transaction price and the amount resulted from the module is not immediately recognized as first day’s profits and losses and it is listed as other assets in the case of loss, and as other liabilities in the case of profit. The timing of recognizing the deferred profit and loss is specified separately for each case through its amortization on the transaction or when it is possible to identify the instrument’s fair value using published market’s inputs or by approving it when adjusting the transactions, the instruments is measured by the fair value, the subsequent changes in the fair value are immediately recognized in the income statement.

H. Interest Income and Expense

Interest income and expense for all interest-bearing financial instruments, except for those classified as financial assets designated at fair value through profit or loss, are recognized within 'interest income' and 'interest expense' in the income statement using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter year to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Interest income on loans is recognized on accrual basis except for the interest income on non-performing loans, which ceases to be recognized as revenue when the recovery of interest or principle is in doubt and is rather recorded off balance sheet as follows:

- When it is collected and this is after redeeming all dues of consumer loans, personal mortgages, and small loans for economic activities.

- For corporate loans, interest income is recognized on a cash-basis after the Bank collects 25 % of the rescheduled installments and when these installments continue to be paid for at least one year. If a loan continues to be performing thereafter, interest accrued on the principal then outstanding starts to be recognized in revenues. Interest that is written off prior to the date when the loan becomes performing is not recognized in profit or loss except when the total balance of loan, prior to that date, is paid in full.

I. Fees and Commissions

Fees charged for servicing a loan or facility are recognized as revenue as the service is provided. Fees and commissions on non-performing or impaired loans or receivables cease to be recognized as income and are rather recorded off balance sheet. These are recognized as revenue - on the cash basis – only when interest income on those fees and commissions that are an integral part of the effective interest rate of a financial asset are treated as an adjustment to the effective interest rate of that financial asset.

Commitment fees received by the Bank to originate a loan are deferred if it is probable that the Bank will enter into a specific lending arrangement and are regarded as a compensation for an ongoing involvement with the acquisition of the financial instrument and recognized as an adjustment to the effective interest rate. If the commitment expires without the Bank making the loan, the fees are recognized as revenue on expiry.

Fees related to debt instruments which are measured at fair value are recognized under revenue at initial recognition. The fees for promotion of joint loans are recognized within revenues upon completing the promotion process without retaining any part of the loan by the Bank, or if the Bank maintains a part thereof with the actual interest rate available to other participants.

Fees and commissions that are earned on negotiating or participating in the negotiation of a transaction in favor of another entity, such as arrangements for the allotment of shares or another financial instrument or acquisition or sale of an enterprise on behalf of a client, are recognized as revenue when the transaction has been completed. Administrative consultations and other service fees are usually recognized as revenue on a straight-line basis over the year in which the service is rendered. Fees from financial planning management and custodian services provided to clients over a long year are usually recognized as revenue on a straight-line basis over the year in which these services are rendered.

J. Dividends

Dividends are recognized in the income statement when the Bank's right to receive payment is established.

K. Purchase & Resale Agreements, and Resale & Purchase Agreements

Financial instruments sold under repurchase agreements, are not derecognized from the books. These are shown in the assets side as an addition to the "treasury bills and other governmental notes" line item in the balance sheet. On the other hand, the bank's obligation arising from financial instruments acquired under resale agreements, is shown as a deduction from the "treasury bills and other governmental notes" line item in the balance sheet. Differences between the selling and repurchase price or between the purchase and resale price is recognized as interest expense or income throughout the year of agreements using the effective interest rate method.

L. Impairment of Financial Assets

The Bank assembles debt instruments in groups with similar credit risks based on: the type of the banking product as per the retail product, the clients as per the corporate loans, and the recognized credit agency's classifications as per the balances at banks and sovereign debt.

The bank classifies debt instruments into three phases based on the quantitively and qualitative criteria provided in the (Central Bank of Egypt) CBE's instructions issued on Feb. 26, 2019.

The bank estimates, on the date of financial statements, the provision of the financial instrument's impairment losses for at a value that is equal to the expected credit losses (ECLs) for the lifetime of the financial instrument, except for the debt instruments with low credit risks or otherwise debt instruments whose credit risks did not significantly increase, at the financial position date, since the initial recognition.

The bank considers ECLs to be a potential weighted estimation of ECLs, which are estimated as follows:

ECLs are estimated in the first phase by calculating the current value of the total cash deficit calculated based on the historic probability of default ratios as amended by the expectations of macro-economic scenarios' average that would be the ratios of economic growth, inflation and unemployment for twelve months as per the debt instruments in the first phase or the lifetime of the asset as per the second phase.

As per the credit-impaired debt instruments (third phase), ECLs are calculated based on the difference between the asset's total book balance and the current value of the future expected cash flows.

Commitments related to loans and financial guarantees are considered as among the default value when calculated.

ECLs are calculated for the contracts of financial guarantees based on the difference between the payments expected to be paid to the guarantee holder less any other amounts that the Bank expects to redeem.

The bank shall not move the financial asset from the second phase to the first phase unless all the quantitative and qualitative elements of the first phase are met.

L.1. Financial assets at fair value through the other comprehensive income

Financial assets are measured at fair value through other comprehensive income, whether they were listed on the Stock Exchange with inactive transactions or not listed, using one of the accepted technical methods for determining the fair value. However, if it is not possible to determine the fair value of such stocks through a reliable method, they should be measured at replacement cost.

At the date of each financial position, the value of the debt instruments' ECLs is estimated by the bank and recognized in the statement of profits and losses, whereas the rest of the differences, like the change in the fair value, are recognized in the other comprehensive income. In case the value rises, it should be expressed in the statement of profits and losses to the extent of what was previously charged during previous financial periods, provided that any increase should be recognized in the other comprehensive income. As per the equity instruments, all changes in fair value are recognized in other comprehensive income until the asset is disposed of, and in such a case, all those differences are carried to the retained earnings.

M. Evaluation of Housing Projects

- The cost of works under construction includes the cost of allocated lands for housing projects, the cost of the construction therein, and the borrowing costs that are capitalized during the borrowing period until related work is finished. All related expenses as works under construction are considered qualified assets to be charged with the borrowing costs. These costs should not be capitalized for projects whose core activities are necessary to prepare them for their intended use or sale to others.
- Finished housing units are evaluated at the lower of the cost or fair value; the fair value is evaluated in the light of detailed studies. In case the fair value is less than the cost, the difference is charged to reduce the "profits of housing projects" item in the income statement. In case of an increase in the fair value, such increase shall be credited to the income statement to the extent previously charged to the income statement.
- The cost and selling price of housing units in some distinguished projects are calculated according to the privileges in location and area for each unit, with no effect on the project's total cost.

Investments property

Investments property is represented in land & Buildings owned by the bank for gain rental revenues or capital appreciation. Therefore it doesn't include real-estate assets used in the bank's operations or which was received in settlement of the bank's liability. Investment is accounted by the same method applied for fixed assets in which investments property are recorded at historical cost and depreciated using straight line method using appropriate depreciation rate and recognizing impairment loss if needed.

N. Intangible Assets

N.1 Computer programs

Expenses related to improvement & maintenance of computer programs are recognized as expenses in income statement when incurred. Recognized as an intangible asset expenses related directly with definite programs and under the bank control & expected to generate economic benefits which exceed its cost for more than one year. Direct expenses includes labor cost in the program improvement team in addition to appropriate average of related general expenses

It is recognized as an improvement cost in the expenses that leads to an increased expansion or performance of the computer program more than its original standards, it is added to the program cost.

Computer programs' cost which are recognized as an asset are amortized over its life time of not more than 3 years.

N.2 Other intangible assets

Represented in the intangible assets other than goodwill and computer programs for example (trademarks, license, and rental contracts benefits).

Other intangible assets are recorded by acquisition cost and is amortized by straight line method or the economic benefits expected, along its estimated useful life. Considering assets with no definite useful life, they are not amortized but its impairment loss is yearly examined and recorded (if found) in the income statement.

O. Fixed Assets

Land and buildings comprise mainly branches and offices. All fixed assets are carried at historical cost net of accumulated depreciation and impairment losses. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized separately, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance expenses are recognized in profit or loss within "other operating expenses" during the financial year in which they are incurred.

- Depreciation is charged so as to write off the cost of assets, other than land which is not depreciated, over their estimated useful lives, using the straight-line method to the extent of their estimated residual values based on the following annual rates:

Asset	Annual Depreciation Rate
Buildings & constructions	5%
Machinery and equipment	25%
Furniture	10%
Transportation vehicles	25%

• Re-establishing expenses related to the rented branches are amortized through the estimated production life or the year of the rent contract whichever less.

• Facilities and instalments are depreciated over 3 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. The recoverable amount of an asset is the higher of the asset's net realizable value or value in use. Gains and losses on disposals are determined by comparing proceeds with relevant carrying amount. These are included in profit or loss in other operating income (expenses) in the income statement.

P. Non-Financial Asset Impairment

Assets without definite useful life are not amortized and they are being tested annually for impairment. Assets are tested for impairment whenever events or circumstances indicated that the book value may not be recoverable.

Then the impairment loss is recognized and and the carrying amount of an asset is reduced to the extent that such carrying amount exceeds recoverable amount. The recoverable amount represents the higher of the asset's net selling value or value in use. In order to estimate the impairment, asset is joined to smallest possible cash generating unit.

Non-financial assets with impairment are being reviewed to assess whether or not, all or part of such impairment loss should be reversed through profit and loss.

Q. Rental

Payments are recorded in operating rent account after deducting any discounts received from the lesser in the expenses in the income statement according to straight line method within the contract year.

R. Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition; they include cash and balances due from central bank of Egypt-other than those within the mandatory reserve, current accounts with banks and financial assets other than fair value through profit and loss.

S. Provisions

Provisions for restructuring costs and legal claims are recognized when the Bank has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations is remote. When a provision is wholly or partially no longer required, it shall be reversed through profit and loss under other operating income (expense). An appropriate interest rate is used to measure the present value of liabilities' payments that are determined to be settled after one year from balance sheet date. This interest rate is not affected by the taxes' ratios which reflect the cash time value and if it's due in less than a year estimated value of the liability is calculated and if it has an important effect, it's recognized by the present value.

T. Financial collateral contracts

Financial collateral contract is the contract issued by the bank to collateral loans or debit current accounts presented to its customers from other parties and it is required from the bank to pay certain payments to compensate the beneficiaries of carried loss because debit payment in the due date according to the debt instrument's conditions. These financial collaterals are presented to banks, financial institutions and other parties on behalf of the bank's customers.

Initial recognition in the financial statements is recorded by the fair value at the date of granting the collateral which may reflect the collateral fees. Later on, the bank's liability is measured by the virtue of the collateral on the basis of the initial recognition amount less the amortization to recognize the collateral fees in the income statement by the straight line method over the collateral lifetime, or the best estimation of the needed payments to adjust any financial liability resulted from the financial collaterals on the balance sheet date which is higher. These estimations are specified according to the experience in similar transactions and historical losses and also by the management's judgment.

Any increase in the liabilities resulted from financial collaterals, is recognized in the income statement as other operating revenues (expenses).

U. Employees Benefits

U.1. Pension Liabilities

The bank is committed to pay the contributions to the Social Insurance Public Authority, with no other liabilities after paying these contributions. Those contributions are recorded yearly in the income statement in its maturity year and are listed as labor benefits.

The bank has insurance fund for the employees of the bank, which was founded in 1987 Working according to law no. 54 for year 1975 and its executive regulations, in the purpose of granting compensation and insurance benefits for the members, this pension fund and its amendments are implemented on all of the employees of the bank's head office and its branches.

The Bank is committed to pay the annual and monthly subscription to the fund according to the fund's regulation and its amendments. No other liabilities on the Bank after the payment of the subscription. Those subscriptions are recognized as administrative expenses when they come due. The prepaid subscriptions are recognized as assets to the limit that the deposit leads to reduce the future payments or to a refund.

U.2. Retirement Liabilities

The Bank applies a defined medical system for its employees and the retired ones. According to the above-mentioned system, the bank's liabilities are represented in the difference between both the present value of liabilities in the balance sheet date and the fair value of its assets including settlements resulted from actuarial profit/loss and also the cost of previous service. Those liabilities are determined annually by independent actuarial expert using the "estimated added unit approach" and are determined through estimated future out cash flow applying interest ratios on bonds with maturities similar to that of the liabilities in "other liabilities" item.

Actuarial profit/loss resulted from settlements together with amendments in the medical system are charged to the income statement

The cost of the previously recognized service is charged directly to the income statement as (general & administrative expense) unless changes that have been made on the policies state that worker should stay for a specified year, in this case the cost of the service is amortized using straight-line method.

U.3. Share based payments

The Bank operates an equity-settled, share-based compensation plan. The fair value of the employees services received in exchange for the grant of the options is recognized as an expense.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

V. Income Taxes

Income tax expense on the year's profit or loss includes the sum of the tax currently payable and deferred tax and is recognized in the income statement, except when they relate to items that are recognized directly in equity, in which case the tax is also recognized in equity. Income tax is recognized based on net taxable profit using the tax ratios applicable at the date of the budget in addition to tax adjustments for previous years.

Deferred taxes is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets and liabilities are measured at the tax ratios that are expected to apply in the year in which the liability is settled or the asset realized, based on tax ratios (and tax laws) that have been enacted or substantively enacted by the end of the reporting year. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. However, when it is expected that the tax benefit will increase, the carrying amount of deferred tax assets shall increase to the extent of previous reduction.

W. Borrowing

Loans obtained by the bank are initially recognized at fair value net of transaction costs incurred in connection with obtaining the loan. Borrowings are subsequently measured at amortized cost, with the difference between net proceeds and the value to be paid over the borrowing year, recognized in profit or loss using the effective interest rate method.

X. Capital

X.1. Cost of capital

The issuance expenses that are related directly with issuing new shares or shares of acquiring entity or issuance options, are presented as a deduction from shareholders' equity and the net revenues after tax.

X.2. Dividends

Dividends are recognized when the general assembly of shareholders approves them. Dividends include the employees' profit share and the board of directors' remuneration as prescribed by the bank's articles of association and the corporate law.

Y. Trust Activities

Trust activities are the assets' opposition and managing for individuals and funds. Its values and profits are not recognized in the bank's financial statements because they are not owned by the bank.

Z. Comparative Figures

Comparative figures are reclassified, where necessary, to conform with changes in the current year's presentation.

3- Management of Financial Risks

The Bank, as a result of conducting its activities, is exposed to various financial risks. Since financial activities are based on the concept of accepting risks and analyzing and managing individual risks or group of risks together, the Bank aims at achieving a well-balanced risks and relevant rewards, as appropriate and to reduce the probable adverse effects on the bank's financial performance. The most important types of risks are credit risk, market risk, liquidity risk and other operating risks. The market risk comprises foreign currency risk, interest rate risk and other pricing risks.

The risk management policies have been laid down to determine and analyze the risks, set limits to the risks and control them through reliable methods and up–to–date systems. The Bank regularly reviews the risk management policies and systems and amendments thereto, so that they reflect the changes in markets, products and services and the best up-to–date applications.

Risks are managed in accordance with preapproved policies by the board of directors. The risk management department identifies, evaluates and covers financial risks, in close collaboration with the bank's various operating units. The board of directors provides written rules which cover certain risk areas, such as credit risk, foreign exchange risk, interest rate risk and the use of derivative and non-derivative financial instruments. Moreover, the risk department is responsible for the year review of risk management and the control environment independently.

A. Credit Risk

The Bank is exposed to the credit risk which is the risk resulting from failure of the client to meet its contractual obligations towards the Bank. The credit risk is considered to be the most significant risk for the bank, therefore requiring careful management. The credit risk manifests itself in the lending activities and debt instruments in Bank's assets as well as off balance sheet financial instruments, such as loans commitments. The credit risk management and control are centralized in a credit risk management team in Bank Risk management department and reported to the Board of Directors and head of each business unit regularly.

A.1. Measuring the Credit Risk

Loans and facilities to banks and clients

In measuring credit risk of loan and advances to customers and to banks at a counterparty level, the Bank's rating system is based on three key pillars:

• The 'probability of default' by the client or counterparty on its contractual obligations.

• Current exposures to the counterparty and its likely future development, from which the bank derive the (exposure at default).

These credit risk measurements, which reflect expected loss. The operational measurements can be contrasted with impairment allowances required under EAS and in accordance with the Central Bank of Egypt's instructions approved by the board of directors on 16 December 2008, which are based on losses that have been incurred at the balance sheet data (the 'incurred loss model') rather than expected losses.

- The Bank assesses the probability of default of individual counterparties using internal rating tools tailored to the various categories of counterparty. They have been developed internally and combine statistical analysis with credit officer judgment to reach the relevant credit rating basis. Clients of the Bank are segmented into four rating classes. The bank's rating scale, which is shown below, reflects

the range of default probabilities defined for each rating class. This means that, in principle, exposures migrate between classes as the assessment of their probability of default changes. The rating tools are kept under review and upgraded as necessary. The Bank regularly validates the performance of the rating and their predictive power with regard to default events.

Bank's internal ratings scale

Bank's Rating	Description of the grade
1	Good debts
2	Normal watch-list
3	Special watch-list
4	Non-performing loans

- The position exposed to default depends on the amounts that the Bank expects to be outstanding when delay occurs. For instance, for the loans, the position would be the nominal value; for commitments, the Bank includes all the amounts already withdrawn in addition to the other amounts that are expected to be withdrawn till the date of delay, if any.
- Presumptive loss represents the Bank's expectations of the amount of loss when the debt is claimed in case of delay. This is expressed by the loss percentage in the debt, which certainly differs according to the type of debtor, the priority of claim, and the availability of guarantees or other credit coverage means.

Debt Instruments

As per debt instruments, the bank uses external classifications or any equivalent in credit risks' management. However, if such evaluations are not available, similar methods are used to the ones applied to credit clients. Such investments in securities are considered a means to obtain a better credit quality and at the same time it provides an available source for meeting the financing requirements.

A.2. Risk limit control and mitigation policies

The Bank manages, limits, and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and banks, and industries and countries.

The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by individual, counterparties, product, and industry sector and by country are approved quarterly by the Board of Directors. The exposure to any one borrower including banks and brokers is further restricted by sub-limits covering on- and off-balance sheet exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored quarterly.

Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

Some other specific control and mitigation measures are outlined below:

- Collaterals

The Bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advances, which is common practice. The bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgages over residential properties.
- Mortgage business assets such as premises, inventory and accounts receivable.
- Mortgage financial instruments such as debt securities and equities.

Longer-term finance and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured.

In addition, in order to minimize the credit loss the bank will seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances.

Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities, treasury and other governmental securities are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

- Derivatives

The bank maintains strict control limits on net open derivative positions (i.e., the difference between purchase and sale contracts), by both amount and term. At any one time, the amount subject to credit risk is limited to the current fair value of instruments that are favorable to the bank (i.e., assets where their fair value is positive), which in relation to derivatives is only a small fraction of the contract, or negotiable values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with customers, together with potential exposures from market movements. Collateral or other security is not usually obtained for credit risk exposures on these instruments, except where the bank requires margin deposits from counterparties.

Settlement risk arises in any situation where a payment in cash, securities or equities is made in the expectation of a corresponding receipt in cash, securities or equities. Daily settlement limits are established for each counterparty to cover the aggregate of all settlement risk arising from the Bank market transactions on any single day.

- Commitments Related to Credit

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Collaterals and standby letter of credit carry the same credit risk as loans. Documentary and commercial letters of credit – which are written undertakings by the Bank on behalf of a customer authorizing a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions – are collateralized by the underlying shipments of goods to which they relate therefore carry less risk than a direct loan.

Commitments to extend credit represent unused portions of authorizations to extend credit in the form of loans, collaterals or letters of credit. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Bank monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

A.3. Impairment and Provisions Policies

The internal rating systems previously described focus more on credit-quality mapping from the inception of the lending and investment activities. In contrast, impairment provisions are recognized for financial reporting purposes only for losses that have been incurred at the balance sheet date based on objective evidence of impairment due to the different methodologies applied, the amount of incurred credit losses provided for in the financial statements is usually lower than the amount determined from the expected loss model that is used for internal operational management and Central Bank of Egypt's regulation purposes.

The impairment provision shown in the balance sheet at the period is derived from each of the three internal rating grades. However, the majority of the impairment provision comes from the bottom two grads. The table below shows the percentage of the bank's in balance sheet items relating to loans and advances and the associated impairment provision for each of the bank's internal rating categories

31/12/2024

Bank's Rating	Loans and facilities %	Impairment losses provision %
Stage 1	91%	22%
Stage 2	2%	17%
Stage 3	7%	61%
	100%	100%

Loans and facilities includes loans used limit and percentage of loans agreements, according to the volume of expected used limit in addition to financial collateral contracts.

The Bank's policy requires the review of all financial assets that are above materiality thresholds at least annually or more regularly when individual circumstances require. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at balance-sheet date on a case-by-case basis, and are applied to all individually significant accounts. The assessment normally encompasses collateral held (including re-confirmation of its enforceability) and the anticipated receipts for that individual account.

Impairment loss provision is formed based on homogenous assets using the historical experience of loan loses, available personal judgment of bank management and statistical methods.

A.4. Bank Risks Measurement General Model

In addition to the four categories of measuring credit worthiness the management makes sub-groups more detailed according to the Central Bank of Egypt's rules. Assets facing credit risk are classified to detailed conditions relying greatly on customer's information, activities, financial position and his regular payments to his debts.

The Bank calculates the provisions needed for impairment of assets exposed to credit risk including commitments related to the credit based on special percentages determined by Central Bank of Egypt. In the case of increase of impairment loss provision needed according to credit worthiness as per Central Bank of Egypt over the impairment loss for the purpose of preparing the financial statement according to the Central Bank of Egypt approved by the Board of Directors as on February 26, 2019, regarding the implementation of IFRS 9, the general banking risk reserve is included in owners' equity deducted from the retained earning with this increase, this reserve is modified on a regular basis with the increase and decrease, which equals the increase in provisions and this reserve is not distributed.

In addition this are categories of institutional worthiness according to internal ratings compared with Central Bank of Egypt's ratings and ratios of provisions needed for assets impairment related to credit risk:

Classification of the Central Bank of Egypt	Classification Significance	Required provision rate	Internal classification	Internal classification Significance
1	Low risks	Zero	1	Performing loans
2	Average Risk	1%	1	Performing loans
3	Satisfactory risks	1%	1	Performing loans
4	Reasonable Risks	2%	1	Performing loans
5	Acceptable Risk	2%	1	Performing loans
6	Marginally Acceptable risk	3%	2	Regular watching
7	Watch list	5%	3	Watch list
8	Substandard	20%	4	Non-performing loans
9	Doubtful	50%	4	Non-performing loans
10	Bad Debt	100%	4	Non-performing loans

A.5. Maximum limits for Credit Risk before Collateral.

	31/12/2024 EGP	31/12/2023 EGP
Items exposed to credit risks		
Due from banks	**49,145,806,594**	14,053,205,964
Loans and facilities to customers		
Retail loans		
Overdrafts	**519,469,285**	1,102,724,517
Credit cards	**278,134,177**	127,540,663
Personal loans	**13,175,246,515**	11,167,578,020
Real estate loans	**13,638,871,993**	12,518,605,779
Corporate loans:		
Overdrafts	**8,702,324,724**	6,915,509,316
Direct loans	**15,214,819,645**	10,153,466,902
Syndicated loans	**4,272,842,456**	3,281,756,088
Specialized loans:		
Direct loans	**170,892,885**	217,948,287
Financial assets:		
Debt instruments	**18,215,170,587**	2,597,185,556
Other assets	**3,549,485,226**	2,775,577,753
Total	**126,883,064,087**	**64,911,098,845**

A.6. Loans and Facilities

Following is the position of loans and facilities balances:

	31/12/2024 EGP	31/12/2023 EGP
	Loans & advances to customers	Loans & advances to customers
Neither past dues nor subject to impairment	**50,999,065,857**	40,969,013,326
Past due but not subject to impairment	**1,347,249,249**	1,393,984,752
Individually subject to impairment	**3,626,286,574**	3,122,131,494
Total	**55,972,601,680**	45,485,129,572
Less:		
Impairment loss provision	**(4,972,951,669)**	(3,561,202,384)
Interest in suspense	**(10,160,138)**	(10,160,138)
Net	**50,989,489,873**	**41,913,767,050**

Loans and facilities impairment reached EGP 1,441,173,564 compared to EGP 941,749,566 in the comparative period. Item No. (18) Includes additional information about provision for impairment losses on Loans and facilities to banks and customers.

The following table showing total Loans & Facilities stages during the year:

31/12/2024	Stage 1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
	25,612,117,747	625,550,509	1,374,053,714	**27,611,721,970**
Retail	25,386,948,110	721,698,740	2,252,232,860	**28,360,879,710**
Corporate	**50,999,065,857**	**1,347,249,249**	**3,626,286,574**	**55,972,601,680**

The following table showing Impairment loss provision in stages during the year:

31/12/2024	Stage 1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
	119,956,230	119,028,290	820,881,136	**1,059,865,656**
Retail	946,858,164	711,799,270	2,254,428,579	**3,913,086,013**
Corporate	**1,066,814,394**	**830,827,560**	**3,075,309,715**	**4,972,951,669**

The following table showing total Loans & Facilities stages during the year:

31/12/2023	Stage 1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
	22,724,849,898	851,318,206	1,340,280,875	**24,916,448,979**
Retail	18,244,163,428	542,666,546	1,781,850,619	**20,568,680,593**
Corporate	**40,969,013,326**	**1,393,984,752**	**3,122,131,494**	**45,485,129,572**

The following table showing Impairment loss provision in stages during the year:

31/12/2023	Stage 1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Retail	62,009,848	126,248,419	623,125,551	**811,383,818**
Corporate	670,140,820	296,717,264	1,782,960,482	**2.749.818.566**
	732,150,668	**422,965,683**	**2,406,086,033**	**3,561,202,184**

The following table provides information on the quality of financial assets during the year:

31/12/2024				
Due from banks	**Stage 1 12 Months**	**Stage 2 Lifetime**	**Stage 3 Lifetime**	**Total**
Credit rating	-	-	-	-
Good debts	44,658,119,514	4,487,687,080	-	**49,145,806,594**
Normal watch-list	-	-	-	**-**
Special watch-list	-	-	-	**-**
Non-performing loan	-	-	-	**-**
Total	**44,658,119,514**	**4,487,687,080**	**-**	**49,145,806,594**
Allowance for impairment losses	**-**	**(4,945,120)**	**-**	**(4,945,120)**
Total	**44,658,119,514**	**4,482,741,960**	**-**	**49,140,861,474**

Financial assets at amortized cost	Stage 1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Credit rating	-	-	-	-
Good debts	17,841,069,929	374,100,658	-	**18,215,170,587**
Normal watch-list	-	-	-	**-**
Special watch-list	-	-	-	**-**
Non-performing loan	-	-	-	**-**
Total	**17,841,069,929**	**374,100,658**	**-**	**18,215,170,587**
Allowance for impairment losses	**-**	**(9,757,037)**	**-**	**(9,757,037)**
Total	**17,841,069,929**	**364,343,621**	**-**	**18,205,413,550**

Retail Loans & Facilities	Stage 1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Credit rating	-	-	-	-
Good debts	25,612,117,747	-	-	**25,612,117,747**
Normal watch-list	-	625,550,509	-	**625,550,509**
Non-performing loan	-	-	1,374,053,714	**1,374,053,714**
Total	**25,612,117,747**	**625,550,509**	**1,374,053,714**	**27,611,721,970**
Allowance for impairment losses	**(119,956,230)**	**(119,028,290)**	**(820,881,136)**	**(1,059,865,656)**
Total	**25,492,161,517**	**506,522,219**	**553,172,578**	**26,551,856,314**

Corporate Loans & Facilities	Stage 1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Credit rating	-	-	-	-
Good debts	25,386,948,110	-	-	**25,386,948,110**
Normal watch-list	-	721,698,740	-	**721,698,740**
Non-performing loan	-	-	2,252,232,860	**2,252,232,860**
Total	**25,386,948,110**	**721,698,740**	**2,252,232,860**	**28,360,879,710**
Allowance for impairment losses	**(946,858,164)**	**(711,799,270)**	**(2,254,428,579)**	**(3,913,086,013)**
Total	**24,440,089,946**	**9,899,470**	**(2,195,719)**	**24,447,793,697**

The following table provides information on the quality of financial assets during the year:

31/12/2023				
Due from banks	**Stage 1 12 Months**	**Stage 2 Lifetime**	**Stage 3 Lifetime**	**Total**
Credit rating	-	-	-	-
Good debts	10,782,146,063	3,271,059,901	-	**14,053,205,964**
Normal watch-list	--	-	-	-
Special watch-list	--	-	-	-
Non-performing loan	--	-	-	-
Total	**10,782,146,063**	**3,271,059,901**	**-**	**14,053,205,964**
Allowance for impairment losses	**-**	**(4,489,163)**	**-**	**(4,489,163)**
Total	**10,782,146,063**	**3,266,570,738**	**-**	**14,048,716,801**

31/12/2023				
Financial assets at amortized cost	**Stage 1 12 Months**	**Stage 2 Lifetime**	**Stage 3 Lifetime**	**Total**
Credit rating	-	-	-	-
Good debts	2,495,185,556	102,000,000	-	**2,597,185,556**
Normal watch-list	-	-	-	-
Special watch-list	-	-	-	-
Non-performing loan	-	-	-	-
Total	**2,495,185,556**	**102,000,000**	**-**	**2,597,185,556**
Allowance for impairment losses	**-**	**(690,244)**	**-**	**(690,244)**
Total	**2,495,185,556**	**101,309,756**	**-**	**2,596,495,312**

31/12/2023				
Retail Loans & Facilities	**Stage 1 12 Months**	**Stage 2 Lifetime**	**Stage 3 Lifetime**	**Total**
Credit rating	-	-	-	-
Good debts	22,724,849,898	-	-	**22,724,849,898**
Normal watch-list	-	851,318,206	-	**851,318,206**
Non-performing loan	-	-	1,340,280,875	**1,340,280,875**
Total	**22,724,849,898**	**851,318,206**	**1,340,280,875**	**24,916,448,979**
Allowance for impairment losses	**(62,009,848)**	**(126,248,419)**	**(623,125,551)**	**(811,383,818)**
Total	**22,662,840,050**	**725,069,787**	**717,155,324**	**24,105,065,161**

31/12/2023				
Corporate Loans & Facilities	**Stage 1 12 Months**	**Stage 2 Lifetime**	**Stage 3 Lifetime**	**Total**
Credit rating	-	-	-	-
Good debts	18,244,163,428	-	-	**18,244,163,428**
Normal watch-list	-	542,666,546	-	**542,666,546**
Non-performing loan	-	-	1,781,850,619	**1,781,850,619**
Total	**18,244,163,428**	**542,666,546**	**1,781,850,619**	**20,568,680,593**
Allowance for impairment losses	**(670,140,820)**	**(296,717,264)**	**(1,782,960,482)**	**(2,749,818,566)**
Total	**17,574,022,608**	**245,949,282**	**(1,109,863)**	**17,818,862,027**

A.7. Acquisition of collaterals:

- Assets owned through possession are classified among other assets in the balance sheet
- Those assets are sold whenever practical according to The Central Bank of Egypt regulations to dispose those assets in a specified year.

Book Value		
	31/12/2024	**31/12/2023**
	EGP	**EGP**
Land	**13,751,400**	**13,741,400**
Housing units	**1**	**1**
Hotel	**49,139,024**	**49,139,024**
	62,890,425	**62,880,425**

A.8. The concentration of financial assets exposed to credit risks:

Geographical segments

The following table represents the analysis of the most important bank's credit risks measured at the book value, allocated according to the geographical segment at 31 December 2024 While preparing this table, risks were allocated to the geographical segments according to the areas related to the bank's customers.

(EGP)

Arab Republic of Egypt				
	Greater Cairo	**Alexandria, Delta and Sinai**	**Upper Egypt**	**Total**
Due from banks	49,145,806,594	--	--	**49,145,806,594**
Loans and Advance to Customers				
Retail Loans:				
Overdrafts loans	170,683,934	273,084,638	75,700,713	**519,469,285**
Credit cards loans	178,102,991	84,041,796	15,989,390	**278,134,177**
Personal loans	6,477,414,050	4,548,654,409	2,149,178,056	**13,175,246,515**
Real Estate loans	7,859,273,678	4,137,706,857	1,641,891,458	**13,638,871,993**
Corporate Loans:				
Overdrafts	5,769,908,996	2,541,374,200	391,041,528	**8,702,324,724**
Direct loans	13,826,238,362	1,328,984,078	59,597,205	**15,214,819,645**
Syndication loans	4,108,263,764	--	164 578 692	**4,272,842,456**
Specialized Loans:				
Other loans	170,892,885	--	--	**170,892,885**
Financial Assets				
Debt Instruments	18,215,170,587	--	--	**18,215,170,587**
Other Assets	3,333,498,989	143,444,901	72,541,336	**3,549,485,226**
Total as of 31/12/2024	**109,255,254,830**	**13,057,290,879**	**4,570,518,378**	**126,883,064,087**
Total as of 31/12/2023	**48,206,742,449**	**12,345,748,794**	**4,358,607,602**	**64,911,098,845**

Sectoral Activities

The following table represents the analysis of the most important bank's credit risk in book value, allocated according to the customers' activity:

(EGP)

	Financial Institutions	Agricultural	Industrial Institutions	Commercial	Services	Real Estate Activity	Governmental Sector	Other Activities	Individuals	Total
Due from banks	5 100 127 728	--	--	--	--	--	44 045 678 866	--	--	**49 145 806 594**
Loans &Facilities										
Retail										
Overdrafts	--	--	--	--	--	--	--	--	519 469 285	**519 469 285**
Credit Cards	--	--	--	--	--	--	--	--	278 134 177	**278 134 177**
Personal loans	--	--	--	--	--	--	--	--	13 175 246 515	**13 175 246 515**
Real Estate	--	--	--	--	--	--	--	--	13 638 871 993	**13 638 871 993**
Corporate										
Overdraft	340 283 503	32 724 748	3 530 123 596	1 520 754 197	1 017 042 395	2 258 432 879	--	2 963 406	--	**8 702 324 724**
Direct	5 326 403 496	6 179 328	2 365 858 078	1 609 067 898	2 450 261 783	3 444 717 854	--	12 331 208	--	**15 214 819 645**
Syndicated	--	--	1 159 814 085	500 000 000	757 132 137	1 855 896 234	--	--	--	**4 272 842 456**
Specialized Loans										
Direct	--	--	--	--	--	--	170 892 885	--	--	**170 892 885**
Financial Assets										
Debt Instruments	--	--	--	--	--	--	18 215 170 587	--	--	**18 215 170 587**
Other Assets	538 612 863	--	--	--	1 961 072 925	41 354 185	268 846 330	13 246 139	726 352 784	**3 549 485 226**
Total as of 31 December 2024	**11 305 427 590**	**38 904 076**	**7 055 795 759**	**3 629 822 095**	**6 185 509 240**	**7 600 401 152**	**62 700 588 668**	**28 540 753**	**28 338 074 754**	**126 883 064 087**
Total as of 31 December 2023	**8 045 934 034**	**33 171 498**	**3 688 669 498**	**3 082 987 627**	**3 758 067 824**	**6 558 474 110**	**14 044 493 664**	**56 498 827**	**25 642 801 763**	**64 911 098 845**

B. Market Risk

The bank is exposed to market risks, which is the risk of fluctuation in fair value or future cash flows of a financial instrument due to changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market ratios or prices.

B.1. Market Risk Measurement Techniques:

Value at risk

The bank applies “value at risk” methodology (VAR) to its trading portfolios, to estimate the market risk of its positions held and it’s been monitoring daily.

VAR is a statistically based estimate of the potential loss on the current portfolio resulting from adverse market movements. It expresses the ‘maximum’ amount the bank might lose, by using a certain level of confidence (98%). There is therefore a specified statistical probability (2%) that actual loss could be greater than the VAR estimate. The VAR model assumes a certain ‘holding period’ (10 days) before closing the opened quarters, and it is assumed that the movement of the market during the retention period will follow the same movement pattern that occurred during the previous ten days. The bank is assessing the historical movements in the market prices based on volatilities and correlations data for the past two years while collecting the historical data for the past five years and the bank applies these historical changes in rates, prices and indicators directly to the current positions, and this way is known as a simulated historical method and the actual outputs are monitored on regular basis to measure the appropriate assumptions and factors used to measure VAR.

The use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Stress testing

Stress tests provide an indication of the potential size of losses that could arise under extreme market conditions. Therefore, bank designs stress tests according to its activities by using typical analysis to specific scenarios.

B.2. Foreign exchange risk

The Bank takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange ratios on its financial position and cash flows. The Board sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily. The table below summarizes the bank’s exposure to foreign currency exchange rate risk and bank’s financial instruments at carrying amounts, categorized by currency.

Foreign currency of financial instruments concentration risk

31 Decmber 2024	US Dollar	Euro	Sterling Pound	Other Currencies
Financial Assets:				
Cash and balances with Central Bank	12,687,527	803,484	78,435	1,564,932
Due from banks	76,111,749	2,026,587	215,411	5,119,933
Loans & facilities to customers	16,734,691	81,760	1,613	5,813
Financial investments				
Financial Assets at fair value through other comprehensive income	29,952,778	2,011,888	-	-
Other Financial assets	300,849	445,005	204	4,196
Total financial assets	**135,787,594**	**5,368,724**	**295,663**	**6,694,874**
Financial liabilities:				
Due to banks	40,000,000	-	-	-
Customer’s deposits	86,555,839	5,197,996	295,070	4,074,149
Other Financial liabilities	8,569,073	146,432	157	1,658,966
Total financial liabilities	**135,124,912**	**5,344,428**	**295,227**	**5,733,115**
Net financial position as of 31 December 2024	**662,682**	**24,296**	**436**	**961,759**
31 December 2023				
Total financial assets	173,373,619	5,944,393	234,407	4,994,214
Total financial liabilities	176,110,189	5,721,522	226,697	5,159,962
Net financial position as of 31 December 2023	**(2,736,570)**	**222,871**	**7,710**	**(165,748)**

B.3.Interest rate Risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest ratios and fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes ratios in market interest rates. Interest margins may increase as a result of such changes but profit may decrease in the event that unexpected movements arise. The board sets limits on the level of mismatch of interest rate reprising that may be undertaken, which is monitored daily by treasury deptarment.

The following table summarizes the risk that the bank faces the change in the return value including the book value of financial instruments allocated based on the re-pricing dates or due dates price whichever is sooner:

(Values in Egyptian thousands pounds)

	Up to 1 month	More than 1 month to 3 months	More than 3 months to 1 year	More than 1 year to 5 years	Without return	Total
Financial Assets:						
Cash and Due from Central Bank	-	-	-	-	18,642,075	18,642,075
Due from banks	48,980,246	-	-	-	165,561	49,145,807
Loans & facilities to customers	3,232,987	2,449,615	14,084,679	36,205,321	-	55,972,602
Financial Assets:						
Fair value other than through profit and loss	27,749,901	16,991,803	12,950,226	191,772	-	57,883,702
Fair value through profit and loss	168,638	-	-	18,738	-	87,376
Other assets	-	-	-	3,716,622	25,241,536	28,958,158
Total financial assets	**80,131,772**	**19,441,418**	**27,034,905**	**40,132,453**	**44,049,172**	**210,789,720**
Financial liabilities						
Due to banks	2,033,552	-	-	-	491	2,034,043
Customer's deposits	17,647,355	5,996,576	7,491,658	43,551,668	70,272,043	144,959,300
Other loans	-	12,170	70,516	154,005	-	236,691
Other financial liabilities	-	-	-	17,822,883	45,736,803	63,559,686
Total financial liabilities	**19,680,907**	**6,008,746**	**7,562,174**	**61,528,556**	**116,009,337**	**210,789,720**
Yield Repricing gap	**60,450,865**	**13,432,672**	**19,472,731**	**(21,396,103)**	**(71,960,165)**	**-**

C. Liquidity Risk

Liquidity risk is the risk that the Bank is unable to meet its obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfill commitments to lend.

Liquidity Risk Management

The bank's liquidity management process and monitored by Risk Management Department, includes:

- Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or is borrowed by customers. The bank maintains an active presence in global money markets to enable this to happen.

- Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow.

- Monitoring balance sheet liquidity ratios against internal requirements and central bank of Egypt.

- Managing the concentration and profile of debt maturities.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month respectively, as these are key years for liquidity management. the starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

Risk Management Department also monitors unmatched medium-term assets, the level and type of undrawn lending commitments, the usage of overdraft facilities and the impact of contingent liabilities such as standby letters of credit and guarantees.

Funding approach

Sources of liquidity are regularly reviewed by a separate team in risk management (Assets & Liabilities), to maintain a wide diversification by currency Geographic regions provider, product and term

The available assets to cover all the liabilities and the loan's obligations include cash, balances with Central bank, dues from banks, treasury bills, other governmental securities and loans and advances to customers and banks, customers' loans that are due within a year are extended partially for the ordinary activity of the bank. In addition, some of debt instruments, treasury bills and governmental securities are mortgaged to guarantee the liabilities, the bank has the ability to cover the net unexpected cash flows through the sale of financial securities and finding other funding resources.

Due from banks

The fair value of floating rate placements and overnight deposits is their carrying amount. The estimated fair value of floating interest-bearing deposits is based on discounted cash flows using prevailing money-market interest ratios for debts with similar credit risk and remaining maturity.

Loans and Facilities to banks

Loans and banking facilities represented in loans not from deposits at banks. The expected fair value of the loans and facilities represents the discounted value of future cash flows expected to be collected. Cash flows are discounted using the current market rate to determine fair value.

Loans and Facilities to customers

Loans and advances are net of provisions for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market ratios to determine fair value.

Financial Assets

Investment securities include only interest-bearing assets held at amortized cost; financial assets classified at fair value through other comprehensive income are measured at fair value. Fair value for assets held at amortized cost is based on market prices or broker/dealer price quotations. Where this information is not available, fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics.

Due to other banks and customers

The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand.

The estimated fair value of fixed interest-bearing deposits and other borrowings not quoted in an active market is based on discounted cash flows using interest ratios for new debts with similar remaining maturity.

D. Capital Management

The Bank's objectives when managing capital, which consists of other items in addition of owner's equity stated in balance sheet are:

- To comply with the legal requirements for capital in Egypt.

- To safeguard the Bank's ability to continue as ongoing concern so that it can continue to provide returns for Shareholders and stakeholders and other parties that deal with the bank.

- To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored daily by the Bank's management, employing techniques based on the guidelines developed by the Basel Committee as implemented by the Central bank Of Egypt, for supervisory purposes. The required information is filed with the Authority on a quarterly basis. Central Bank of Egypt requires the following:

- Holding the minimum level of the issued and paid in capital of EGP 5 billion.

- Maintaining a ratio of total regulatory capital to the risk weighted asset or above the agreed minimum of 10%.

- The bank's branches are working under the regulations of the banking sector in Egypt.

The nominator of capital adequacy standard consists of two tiers:

Tier One: Consisting of paid-in capital (after deducting the book value of treasury shares), and retained earnings and reserves resulting from the distribution of profits with the exception of banking risk reserve and deducting there from previously recognized goodwill and any transferred loss.

Tier Two: Qualifying subordinated loan capital, which consists of the equivalent accumulated to general risk reserve according to the principles of credit issued by the Central Bank of Egypt for not more than 1.25% of total assets and liabilities weighted with risk, loans / deposits support in excess of the schedule of five years (with consumption of 20% of their value in each year of the last five years of the schedule) and 45% of the increase between the fair value and book value for each of the financial assets in Associates and subsidiaries and 45% from Special Reserve.

When calculating the total dominator of capital adequacy, it shall not exceed the capital cushions (Qualifying subordinated loan capital) for share capital and loans not to increase (deposits) support for half of the share capital.

Assets are risk weighted ranging from zero to 100% classified by the relation of the debtor to all each asset to reflect the credit risk associated with it, taking the cash collateral account. These are used for the treatment of off-balance sheet items after adjustments to reflect the nature of contingency and the potential loss of those amounts. The Bank had complied with all the local capital requirements.

The following table summarizes basic and syndicated capital components and the capital adequacy ratio:

Capital adequacy ratio according to Basel II	31/12/2024	31/12/2023
	EGP	EGP
Capital		
(Tier 1 capital) basic capital		
Paid-in capital	**5,313,000,000**	5,313,000,000
Reserves	**7,925,356,734**	4,303,760,358
Retained earnings	**133,156,623**	94,840,066
Total deduction from basic capital	**(962,671,188)**	(635,428,135)
Other comprehensive income	**(56,309,246)**	(308,089,260)
Total basic capital	**12,352,532,923**	8,768,083,029
Net income for the Year	**8,270,811,396**	6,030,900,671
Total paid up capital and additional paid up capital and retained earnings	**20,623,344,319**	14,798,983,700
(Tier 2 capital) syndicated capital,		
45% from Special Reserve	**4,205,235**	4,205,235
Impairment loss for loans facilities and regular contingent	**660,115,702**	593,484,112
Total Syndicated Capital	**664,320,937**	597,689,347
Total capital	**21,287,665,256**	15,396,673,047
Risk-weighted assets and contingent liabilities:		
Total Credit Risk	**52,809,256,191**	47,478,728,971
Total Market Risk	**250,080,000**	189,979,500
Total Operational Risk	**6,047,715,806**	4,730,975,066
Total	**59,107,051,997**	**52,399,683,537**
Capital Adequacy ratio (%)	**36.02**	**29.38**

According to The balances of consolidation statements which agreed with the instructions of the Central Bank of Egypt (CBE) issued in 18 December 2012.

Financial leverage

	31/12/2024	31/12/2023
	EGP	EGP
Tier one capital after exclusions	**20,623,344,319**	14,798,983,700
Total on-balance sheet exposures, derivatives contracts and financial papers operations	**166,469,107,000**	131,459,402,000
Total off balance sheet exposures.	**3,186,467,000**	2,611,475,000
Total exposures on-balance sheet and off-balance sheet.	**169,655,574,000**	134,070,877,000
Financial leverage ratio %	**12.16**	**11.04**

4- Critical Accounting Estimates and Judgments

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and available information.

A. Impairment losses on loans and facilities

Based on personal basis The Bank reviews its loan portfolios to assess impairment at least on a quarterly basis in determining whether an impairment loss should be recorded in the income statement, the Bank makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment (Egyptian Pounds) status of borrowers in a Bank, or national or local economic conditions that correlate with defaults on assets in the Bank. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

B. Fair value of derivatives

The fair values of financial instruments that are not quoted in active markets are determined by using valuation techniques. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed.

C. Financial assets classified as amortized cost

The non-derivative financial assets with fixed or determinable payments and fixed maturity are being classified as amortized cost. This classification requires significant judgment. In making this judgment, the Bank evaluates its intention and ability to hold such investments to maturity. If the Bank fails to keep these investments to maturity other than for the specific circumstances- for example selling insignificant amount near to the maturity date.

D. Income taxes

The bank is subject to income tax in a number of tax circles for its branches which requires the use of significant estimates to determine the total income tax provision. There's a number of operations and accounts that are difficult to determine its final tax expense accurately. The bank created provisions for the expected results of the tax inspection that is being conducted and to account for probable additional tax. When there is a difference between the final results of the tax and the pre-recorded amounts, these differences will be adjusted against the income tax and the deferred income tax provision.

5- Segment Analysis

A.Segment Analysis of activities

Segment activity includes operational procedures and the assets that are used in providing banking services and managing the risk related to it and the return relevant to that activity that may differ from any other activities and the segment analysis of operations according to banking operations includes the following:

Corporate, medium &small sized enterprise

This includes current accounts (debit/credit), deposits, loans & facilities and financial derivatives.

Investments

Includes merging of companies, financing companies restructuring & financial tools.

Retail

Includes current, saving & deposit accounts, credit cards, and personal & real estate loans.

Other activities

Includes other banking activities.

Transactions between business segments are on normal commercial terms and conditions and it includes operational assets and liabilities as presented in the Banks's balance sheet.

Revenues and Expenses according to segment activity

EGP

The year ended on 31 December 2024	Corporate	Investment	Individuals	Other activities	Total
Segment activity revenues	8,260,021,213	5,872,147,151	8,419,057,367	8,307,014,589	**30,858,240,320**
Segment activity expenses	5,333,567,960	1,697,779,766	5,418,995,376	1,581,317,494	**14,031,660,596**
Segment operation results	2,926,453,253	4,174,367,385	3,000,061,991	6,725,697,095	**16,826,579,724**
Unclassified expenses	--	--	--	--	**(1,816,273,053)**
Net income for the year before taxes	--	--	--	--	**15,010,306,671**
Taxes	--	--	--	--	**(3,970,512,469)**
Net income for the year	--	--	--	--	**11,039,794,202**

EGP

The year ended on 31 December 2023	Corporate	Investment	Individuals	Other activities	Total
Segment activity revenues	6,755,950,786	3,109,347,282	5,093,380,511	3,982,238,919	**18,940,917,498**
Segment activity expenses	4,144,525,237	966,456,421	2,663,125,310	1,762,913,104	**9,537,020,072**
Segment operation results	2,611,425,549	2,142,890,861	2,430,255,201	2,219,325,815	**9,403,897,426**
Unclassified expenses	--	--	--	--	**(1,187,912,090)**
Net income for the year before taxes	--	--	--	--	**8,215,985,336**
Taxes	--	--	--	--	**(2,185,084,665)**
Net income for the year	--	--	--	--	**6,030,900,671**

B. Analysis of Geographical Segments

EGP

The year ended on 31 December 2024	Greater Cairo	Alexandria, Delta & Sinai	Upper Egypt	Total
Revenues & expenses in accordance with geographical segment				
Geographical segment revenues	26,119,415,557	3,145,268,161	1,593,556,602	**30,858,240,320**
Geographical segment expenses	13,004,414,993	2,104,229,768	739,288,888	**15,847,933,649**
Sector's profit results	13,115,000,564	1,041,038,393	854,267,714	**15,010,306,671**
Net income for the year before tax	-	-	-	**15,010,306,671**
Taxes	-	-	-	**(3,970,512,469)**
Net income for the year	-	-	-	**11,039,794,202**
Assets and liabilities in accordance with geographical segment				
Assets of geographic segment	144,679,938,129	24,822,004,037	8,281,620,564	**177,783,562,730**
Unspecified assets	-	-	-	**1,672,326,469**
Total assets	144,679,938,129	24,822,004,037	8,281,620,564	**179,455,889,199**
Liabilities of geographic segment	122,602,635,705	24,580,965,647	8,027,352,845	**155,210,954,197**
Other items of the geographical segment				
Depreciations	(304,470,918)	(25,895,032)	(9,965,174)	(340,331,124)
Impairment loss				**(475, 941, 929)**

EGP

The year ended on 31 December 2023	Greater Cairo	Alexandria, Delta & Sinai	Upper Egypt	Total
Revenues & expenses in accordance with geographical segment				
Geographical segment revenues	16,168,823,304	1,972,382,201	799,711,993	**18,940,917,498**
Geographical segment expenses	8,770,151,554	1,510,099,170	444,681,438	**10,724,932,162**
Sector's profit results	7,398,671,750	462,283,031	355,030,555	**8,215,985,336**
Net income for the year before tax	-	-	-	**8,215,985,336**
Tax	-	-	-	**(2,185,084,665)**
Net income for the year	-	-	-	**6,030,900,671**
Assets and liabilities in accordance with geographical segment				
Assets of geographic segment	99,231,375,815	18,344,642,566	6,329,726,770	**123,905,745,151**
Unspecified assets	-	-	-	**1,196,121,487**
Total assets	99,231,375,815	18,344,642,566	6,329,726,770	**125,101,866,638**
Liabilities of geographic segment	85,537,875,019	18,182,359,545	6,024,696,221	**109,744,930,785**
Other items of the Geographical Segment				
Depreciations	(199,089,011)	(23,856,740)	(11,797,873)	(234,743,624)
Impairment loss	-	-	-	**(953,168,466)**

C.Banking and housing activities

The bank's main activity is banking activity and other activities related to banking, which represented in the receiving deposits from customers and other sources of funds from the banking system and the Central Bank of Egypt. These funds are used in lending activities to other companies, retail banking products of various types and short and long term investments activities through financial markets and other financial assets and provide banking services of all kinds as one of the leading banks in banking with full and permanent commitment to the Banking Law No. 194 of 2020 and the instructions of the Central Bank of Egypt about the rules related to the banking system, including the commercial banks operating in the Arab Republic of Egypt, In order to maximize the return on shareholders 'equity and to complement the Bank's view of the integration of the banking services, the Bank may in some cases consider investing part of the shareholders' equity and long-term savings instruments in some of the equity instruments in some companies engaged in real estate development activity or entering into some housing projects to serve and integrate banking activities in order to maximize the return on assets and shareholders' equity with emphasis on the Bank's strategy of continuing as a banking institution representing housing activities not only an essential part of the bank but also helps to develop and enhance the bank's presence among the leading banks in providing banking services, the most important of which is to be the main arm of one of its clients, which aims at housing development within the framework of the Country's plan in economic and social development as well as the rest of the bank's corporate clients. The Bank aims to maintain excellent banking relationships with them as part of its banking business.

The distribution of revenues, expenses and profits on both banking and real estate activity as at 31 December 2024 is as follows:

(Values in Egyptian thousands pounds)

	From 1/1/2023 till 31/12/2024			From 1/1/2022 till 31/12/2023		
	Housing	Banking	Total	Housing	Banking	Total
Interest on loans and similar income	-	29,039,175	29,039,175	-	17,043,147	17,043,147
Interest on deposits and similar expenses	-	(10,117,184)	(10,117,184)	-	(6,590,449)	(6,590,449)
Net interest income	**-**	**18,921,991**	**18,921,991**	**-**	**10,452,698**	**10,452,698**
Fees and commissions income	182,321	934,444	1,116,765	175,837	594,159	769,996
Fees and commissions expenses	-	(162,791)	(162,791)	-	(65,531)	(65,531)
Net fees and commissions income	**182,321**	**771,653**	**953,974**	**175,837**	**528,628**	**704,465**
Dividends income	-	231,387	231,387	-	244,473	244,473
Net trading income	-	98,691	98,691	-	108,643	108,643
Housing projects income	339,294	-	339,294	727,800	-	727,800
Loss from financial investments	-	(6)	(6)	-	(1,200)	(1,200)
Impairment of loan loss provision	-	(1,475,942)	(1,475,942)	-	(953,168)	(953,168)
Administrative expenses	(497,248)	(3,192,466)	(3,689,714)	(410,393)	(2,400,735)	(2,811,128)
Reversal of provisions	-	(368,526)	(368,526)	-	(275,157)	(275,157)
Other operating revenues	62,550	(63,392)	(842)	36,544	(17,985)	18,559
Net profit before taxes	**86,917**	**14,923,390**	**15,010,307**	**529,788**	**7,686,197**	**8,215,985**
Income tax expenses	(19,556)	(3,950,957)	**(3,970,513)**	(119,202)	(2,065,882)	**(2,185,084)**
Net profit for the year	**67,361**	**10,972,433**	**11,039,794**	**410,586**	**5,620,315**	**6,030,901**

6- Net Interest Income

	2024	2023
	EGP	EGP
Interest received from loans and similar items:		
Loans and advances to customers	**11,138,241,181**	6,539,700,118
Financial investment (other than that at fair value through profit and loss)	**11,935,881,459**	5,996,713,760
Deposits and current accounts	**5,965,052,228**	4,506,733,177
	29,039,174,868	17,043,147,055
Interest on deposits and similar expenses:		
Deposits and current accounts:		
Banks	**(146,895,323)**	(60,404,496)
Customers	**(9,807,562,838)**	(6,371,224,933)
Total	**(9,954,458,161)**	(6,431,629,429)
Other financial institutions loans	**(162,725,829)**	(158,819,186)
Total	**(10,117,183,990)**	(6,590,448,615)
Net interest income	**18,921,990,878**	**10,452,698,440**

7- Net fees & commissions income

	2024	2023
	EGP	EGP
Fees & commissions income :		
Fees & commissions related to credit	**183,903,993**	137,176,101
Financing fees	**222,655,996**	219,371,066
Other fees	**710,205,176**	413,448,487
Total	**1,116,765,165**	769,995,654
Fees and commission expenses:		
Other paid fees	**(162,791,094)**	(65,531,362)
Net income from fees and commissions	**953,974,071**	**704,464,292**

8- Dividends Income

	2024	2023
	EGP	EGP
Financial assets at fair value through profit and loss	**525,000**	--
Financial assets at fair value through other comprehensive income	**8,316,969**	5,660,940
Subsidiaries and associates	**222,544,535**	238,812,395
Total	**231,386,504**	**244,473,335**

9- Net trading income

	2024	2023
	EGP	EGP
Foreign trade profit	**51,733,073**	16,122,252
Financial investments held at fair value through profit and loss	**46,958,423**	92,520,956
Total	**98,691,496**	**108,643,208**

10- Revenue from housing projects

	2024	2023
	EGP	EGP
Sales of housing properties	**266,097,177**	804,600,013
Cost of sold properties	**(50,444,485)**	(188,413,450)
Revenue from properties	**215,652,692**	616,186,563
Other housing revenues	**123,641,198**	111,613,312
Total	**339,293,890**	**727,799,875**

11- Administrative expenses

	2024	2023
Staff cost	EGP	EGP
Wages and salaries	**1,215,539,659**	1,023,942,851
Social insurances	**77,588,618**	65,178,127
Retirement benefit cost	**17,696,606**	17,689,013
Operation utilities	**1,765,195,737**	1,258,768,737
Current expenses	**559,370,520**	404,730,871
Portion of social and athletic activities	**8,107,756**	4,961,577
Donations	**46,215,578**	35,856,713
Total	**3,689,714,474**	**2,811,127,889**

12- Other operating (Expenses) / revenues

	2024	2023
	EGP	EGP
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	**(41,396,765)**	(19,942,548)
Gain from selling properties plants & equipment	**842,291**	105,211
Impairment of other assets and projects	**(28,959,955)**	(7,290,675)
Rents collected	**62,549,618**	36,543,793
Others	**6,122,602**	9,143,571
Total	**(842,209)**	**18,559,352**

13- Credit impairment (losses) / reversal

	2024	2023
	EGP	EGP
Loan and customer advances	**(1,441,173,564)**	(941,749,566)
Due from banks	**(455,958)**	(4,244,199)
Debt instruments at amortized cost	**(9,066,793)**	(411,867)
Debt instruments at fair value through other comperhensive income	**(25,245,614)**	(6,762,834)
Total	**(1,475,941,929)**	**(953,168,466)**

14- Income tax expenses

	2024	2023
	EGP	EGP
Current taxes	**(3,985,540,742)**	(2,234,831,954)
Deferred taxes	**15,028,273**	49,747,289
Total	**(3,970,512,469)**	**(2,185,084,665)**

Settlements to calculate actual income tax expenses

	2024	2023
	EGP	EGP
Accounting profit before tax	**15,010,306,671**	8,215,985,336
Tax rate	**22.5%**	22.5%
Total tax	**3,377,319,001**	1,848,596,701
Add:		
Non-deductible expenses	**870,058,376**	556,895,284
The impact of provisions	**138,201,942**	112,270,730
The impact of depreciations	**(41,441,790)**	(6,038,394)
Withholding tax	**23,164,900**	24,447,334
Tax on treasury bills in foreign currency	**1,864,711,454**	1,062,681,485
Deduct:		
Tax exemptions	**(2,246,473,141)**	(1,331,527,489)
Credit balance for tax income	**-**	(32,493,697)
Income tax expenses	**3,985,540,742**	2,234,831,954
The price of the actual tax	**26.6%**	**27.2%**

15- Earnings per share for the period

Earnings per share are calculated by dividing the net profit for the Period attributable to the equity shareholders by the weighted average number of shares outstanding during the period.

	2024	2023
	EGP	EGP
Net profit for the year available for distribution	**11,039,794,202**	6,030,900,671
Board of directors' remunerations *	**(60,000,000)**	(50,000,000)
Employees' portion in profit *	**(1,200,000,000)**	(700,000,000)
	9,779,794,202	5,280,900,671
Weighted average number of shares	**531,300,000**	531,300,000
Basic earnings per share for the year	**18.41**	**9.94**

*Estimated amounts to be approved by the general assembly meeting by the bank's shareholders at the end of the year

16- Cash and balances with central bank

	31/12/2024	31/12/2023
	EGP	EGP
Cash	**1,086,357,835**	1,156,266,562
Due from central bank within the mandatory reserve ratio	**17,555,717,236**	14,354,237,071
	18,642,075,071	15,510,503,633
Non-interest bearing balances	**18,642,075,071**	**15,510,503,633**

17- Due from banks

	31/12/2024	31/12/2023
	EGP	EGP
Current accounts	**165,561,277**	92,146,063
Deposits	**48,980,245,317**	13,961,059,901
Impairment loss provision	**(4,945,120)**	(4,489,163)
	49,140,861,474	14,048,716,801
Central bank excluding mandatory reserve	**44,045,678,866**	11,001,213,491
Local banks	**5,007,871,096**	2,989,556,869
Foreign banks	**87,311,512**	57,946,441
	49,140,861,474	14,048,716,801
Non-interest bearing balances	**165,561,277**	92,146,063
Interest bearing balances (fixed rate)	**48,975,300,197**	13,956,570,738
	49,140,861,474	14,048,716,801
Current balances	**49,140,861,474**	**14,048,716,801**

18- Loans & Facilities to customers

	31/12/2024	31/12/2023
Retail	EGP	EGP
Overdrafts	**519,469,285**	1,102,724,517
Credit cards	**278,134,177**	127,540,663
Personal loans	**13,175,246,515**	11,167,578,020
Real estate loans	**13,638,871,993**	12,518,605,779
Total	**27,611,721,970**	24,916,448,979
Institutions including small loans for economic activities		
Overdrafts	**8,702,324,724**	6,915,509,316
Direct loans	**15,214,819,645**	10,153,466,902
Syndicated loans	**4,272,842,456**	3,281,756,088
other loans*	**170,892,885**	217,948,287
Total	**28,360,879,710**	20,568,680,593
Total loans& facilities to customers	**55,972,601,680**	45,485,129,572
Less:		
Impairment loss provision	**(4,972,951,669)**	(3,561,202,384)
Interest in suspense	**(10,160,138)**	(10,160,138)
	50,989,489,873	41,913,767,050
Current balances	**9,907,554,315**	8,422,350,631
Non-current balances	**46,065,047,365**	37,062,778,941
Total	**55,972,601,680**	**45,485,129,572**

* Supported loans are paid regularly within the governmental plan for sociable development,

Impairment of loan loss provision

Movement analysis of impairment of loan and facilities loss provision to customers

	31/12/2024	31/12/2023
	EGP	EGP
Balance at the beginning of the year	**3,561,202,384**	2,937,845,038
Impairment loss during the year	**1,441,173,564**	941,749,566
Amounts written off during the year	**(190,771,684)**	(368,667,262)
Recovered amounts during the year	**37,869,356**	10,840,403
Foreign currency revaluation difference	**123,478,049**	39,434,639
Balance at the end of the year	**4,972,951,669**	**3,561,202,384**

19- Financial assets at fair value through profit and loss

	31/12/2024	31/12/2023
	EGP	EGP
Equity instrument listed in stock market		
Local companies' shares	-	5,839
Total equity instrument	-	5,839
Financial assets portfolios managed by others	**187,375,950**	175,723,184
Total financial assets at fair value through profit and loss	**187,375,950**	**175,729,023**

20- Financial Assets (other than those at fair value through profit and loss)

	31/12/2024	31/12/2023
Financial assets at fair value through other comprehensive income	EGP	EGP
Debt instrument :		
Listed in stock market	**39,476,759,537**	48,606,396,786
Unearned interest	**(1,605,327,025)**	(1,643,746,367)
Selling of debt instrument with obligation of rebuying	**(3,685,673,334)**	(3,944,953,835)
Equity instrument		-
Unlisted in stock market	**114,012,856**	121,092,074
Mutual fund's instrument established according to the issued ratios	**77,759,338**	62,998,292
Total financial assets at fair value through other comprehensive income	**34,377,531,372**	43,201,786,950
Financial Assets at Amortized Cost		
Debt instruments -at amortized cost:		
Debt instrument (listed)	**18,215,170,587**	2,597,185,556
Unearned interest	**(1,189,692,250)**	(3,977,099)
Provision of debt instrument impairment losses	**(9,757,037)**	(690,244)
Total financial assets at amortized cost	**17,015,721,300**	2,592,518,213
Total financial assets	**51,393,252,672**	45,794,305,163
Current balances	**51,201,480,478**	45,610,214,797
Non-current balances	**191,772,194**	184,090,366
	51,393,252,672	45,794,305,163
Debt instruments – interest bearing (fixed)	**51,201,480,478**	**45,610,214,797**

	Financial assets at fair value through other comprehensive income	Financial assets at amortized cost	Total
	EGP	EGP	EGP
Balance at the beginning of 1 January 2024	**43,201,786,950**	**2,592,518,213**	**45,794,305,163**
Net movement of purchases and (selling)	(9,372,050,823)	14,423,591,961	**5,051,541,138**
Amortization of premium (discount) issuance	(3,989,965)	8,677,919	**4,687,954**
Change in fair value	292,504,709	-	**292,504,709**
Selling of debt instrument with obligation of rebuying	259,280,501	-	**259,280,501**
Change in instruments impairment loss	-	(9,066,793)	**(9,066,793)**
Balance as of 31 December 2024	**34,377,531,372**	**17,015,721,300**	**51,393,252,672**
Balance at the beginning of 1 January 2023	**23,577,463,706**	**5,585,069,591**	**29,162,533,297**
Net movement of purchases and (selling)	19,650,542,500	(3,000,316,953)	16,650,225,547
Amortization of premium issuance	(1,047,212)	8,177,442	7,130,230
Change in fair value	(250,086,213)	-	(250,086,213)
Selling of debt instrument with obligation of rebuying	224,914,169	-	224,914,169
Change in instruments impairment loss	-	(411,867)	(411,867)
Balance as of 31 December 2023	**43,201,786,950**	**2,592,518,213**	**45,794,305,163**

Change in fair value of equity instrument at fair value through other comprehensive income

	2024	2023
	EGP	EGP
Change in fair value of equity instrument at fair value through other comprehensive income	**292,504,709**	(250,086,213)
Total	**292,504,709**	**(250,086,213)**

Financial investments Loss

	2024	2023
	EGP	EGP
Impairment of equity instruments	**(5,839)**	-
Impairment of equity instruments of associate and subsidiaries companies	**-**	(1,199,999)
Total	**(5,839)**	**(1,199,999)**

21- Investments in subsidiaries associates

	31/12/2024						
	Total assets	Total liabilities without shareholders' equity	Revenues	Net profit of the company	Sharing value	Direct sharing percentage	Direct and indirect sharing percentage
	EGP	EGP	EGP	EGP	EGP		
Subsidiaries:							
Holding company for development and investment	848,606,417	67,796,773	97,949,786	85,552,421	533,600,000	92%	92%
Housing and development company for real estate investment	5,192,013,279	3,804,496,776	705,093,883	217,797,798	300,000,000	60%	94.96%
El-Tameer company for assets management	100,761,489	68,824,980	153,409,811	11,748,806	942,000	15.70%	95.42%
Hemaya Company for the management of cities, tourist resorts and real estate	91,285,063	54,112,998	180,750,296	9,517,982	1,521,000	39%	94.24%
El-Tameer company for real estate mutual funds****	3,991,954	1,622	582,410	201,173	1	24%	93.83%
El-Tameer company for financing and real estate promotion	18,482,393	3,375,674	10,040,918	1,330,800	3,900,000	39%	94.20%
Development for Technological Services (DTS) Company	79,636,451	35,638,424	65,953,091	9,489,118	4,000,000	40%	86.92%
El-Tameer company for real estate development and investment	225,327,323	338,859	4,840,374	4,231,832	74,000,000	37%	92.77%
El-Tameer company for security and transportation	69,479,595	30,174,239	127,030,857	6,036,129	8,000,000	40%	94.82%
HD for leasing	1,907,835,854	1,654,758,247	400,775,585	22,917,321	119,366,343	60%	97.10%
Associate companies:							
El-Tameer company for housing and utilities	610,967,863	328,304,541	420,348,683	78,174,634	5,250,000	35%	35%
El-Tameer Company for Real Estate Finance	12,319,962,329	11,942,995,455	2,240,418,484	277,996,853	175,161,370	24.84%	24.84%
Hyde Park for Real Estate Development Company	22,676,614,273	18,913,073,118	3,629,400,070	639,064,464	415,957,000	36.90%	53.66%
City edge real estate development	17,808,981,139	13,649,960,624	3,975,711,134	1,280,568,846	552,907,125	24.57%	25.76%
Obelisk for mutual funds investment*	--	--	--	--	1	30%	49.32%
HD company for securities**	--	--	--	--	1	10.80%	47.78%
Misr Sinai for tourism***	--	--	--	--	1	30%	30%
TOTAL	**61,953,945,422**	**50,553,852,330**	**12,012,305,382**	**2,644,628,177**	**2,194,604,842**		

- The financial data of the subsidiaries and associate companies were extracted from the financial statements on September 30, 2024.

***** The Bank sharing value in El-Tameer company for real estate mutual funds is EGP 1,200,000 and the impairment has been formed for the company with amount of EGP 1,199,999, the sharing value after the impairment is EGP 1, according to the company's extraordinary general assembly decision on March 30, 2023 to liquidate the company.

	31/12/2023						
	Total assets	Total liabilities without shareholders' equity	Revenues	Net profit of the company	Sharing value	Direct sharing percentage	Direct and indirect sharing percentage
	EGP	EGP	EGP	EGP	EGP		
Subsidiaries:							
Holding company for development and investment	786,559,781	61,014,233	79,526,148	63,078,168	533,600,000	92%	92%
Housing and development company for real estate investment	3,518,118,114	2,344,748,885	644,973,396	121,477,722	300,000,000	60%	94.96%
El-Tameer company for assets management	56,821,614	39,044,141	115,576,618	6,272,054	942,000	15.70%	62.62%
Hemaya Company for the management of cities, tourist resorts and real estate	71,683,286	46,569,964	122,581,233	2,107,368	1,521,000	39%	85.92%
El-Tameer company for real estate mutual funds	3,962,878	154,626	683,898	(285,578)	1	24%	93.83%
El-Tameer company for financing and real estate promotion	19,011,355	4,469,382	11,591,461	1,776,554	3,900,000	39%	94.20%
Development for Technological Services (DTS) Company	85,002,172	42,175,521	125,264,522	12,629,709	4,000,000	40%	86.92%
El-Tameer company for real estate development and investment	134,112,745	116,650	2,812,139	1,493,497	74,000,000	37%	92.77%
El-Tameer company for security and transportation	53,421,172	19,312,909	96,855,482	5,229,584	8,000,000	40%	94.82%
HD for leasing	1,937,569,932	1,657,243,049	277,052,092	21,712,390	119,366,343	60%	97.10%
Associate companies:							
El-Tameer company for housing and utilities	497,335,131	312,832,590	311,718,937	46,082,746	5,250,000	35%	35%
El-Tameer Company for Real Estate Finance	8,590,362,553	7,379,707,181	1,317,101,490	206,813,698	175,161,370	24.84%	24.84%
Hyde Park for Real Estate Development Company	15,155,403,420	12,289,531,573	2,882,212,034	477,147,658	415,957,000	36.90%	53.66%
City edge real estate development	13,541,368,952	10,720,466,693	1,958,140,056	510,915,144	552,907,125	24.57%	25.76%
Obelisk for mutual funds investment*	--	--	--	--	1	30%	49.32%
HD company for securities**	--	--	--	--	1	10.80%	47.78%
Misr Sinai for tourism***	--	--	--	--	1	30%	30%
TOTAL	**44,450,733,105**	**34,917,387,397**	**7,946,089,506**	**1,476,450,714**	**2,194,604,842**		

* The Bank sharing value in obelisk company for portfolio management and mutual funds is EGP 750,000 and the impairment has been formed for the company with amount of EGP 749,999 the sharing value after the impairment is EGP 1.

**The Bank sharing value in HD company for securities is EGP 2,500,000 and the impairment has been formed for the company with amount of EGP 2,499,999 the sharing value after the impairment is EGP 1.

***The Bank sharing value is Misr Sinai company for tourism is EGP 29,983,200 and the impairment has been formed for company with amount of EGP 29,983,199 the sharing value after the impairment is EGP 1.

22- Housing projects

	31/12/2024	31/12/2023
	EGP	EGP
Lands allocated for housing projects	**187,107,785**	186,787,312
Under construction projects	**987,343,358**	700,251,372
Finished projects	**281,278,756**	318,599,161
Housing projects provision	**(6,525,099)**	(7,602,033)
Total	**1,449,204,800**	**1,198,035,812**

Projects under constructions includes EGP 179.88 million, represents borrowing costs, the bank has charged to the projects under constructions at a borrowing and discount ratios announced by CBE.

The total built up area of the units and available for sale reached 10510 meters, administrative and commercial buildings reached 2208 meters and the lands 108363 meter.

Impairment of housing projects

	31/12/2024	31/12/2023
	EGP	EGP
Balance at the beginning of the year	7,602,033	20,982,462
Utilized during the year	(1,076,934)	(13,380,429)
Balance at the end of the year	**6,525,099**	**7,602,033**

23 - Investments property

	31/12/2024	31/12/2023
	EGP	EGP
Total investments	**153,276,287**	154,015,167
Accumulate depreciation	**(73,956,494)**	(68,518,809)
Net book value at the beginning of the year	**79,319,793**	85,496,358
Additions	**596,233**	-
Disposals	**(2,277,571)**	(738,880)
Accumulated depreciation of disposals	**887,045**	292,203
Depreciation of the year	**(5,712,672)**	(5,729,888)
Net book value at the end of the year	**72,812,828**	**79,319,793**

- Investments properties rented for the bank's companies and others with yearly renewal contracts and with depreciation calculated for the rented units at 5% annually.

- Investments properties revaluated to the fair value by an amount of EGP 1,029 billion as of 31 December 2024 by an evaluator with a recognized professional certificate and has an experience of real estate.

24- Intangible assets

	31/12/2024	31/12/2023
Computers programs	EGP	EGP
Beginning cost of the year	**696,199,214**	535,745,350
Additions during the year	**559,790,151**	160,453,864
Ending cost of the year	**1,255,989,365**	696,199,214
Accumulated amortization at the beginning of the year	**(546,619,969)**	(466,318,739)
Amortization during the year	**(162,681,047)**	(80,301,230)
Accumulated amortization at the end of the year	**(709,301,016)**	(546,619,969)
Net book value at the end of the year	**546,688,349**	**149,579,245**

25- Other assets

	31/12/2024	31/12/2023
	EGP	EGP
Accrued revenues	**1,468,964,825**	1,323,242,186
Prepaid expenses	**172,694,161**	131,007,538
Advanced payments for purchasing fixed assets	**1,284,781,993**	894,916,983
Advanced payments for contractors	**154,311,355**	157,815,600
Insurance and consignment	**10,960,382**	13,813,136
Debit accounts under settlement	**205,107,845**	160,641,045
Assets reverted to banks in settlement of debts	**62,890,425**	62,880,425
Others	**189,774,240**	31,260,840
Total	**3,549,485,226**	**2,775,577,753**

26- Fixed assets

(EGP)

	Lands	Buildings & Constructions	Transportation vehicle	Machinery & Equipment	Furniture	Facilities & Installments	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance at 1 January 2023							
Cost	205,102,340	901,688,484	38,418,662	842,481,411	134,723,230	34,626,958	**2,157,041,085**
Accumulated depreciation	-	(276,902,370)	(37,915,570)	(677,276,500)	(70,924,939)	(28,028,849)	**(1,091,048,228)**
Net book value at 1 January 2023	**205,102,340**	**624,786,114**	**503,092**	**165,204,911**	**63,798,291**	**6,598,109**	**1,065,992,857**
Additions	1,132,935	27,449,607	4,200,000	87,900,480	9,082,354	6,071,032	**135,836,408**
Disposals	-	(1,306,104)	-	(98,019)	-	-	**(1,404,123)**
Disposals - accumulated depreciation	-	469,704	-	89,790	-	-	**559,494**
Depreciation expense	-	(43,101,955)	(1,220,025)	(92,460,772)	(11,206,264)	(6,453,378)	**(154,442,394)**
Net book value at 31 December 2023	**206,235,275**	**608,297,366**	**3,483,067**	**160,636,390**	**61,674,381**	**6,215,763**	**1,046,542,242**
Balance at 1 January 2024							
Cost	206,235,275	927,831,987	42,618,662	930,283,872	143,805,584	40,697,990	**2,291,473,370**
Accumulated depreciation	-	(319,534,621)	(39,135,595)	(769,647,482)	(82,131,203)	(34,482,227)	**(1,244,931,128)**
Net book value at 1 January 2024	**206,235,275**	**608,297,366**	**3,483,067**	**160,636,390**	**61,674,381**	**6,215,763**	**1,046,542,242**
Balance at 31 December 2024							
Net book value at 1 January 2024	206,235,275	608,297,366	3,483,067	160,636,390	61,674,381	6,215,763	**1,046,542,242**
Additions	204,215	40,196,750	29,865,000	165,290,168	10,617,523	10,821,264	**256,994,920**
Disposals	-	(610,420)	(1,173,568)	(125)	-	-	**(1,784,113)**
Disposals - accumulated depreciation	-	381,513	1,153,511	124	-	-	**1,535,148**
Depreciation expense	-	(44,920,688)	(4,932,955)	(107,702,519)	(11,870,067)	(8,223,848)	**(177,650,077)**
Net book value at 31 December 2024	**206,439,490**	**603,344,521**	**28,395,055**	**218,224,038**	**60,421,837**	**8,813,179**	**1,125,638,120**
Balance at 31 December 2024							
Cost	206,439,490	967,418,317	71,310,094	1,095,573,915	154,423,107	51,519,254	**2,546,684,177**
Accumulated depreciation	-	(364,073,796)	(42,915,039)	(877,349,877)	(94,001,270)	(42,706,075)	**(1,421,046,057)**
Net book value at 31 December 2024	**206,439,490**	**603,344,521**	**28,395,055**	**218,224,038**	**60,421,837**	**8,813,179**	**1,125,638,120**

27- Due to banks

	31/12/2024	31/12/2023
	EGP	EGP
Current accounts	**491,365**	12,294
Deposits	**2,033,552,000**	2,316,982,500
	2,034,043,365	2,316,994,794
Local banks	**2,033,552,000**	2,316,982,500
Foreign banks	**491,365**	12,294
	2,034,043,365	2,316,994,794
Non-interest bearing balances	**491,365**	12,294
Interest bearing balances (fixed rate)	**2,033,552,000**	2,316,982,500
	2,034,043,365	2,316,994,794
Current balances	**2,034,043,365**	**2,316,994,794**

28- Customers' deposits

	31/12/2024	31/12/2023
	EGP	EGP
Demand deposit	**48,928,073,052**	45,510,836,173
Time & call deposits	**20,276,718,210**	14,662,879,443
Saving certificates	**14,996,457,374**	12,204,005,516
Saving deposits	**9,229,458,864**	8,555,810,010
Other deposits	**51,528,592,497**	20,340,237,104
	144,959,299,997	101,273,768,246
Institutions deposits	**64,488,631,696**	55,153,727,002
Individual deposits	**80,470,668,301**	46,120,041,244
	144,959,299,997	101,273,768,246
Non-interest bearing balances	**70,272,042,799**	48,419,037,191
Interest bearing balances (variable rate)	**9,229,458,864**	8,555,810,010
Interest bearing balances (fixed rate)	**65,457,798,334**	44,298,921,045
	144,959,299,997	101,273,768,246
Current balances	**129,962,842,623**	89,069,762,730
Non-current balances	**14,996,457,374**	12,204,005,516
	144,959,299,997	**101,273,768,246**

29- Other loans

	Interest rate	31/12/2024	31/12/2023
	%	EGP	EGP
Long term loans			
Loans Granted from the CBE:			
Construction & Housing Organization	27.75%	**170,892,841**	212,321,409
Total loans granted from the CBE		**170,892,841**	212,321,409
Loans granted from the Social Fund for development	14.75%, 7%	**50,242,400**	79,042,400
The Egyptian Company for real estate refinance loan	11%, 10.25%	**15,555,625**	23,725,649
Total		**236,690,866**	315,089,458
Current balances		**66,897,618**	76,355,063
Non-current balances		**169,793,248**	238,734,395
		236,690,866	**315,089,458**

The Bank fulfilled its commitments regarding those loans in terms of the principal amount & interest amount or any other conditions during the period and comparative period.

30- Other liabilities

	31/12/2024	31/12/2023
	EGP	EGP
Accrued interest	**624,213,690**	554,398,822
Unearned revenue	**15,907,228**	25,786,367
Accrued expense	**320,040,724**	232,551,866
Creditors	**77,188,430**	69,324,445
Advanced reservation of lands and units	**1,132,518**	1,299,431
Down payments under installments	**256,575,176**	220,273,380
Checks under payment & credit accounts under settlement	**185,560,251**	181,794,708
Other credit balance	**3,137,124,561**	2,502,758,633
Total	**4,617,742,578**	**3,788,187,652**

31- Other Provision

31/12/2024	Beginning balance	Formed Amounts	Utilized amounts	Amounts no longer required	Foreign currency revaluation difference	Ending Balance
Provision for contingent liabilities	274,121,943	15,004,396	-	-	-	**289,126,339**
Provisions for loans commitments	114,909,009	61,732,836	-	-	-	**176,641,845**
Provision for tax	156,082,227	109,000,000	(10,316,066)	-	-	**254,766,161**
Provision for legal claims	15,132,119	14,683,649	(38,938)	(1,740,727)	569,623	**28,605,726**
Provision for disaster aids	1,027,432	2,000,000	(1,437,977)	-	-	**1,589,455**
Community Contribution provision	60,871,889	25,292,960	-	-	-	**86,164,849**
Provision for operating losses	-	134,678,232	-	-	-	**134,678,232**
Loyalty Points Provision	-	7,874,371	(5,572,392)	-	-	**2,301,979**
Total	**622,144,619**	**370,266,444**	**(17,365,373)**	**(1,740,727)**	**569,623**	**973,874,586**

31/12/2023	Beginning balance	Formed Amounts	Utilized amounts	Amounts no longer required	Foreign currency revaluation difference	Ending Balance
Provision for contingent liabilities	103,590,035	170,531,908	-	-	-	274,121,943
Provisions for loans commitments	57,861,853	57,047,156	-	-	-	114,909,009
Provision for tax	142,795,506	25,910,907	(12,624,186)	-	-	156,082,227
Provision for legal claims	11,155,515	8,024,181	(1,213,301)	(2,833,462)	(814)	15,132,119
Provision for disaster aids	2,057,038	-	(1,029,606)	-	-	1,027,432
Community Contribution provision	44,395,767	16,476,122	-	-	-	60,871,889
Total	**361,855,714**	**277,990,274**	**(14,867,093)**	**(2,833,462)**	**(814)**	**622,144,619**

	31/12/2024			31/12/2023		
	Formed Amounts	Utilized amounts	Total	Formed Amounts	Utilized amounts	Total
Provision for contingent liabilities	(15,004,396)	-	(15,004,396)	(170,531,908)	-	(170,531,908)
Provision for loans commitments	(61,732,836)	-	(61,732,836)	(57,047,156)	-	(57,047,156)
Provision for tax	(109,000,000)	-	(109,000,000)	(25,910,907)	-	(25,910,907)
Provision for legal claims	(14,683,649)	1,740,727	(12,942,922)	(8,024,181)	2,833,462	(5,190,719)
Provision for disaster aids	(2,000,000)	-	(2,000,000)	-	-	-
Community Contribution provision	(25,292,960)	-	(25,292,960)	(16,476,122)	-	(16,476,122)
Provision for operating losses	(134,678,232)	-	(134,678,232)	-	-	-
Loyalty Points Provision	(7,874,371)	-	(7,874,371)	-	-	-
Total	**(370,266,444)**	**1,740,727**	**(368,525,717)**	**(277,990,274)**	**2,833,462**	**(275,156,812)**

32- Deferred income tax:

Deferred income taxes have been totally calculated on the difference of the deferred taxes under the liabilities method using a tax rate of 22.5% in the current financial period.

Deferred income taxes resulted from previous periods tax loss is not recognized unless there is expected profit taxes can be used to decrease the previous periods' tax loss.

Deferred tax Assets / (liabilities)

	Deferred tax assets		Deferred tax liability	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	EGP	EGP	EGP	EGP
Fixed assets and Intangible Assets	**-**	-	**(45,226,930)**	(3,595,625)
Change in financial assets at fair value through OCI	**35,823,378**	101,636,938	**-**	-
Provisions other than Loans impairment losses	**173,803,546**	117,143,968	**-**	-
Total deferred tax asset / (Liability)	**209,626,924**	218,780,906	**(45,226,930)**	(3,595,625)
Net tax that resulted in asset / (Liability)	**164,399,994**	**215,185,281**		

*The deferred tax assets related to other provisions (Provisions other than loans impairment loss) were recognized, and this is due to that there is a reasonable assurance to get benefit from it, or the existence of an appropriate level to ensure the existence of sufficient future tax returns through which it is possible to benefit from these assets.

Deferred tax Assets / (liabilities) transcations

	Deferred tax assets		Deferred tax liability	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	EGP	EGP	EGP	EGP
Beginning balances of the year	**218,780,906**	109,168,594	**(3,595,625)**	-
Additions during the year	**56,901,888**	112,854,570	**(41,631,305)**	(3,595,625)
Disposals during the year*	**(66,055,870)**	(3,242,258)	**-**	-
Ending balance of the year	**209,626,924**	218,780,906	**(45,226,930)**	(3,595,625)

*Disposals contain amount of EGP 65,813,560 million related to deferred tax included into OCI note number 35-H.

Unrecognized deferred tax assets

Deferred tax assets are not recognized for other items:

	31/12/2024	31/12/2023
	EGP	EGP
Loans impairment provision excluding the 80% during the year	**223,782,825**	160,254,107

33- Retirement benefit obligations

	31/12/2024	31/12/2023
	EGP	EGP
Retirement benefit obligation as recorded in balance sheet:		
Medical benefit after retirement	**110,877,616**	88,733,410
Transactions of liabilities during the year represented as follows :		
Balance at the beginning of the year	**88,733,410**	57,837,459
Interest cost during the year	**1,879,452**	1,680,000
Actualial losses	**60,000,000**	50,000,000
Paid contributions	**(39,735,246)**	(20,784,049)
Balance at the end of the year	**110,877,616**	**88,733,410**

Main actuarial assumption used represented in the following:

	Current year	Comparison year	
	%	%	
Discount rate	13.97%	13.97%	
Expected interest rate on assets	6%	6%	
Inflation rate used in medical services cost	15%	15%	
Death rates	**(49-A52)**	**(49-A52)**	**British table**

The assumptions related to the death rate are based on the announced recommendations, statistics, and experience in Egypt.

34- Capital

Authorized and paid-in Capital

The authorized capital is EGP 10 billion, the issued and paid in capital is EGP 5,313 Billion totaling 531,30 million share each share par value is EGP 10.

1-The Bank's extraordinary general assembly approved on 5/11/2007 to increase the authorized capital from EGP 1,000 million to EGP 3,000 million, and the issued and paid in capital from EGP 550 million to EGP 1,150 million with an increase amounted to EGP 600 million.

The newsletter subscription had been announced on 16/01/2008 for the first phase with an increase amounted to EGP 120 million at the face value for the initial shareholders, and it was completely accomplished and marked on the bank's commercial ledger.

The second phase had been announced from 23/3/2010 till 29/04/2010 and open subscription for the initial shareholders, and till 13/05/2010 for the new shareholders for 45 million shares at par value EGP 20 in addition to 25 piasters (issuance fee) and 3 million shares have been distributed to the employees at par value EGP 10 in addition to 25 piasters (issuance fee) and it was completely accomplished and marked on the bank's commercial register on 29/9/2010 accordingly the issued and paid capital has reached EGP 1,150 million.

2- The Bank's extraordinary general assembly approved on 10/04/2014 increasing the issued and paid up capital from EGP 1,150 million to EGP 1,265 million by contribute EGP 115 million from the Legal reserve of year 2012 by one share for every ten shares and marked on the bank's commercial register on 14/12/2014 accordingly the issued and paid capital has reached EGP 1,265 million.

3- The Bank's extraordinary general assembly approved on 20/12/2017 to increase the issued and paid up capital from EGP 1,265 million to EGP 1,518 million by contribute EGP 253 million from the General reserve of the period ended 30 September 2017 by one share for every five shares and the procedures have been taken to be marked on the bank's commercial register on 17/05/2021 accordingly the issued and paid capital has reached EGP 1,518 million.

4- The Bank's extraordinary general assembly approved on 30/3/2022 to increase the issued and paid up capital from EGP 1,518 million to EGP 5,313 million by contribute EGP 3,283 million from the General reserve and EGP 512 million from the Retained Earnings by 2.5 free share for every share with Par value EGP 10 per share and the procedures have been taken to be marked on the bank's commercial register on 4/10/2022 accordingly the issued and paid capital has reached EGP 5,313 million.

Following are the shareholders who have over than 5% from the issued capital:

Contributors	Number of shares	Percentage of contribution	EGP in thousands
New Urban Communities Authority	158,395,608	29,81%	1,583,956
Rolaco EGB for investments (Hassan Ben Dayekh)	53,127,655	9.9996%	531,277
RIMCO CO. for investment	52,264,800	9.84%	522,648
Misr Life insurance company	48,295,170	9.090%	482,952
Misr insurance company	44,068,465	8.29%	440,685
Houses financial Mutual Fund	39,355,890	7.41%	393,559
Egyptian Endowments Authority	**26,724,390**	**5.03%**	**267,244**

December 15, 2024, the Board of Directors 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 Chairman of the Board is also authorized to call for an extraordinary general assembly within 60 days, in line with Law No. 194 of 2020 (Central Bank and Banking Law), once approval from the Central Bank of Egypt is received to amend Article 7.6 of the Bank's Articles of Association.

35 - Reserves

	31/12/2024	31/12/2023
	EGP	EGP
General banking risks reserve	**4 913 902**	--
Legal reserve	**1 264 822 211**	963 277 177
General reserve	**6 506 977 430**	3 190 977 430
Special reserve	**9 344 966**	9 344 966
Other reserves	**38 185 992**	38 080 781
General risk reserve	**89 215 810**	89 215 810
Total reserves at the end of the year	**7,913,460,311**	**4,290,896,164**

Movements in Reserves are presented as follows:

A- General banking risks reserve

	31/12/2024	31/12/2023
	EGP	EGP
Beginning balance of the year	**--**	--
Transferred to retained earning	**4 913 902**	--
Ending balance of the year	**4,913,902**	**-**

B- Legal reserve

	31/12/2024	31/12/2023
	EGP	EGP
Beginning balance of the year	**963 277 177**	850 442 723
Transferred from retained earnings	**301 545 034**	112 834 454
Ending balance of the year	**1,264,822,211**	**963,277,177**

C-General reserve

	31/12/2024	31/12/2023
	EGP	EGP
Beginning balance of the year	**3 190 977 430**	1 910 977 430
Transferred from retained earnings	**3 316 000 000**	1 280 000 000
Ending balance of the year	**6,506,977,430**	**3,190,977,430**

D- Special reserve

	31/12/2024	31/12/2023
	EGP	EGP
Beginning balance of the year	**9 344 966**	9 344 966
Ending balance of the year	**9,344,966**	**9,344,966**

E- Other reserves

	31/12/2024	31/12/2023
	EGP	EGP
Beginning balance of the year	**38 080 781**	34 255 730
Transferred from retained earnings	**105 211**	3 825 051
Ending balance of the year	**38,185,992**	**38,080,781**

F- General risk reserves

	31/12/2024	31/12/2023
	EGP	EGP
Beginning balance of the year	**89,215,810**	89,215,810
Ending balance of the year	**89,215,810**	**89,215,810**

G-Retained earnings

	31/12/2024	31/12/2023
	EGP	EGP
Beginning balance of the year	**6,092,797,701**	2,287,385,175
Net profit during the year	**11,039,794,202**	6,030,900,671
Profit distribution of last financial year	**(1,593,900,000)**	(531,300,000)
Employee's share in profit	**(700,000,000)**	(250,000,000)
Board of director's rewards	**(50,000,000)**	(25,000,000)
Transferred from general banking risk reserve	**(4,913,902)**	--
Transferred to legal reserve	**(301,545,034)**	(112,834,454)
Transferred to general reserve	**(3,316,000,000)**	(1,280,000,000)
Transferred to other reserves	**(105,211)**	(3,825,051)
Selling of financial assets at fair value through other comprehensive income	**427,000**	--
Transferred to banking sector support and development fund*	**(60,258,816)**	(22,528,640)
Balance at the end of year	**11,106,295,940**	6,092,797,701

*According to the provision No. 178 from Central Bank Law No.194 for year 2020 by deducting amount not more than 1% of the net income attributed to distribution to the support and development of banking sector fund.

H-other comprehensive income

	31/12/2024	31/12/2023
	EGP	EGP
Beginning balance of the year	**(339,758,012)**	(152,704,031)
Change in fair value of financial assets at fair value through other comprehensive income	**292,504,709**	(250,086,213)
Expected credit loss of debt instruments at fair value through other comprehensive income	**25,245,614**	6,762,834
Deferred tax	**(65,813,560)**	56,269,398
Ending balance of the year	**(87,821,249)**	(339,758,012)

The balance of other comprehensive income is as the following:

	31/12/2024	31/12/2023
	EGP	EGP
Fair value of financial assets at fair value through other comprehensive income	**(159,215,015)**	(451,719,724)
Expected credit loss of debt instruments at fair value through other comprehensive income	**35,570,388**	10,324,774
Deferred tax	**35,823,378**	101,636,938
Total other comprehensive income items	**(87,821,249)**	**(339,758,012)**

36- Dividends distributions

Dividends distributions is not recorded until approved by the shareholders general assembly meeting.

37- Cash and cash equivalents

For the purpose of cash flow presentation, the cash and cash equivalents comprise balances due within three months from the date of placement or acquisition.

	31/12/2024	31/12/2023
	EGP	EGP
Due from central bank	**1,086,357,835**	1,178,567,781
Due from banks	**49,145,806,594**	14,030,904,744
Financial assets other than at fair value through profit and loss	**17,525,263,100**	14,877,971,661
	67,757,427,529	**30,087,444,186**

38- Contingent liabilities and commitments

A- Capital commitments

The bank contracts of Capital commitments reached EGP 723,237,579 on 31 December 2024 compared to EGP 591,222,882 on comparative Period representing in purchasing equipment and fixtures for branches and updating the core banking system, and the top management are confidence in generating net profits and in the existence of available liquidity to cover those obligations.

B- Operating commitments

The Bank operating commitments amounted to EGP 63,208,732 on 31 December 2024 compared to EGP 61,881,862 on comparative period that representing in Operating lease contracts.

C- Contingent liabilities

	31/12/2024	31/12/2023
	EGP	EGP
Letters of Guarantee	**6,483,050,335**	4,879,719,547
Letters of Credit	**23,831,474**	107,409,953
Less:		
Collaterals	**(567,804,096)**	(806,231,397)
Contingent liabilities	**5,939,077,713**	**4,180,898,103**

39- Transactions with related parties

The bank has dealt with related parties through the banks normal activity which include loans, deposits and transactions in foreign currencies:

The transactions and balances of related parties at 31 December 2024 in the following:

	31/12/2024	31/12/2023
	EGP	EGP
Loans	**2,007,751,000**	1,269,385,000
Deposits	**267,819,000**	**158,699,000**

According to the instructions of the Central Bank of Egypt on August 23, 2011, and March 1, 2012, the average net monthly salaries and bonuses received by the top twenty earners of salaries and bonuses in the bank and its subsidiaries and associates amounted to EGP 10,347,068 on December 31, 2024, compared to EGP 6 321 217 on the comparative year.

40- Mutual funds

A. El-Taameer Mutual Fund

The board of directors has agreed on September 10, 2007 to establish accumulated fund with regular dividends distribution called El- Taameer Mutual Fund for EGP 100 million, managed by Prime Company for Financial Investments, The Central Bank of Egypt has agreed on January 30, 2008 to establish the fund under the license no. 449 approved by the Egyptian financial supervisory authority on March 18, 2008.The newsletter subscription for the fund has been announced on April 14, 2008, the subscription begun at May 4, 2008 and ended on 5 June 2008 the subscription reached EGP 141,2 million The bank's portion is 5% represented in 50000 ICs amounted to EGP 5 million with face value EGP 100/share. The redemption value of the certificate on 31 December 2024 was EGP 528.97.

B. Mawared Fund

The board of directors has agreed on April 27, 2009 to establish daily accumulated mutual Fund (Mawared) managed by Prime Company for Financial Investments. The Central Bank of Egypt has agreed on July 9, 2009 to establish the fund under the license no. 544 approved by the Egyptian financial supervisory authority on November 16, 2009. The subscription begun at December 21, 2009 with bank's portion of EGP 12 million that represents a share of 5% presented in 0.986 million certificates with a nominal value of EGP 10 each.The redemption value of the certificate on December 31, 2024 was EGP 52.0195.

41- Tax situation

Payroll tax

From beginning of the activity -2004	**The Bank's salary tax has been inspected, paid and settled,**
The years from 2005 to 2007	The Bank's salary tax has been inspected, paid and settled
The years from 2008 to 2017	Inspection has been completed, the tax and penalties that resulted from the tax inspection has been paid according to the law of "excess due date against the delay"
The years from 2018 to 2020	Inspection has been completed, the tax that resulted from the tax inspection has been paid.
The years from 2021 to 2024	**The bank pays the tax monthly and prepare the tax settlements in the due dates under law no. (91) Year 2005.**

Stamp duty tax

Stamp tax under Law 111 of 1980 before amendment:

The years from 1995 to 1998	**- The internal committee of the Taxpayers Center is currently discussing some points that have not been agreed upon with the bank concerning the Cairo branch.** **- The tax inspections were carried out, and the tax differences resulted from the tax inspections have been paid until the end of Law No. 111 of 1980.**
Stamp tax under Law 111 of 1980 after amendment:	
The period from 01/08/2006 till 31/03/2013	- The tax inspections were carried out until the end of Law No. 111 of 1980 - As of 01/08/2006 Law No. 143 of 2006 was implemented, as amended by Law No. 115 of 2008
The period from 01/04/2013 till 31/12/2015	- The tax inspection was conducted in accordance with the executive instructions issued by Tax Authority No. 61 for the year 2015. This resulted in an amount due to our bank, as determined by the Dispute Resolution Committee's decision, and the accrued tax has been paid accordingly.
The period from 01/01/2016 till 31/12/2020	- The tax inspection has been carried out in light of the executive instructions issued by tax authority No. 61 for the year 2015, and the assessment form was received and appealed. The appeal us currently under discussion before the relevant internal committees, noting that the bank regularly pays taxes quarterly from its point of view in accordance with the law after amendments.
The period from 01/01/2021 till 31/12/2024	**- The tax inspection has not yet been carried out; the bank pays the stamp duty regularly on a quarterly basis**

Corporate Income tax:

From beginning of the activity -2004	**The Bank's corporate income tax has been inspected, paid and settled,**
The years from 2005 to 2014	The tax inspection has been completed and resolved, and the dispute between the bank and the tax authority has been settled through the disputes committee, in accordance with Law No. 179 for the year 2016, which was renewed by Law No. 14 for the year 2018 concerning corporate income tax for the years 2005 to 2012. The resolution has been finalized with a signed recommendation from the Minister of Finance to conclude the disputes.
2015 - 2017	Tax inspection completed, internal committee procedures have been completed
2018 - 2019	The bank's corporate income tax has been inspected, and the due tax has been paid
The years from 2020 to 2023	**The tax returns were submitted in accordance with the Income tax law No. 91 of 2005 and its amendments on the legal date and the tax was paid, and the examination was not notified**

Real Estate tax:

The bank reviews the claims by the relevant sectors and has paid all claims received until the end of 2024.

42- Significant events

- Our Bank is monitoring the updates of the Russian – Ukrainian war and its impact on the Egyptian economy and the effects of the war on our clients in various economic activities and sectors. Accordingly our bank continues to implement the internal control procedures by monitoring and reviewing the level of the provisions as well as the loans and overdrafts wallet coverage ratio to mitigate any impact on it.
- On February 1, 2024, the Monetary Policy Committee (MPC) decided to raise the Central Bank of Egypt's (CBE) overnight deposit rate, overnight lending rate, and the rate of the main operation by 200 basis points to 21.25 percent, 22.25 percent, and 21.75 percent, respectively. The discount rate was also raised by 200 basis points to 21.75 percent, which may affect the bank's policies in pricing current and future banking products.
- On March 6, 2024, the Monetary Policy Committee (MPC) decided to raise the CBE's overnight deposit rate, the overnight lending rate, and the rate of the main operation by 600 basis points to 27.25 percent, 28.25 percent, and 27.75 percent, respectively. The discount rate was also raised by 600 basis points to 27.75 percent, which may affect the bank's policies in pricing current and future banking products.
- Due to changes in the US dollar exchange rate during March 2024, from 31 pounds per dollar to 47 pounds per dollar, the values of monetary assets and monetary liabilities in foreign currency, as well as the income statement, were affected by the evaluation of existing currency positions as of the date of the financial position. This is illustrated in Notes 9 and 12.
- On October 23, 2024, Prime Ministers decision No. 3527 of 2024 was issued, establishing Egyptian Accounting Standard No. 51, which covers Financial Statements in Hyperinflationary Economy. As per Paragraph 6 of the standard, the start and end dates for the financial periods during which this standard applies will be set by a decision from the Prime Minister or their delegate.

Consolidated Financial Statements For Fiscal Year Ending on 31 December 2024

Please scan the QR code or click on the link to obtain more information about Consolidated Financial Statements For Fiscal Year Ending on 31 December 2024.

Conclusion

In conclusion, on behalf of the Board of Directors, I extend my sincere thanks and profound appreciation to all the Bank's shareholders for their unwavering support and invaluable trust. I also express deep gratitude to our valued customers for their sustained patronage, which consistently inspires our commitment to continuous development and the delivery of superior banking services.

I also extend my sincere thanks and appreciation to our Bank's staff for their dedication, loyalty, and high commitment to quality and excellence in serving our customers, which has been the fundamental driver in achieving the positive results we celebrate.

I must take this opportunity to recognize the tremendous efforts of the Chairman and the Board of Directors. They have spared no resource in monitoring the Bank's performance and offering unwavering support and counsel to the Executive Management, a contribution directly reflected in these outstanding results. Furthermore, I extend my profound gratitude to the Bank's Auditors and the members of the Central Auditing Organization for their constructive cooperation and continuous dedication.

I am also pleased to express my sincere appreciation and gratitude to Dr. Eng./ Minister of Housing, Utilities and Urban Communities and Mr./ Governor of the Central Bank of Egypt for their continuous support and dedicated efforts, which have significantly contributed to strengthening the Bank's progress and achieving its strategic objectives.

As we conclude this year with pride and honor for our achievements, we confidently look forward to continuing our work and innovation to achieve even greater progress and success in the coming years.

May God grant us all success in serving our pioneering institution and our beloved country.

May the peace, mercy, and blessings of God be upon you.

Chief Executive Officer and Managing Director

Hassan Ismail Ghanem

Housing & Development Bank

بنك التعمير و الإسكان