Housing & Development Bank
بنك التعمير و الإسكان

HDB EARNINGS PRESS RELEASE

Q1 2026



Housing & Development Bank (HDB) achieves Robust growth,

Bottom-Line +7.4% y-o-y to EGP 5.2 Bln in Q1-2026.

Housing & Development Bank (EGX: HDBK) has announced a standalone net profit of EGP 5.2 Bln for the first quarter of 2026, marking a Y-o-Y increase of 7.4%. Net operating income also grew by 10.8% Y-o-Y to reach EGP 8.4 billion.

May 19, 2026 | Cairo, Egypt

Financial Highlights

Q1-2026 Standalone Financial Results

- Net income of EGP **5.2** Bln, up **7.4%** y-o-y
- Net operating income of EGP **8.4**Bln, up **10.8%** y-o-y
- Return on average equity of **56.2%**
- Return on average assets of **8.7%**
- Net operating margin (NOM) of **14.1%**
- Net interest margin (NIM) of **15.4%**

- **Growth Across the Bank's Portfolio**

  - Customer deposits recorded an increase of **5.7%** YTD to EGP **189.3** Bln at the end of Q1-2026.
  - The Bank's gross customer loans increased by **5.7%** YTD to EGP **69.4** Bln at the end of Q1-2026.
  - Gross loan-to-deposit ratio stood at **36.7%** at the end of Q1-2026.
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- **A Strong Performance Across the Balance Sheet**

  - HDB's Capital Adequacy Ratio (CAR) stood at **38.5%**, far above the Central Bank of Egypt's (CBE) minimum requirements. The Bank booked a CAR of **37.4%** for Tier-1 and **1.1%** for Tier-2 at the end of Q1-2026.
  - HDB reported a NSFR ratio of **222.40%** and an LCR ratio of **1288.94%** at the end of Q1-2026.
  - Customer deposits constituted **91%** of HDB's liabilities.
  - Nonperforming loans (NPL) ratio stood at **5.06%** at the end of Q1-2026 while the Bank's coverage ratio recorded **164.33%** at the same period.

Based on HDB's standalone financials.

Chairman's Message

Commenting on HDB's results for Q1-2026, **CEO and Managing Director Hassan Ghanem said, "**I am proud of the Bank's strong financial and operational performance achieved during the first quarter of 2026. These results reflect accelerated progress achieved in executing the Bank's 2025–2030 strategic roadmap, which is centered on sustainable growth, enhanced operational efficiency, and innovation, further reinforcing HDB's position as one of the leading financial institutions in the Egyptian banking sector.

HDB's robust financial position, disciplined resource management, and optimal utilization of its operational capabilities have enabled the Bank to achieve balanced growth across all key performance indicators, while firmly maintaining high profitability and superior asset quality.

The continued to focus on enhancing operational efficiency and proactively managing funding costs. This enabled the Bank to fully capitalize on available opportunities while ensuring effective resource management to drive sustainable profitability. These efforts delivered clear results, reflected in the solid improvement in financial performance. Net operating income rose by 10.8% y-o-y to reach EGP 8.4 Bln in Q1 2026, while net profit after provisions and income taxes increased by 7.4% y-o-y to reach EGP 5.2 Bln. representing an increase of EGP 358 Mln compared to EGP 4.8 Bln by the end of Q1 2025. These robust results demonstrate the Bank's operational excellence and capacity for sustainable growth despite ongoing challenges.

HDB remains firmly committed to expanding its customer base and market share by diversifying its product offerings and elevating the customer experience. This aligns with the Bank's vision to become the Bank of choice in the Egyptian market, a trusted partner renowned for operational excellence, innovation, and comprehensive financial solutions.

Capitalizing on this strength, the Bank continues to invest heavily in its digital infrastructure and banking channels to deliver a seamless, resilient customer journey. This customer-centric approach is directly reflected in the growth of customer deposits, which increased by 5.7% to reach EGP 189.3 Bln at the end of Q1-2026, up from EGP 179.1 Bln at year-end 2025, representing a solid EGP 10.2 Bln expansion. This upward trajectory was driven by a 4.6% growth in retail deposits to EGP 109.1 Bln, while corporate deposits accelerated by 7.1% to reach EGP 80.2 Bln for the period ending March 31, 2026. By actively diversifying this portfolio to mitigate risks and enhance stability, these figures underscore the resilience of the Bank's funding structure and the deep, enduring trust of its customers.

The Bank further solidified its leading position within the Egyptian banking sector, driving sustainable asset growth to EGP 245.3 Bln, up from EGP 229.8 Bln at the end of 2025, with a YTD increase of EGP 15.5 Bln and a growth rate of 6.8% YTD. This was supported by the growth of the Bank's loan portfolio across both the retail and corporate segments, with gross loans reaching EGP 69.4 Bln by the end of Q1-2026, with a growth rate of 5.7% YTD. This growth was primarily driven

by the growth in the corporate loan portfolio, which reached EGP 34.6 Bln, with an increase of EGP 1.8 Bln, representing a YTD growth rate of 5.4%. The retail loan portfolio reached EGP 34.9 Bln, with an increase of EGP 1.9 Bln, representing a YTD growth rate of 5.9%. The Bank continues to manage credit risk with the utmost prudence while maintaining the quality of its credit portfolio. The non-performing loans (NPL) ratio saw a marginal adjustment to 5.06% by the end of March 2026, compared to 4.99% at the end of FY-2025. In parallel, the NPL coverage ratio strengthened significantly to 164.33% YTD.

Furthermore, the Bank has delivered strong returns across its various business lines, underpinned by the effective strategies it adopts, as the Bank's return on average equity (ROAE) recorded 56.2% in Q1-2026. Likewise, return on average assets (ROAA) increased to 8.7% in Q1-2026. HDB's capital adequacy ratio (CAR) reached 38.5%, exceeding regulatory requirements, with the Tier 1 capital adequacy ratio recording 37.4% and Tier 2 ratio standing at 1.1%. This reflects the strength of the Bank's capital base and its ability to support future growth plans.

Strong growth was recorded in the consolidated net profit of the Bank and its subsidiaries and affiliates, reaching EGP 5.62 Bln after income taxes, compared to EGP 4.96 Bln in the same period last year, with an increase of EGP 662 Mln, reflecting a growth rate of 13.4%. This performance was driven by the successful execution of the Bank's strategic plan to enhance the performance of its group companies and expand its investments.

Beyond these strong financial results, I want to express my pride in the management's ongoing dedication to embedding sustainability across all operations. Sustainability stands as a defining value of HDB's corporate identity and a fundamental pillar of the 2025–2030 strategy. Reflecting this commitment, the first quarter of 2026 witnessed remarkable growth in the Bank's efforts towards sustainable finance. The total sustainable financing reached EGP 11.14 Bln, achieving a 46% growth compared to the same period last year, while the value of the sustainable finance portfolio reached EGP 6.34 Bln, marking a 31% increase compared to the same period in 2025, across corporate financing, syndicated loans, and SME projects. These indicators reflect the Bank's success in translating its sustainability commitments into tangible impact. By financing strategic projects that deliver measurable environmental and social impacts, it is actively establishing a holistic banking model, one that perfectly balances robust financial performance with long-term sustainability.

HDB remains deeply committed to reinforcing its role as a socially responsible institution. Corporate social responsibility and sustainable development are core pillars of the Bank's (2025-2030) strategy, guiding its efforts to create a lasting, positive impact on society. The Bank remains committed to supporting essential social needs, particularly in the areas of healthcare and education, to ensure a dignified life for all. Furthermore, HDB places special emphasis on supporting people with disabilities, while actively empowering women and youth through targeted training, education, and employment initiatives that drive comprehensive, inclusive growth.

In closing, I want to express my deepest gratitude to the Bank's loyal shareholders, esteemed customers, Chairman, Board of Directors, executive management, and dedicated staff for their unwavering support and enduring trust. Moving forward, the Bank is fully committed to executing its 2025–2030 strategy with operational excellence and resilience, ensuring the delivery of sustained growth and further solidifying its position as a leading financial institution in the Egyptian banking sector.

Hassan Ghanem

CEO

Standalone Financial overview

P&L Summary

Standalone Income Statement	Q1-2026	Q4-2025	Q-o-Q Change	Q1-2025	Y-o-Y Change
	EGP Mn	EGP Mn	(%)	EGP Mn	(%)
Net Interest Income	**7,663**	**7,307**	***4.9%***	**6,932**	***10.5%***
Net Non-Interest Income	**708**	517	*36.8%*	623	*13.7%*
Core Banking Income	**8,370**	**7,824**	***7.0%***	**7,555**	***10.8%***
Other Operating Income	**23**	27	*-13.4%*	18	*26.7%*
Net Operating Income	**8,394**	**7,851**	***6.9%***	**7,573**	*10.8%*
Other Provisions	**67**	-339	*-119.7%*	21	*224.4%*
Administrative Expense	**-1,243**	-2,010	*-38.2%*	-1,090	*14.1%*
Credit Loss Impairment	**-312**	-214	*45.7%*	-118	*165.0%*
Net Profit Before Tax	**6,905**	**5,288**	***30.6%***	**6,387**	***8.1%***
Income Tax	**-1,726**	-1,521	*13.5%*	-1,566	*10.3%*
Net Profit	**5,179**	**3,766**	***37.5%***	**4,821**	***7.4%***
Earnings Per Share (EGP)	**8.76**	6.37		8.30	

Financial Indicators	Q1-2026	Q4-2025	Q-o-Q Change	Q1-2025	Y-o-Y Change
Profitability					
ROAE	**56.2%**	42.3%	*+13.9 pp*	78.0%	*-21.9 pp*
ROAA	**8.7%**	6.9%	*+1.8 pp*	10.8%	*-2.1 pp*
Margins					
Net Operating Margin (NOM)	**14.1%**	14.3%	*-0.2 pp*	17.0%	*-2.9 pp*
Net Interest Margin (NIM)	**15.4%**	16.0%	*-0.6 pp*	18.8%	*-3.4 pp*
Efficiency					
Cost-to-Income	**14.8%**	25.6%	*-10.8 pp*	14.4%	*+0.4 pp*

Net Interest Income

Q1-2026 Standalone net interest income (NII) booked **EGP 7.7 Bln**, reflecting an increase of **10.5%** y-o-y.
Moreover, net interest margin recorded **15.4%**, as the Bank demonstrated higher efficiencies in portfolio management.

Non-Interest Income

Net non-interest income inched up by **13.7% y-o-y** to register **EGP 708 Mln** in **Q1-2026** compared to **EGP 623 Mln** in the same period at the previous year due to an increase in Revenues of housing projects and dividends by 20.4% y-o-y and 48.9% y-o-y respectively.

Net Operating Income

Net operating income rose by **10.8% y-o-y** to **EGP 8.4 Bln** in Q1-2026, attributable to a **10.8% y-o-y** increase in core banking income.

Administrative Expenses

Administrative expenses in Q1-2026 stood at **EGP 1.2 Bln**, increased by **14.1% y-o-y**, while the Bank's cost to income ratio Recorded **14.8%** in the first quarter of 2026, yet remaining comfortably below the desirable level of 30%.

Balance sheet Summary

Balance Sheet	Standalone		
	Mar-26	Dec-25	YTD Change
	EGP Mn	EGP Mn	(%)
Cash & Due from Central Bank	**26,007**	**27,864**	***-6.7%***
Due from Banks	**27,470**	19,378	*41.8%*
Financial Investments	**116,112**	111,634	*4.0%*
Investments in Subsidiaries	**2,386**	2,386	*0.0%*
Loans and Advances to Customers (Net)	**63,665**	**60,283**	***5.6%***
Gross Loans:	**69,447**	**65,717**	*5.7%*
Corporate Loans	**34,570**	32,785	*5.4%*
Retail Loans	**34,876**	32,933	*5.9%*
Real Estate	**1,883**	1,785	*5.5%*
Other Assets	**5,983**	4,589	*30.4%*
Fixed Assets	**1,816**	1,886	*-3.7%*
Total Assets	**245,322**	**229,804**	***6.8%***
Customer Deposits:	**189,256**	**179,128**	*5.7%*
Corporate Deposits	**80,159**	74,879	*7.1%*
Retail Deposits	**109,096**	104,249	*4.6%*
Other Liabilities	**19,853**	13,133	*51.2%*
Total Liabilities	**209,109**	192,261	***8.8%***
Shareholders' Equity	**36,213**	**37,543**	***-3.5%***
Total Liabilities & Shareholders' Equity	**245,322**	**229,804**	***6.8%***

Total Assets

Total assets reached **EGP 245.3 Bln** in March 2026 compared to **EGP 229.8 Bln** at the end of 2025, with an increase of **EGP 15.5 Bln** and a growth rate of **6.8%** YTD. The increase in total assets was driven by an increase in net loans by **5.6%** YTD, **4**% YTD increase for financial investment, and **41.8%** YTD increase for due from banks.

Asset Quality and Solvency

Non-performing loans (NPL) recorded **5.06%** as at 31 March 2026, with HDB remaining steady with its efforts to further reduce its non-performing loans ratio and align with the market average. Moreover, the Bank's NPL coverage ratio stood at **164.33%** as at 31 March 2026.

Financial Indicators	Q1-2026	Q4-2025	Q-o-Q Change	Q1-2025	Y-o-Y Change
Liquidity					
Gross Loans to Deposits	**36.7%**	36.7%	*+0 pp*	43.5%	*-6.8 pp*
Net Loans to Deposits	**33.6%**	33.7%	*-0 pp*	39.7%	*-6 pp*
Asset Quality					
NPLs-to-Gross Loans	**5.06%**	4.99%	*+0.2 pp*	5.73%	*-0.7 pp*
Capital Adequacy Ratio	**38.5%**	50.0%	*-11.5%*	30.76%	*7.7%*

Gross Loans

HDB's gross loan portfolio grew by **5.7%** YTD to EGP **69.4** Bln in Q1-2026 fueled by duel-driven growth in the Bank's corporate and retail loan portfolios:

- Corporate loans booked EGP **34.6** Bln, reflecting **5.4%** YTD increase as of 31 March 2026 compared to EGP 32.8 Bln in year-end 2025.
- Corporate loans represent **50%** of the Bank's total portfolio.
- Retail loans increased **5.9%** YTD to EGP **34.9** Bln as of 31 March 2026 compared to EGP 32.9 Bln at year-end 2025.
- Retail clients accounted for **50%** of the Bank's gross loans.

Loans by segment

	Mar-26	Dec-25	Δ
	EGP Mln	EGP Mln	
Gross Loans:	**69,447**	**65,717**	***5.7%***
Corporate Loans	34,570	32,785	*5.4%*
Retail Loans	34,876	32,933	*5.9%*

Customer Deposits

Deposits increased by **5.7%** YTD to EGP **189.3** Bln in Q1-2026, where a **7.1% YTD** increase in corporate deposits to EGP **80.2** Bln compared to EGP 74.9 Bln in year-end 2025. Retail deposits increased by **4.6%** YTD to record EGP **109.1** Bln as of 31 March 2026 versus **EGP 104.2 Bln** booked at year-end 2025. In terms of contribution, corporate clients accounted for **42%** of deposits, while retail clients accounted for **58%** as of 31 March 2026.

Deposits by segment

	Mar-26	Dec-25	Δ
	EGP Mln	EGP Mln	
Customer Deposits:	**189,256**	**179,128**	***5.7%***
Corporate Deposits	80,159	74,879	*7.1%*
Retail Deposits	109,096	104,249	*4.6%*

Numbers

- HDB's branch network has reached **93** branches as at 31 March 2026.
- HDB's ATM network has reached **445** as at 31 March 2026.

Real Estate Activity

- The Bank sold **44** residential and commercial units in first quarter of 2026, generating gross contracted sales of EGP **133** Mln during the period.
- Finished units available for sale were valued at EGP **214** Mln as of 31 March 2026.
- Works in progress stood at **EGP 1.5 Bln** in Q1-2026, which includes a range of residential and commercial developments across Greater Cairo, Hurghada, the Red Sea, and Luxor.
- HDB continues to hold an extensive land bank valued at a cost of EGP **188** Mln across Greater Cairo, Hurghada, and the Red Sea.

About Housing & Development Bank

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

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

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