

**Housing and Development Bank
Consolidated Financial Statements
For The Six Months Ended
30 June 2026**



Housing & Development Bank
بنك التعمير والإسكان



www.hdb-egy.com

Board of Directors report on the Consolidated financial statements for the six months ending on 30-06-2026

Housing and Development Bank is honored to present the financial results achieved during the six months ending on 30 June 2026.

HDB and its companies continue to achieve a remarkable growth rates during the six months ending on 30 June 2026, reflecting the bank's ability to handle changing conditions while adhering to the highest standards of operational efficiency which aimed to strengthen the bank's activities, its banking services and widen its customer base.

Despite the interest rate being reduced by 725 points during 2025, reducing the interest rate by 100 points during 2026, and also ongoing geopolitical developments involving United States, Israel and Iran tensions and its potential impact on the Egyptian economy and the resulting effects on bank's customers and its companies across various activities and economic sectors, our bank has continued to implement internal protection measures through monitoring and reviewing the level of provisions, as well as the loan coverage ratio, in order to mitigate the impact on the loans facilities portfolio.

And as a continuation of the positive results achieved by the bank during the previous years, the bank and its companies have achieved a net profit after tax of EGP 10.781 bln during the six months ending on 30 June 2026, with an increase of EGP 1.222 bln, 12.8% compared to the comparative period.

Our bank has achieved a remarkable results across all items of the financial position and income statement for the six months ending on 30 June 2026.

The financial indicators of the bank and its companies for the six months ending on 30 June 2026

Summary of Consolidated income statement

Figures in thousands

Description	30/06/2026	30/06/2025	Change %
Net interest income	15,477,697	13,309,019	16.3%
Net fees and commission income	586,925	540,617	8.6%
Dividends income	4,811	6,546	26.5%-
Net trading income	90,173	56,203	60.4%
Real estate housing income	1,085,769	823,612	31.8%
Bank's portion in the income of associate companies	913,485	631,455	44.7%
Subsidiaries companies revenues	364,991	499,090	26.9%-
loss from Financial investments	--	(19,494)	--
Credit losses impairment (charged) reversal	(776,305)	(317,640)	144.4%
Other provisions reversal / (charged)	117,922	(95,531)	223.4%-
Other operating income (expenses)	6,566	31,337	79%-
Operating income (expenses)	17,872,034	15,465,214	15.6%
Administrative expenses	(2,904,154)	(2,293,597)	26.6%
Subsidiary companies expenses	(664,594)	(551,060)	20.6%
Net Profit before income tax	14,303,286	12,620,557	13.3%
Income tax expenses	(3,521,863)	(3,060,963)	15.1%
Net profit for the period	10,781,423	9,559,594	12.8%
Earning per share for the period	10.13	8.98	12.8%



Housing & Development Bank
بنك التعمير والإسكان



Summary of Consolidated Financial Position

Figures in thousands

Description	30/06/2026	31/12/2025	Change %
Cash and balances with central bank of Egypt	28,006,540	27,865,135	0.5%
Due from banks	16,097,112	20,321,045	20.8%-
Loans & facilities to customers	74,761,009	59,765,509	25.1%
Financial investments at fair value through profit and loss	343,517	278,452	23.4%
Financial investments at fair value through other comprehensive income	109,231,170	98,330,535	11.1%
Financial investments at amortized costs	14,249,877	14,024,817	1.6%
Investments in associates	5,414,757	4,758,000	13.8%
Housing projects	15,424,105	6,844,952	125.3%
Other assets	14,421,235	11,311,204	27.5%
Total Assets	277,949,322	243,499,649	14.1%
Due to banks	611	622	1.8%-
Customers' deposits	202,001,980	178,989,827	12.9%
Other liabilities	29,068,465	21,736,441	33.7%
Total Liabilities	231,071,056	200,726,890	15.1%
Total shareholders 'equity and non controlling interest	46,878,266	42,772,759	9.6%
Total liabilities and shareholders 'equity and non controlling interest	277,949,322	243,499,649	14.1%

The bank undertakes to maintain its strong performance in the upcoming period relying on the diverse banking management ideas of the members of the board of directors, as well as the efficiency of its employees focusing on its ambitious strategy to provide the best financing solutions for institutions and individuals, and working on enhancing the bank's position in the banking market through expansion across all over Egypt's governorates, this will strengthen its competitive position and maintain its market share, qualifying the bank to remain one of the top 10 banks in Egypt.

I would like to conclude my words expressing gratitude to my colleagues, the members of the board of directors, and the employees for their exerted efforts .

Chairman

(Basel Mohammed Bahaa El-Din El-Hini)

Date: /08/2026

Accountability State Authority

Bakertilly Mohamed Hilal - Wahid Abdel Ghaffar
Public Accountants & Consultants

Limited Review Report

To: The Boards of Directors of Housing & Development Bank "Egyptian Joint Stock Company"

Introduction

We have performed a limited review of the accompanying consolidated financial statements of **Housing and Development Bank "Egyptian Joint Stock Company"** which comprise the consolidated statement of financial position as of 30 June 2026 and the related consolidated statements of income, comprehensive income, cash flows, and changes in equity for the six months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with the rules of preparation and presentation of the banks' financial statements and the basis of recognition and measurement issued by the Central Bank of Egypt on December 16, 2008 as amended by the regulations issued on February 26, 2019 and in the light of the prevailing Egyptian laws and regulations related to the preparation of these interim consolidated financial statements. Our responsibility is to express a conclusion on these interim consolidated financial statements based on our limited review.

Scope of limited review

We conducted our limited review in accordance with the Egyptian Standard on Review Engagements (2410) "Limited Review of Interim Financial Statements Performed by the independent Auditor of the Entity". A limited review of interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the bank, and applying analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim consolidated financial statements.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Bank as of 30 June 2026 and of its consolidated financial performance and its consolidated cash flows for the six months then ended, in accordance with rules of preparation and presentation of the banks' financial statements and basis of recognition and measurement issued by the Central Bank of Egypt on December 16, 2008 as amended by the regulations issued on February 26, 2019 and in the light of the prevailing Egyptian laws and regulations related to the preparation of these interim consolidated financial statements.

Auditors

Rania Salah El-Din Mohamed Tawfik

Rania Tawfik
Accountability State Authority

Amr Wahid Abdel Ghaffar

Amr Wahid
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)

Bakertilly Mohamed Hilal - Wahid Abdel Ghaffar
Public Accountants & Consultants

Housing And Development Bank

Consolidated Financial Position

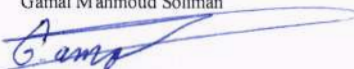
As at 30 June 2026

	Note	30/06/2026	31/12/2025
	No.	EGP	EGP
Assets			
Cash and balances with central bank of Egypt	16	28,006,539,643	27,865,134,547
Due from banks	17	16,097,111,898	20,321,044,524
Loans & facilities to customers	18	74,761,008,627	59,765,508,878
Financial Investments			
Fair value through profit and loss	19	343,516,617	278,451,591
Fair value through other comprehensive income	20	109,231,170,120	98,330,534,608
Amortized costs	20	14,249,877,124	14,024,817,487
Financial investments in subsidiary and associate companies	21	5,414,756,842	4,758,000,071
Housing projects	22	15,424,105,199	6,844,952,019
Investments property	23	187,267,349	191,429,931
Intangible assets	24	383,072,828	489,301,354
Other assets	25	11,759,168,139	8,511,212,001
Deferred tax assets	32	249,398,620	251,081,136
Fixed assets	26	1,842,328,625	1,868,180,408
Total assets		277,949,321,631	243,499,648,555
Liabilities and equity			
Liabilities			
Due to banks	27	611,166	621,732
Customers' deposits	28	202,001,979,590	178,989,826,840
Other loans	29	1,203,016,616	1,255,487,588
Dividends payable		397,677,977	43,855,907
Other liabilities	30	22,951,176,401	14,374,840,267
Other Provisions	31	1,436,288,894	1,600,614,361
Current income tax liabilities		2,926,114,645	4,300,360,678
Retirement benefit obligations	33	154,190,215	161,282,610
Total liabilities		231,071,055,504	200,726,889,983
Equity			
Issued and paid in-capital	34	10,626,000,000	5,313,000,000
Amounts reserved for issued and paid-in capital increase	34	-	5,313,000,000
Reserves	35	20,416,745,387	9,609,581,354
Retained earnings (included net profit of the period / year)		15,594,734,156	22,274,543,133
Other comprehensive income	35	20,979,857	63,932,432
Total shareholders' equity		46,658,459,400	42,574,056,919
Non-controlling interest		219,806,727	198,701,653
Total shareholders' equity and non-controlling interest		46,878,266,127	42,772,758,572
Total liabilities and shareholders' equity and non-controlling interest		277,949,321,631	243,499,648,555

*The accompanying notes are an integral part of the financial statements and are to be read therewith

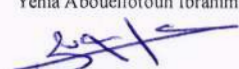
*Limited review report attached.

Gamal Mahmoud Soliman



Chief Financial Officer

Yehia Abouelfotouh Ibrahim



CEO & Managing Director

Rania Salah El-Din Mohamed Tawfik



Accountability State Authority

Auditors

Amr Wahid Abdel Ghaffar



Bakertilly Mohamed Hilal - Wahid Abdel Ghaffar
Public Accountants and Consultants

Housing And Development Bank

Consolidated Income Statement For The Six Months Ended 30 June 2026

	<u>Notes No.</u>	<u>For The Six Months Ended at 30/06/2026</u>	<u>For The Six Months Ended at 30/06/2025</u>	<u>Six months from 1/4/2026 to 30/06/2026</u>	<u>Six months from 1/4/2025 to 30/06/2025</u>
		<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Interest from loans and similar income	6	22,006,122,836	19,293,537,257	11,181,042,422	9,390,628,894
Interest on deposits and similar expense	6	(6,528,426,156)	(5,984,518,201)	(3,363,786,635)	(3,020,315,860)
Net interest income		15,477,696,680	13,309,019,056	7,817,255,787	6,370,313,034
Fees and commissions revenue	7	678,135,119	629,859,492	381,823,853	297,018,458
Fees and commissions expense	7	(91,210,511)	(89,242,950)	(54,886,478)	(51,583,925)
Net fees and commission income		586,924,608	540,616,542	326,937,375	245,434,533
Dividends income	8	4,811,105	6,546,086	4,811,105	5,974,665
Net trading income	9	90,173,161	56,202,704	60,054,001	25,523,021
Housing projects profits'	10	1,085,769,364	823,612,417	452,164,510	533,267,057
Subsidiary companies revenues		364,990,837	499,090,082	209,535,738	299,606,719
Subsidiary companies expenses		(664,594,269)	(551,059,714)	(288,689,481)	(263,972,756)
Bank portion in income of associate companies		913,485,343	631,455,481	364,177,292	333,990,456
Loss from financial investments	20	-	(19,493,800)	-	(15,365,800)
Credit impairment (charge) reversal	13	(776,305,039)	(317,640,204)	(464,234,699)	(199,898,749)
Other provisions reversal (charge)	31	117,922,399	(95,531,441)	56,380,682	(88,331,236)
Administrative expenses	11	(2,904,153,902)	(2,293,596,637)	(1,634,550,641)	(1,206,427,826)
Other operating (expense) revenues	12	6,565,963	31,336,357	8,670,278	15,882,556
Net profit before income tax for the period		14,303,286,250	12,620,556,929	6,912,511,947	6,055,995,674
Income tax expense	14	(3,521,863,024)	(3,060,962,981)	(1,752,520,770)	(1,455,226,337)
Net profit for the period after income tax		10,781,423,226	9,559,593,948	5,159,991,177	4,600,769,337
Non-controlling interest in net income for the period		21,017,442	17,345,277	13,358,962	12,622,644
Equity holders of the bank in net income for the period		10,760,405,784	9,542,248,671	5,146,632,215	4,588,146,693
Net income for the period		10,781,423,226	9,559,593,948	5,159,991,177	4,600,769,337
Earnings per share for the period	15	10.13	8.98		

Housing And Development Bank

Consolidated Statement of Comprehensive Income For The Six Months Ended 30 June 2026

	<u>Notes No.</u>	<u>For The Six Months Ended at 30/06/2026</u>	<u>For The Six Months Ended at 30/06/2025</u>	<u>Six months from 1/4/2026 to 30/06/2026</u>	<u>Six months from 1/4/2025 to 30/06/2025</u>
		<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Net profit for the period		10,781,423,226	9,559,593,948	5,159,991,177	4,600,769,337
<u>comperhensive income items</u>					
Change in fair value of equity instruments of financial investments at fair value through comprehensive income	20	(71,954,543)	143,926,984	38,986,357	(44,137,725)
Expected credit loss of debt instruments at fair value through comprehensive income	35	6,276,451	2,944,642	(1,875,971)	970,184
Deferred tax	35	22,725,517	(31,872,566)	(8,771,930)	9,930,988
Total comprehensive income items		(42,952,575)	114,999,060	28,338,456	(33,236,553)
Total comprehensive income for the period		10,738,470,651	9,674,593,008	5,188,329,633	4,567,532,784
Non-controlling interest in net comprehensive income		21,017,442	17,345,277	13,358,962	12,622,644
Equity holders of the bank in net comprehensive income		10,717,453,209	9,657,247,731	5,174,970,671	4,554,910,140
Total comprehensive income		10,738,470,651	9,674,593,008	5,188,329,633	4,567,532,784

Housing And Development Bank

Consolidated Statement of Cash Flow For The Six Months Ended 30 June 2026

	<u>Notes No.</u>	<u>For The Six Months Ended at 30/06/2026</u>	<u>For The Six Months Ended at 30/06/2025</u>
Cash Flows From Operating activities			
Profit before income tax		14,303,286,250	12,620,556,929
Adjustments to settle the net profit with the cash flow from operating activities:			
Depreciation and amortization	26-24-23	325,170,636	265,687,063
Impairment charge for credit losses	13	776,305,039	317,640,204
Impairment charge from other assets and housing projects	12	50,800,954	24,831,221
Other provisions charge	31	85,811,932	112,729,270
Revaluation difference of financial investment at fair value through profit and loss	9	(67,222,983)	(32,854,426)
Impairment of financial Investments	20	-	19,493,800
Amortization discount of issuing financial investments.	20	(18,575,474)	(5,454,157)
Bank portion in income of associate companies	21	(913,485,343)	(631,455,481)
Utilization of other provision	31	(46,403,068)	(22,518,048)
Provisions no longer required	31	(203,734,331)	(17,197,829)
Gain from selling fixed assets	12	(5,015,875)	(4,225,725)
Operating profits before changes in assets and liabilities used in operating activities		14,286,937,737	12,647,232,821
<u>Net decrease (increase) in assets</u>			
Due from banks		34,253,000	(4,900,419,764)
Financial investment at fair value through profit and loss		2,157,957	17,449,179
Loans and facilities to customers		(15,749,813,148)	(4,968,858,229)
Housing projects and investments properties		(8,581,218,271)	(882,234,156)
Other assets		3,106,111,485	3,134,288,469
<u>Net (decrease) increase in liabilities</u>			
Due to banks		(10,566)	(1,285,074,758)
Customers' deposits		23,012,152,750	6,659,451,703
Other liabilities		2,262,636,529	(709,130,561)
Retirement benefit obligations		(7,092,395)	27,998,671
Income tax paid		(4,871,701,023)	(3,094,056,985)
Net cash flows resulting from operating activities		13,494,414,055	6,646,646,390
<u>Cash flows from investing activities</u>			
Payments for purchase of fixed assets		(170,574,096)	(458,702,380)
Proceeds from selling fixed assets		3,744,500	(17,612,237)
Payments for purchase of financial Investments (Bonds) other than at fair value through profit and loss		(6,651,336,420)	(72,987,820)
Proceeds from sale of financial Investments (Bonds) other than at fair value through profit and loss		1,302,859,215	601,805,706
Net financial investments (Treasury bills) other than at fair value through profit and loss		(43,076,704,383)	(58,995,147,754)
Payments for purchase of intangible assets		(51,393,358)	(194,920,280)
Net cash flows used in investments activities		(48,643,404,542)	(59,137,564,765)
<u>Cash flows from Financing activities</u>			
Long-term loans		(215,674,538)	(168,642,731)
Dividends paid		(6,107,220,589)	(3,726,673,077)
Net cash flows used in financing activities		(6,322,895,127)	(3,895,315,808)
Net decrease in cash and cash equivalents during the period		(41,471,885,614)	(56,386,234,183)
Cash and cash equivalent at the beginning of the period		59,260,993,478	67,875,228,889
Cash and cash equivalents at the end of the period		17,789,107,864	11,488,994,706
<u>Cash and cash equivalents are represented in:</u>			
Cash and balances with central bank of egypt		28,006,539,643	24,647,270,696
Due from banks		16,097,111,898	7,020,297,513
Financial Investments other than fair value through Profit and Loss		110,526,842,329	93,373,359,780
Obligatory reserve balance with CBE		(26,328,519,000)	(22,456,137,000)
Financial Investments other than at fair value through profit and loss with maturity more than 3 months		(110,512,867,006)	(91,095,796,283)
Cash and cash equivalents at the end of the period	37	17,789,107,864	11,488,994,706

Housing And Development Bank

Consolidated Change In Shareholders' Equity Statement For The Six Months Ended 30 June 2026

	Issued and paid-up capital	Issued and paid-up capital increase	Legal reserves	General reserve	Special Reserve	Other reserve	Reserve of General Bank Risk	General risk reserve	Retained earnings	Other comprehensive income	Total	Non controlling Interest	Total
Balance as of 1 January 2025	5,313,000,000	-	1,264,822,211	6,506,977,430	9,344,966	38,185,992	4,913,902	89,215,810	14,843,774,659	(66,916,968)	28,003,318,002	168,120,160	28,171,438,162
Dividends paid for the year 2024	-	-	-	-	-	-	-	-	(4,074,765,319)	-	(4,074,765,319)	(2,659,676)	(4,077,424,995)
Adjustments	-	-	-	-	-	-	-	-	(820,232)	-	(820,232)	(50,503)	(870,735)
Transferred to reserves	-	-	551,989,710	6,450,000,000	-	842,291	6,289,042	-	(7,009,121,043)	-	-	-	-
Issued and paid-in capital increase	-	5,313,000,000	-	(5,313,000,000)	-	-	-	-	-	-	-	-	-
Transferred to banking sector support and development fund	-	-	-	-	-	-	-	-	(110,326,629)	-	(110,326,629)	-	(110,326,629)
Net change in other comprehensive income items	-	-	-	-	-	-	-	-	-	114,999,060	114,999,060	-	114,999,060
Net profit For The Six Months Ended at 30 June 2025	-	-	-	-	-	-	-	-	9,542,248,671	-	9,542,248,671	17,345,277	9,559,593,948
Balance as of 30 June 2025	5,313,000,000	5,313,000,000	1,816,811,921	7,643,977,430	9,344,966	39,028,283	11,202,944	89,215,810	13,190,990,107	48,082,092	33,474,653,553	182,755,258	33,657,408,811
Balance as of 1 January 2026	5,313,000,000	5,313,000,000	1,816,811,921	7,643,977,430	9,344,966	39,028,283	11,202,944	89,215,810	22,274,543,133	63,932,432	42,574,056,919	198,701,653	42,772,758,572
Dividends paid for the year 2025	-	-	-	-	-	-	-	-	(6,461,042,659)	-	(6,461,042,659)	88,375	(6,460,954,284)
Adjustments	-	-	-	-	-	-	-	-	(19,057)	-	(19,057)	(743)	(19,800)
Transferred to reserves	-	-	860,259,512	9,940,000,000	-	615,479	6,289,042	-	(10,807,164,033)	-	-	-	-
Issued and paid-up capital increase	5,313,000,000	(5,313,000,000)	-	-	-	-	-	-	-	-	-	-	-
Transferred to banking sector support and development fund	-	-	-	-	-	-	-	-	(171,989,012)	-	(171,989,012)	-	(171,989,012)
Net change in other comprehensive income items	-	-	-	-	-	-	-	-	-	(42,952,575)	(42,952,575)	-	(42,952,575)
Net profit For The Six Months Ended at 30 June 2026	-	-	-	-	-	-	-	-	10,760,405,784	-	10,760,405,784	21,017,442	10,781,423,226
Balance as of 30 June 2026	10,626,000,000	-	2,677,071,433	17,583,977,430	9,344,966	39,643,762	17,491,986	89,215,810	15,594,734,156	20,979,857	46,658,459,400	219,806,727	46,878,266,127

Housing And Development Bank

Notes To The Consolidated Financial Statements For The Six Months Ended 30 June 2026

1. **Background**

Housing and Development bank provides Banking Services for Corporates rather than Investments, retail Banking Services in the Arab republic of Egypt through 101 branches, and hires 3424 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 from minister of economy foreign trade 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 have been prepared in accordance with instructions of Central bank of Egypt approved by its board of directors on 16 December 2008, 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 consolidated financial statements have been prepared in accordance with relevant local laws, investment in associates have been presented in bank's consolidated financial statements and measured using equity method less impairment loss.

These consolidated financial statements have been prepared until 31 December 2009 using central bank of Egypt instructions prevailing until this date, this partially differ from the bank's preparation and presentations rules and the recognition and measurement basis approved by central bank of Egypt's board of directors on 16 December 2008. At the date of the preparation of consolidated financial statements dated 31 December 2010, the bank's management has amended certain accounting policies and basis of measurements to be in accordance with the preparation and presentation requirements and the recognition and measurements basis of banks consolidated financial statements approved from the central bank of Egypt's board of directors on 16 December 2008.

These consolidated financial statements have been prepared in accordance with the instructions of the Central Bank of Egypt (CBE) rules approved by its Board of Directors on 31 December 2018; that is differ with what is added under instructions of Central Bank of Egypt 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 26,February 2019 starting from January 01, 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 of 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 and therefore 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.

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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.

Transitional provisions

The bank has not re-measured the recognized financial instruments in the comparative financial statements, but only reclassified the financial assets and liabilities in the comparative figures to conform with the presentation method of the financial statements, subject to applying the standard for the first time and is therefore not comparable.

The impairment provision of the financial assets recognized in the financial position is deducted from the financial asset value at the time of preparing the financial position statement, while the impairment provision of the loan commitments, financial guarantee contracts and contingent liabilities is recognized under other provisions of financial position obligations.

B. Basis of presentation of consolidation

Subsidiaries

Subsidiaries companies are controlled by the bank, control exists when the bank has the power directly or indirectly to govern the financial and operating policies of an entity to obtain benefits from its activities. This is usually achieved when the bank owns, directly or indirectly, through subsidiaries, more than half of the voting power of an entity (when the bank's shareholding portion exceedingly directly or indirectly 50% of the paid-up capital of the subsidiary), the existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

The Group fully consolidates its subsidiaries from the effective date in which control is obtained and deconsolidates them when such control ceases to exist.

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Information on subsidiaries is set out below for companies which are combined in the bank's consolidated financial statements as of 30 June 2026

	Direct & indirect share %
Holding company for Investment and Development	93.24%
Housing and development company for real-estate investment	95.03%
El-Tameer company for financial and real estate investment banking	94.95%
Hemaya Company for the management of cities, tourist resorts and real estate	95.36%
Real estate development fund – Nemmo	94.77%
Information and electronical transactions services company	87.55%
Hemaya company for security and money transfer	96.69%
HD for leasing	98.00%
Housing and Development Company for Real Estate Development (East)*	95.03%
Housing and Development Company for Property HDP*	95.03%
Housing and Development Company for Real Estate Development (West)*	95.03%
Housing and Development Company for Decoration and Finishing*	95.03%

*Companies affiliated to Housing and Development Company for real-estate investment

Basis of Combinations

During the preparation of consolidated financial statements, the bank combines the consolidated financial statement with subsidiary companies' financial statements, through the combination of similar items of assets, liabilities, owner's equity, revenues and expenses for the purpose of presenting the consolidated financial statement as of one business unit, going through following steps during the preparation of consolidated financial statement:

- Elimination of the book value for investments in subsidiary company according to Equity method, including share of holding company in the equity of each subsidiary company.
- Non-controlling interest in profit/ loss of subsidiaries is considered during the fiscal year in the preparation of the financial reports.
- Non-controlling interest in net assets of the subsidiaries is determined during the preparation of consolidated financial statements and presented in the consolidated financial statements in the owner's equity of holding company.
- Elimination of all interrelated revenues and expenses transactions between the subsidiaries within the group.
- Elimination of all balances resulted from the transactions between the subsidiaries within the group, also group transactions including revenues, expenses and dividends, besides elimination of all revenues and losses resulted of such transactions and recognized in the assets value.
- The financial statements are presented using same accounting policies for similar transactions and same events under same circumstances.

B.2. Associates

According to the equity method, an investment in an associate is initially recognized in the statement of financial position at cost and is subsequently adjusted to recognize the Group's share in profit or loss, and other changes in the net assets, of the associate.

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 rates at the date of the transaction, monetary assets and liabilities denominated in foreign currencies are Re-evaluated at the end of the financial year on the basis of prevailing exchange rates 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 of the assets/liabilities classified at the 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.

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- 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 in equity.

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 January 01, 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.

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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		
	Amortized Cost	Fair Value	
		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 for trading.

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).

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- 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 separately, 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 limit 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 recognizes 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.

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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 for 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 are rather recorded off balance sheet as follows:

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- When it is collected and this is after redeeming all dues of consumer loans and personnel mortgages also small loans for economic activities.
- For corporate loans, interest income is recognized on a cash-basis after the bank collects 25 % of the rescheduled instalments 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 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 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 (sale & Repurchase) 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 quantitatively 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.

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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.

Financial assets at fair value through the other comprehensive income

Financial assets are measured at fair value through the other comprehensive income, whether they were listed on the Stock Exchange with inactive transactions or not listed, by determining the fair value through one of the accepted technical methods for determining the fair value. However, in case of not being able 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 are estimated by the bank and recognized in the statement of profits and losses, whereas the rest of 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 value in the other comprehensive income. As per the equity instruments, all change differences are recognized at fair value in the other comprehensive income till the asset is disposed, and in such case, all those differences are carried to the retained earnings.

M. Goodwill

Goodwill (Positive, Negative) representing in the amounts resulted from the acquisition of subsidiaries companies and has been calculated based on the difference between the cost of acquisition and the fair value of the net assets of the acquiree at the acquisition date.

The positive goodwill is recognized at cost minus any losses resulted from the impairment in the value of goodwill while the negative goodwill is recognized directly in profit and loss.

N. Evaluation of Housing Projects

The cost of works under constructions includes the cost of allocated lands for housing projects, the cost of the constructions therein, the borrowing costs that are capitalized during the borrowing period until related work is finished and all related expenses as works under constructions are considered one of the qualified assets to be charged with the borrowing costs which should be no more capitalized for the projects that its core activities needed to make it ready for its identified purposes or for selling it to other.

- Prepared the bank specialists housing units are evaluated at lower of the cost or fair value; the fair value is evaluated in the light of detailed studies prepared by the bank specialists. In case the fair value is less than the cost, the difference is charged to reduce "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.

O. 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.

P. Intangible Assets

P.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 expense 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 include labor cost in the program improvement team in addition to appropriate average of related general expenses and 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.

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P.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.

Q. 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.

Fixed assets is depreciated using straight line (Except land) over their estimated useful lives to the extent of their estimated residual values based on the following annual rates:

- Re-establishing expenses related to the rented branches are amortized through the estimated production life or the year of the rent contracts whichever less.
- Facilities and installments are depreciated over 3 year's year.
- 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.

R. Non-Financial Asset Impairment

Assets without definite useful life are not amortized & 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 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.

S. 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.

T. 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.

U. 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.

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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.

V. 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).

W. 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 has applied 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.

X. 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.

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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.

Y. 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.

Z. Capital

Z.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.

Z.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.

AA. 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.

AB. 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 analysing 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 analyses 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 the following components:

- 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).

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These credit risk measurements, which reflect expected loss. The operational measurements can be contrasted with impairment allowances required 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

<u>Bank's Rating</u>	<u>Description of the grade</u>
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 to 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.
- Mortgage financial instruments such as debt securities and equities.
- Long-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.

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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 and 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

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 are 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 stages. However, the majority of the impairment provision comes from the bottom two stages.

The table below shows the percentage of the banks in balance sheet items relating to loans and advances and the associated impairment provision for each of the bank's internal rating categories:

<u>30/06/2026</u> <u>Bank's Rating</u>	<u>Loans and</u> <u>facilities %</u>	<u>Impairment losses</u> <u>provision %</u>
Stage 1	93.76%	29.52%
Stage 2	2.04%	12.84%
Stage 3	4.20%	57.65%
	<u>100%</u>	<u>100%</u>

Loans and facilities include 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 to review of all financial of relative importance 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 expected collection for that individual account.

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

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A.4. Bank Risks Measurement General Model

In addition to the 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 December 16, 2008, 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.

And 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:

<u>Classification of the Central Bank of Egypt</u>	<u>Classification Significance</u>	<u>Required provision rate</u>	<u>Internal classification</u>	<u>Internal classification Significance</u>
1	Low risks	Zero	1	Performing loans
2	Average Risk	1%	1	Performing loans
3	Satisfactory risks	1%	1	Performing loans
4	Reasonable Risk s	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

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

	<u>30/06/2026</u>	<u>31/12/2025</u>
	<u>EGP</u>	<u>EGP</u>
Items exposed to credit risks		
Due from banks	16,105,028,508	20,325,470,496
Loans & facilities to customers		
Retail loans		
Overdrafts	244,134,292	388,155,090
Credit cards	1,109,354,645	765,345,264
Personal loans	20,438,307,213	17,359,156,214
Real estate loans	14,893,426,548	14,419,934,595
Corporate loans:		
Overdrafts	9,910,836,907	5,227,292,869
Direct loans	24,915,715,019	21,091,219,795
Syndicated loans and facilities	8,988,357,815	5,814,305,460
Specialized loans:		
Direct loans	133,928,599	134,464,314
Financial assets through amortized cost		
Debt instruments	14,654,420,095	14,863,689,154
Other assets	11,759,168,139	8,511,212,001
Total	<u>123,152,677,780</u>	<u>108,900,245,252</u>

A.6. Loans and Facilities

Following is the position of loans and facilities balances in terms of credit solvency:

A6 - loans and facilities	<u>30/06/2026</u>	<u>31/12/2025</u>
	<u>EGP</u>	<u>EGP</u>
	Loans & facilities customers	Loans & facilities customers
Neither past dues nor subject to impairment	75,600,802,690	60,490,979,215
Past due but not subject to impairment	1,643,643,156	1,428,842,686
Individually subject to impairment	3,389,615,192	3,280,051,700
Total	<u>80,634,061,038</u>	<u>65,199,873,601</u>
Less:		
Impairment loss provision	(5,872,073,240)	(5,429,267,585)
Interest in suspense	(979,171)	(5,097,138)
Net	<u><u>74,761,008,627</u></u>	<u><u>59,765,508,878</u></u>

Loans and facilities impairment reached EGP 754 313 399 compared to EGP 320 732 431 in the comparative year.
Item No. (18) Includes additional information about provision for impairment losses on Loans and facilities to banks and customers.

Housing And Development Bank**Notes To The Consolidated Financial Statements****For The Six Months Ended 30 June 2026****The following table showing total Loans & Facilities stages:****30/06/2026**

	Stage 1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Retail	34,551,120,863	1,062,873,835	1,071,228,000	36,685,222,698
Corporate	41,049,681,827	580,769,321	2,318,387,192	43,948,838,340
	75,600,802,690	1,643,643,156	3,389,615,192	80,634,061,038

The following table showing Impairment loss provision in stages:**30/06/2026**

	Stage 1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Retail	213,517,608	216,090,759	960,282,178	1,389,890,545
Corporate	1,519,890,763	537,590,207	2,424,701,725	4,482,182,695
	1,733,408,371	753,680,966	3,384,983,903	5,872,073,240

The following table showing total Loans & Facilities stages:**31/12/2025**

	Stage 1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Retail	31,386,142,412	773,252,489	773,196,262	32,932,591,163
Corporate	29,104,836,803	655,590,197	2,506,855,438	32,267,282,438
	60,490,979,215	1,428,842,686	3,280,051,700	65,199,873,601

The following table showing Impairment loss provision in stages:**31/12/2025**

	Stage 1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Retail	204,528,040	142,080,108	707,757,556	1,054,365,704
Corporate	1,270,838,191	533,114,825	2,570,948,865	4,374,901,881
	1,475,366,231	675,194,933	3,278,706,421	5,429,267,585

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

<u>30/06/2026</u>				
<u>Due from banks</u>	Stage 1	Stage 2 Lifetime	Stage 3 Lifetime	Total
<u>Credit rating</u>	12 Months			
Good debts	11,252,700,478	4,852,328,030	-	16,105,028,508
Normal watch-list	-	-	-	-
Non-performing loan	-	-	-	-
Total	11,252,700,478	4,852,328,030	-	16,105,028,508
Allowance for impairment losses	-	(7,916,610)	-	(7,916,610)
Book Value	11,252,700,478	4,844,411,420	-	16,097,111,898

<u>30/06/2026</u>				
<u>Financial assets at amortized cost</u>	Stage 1	Stage 2 Lifetime	Stage 3 Lifetime	Total
<u>Credit rating</u>	12 Months			
Good debts	13,840,417,659	814,002,436	-	14,654,420,095
Normal watch-list	-	-	-	-
Non-performing loan	-	-	-	-
Total	13,840,417,659	814,002,436	-	14,654,420,095
Allowance for impairment losses	-	(37,400,480)	-	(37,400,480)
Book Value	13,840,417,659	776,601,956	-	14,617,019,615

<u>30/06/2026</u>				
<u>Retail Loans & Facilities</u>	Stage 1	Stage 2 Lifetime	Stage 3 Lifetime	Total
<u>Credit rating</u>	12 Months			
Good debts	34,551,120,863	-	-	34,551,120,863
Normal watch-list	-	1,062,873,835	-	1,062,873,835
Non-performing loan	-	-	1,071,228,000	1,071,228,000
Total	34,551,120,863	1,062,873,835	1,071,228,000	36,685,222,698
Allowance for impairment losses	(213,517,608)	(216,090,759)	(960,282,178)	(1,389,890,545)
Book Value	34,337,603,255	846,783,076	110,945,822	35,295,332,153

<u>30/06/2026</u>				
<u>Corporate Loans & Facilities</u>	Stage 1	Stage 2 Lifetime	Stage 3 Lifetime	Total
<u>Credit rating</u>	12 Months			
Good debts	41,049,681,827	-	-	41,049,681,827
Normal watch-list	-	580,769,321	-	580,769,321
Non-performing loan	-	-	2,318,387,192	2,318,387,192
Total	41,049,681,827	580,769,321	2,318,387,192	43,948,838,340
Allowance for impairment losses	(1,519,890,763)	(537,590,207)	(2,424,701,725)	(4,482,182,695)
Book Value	39,529,791,064	43,179,114	(106,314,533)	39,466,655,645

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	31/12/2025			
<u>Due from banks</u>	Stage 1	Stage 2 Lifetime	Stage 3 Lifetime	Total
<u>Credit rating</u>	12 Months			
Good debts	4,002,737,428	16,322,733,068	-	20,325,470,496
Normal watch-list	-	-	-	-
Non-performing loan	-	-	-	-
Total	4,002,737,428	16,322,733,068	-	20,325,470,496
Allowance for impairment losses	-	(4,425,972)	-	(4,425,972)
Book Value	4,002,737,428	16,318,307,096	-	20,321,044,524

	31/12/2025			
<u>Financial assets at amortized cost</u>	Stage 1	Stage 2 Lifetime	Stage 3 Lifetime	Total
<u>Credit rating</u>	12 Months			
Good debts	14,095,497,484	768,191,670	-	14,863,689,154
Normal watch-list	-	-	-	-
Non-performing loan	-	-	-	-
Total	14,095,497,484	768,191,670	-	14,863,689,154
Allowance for impairment losses	-	(25,175,929)	-	(25,175,929)
Book Value	14,095,497,484	743,015,741	-	14,838,513,225

	31/12/2025			
<u>Retail Loans & Facilities</u>	Stage 1	Stage 2 Lifetime	Stage 3 Lifetime	Total
<u>Credit rating</u>	12 Months			
Good debts	31,386,142,412	-	-	31,386,142,412
Normal watch-list	-	773,252,489	-	773,252,489
Non-performing loan	-	-	773,196,262	773,196,262
Total	31,386,142,412	773,252,489	773,196,262	32,932,591,163
Allowance for impairment losses	(204,528,040)	(142,080,108)	(707,757,556)	(1,054,365,704)
Book Value	31,181,614,372	631,172,381	65,438,706	31,878,225,459

	31/12/2025			
<u>Corporate Loans & Facilities</u>	Stage 1	Stage 2 Lifetime	Stage 3 Lifetime	Total
<u>Credit rating</u>	12 Months			
Good debts	29,104,836,803	-	-	29,104,836,803
Normal watch-list	-	655,590,197	-	655,590,197
Non-performing loan	-	-	2,506,855,438	2,506,855,438
Total	29,104,836,803	655,590,197	2,506,855,438	32,267,282,438
Allowance for impairment losses	(1,270,838,191)	(533,114,825)	(2,570,948,865)	(4,374,901,881)
Book Value	27,833,998,612	122,475,372	(64,093,427)	27,892,380,557

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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 period.

	Book Value	
	30/06/2026	31/12/2025
	EGP	EGP
Land	13,751,400	13,751,400
Housing units	3,012,588	3,012,588
Hotel	39,927,406	39,806,406
	56,691,394	56,570,394

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 30 June 2026 While preparing this table, risks were allocated to the geographical segments according to the areas related to the bank's customers.

	Arab Republic of Egypt			Total
	Greater Cairo	Alexandria, Delta and Sinai	Upper Egypt	
Due from banks	16,105,028,508	-	-	16,105,028,508
Loans and Facilities to Customers				
Retail Loans:				
Overdrafts	74,933,907	138,515,722	30,684,663	244,134,292
Credit cards	1,109,354,645	-	-	1,109,354,645
Personal loans	10,933,989,752	6,843,093,511	2,661,223,950	20,438,307,213
Real Estate loans	8,757,753,573	4,432,101,499	1,703,571,476	14,893,426,548
Corporate Loans:				
Overdrafts	8,159,070,252	1,547,064,642	204,702,013	9,910,836,907
Direct loans	22,658,513,688	2,003,000,849	254,200,482	24,915,715,019
Syndication loans and facilities	8,656,392,336	151,914,548	180,050,931	8,988,357,815
Specialized Loans:				
Other loans	133,928,599	-	-	133,928,599
Financial Assets				
Debt Instruments	14,654,420,095	-	-	14,654,420,095
Other Assets	11,539,486,860	152,865,593	66,815,686	11,759,168,139
Total as of 30 June 2026	102,782,872,215	15,268,556,364	5,101,249,201	123,152,677,780
Total as of 31 December 2025	89,152,459,325	14,940,555,945	4,807,229,982	108,900,245,252

Housing And Development Bank

Notes To The Consolidated Financial Statements For The Six Months Ended 30 June 2026

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	14,812,746,138	-	-	-	-	-	1,292,282,370	-	-	16,105,028,508
Loans and Facilities to Customers										
Retail										
Overdrafts	-	-	-	-	-	-	-	-	244,134,292	244,134,292
Credit Cards	-	-	-	-	-	-	-	-	1,109,354,645	1,109,354,645
Personal loans	-	-	-	-	-	-	-	-	20,438,307,213	20,438,307,213
Real Estate	-	-	-	-	-	-	-	-	14,893,426,548	14,893,426,548
Corporate										
Overdraft	2,582,596	21,890,502	6,067,189,566	1,347,481,615	391,104,959	2,077,544,084	-	3,043,585	-	9,910,836,907
Direct Loans	6,287,846,885	5,339,743	3,955,460,303	2,594,042,485	3,603,638,146	8,467,042,855	-	2,344,602	-	24,915,715,019
Syndication loans and facilities	24,259,349	-	1,489,176,196	772,092,098	4,222,531,916	2,480,298,256	-	-	-	8,988,357,815
Specialized Loans										
Direct Loans	-	-	-	-	-	-	133,928,599	-	-	133,928,599
Financial investments										
Debt Instruments	-	-	-	-	49,284,947	-	14,605,135,148	-	-	14,654,420,095
Other Assets	2,895,292,039	-	-	-	2,413,648,764	4,292,038,966	212,589,447	19,246,139	1,926,352,784	11,759,168,139
Total as of 30 June 2026	24,022,727,007	27,230,245	11,511,826,065	4,713,616,198	10,680,208,732	17,316,924,161	16,243,935,564	24,634,326	38,611,575,482	123,152,677,780
Total as of 31 December 2025	23,789,313,130	12,021,191	5,957,449,866	3,782,186,665	8,327,751,645	14,834,763,316	17,909,212,799	28,602,693	34,258,943,947	108,900,245,252

Housing And Development Bank

Notes To The Consolidated Financial Statements

For The Six Months Ended 30 June 2026

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 prices which are exposed to general and specific market movements and changes in the level of volatility of market ratios or, such as interest ratios, currency risk and equity instruments. The bank separates its level of exposure to market risk to trading portfolios and non-trading.

Market risk management arising from trading or non-trading activities is managed risk department in the bank and it is followed up through two separated teams, and regular reports delivered to the board of directors and the heads of the activity units regularly.

The trading portfolios include the positions resulted from the bank's direct interaction with customers or with market, while non-trading portfolios, arises basically from the management of the interest ratios of assets and liabilities related to retail transactions. These portfolios include foreign currencies risk and equity instruments risk resulted from held to maturity investments and available for sale investments.

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 certain level of confidence (98%). There 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.

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Notes To The Consolidated Financial Statements

For The Six Months Ended 30 June 2026

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

30 June 2026	US Dollar	Euro	Sterling Pound	Other Currencies
Financial Assets:				
Cash and balances with Central Bank	17,001,304	559,594	34,458	1,638,260
Due from banks	69,770,239	12,669,922	313,810	5,343,486
Loans & facilities to customers	7,689,089	336,238	1,648	4,709
Financial investments				
Financial Assets at fair value through other comprehensive income	22,501,115	1,000,842	-	-
Other Financial assets	184,388	319,647	2,535	2,019
Total financial assets	117,146,135	14,886,243	352,451	6,988,474
Financial liabilities:				
Due to banks	-	-	-	-
Customer's deposits	114,070,941	13,601,304	360,804	4,340,655
Other Financial liabilities	2,464,203	1,377,612	968	1,617,464
Total financial liabilities	116,535,144	14,978,916	361,772	5,958,119
Net financial position as of 30 June 2026	610,991	(92,673)	(9,321)	1,030,355
31 December 2025				
Total financial assets	111,174,652	13,741,020	359,653	6,594,456
Total financial liabilities	107,490,374	13,607,038	311,038	6,267,418
Net financial position as of 31 December 2025	3,684,278	133,982	48,615	327,038

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Notes To The Consolidated Financial Statements For The Six Months Ended 30 June 2026

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 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 Dept.

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 of 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	-	-	-	-	28,006,540	28,006,540
Due from banks	15,347,363	-	-	-	757,666	16,105,029
Loans & facilities to customers	4,660,781	3,356,946	22,435,459	50,180,875	-	80,634,061
Financial Assets:						
Fair value other than through profit and loss	109,949,640	18,388,733	3,490,863	284,822	-	132,114,058
Fair value through profit and loss	310,580	-	-	32,937	-	343,517
Other assets	-	-	-	4,476,059	22,143,110	26,619,169
Total financial assets	130,268,364	21,745,679	25,926,322	54,974,693	50,907,316	283,822,374
Financial liabilities						
Due to banks	-	-	-	-	611	611
Customer's deposits	14,497,335	5,330,892	12,359,408	90,814,359	78,999,986	202,001,980
Other loans	-	-	43,232	1,159,785	-	1,203,017
Other financial liabilities	-	-	-	37,554,149	43,062,617	80,616,766
Total financial liabilities	14,497,335	5,330,892	12,402,640	129,528,293	122,063,214	283,822,374
	115,771,029	16,414,787	13,523,682	(74,553,600)	(71,155,898)	-

Housing And Development Bank

Notes To The Consolidated Financial Statements

For The Six Months Ended 30 June 2026

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 is 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 un-drawn 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 Treasury department, 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. Except for equity investments that bank was unable to reliably estimate their 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 loans not quoted in an active market is based on discounted cash flows using interest ratios for new debts with similar remaining maturity.

Housing And Development Bank

Notes To The Consolidated Financial Statements

For The Six Months Ended 30 June 2026

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 and contingent liability equal 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:

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 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 contingent liabilities weighted with risk, loans / subordinated deposits with a maturity term exceeding 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.

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Notes To The Consolidated Financial Statements For The Six Months Ended 30 June 2026

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

	<u>30/06/2026</u>	<u>31/12/2025</u>
	<u>EGP</u>	<u>EGP</u>
Capital adequacy ratio according to Basel II		
<u>Capital</u>		
(Tier 1 capital) basic capital		
Issued and paid in-capital	10,626,000,000	5,313,000,000
Amounts reserved for issued and paid-in capital increase	0	5,313,000,000
Reserves	20,422,023,236	9,620,217,928
Retained earnings	307,245,899	198,787,385
Total deduction from invested basic capital	(1,035,579,776)	(1,145,087,426)
Other comprehensive income	54,603,455	110,360,153
Total basic capital	30,374,292,814	19,410,278,040
Net income for the period/ Year	5,178,884,370	17,205,805,711
Total basic capital and retained earnings	35,553,177,184	36,616,083,751
(Tier 2 capital) syndicated capital,		
45% from Special Reserve	4,205,235	4,205,235
Provision of Impairment loss for loans, facilities and regular contingent liabilities	966,708,939	834,260,802
Total Syndicated Capital	970,914,174	838,466,037
Total capital	36,524,091,358	37,454,549,788
Risk-weighted assets and contingent liabilities:		
Total Credit Risk	77,336,715,144	66,740,864,173
Total Market Risk	482,671,500	385,108,500
Total Operational Risk	9,831,279,748	7,750,490,805
Total	87,650,666,392	74,876,463,478
Capital Adequacy ratio (%)	41.67	50.02

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

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Notes To The Consolidated Financial Statements For The Six Months Ended 30 June 2026

Financial leverage

	<u>30/06/2026</u>	<u>31/12/2025</u>
	EGP	EGP
Tier one capital after exclusions	<u>35,553,177,184</u>	<u>36,616,083,751</u>
Total on-balance sheet exposures, derivatives contracts and financial papers operations	261,093,676,000	243,891,268,000
Total off balance sheet exposures.	3,940,258,000	3,328,428,000
Total exposures on-balance sheet and off-balance sheet.	<u>265,033,934,000</u>	<u>247,219,696,000</u>
Financial leverage ratio %	13.41	14.81

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 info.

A. Impairment losses on loans and facilities

The Bank reviews its loan portfolios to assess impairment at least on a quarterly basis and based on personal basis it determine whether 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 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.

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Notes To The Consolidated Financial Statements For The Six Months Ended 30 June 2026

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 as money management.

Transactions between business segments according to normal business activities and it includes operational assets and liabilities as presented in the Banks's balance sheet.

Revenues and Expenses according to segment activity

The period ended on 30 June 2026	Corporate	Investment	Individuals	Other activities	EGP Total
Segment activity revenues	8,379,910,002	3,976,051,028	7,303,192,014	4,794,986,399	24,454,139,443
Segment activity expenses	(3,008,532,767)	(676,614,635)	(4,189,040,682)	(1,181,417,107)	(9,055,605,191)
Segment operation results	5,371,377,235	3,299,436,393	3,114,151,332	3,613,569,292	15,398,534,252
Unclassified expenses	--	--	--	--	(1,095,248,002)
Net income for the period before taxes	--	--	--	--	14,303,286,250
Taxes	--	--	--	--	(3,521,863,024)
Net income for the period	--	--	--	--	10,781,423,226

The period ended on 30 June 2025	Corporate	Investment	Individuals	Other activities	EGP Total
Segment activity revenues	7,322,388,090	3,698,840,059	5,815,934,994	4,526,910,960	21,364,074,103
Segment activity expenses	(2,846,542,230)	(538,730,861)	(3,612,666,413)	(1,166,157,159)	(8,164,096,663)
Segment operation results	4,475,845,860	3,160,109,198	2,203,268,581	3,360,753,801	13,199,977,440
Unclassified expenses	--	--	--	--	(579,420,511)
Net income for the period before taxes	--	--	--	--	12,620,556,929
Taxes	--	--	--	--	(3,060,962,981)
Net income for the period	--	--	--	--	9,559,593,948

Housing And Development Bank
Notes To The Consolidated Financial Statements
For The Six Months Ended 30 June 2026

B. Analysis of Geographical Segments

				EGP
The period ended on 30 June 2026	Greater Cairo	Alexandria, Delta& Sinai	Upper Egypt	Total
Revenues & expenses in accordance with geographical segment				
Geographical segment revenues	19,714,129,711	3,061,481,431	1,678,528,300	24,454,139,442
Geographical segment expenses	(7,586,463,405)	(1,850,016,449)	(714,373,338)	(10,150,853,192)
Sector's profit results	12,127,666,306	1,211,464,982	964,154,962	14,303,286,250
Net income for the period before tax	-	-	-	14,303,286,250
Taxes	-	-	-	(3,521,863,024)
Net income for the period	-	-	-	10,781,423,226
Assets and liabilities in accordance with geographical segment				
Assets of geographic segment	214,552,165,188	47,195,612,800	13,976,142,190	275,723,920,178
Unspecified assets	-	-	-	2,225,401,453
Total assets	214,552,165,188	47,195,612,800	13,976,142,190	277,949,321,631
Liabilities of geographic segment	169,274,920,452	47,684,147,818	14,111,987,234	231,071,055,504
Other items of the geographical segment				
Depreciations	(298,209,153)	(14,187,273)	(6,546,537)	(318,942,963)
Impairment loss	(776,305,039)	-	-	(776,305,039)
				EGP
The period ended on 30 June 2025	Greater Cairo	Alexandria, Delta& Sinai	Upper Egypt	Total
Revenues & expenses in accordance with geographical segment				
Geographical segment revenues	17,505,680,734	2,437,026,359	1,421,367,010	21,364,074,103
Geographical segment expenses	(6,806,605,198)	(1,383,106,494)	(553,805,482)	(8,743,517,174)
Sector's profit results	10,699,075,536	1,053,919,865	867,561,528	12,620,556,929
Net income for the period before tax	-	-	-	12,620,556,929
Tax	-	-	-	(3,060,962,981)
Net income for the period	-	-	-	9,559,593,948
Assets and liabilities in accordance with geographical segment				
Assets of geographic segment	159,682,017,417	30,085,137,756	11,738,253,509	201,505,408,682
Unspecified assets	-	-	-	2,210,473,967
Total assets	159,682,017,417	30,085,137,756	11,738,253,509	203,715,882,649
Liabilities of geographic segment	128,306,563,969	30,031,217,888	11,720,691,981	170,058,473,838
Other items of the geographical segment				
Depreciations	(243,370,010)	(12,358,992)	(6,051,305)	(261,780,307)
Impairment	(317,640,204)	-	-	(317,640,204)

Housing And Development Bank**Notes To The Consolidated Financial Statements****For The Six Months Ended 30 June 2026****6. NET INTREST INCOME**

	<u>For The Six</u> <u>Months Ended at</u> <u>30 June 2026</u>	<u>For The Six</u> <u>Months Ended at</u> <u>30 June 2025</u>
	<u>EGP</u>	<u>EGP</u>
loans and similar revenues interest received from :		
Loans and facilities to customers	6,973,040,418	6,734,176,080
Financial investment (other than that at fair value through profit and loss)	13,639,113,332	6,723,192,801
Deposits and current accounts	1,393,969,086	5,836,168,376
Total	<u>22,006,122,836</u>	<u>19,293,537,257</u>
 Interest on deposits and similar expenses:		
Deposits and current accounts:		
Banks	(5,306,603)	(37,719,320)
Customers	(6,464,012,088)	(5,866,431,615)
Total	<u>(6,469,318,691)</u>	<u>(5,904,150,935)</u>
Other financial institutions loans	(59,107,465)	(80,367,266)
Total	<u>(6,528,426,156)</u>	<u>(5,984,518,201)</u>
Net interest income	<u>15,477,696,680</u>	<u>13,309,019,056</u>

7. Net fees & commissions income

	<u>For The Six</u> <u>Months Ended at 30</u> <u>June 2026</u>	<u>For The Six</u> <u>Months Ended at 30</u> <u>June 2025</u>
	<u>EGP</u>	<u>EGP</u>
Fees & commissions income :		
Fees & commissions related to credit	129,910,311	91,196,796
Institutions Financing fees	105,065,766	139,812,481
Other fees	443,159,042	398,850,215
Total	<u>678,135,119</u>	<u>629,859,492</u>
Fees and commission expenses:		
Other paid fees	(91,210,511)	(89,242,950)
Net income from fees and commissions	<u>586,924,608</u>	<u>540,616,542</u>

Housing And Development Bank

Notes To The Consolidated Financial Statements
For The Six Months Ended 30 June 2026

8. Dividends Income

	<u>For The Six</u> <u>Months Ended at</u> <u>30/06/2026</u>	<u>For The Six</u> <u>Months Ended at</u> <u>30/06/2025</u>
	<u>EGP</u>	<u>EGP</u>
Equity instruments at fair value through profit and loss	-	1,151,125
Equity instruments at fair value through other comprehensive income	4,811,105	5,394,961
Total	4,811,105	6,546,086

9. Net trading income

	<u>For The Six</u> <u>Months Ended at</u> <u>30 June 2026</u>	<u>For The Six</u> <u>Months Ended at</u> <u>30 June 2025</u>
	<u>EGP</u>	<u>EGP</u>
Foreign trade profit	22,849,537	22,470,146
Financial investments held at fair value through profit and loss	67,323,624	33,732,558
Total	90,173,161	56,202,704

10. Revenue from housing projects

	<u>For The Six</u> <u>Months Ended at</u> <u>30 June 2026</u>	<u>For The Six</u> <u>Months Ended at</u> <u>30 June 2025</u>
	<u>EGP</u>	<u>EGP</u>
Sales of housing properties	1,136,791,533	815,936,420
Cost of sold properties	(247,393,062)	(224,774,546)
Revenue from properties	889,398,471	591,161,874
Other housing revenues	196,370,893	232,450,543
Total	1,085,769,364	823,612,417

Housing And Development Bank

Notes To The Consolidated Financial Statements For The Six Months Ended 30 June 2026

11. Administrative expenses

	<u>For The Six Months Ended at 30 June 2026</u>	<u>For The Six Months Ended at 30 June 2025</u>
<u>Staff cost</u>	<u>EGP</u>	<u>EGP</u>
Wages and salaries	1,014,468,632	808,343,830
Social insurances	59,434,654	47,109,645
Retirement benefit cost	14,702,580	12,500,000
Operation utilities	1,229,331,113	1,001,619,784
Current expenses	504,039,159	375,182,681
Portion of social and athletic activities	5,101,048	3,646,554
Donations	17,628,717	23,940,175
Other	59,447,999	21,253,968
Total	2,904,153,902	2,293,596,637

12. Other operating (expense) / revenues

	<u>For The Six Months Ended at 30 June 2026</u>	<u>For The Six Months Ended at 30 June 2025</u>
	<u>EGP</u>	<u>EGP</u>
Revaluation profits of assets and liabilities balances in foreign currencies with monetary nature other than held at fair value through profit and loss or classified at inception at fair value through profit and loss	2,197,443	5,086,846
Gain from selling properties plants & equipment	5,015,875	4,225,725
Impairment of other assets and projects	(50,800,954)	(24,831,221)
Others	50,153,599	46,855,007
Total	6,565,963	31,336,357

13. Credit impairment (losses) / reversal

	<u>For The Six Months Ended at 30 June 2026</u>	<u>For The Six Months Ended at 30 June 2025</u>
	<u>EGP</u>	<u>EGP</u>
Loan and customer advances	(754,313,399)	(320,732,431)
Due from banks	(3,490,638)	1,097,757
Debt instruments at amortized cost	(12,224,551)	4,939,112
Debt instruments at fair value through other comprehensive income	(6,276,451)	(2,944,642)
Total	(776,305,039)	(317,640,204)

Housing And Development Bank

Notes To The Consolidated Financial Statements For The Six Months Ended 30 June 2026

14. Income tax expenses

	<u>For The Six Months Ended at 30 June 2026</u>	<u>For The Six Months Ended at 30 June 2025</u>
	<u>EGP</u>	<u>EGP</u>
Current taxes	(3,497,454,990)	(3,088,186,404)
Deferred taxes	(24,408,034)	27,223,423
Total	<u>(3,521,863,024)</u>	<u>(3,060,962,981)</u>

15. Earnings per share for the period

Earnings per share has been calculated by dividing net income related to the bank's shareholders by weighted average of the common stock issued during the period.

	<u>For The Six Months Ended at 30 June 2026</u>	<u>For The Six Months Ended at 30 June 2025</u>
	<u>EGP</u>	<u>EGP</u>
Majority portion in net income for the period	10,760,405,784	9,542,248,671
Weighted average number of shares	1,062,600,000	1,062,600,000
Basic earnings per share for the period	<u>10.13</u>	<u>8.98</u>

16. CASH AND BALANCES WITH CENTRAL BANK

	<u>30/06/2026</u>	<u>31/12/2025</u>
	<u>EGP</u>	<u>EGP</u>
Cash	1,678,020,643	1,502,362,547
Due from central Bank within the mandatory reserve ratio	26,328,519,000	26,362,772,000
	<u>28,006,539,643</u>	<u>27,865,134,547</u>
Non-interest bearing balances	<u>28,006,539,643</u>	<u>27,865,134,547</u>

17. DUE FROM BANKS

	<u>30/06/2026</u>	<u>31/12/2025</u>
	<u>EGP</u>	<u>EGP</u>
Current accounts	757,407,534	3,932,021,192
Deposits	15,347,620,974	16,393,449,304
Impairment loss Provision	(7,916,610)	(4,425,972)
	<u>16,097,111,898</u>	<u>20,321,044,524</u>
Central Bank(excluding mandatory reserve)	1,292,282,370	3,473,068,664
Local Banks	14,210,939,741	16,791,150,112
Foreign Banks	593,889,787	56,825,748
	<u>16,097,111,898</u>	<u>20,321,044,524</u>
Non-interest bearing balances	757,407,534	3,932,021,192
Interest bearing balances (Fixed rate)	15,339,704,364	16,389,023,332
	<u>16,097,111,898</u>	<u>20,321,044,524</u>
Current balances	<u>16,097,111,898</u>	<u>20,321,044,524</u>

Housing And Development Bank

Notes To The Consolidated Financial Statements
For The Six Months Ended 30 June 2026

18. LOANS & FACILITIES TO CUSTOMERS

	<u>30/06/2026</u>	<u>31/12/2025</u>
	<u>EGP</u>	<u>EGP</u>
Retail		
Overdrafts	244,134,292	388,155,090
Credit cards	1,109,354,645	765,345,264
Personal loans	20,438,307,213	17,359,156,214
Real estate loans	14,893,426,548	14,419,934,595
Total	36,685,222,698	32,932,591,163
Institutions including small loans for economic activities		
Overdrafts	9,910,836,907	5,227,292,869
Direct loans	24,915,715,019	21,091,219,795
Syndicated loans and facilities	8,988,357,815	5,814,305,460
other loans*	133,928,599	134,464,314
Total	43,948,838,340	32,267,282,438
Total loans& facilities to customers	80,634,061,038	65,199,873,601
Less:		
Impairment loss provision	(5,872,073,240)	(5,429,267,585)
Interest in suspense	(979,171)	(5,097,138)
	74,761,008,627	59,765,508,878
Current Balances	11,828,119,813	6,981,716,760
Non-current Balances	68,805,941,225	58,218,156,841
	80,634,061,038	65,199,873,601

* Subsidized loans are paid regularly within the governmental plan for sociable and economic development,

Impairment loss provision

Movement analysis of impairment of loan and facilities loss provision to customers

	<u>30/06/2026</u>	<u>31/12/2025</u>
	<u>EGP</u>	<u>EGP</u>
Balance at the beginning of the period / year	5,429,267,585	4,972,951,669
Impairment loss during the period / year	754,313,399	637,537,578
Amounts written off during the period / year	(361,136,324)	(349,555,881)
Recovered amounts during the period / year	27,358,817	188,704,331
Foreign currency revaluation difference	22,269,763	(20,370,112)
Balance at the end of the period / year	5,872,073,240	5,429,267,585

Housing And Development Bank

Notes To The Consolidated Financial Statements
For The Six Months Ended 30 June 2026

19. FINANCIAL ASSETS AT FAIR VULE THROUGH PROFIT AND LOSS

	<u>30/06/2026</u>	<u>31/12/2025</u>
	<u>EGP</u>	<u>EGP</u>
<u>Equity instrument unlisted in stock market</u>		
Mutual fund certificates	14,143,522	10,791,486
Total Equity instrument unlisted in stock market	14,143,522	10,791,486
Financial assets portfolios managed by others	329,373,095	267,660,105
Total financial assets at fair value through profit and loss	343,516,617	278,451,591

20. FINANCIAL ASSETS (OTHER THAN THOSE AT FAIR VALUE THROUGH PROFIT AND LOSS)

	<u>30/06/2026</u>	<u>31/12/2025</u>
	<u>EGP</u>	<u>EGP</u>
Financial Assets at fair value through other comprehensive income		
<u>Debt instrument :</u>		
Listed in stock market	117,017,738,262	107,462,628,418
Unearned interest	(5,038,882,177)	(6,084,333,573)
Selling of debt instrument with obligation of rebuying	(3,216,585,831)	(3,379,789,397)
<u>Equity instrument :</u>		
Unlisted in stock market	329,681,690	231,363,849
Mutual fund's instrument	27,000,000	-
Mutual fund's instrument established according to the issued ratios	112,218,176	100,665,311
Total Financial Assets at fair value through other comprehensive income	109,231,170,120	98,330,534,608

Financial Assets at Amortized Cost:

Debt instruments -at amortized cost:		
Debt instrument (listed)	14,654,420,095	14,863,689,154
Unearned interest	(367,142,491)	(813,695,738)
Provision of debt instrument impairment losses	(37,400,480)	(25,175,929)
Total Financial Assets at Amortized Cost	14,249,877,124	14,024,817,487
Total Financial Assets	123,481,047,244	112,355,352,095
Current Balances	123,012,147,378	112,023,322,935
Non-current Balances	441,899,866	332,029,160
	123,454,047,244	112,355,352,095
Debt intsurment with fixed interest	123,012,147,378	112,023,322,935

Housing And Development Bank

Notes To The Consolidated Financial Statements For The Six Months Ended 30 June 2026

	<u>Financial Assets at fair value through other comprehensive income</u>	<u>Financial Assets at Amortized Cost</u>	<u>Total</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Balance at the beginning of 1 January 2026	98,330,534,608	14,024,817,487	112,355,352,095
Net movement of Additions and (disposals)	10,796,713,049	231,382,154	11,028,095,203
Amortization of discount issuance	12,673,440	5,902,034	18,575,474
Change in fair value	(71,954,543)	-	(71,954,543)
Change of selling of debt instrument with obligation of rebuying	163,203,566	-	163,203,566
Change in debt instruments impairment provisions	-	(12,224,551)	(12,224,551)
Balance as of 30 June 2026	<u>109,231,170,120</u>	<u>14,249,877,124</u>	<u>123,481,047,244</u>
Balance at the beginning of 1 January 2025	34,452,418,826	18,029,332,085	52,481,750,911
Net movement of purchases and (selling)	63,385,534,823	(4,002,945,756)	59,382,589,067
Amortization of (premium) discount issuance	1,243,255	13,850,050	15,093,305
Change in fair value	185,453,767	-	185,453,767
Selling of debt instrument with obligation of rebuying	305,883,937	-	305,883,937
Change in instruments impairment loss	-	(15,418,892)	(15,418,892)
Balance as of 31 December 2025	<u>98,330,534,608</u>	<u>14,024,817,487</u>	<u>112,355,352,095</u>

	<u>For The Six Months Ended at 30 June 2026</u>	<u>For The Six Months Ended at 30 June 2025</u>
	<u>EGP</u>	<u>EGP</u>
Change in fair value of equity instrument at fair value through other comprehensive income		
Change in fair value of equity instrument at fair value through other comprehensive income	(71,954,543)	143,926,984
Total	<u>(71,954,543)</u>	<u>143,926,984</u>

	<u>For The Six Months Ended at 30/06/2026</u>	<u>For The Six Months Ended at 30/06/2025</u>
	<u>EGP</u>	<u>EGP</u>
Financial investments loss		
Impairment of equity instruments of associate and subsidiaries companies	-	(19,493,800)
Total	<u>-</u>	<u>(19,493,800)</u>

Housing And Development Bank

Notes To The Consolidated Financial Statements
For The Six Months Ended 30 June 2026

21. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

	<u>30/06/2026</u>					
	<u>Total assets</u>	<u>Total liabilities</u> <u>without</u> <u>shareholders'</u> <u>equity</u>	<u>Revenues</u>	<u>Net income</u>	<u>Direct</u> <u>sharing</u> <u>percentage</u>	<u>Sharing</u> <u>value</u>
	EGP	EGP	EGP	EGP		EGP
<u>Associate companies:</u>						
El-Tameer company for housing and utilities	1,021,545,062	665,804,720	116,102,474	14,521,894	35%	124,509,120
El-Tameer Company for Real Estate Finance	21,918,224,002	19,197,545,530	1,128,278,058	129,806,072	24.84%	631,841,699
Hyde Park for Real Estate Development Company	36,164,453,529	30,741,982,723	1,740,223,038	611,871,281	53.89%	3,303,971,621
City edge real estate development	28,044,543,068	22,854,812,854	404,590,703	23,723,674	25.78%	1,339,251,831
HDP Tulua Developments	3,525,668,625	3,490,715,791	11,359,806	8,408,296	38.01%	15,182,571
Balance at the end of the period / year	90,674,434,286	76,950,861,618	3,400,554,079	788,331,217		5,414,756,842

The bank's portion in the income of the associate companies in 30 June 2026 amount of EGP 913,485,343

The financial informations has been extracted from the associates' financial statements as of March 31, 2026

	<u>31/12/2025</u>					
	<u>Total assets</u>	<u>Total liabilities</u> <u>without</u> <u>shareholders'</u> <u>equity</u>	<u>Revenues</u>	<u>Net income</u>	<u>Direct</u> <u>sharing</u> <u>percentage</u>	<u>Sharing</u> <u>value</u>
	EGP	EGP	EGP	EGP		EGP
<u>Associate companies:</u>						
El-Tameer company for housing and utilities	827,857,682	508,642,852	468,868,991	78,240,978	35%	111,725,190
El-Tameer Company for Real Estate Finance	17,882,395,635	15,194,966,187	3,528,152,651	464,634,329	24.84%	430,903,034
Hyde Park for Real Estate Development Company	30,486,071,941	25,751,582,468	4,132,352,692	975,871,943	53.66%	2,933,210,234
City edge real estate development	23,631,916,231	18,697,144,685	2,994,186,982	996,168,336	25.76%	1,273,524,471
HDP Tulua Developments	4,981,922,639	4,963,744,690	18,784,631	17,927,949	47.48%	8,637,142
Balance at the end of the period / year	77,810,164,128	65,116,080,882	11,142,345,947	2,532,843,535		4,758,000,071

Housing And Development Bank

Notes To The Consolidated Financial Statements For The Six Months Ended 30 June 2026

22. HOUSING PROJECTS

	<u>30/06/2026</u>	<u>31/12/2025</u>
	<u>EGP</u>	<u>EGP</u>
Lands allocated for housing projects	887,503,401	886,050,973
Under construction projects	14,347,440,563	5,737,806,154
Finished projects	195,686,334	227,619,991
Housing projects impairment	(6,525,099)	(6,525,099)
Balance at the end of the period / year	<u>15,424,105,199</u>	<u>6,844,952,019</u>

The total built up area of the units and available for sale reached 34,477 meters, administrative and commercial buildings reached 21,178 meters and land unoccupied 2,251 million meter.

Impairment of Housing Projects

	<u>30/06/2026</u>	<u>31/12/2025</u>
	<u>EGP</u>	<u>EGP</u>
Balance at the beginning of the period / year	6,525,099	6,525,099
Balance at the end of the period / year	<u>6,525,099</u>	<u>6,525,099</u>

23. INVESTMENTS PROPERTY

	<u>30/06/2026</u>	<u>31/12/2025</u>
	<u>EGP</u>	<u>EGP</u>
Total investments	283,375,591	186,766,497
Accumulate depreciation	(91,945,660)	(83,370,278)
Net book value at the beginning of the period / year	<u>191,429,931</u>	<u>103,396,219</u>
Additions	2,065,091	99,930,620
Disposals	-	(3,321,526)
Disposals of Accumulated depreciation	-	1,196,749
Depreciation of the period / year	(6,227,673)	(9,772,131)
Net book value at the end of the period / year	<u>187,267,349</u>	<u>191,429,931</u>

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 1,496 billion as of 31 December 2025 by an evaluator with a recognized professional certificate and has an experience of real estate.

Housing And Development Bank

Notes To The Consolidated Financial Statements
For The Six Months Ended 30 June 2026

24. INTANGIBLE ASSETS

	<u>30/06/2026</u>	<u>31/12/2025</u>
Computers programs	<u>EGP</u>	<u>EGP</u>
Beginning cost of the period / year	1,514,983,492	1,260,636,359
Additions during the period / year	51,393,358	254,347,133
Ending cost of the period / year	1,566,376,850	1,514,983,492
Accumulated amortization at the beginning of the period / year	(1,025,682,138)	(712,616,270)
Amortization during the period / year	(157,621,884)	(313,065,868)
Accumulated amortization at the end of the period / year	(1,183,304,022)	(1,025,682,138)
Net book value at the end of the period / year	<u>383,072,828</u>	<u>489,301,354</u>

25. OTHER ASSETS

	<u>30/06/2026</u>	<u>31/12/2025</u>
	<u>EGP</u>	<u>EGP</u>
Accrued revenues	3,613,507,802	1,314,470,779
Prepaid expenses	593,024,635	215,679,717
Advanced payments for purchasing fixed assets	2,565,270,830	1,923,002,850
Accounts and notes receivables	2,762,076,713	2,601,644,343
Insurance and custodies	39,657,827	33,061,837
Assets reverted to banks in settlement of debts	56,691,394	56,570,394
Others	2,128,938,938	2,366,782,081
Balance at the end of the period / year	<u>11,759,168,139</u>	<u>8,511,212,001</u>

Housing And Development Bank

Notes To The Consolidated Financial Statements For The Six Months Ended 30 June 2026

26. Fixed assets

	<u>Lands</u>	<u>Buildings & Constructions</u>	<u>Transportation vehicle</u>	<u>Machinery & Equipment</u>	<u>Furniture</u>	<u>Integrated systems</u>	<u>Facilities & Installments</u>	<u>Total</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Balance at 1 January 2025								
Cost	217,659,490	1,045,060,886	125,218,936	1,135,518,401	176,392,561	19,179,623	71,378,942	2,790,408,839
Accumulated Depreciation	-	(380,413,403)	(62,856,092)	(904,179,490)	(103,615,440)	(10,364,196)	(56,750,504)	(1,518,179,125)
Net book value at 1 January 2025	217,659,490	664,647,483	62,362,844	231,338,911	72,777,121	8,815,427	14,628,438	1,272,229,714
31 December 2025								
Net book value at 1 January 2025	217,455,275	664,647,483	62,362,844	231,338,911	72,777,121	8,815,427	14,628,438	1,272,025,499
Additions	89,208,257	276,562,042	68,241,600	396,362,422	21,240,765	5,593,649	16,081,742	873,290,477
Disposals	-	(7,028,972)	(1,745,508)	(17,154,013)	(383,341)	(2,661,738)	(130,873)	(29,104,445)
Disposals - accumulated depreciation	-	4,341,882	1,745,489	16,893,406	-	599,470	130,867	23,711,114
Depreciation expense	-	(55,745,076)	(26,599,858)	(156,494,405)	(15,565,087)	(3,905,208)	(13,636,818)	(271,946,452)
Net book value at 31 December 2025	306,663,532	882,777,359	104,004,567	470,946,321	78,069,458	8,441,600	17,073,356	1,867,976,193
Balance at 1 January 2026								
Cost	306,867,747	1,314,593,956	191,715,028	1,514,726,810	197,249,985	22,111,534	87,329,811	3,634,594,871
Accumulated Depreciation	-	(431,816,597)	(87,710,461)	(1,043,780,489)	(119,180,527)	(13,669,934)	(70,256,455)	(1,766,414,463)
Net book value at 1 January 2026	306,867,747	882,777,359	104,004,567	470,946,321	78,069,458	8,441,600	17,073,356	1,868,180,408
Balance at 30 June 2026								
Net book value at 1 January 2026	306,867,747	882,777,359	104,004,567	470,946,321	78,069,458	8,441,600	17,073,356	1,868,180,408
Additions	35,955,860	7,027,020	15,671,891	103,893,837	5,458,221	2,623,660	(56,393)	170,574,096
Disposals	-	(34,101,326)	(118,801)	(20,863,674)	(2,857,375)	(157,291)	-	(58,098,467)
Disposals - accumulated depreciation	-	267,901	-	19,748,547	2,854,116	123,103	-	22,993,667
Depreciation expense	-	(30,258,586)	(18,629,014)	(97,317,287)	(8,009,664)	(2,155,370)	(4,951,158)	(161,321,079)
Net book value at 30 June 2026	342,823,607	825,712,368	100,928,643	476,407,744	75,514,756	8,875,702	12,065,805	1,842,328,625
Balance at 30 June 2026								
Cost	342,823,607	1,287,519,650	207,268,118	1,597,756,973	199,850,831	24,577,903	87,273,418	3,747,070,500
Accumulated Depreciation	-	(461,807,282)	(106,339,475)	(1,121,349,229)	(124,336,075)	(15,702,201)	(75,207,613)	(1,904,741,875)
Net book value at 30 June 2026	342,823,607	825,712,368	100,928,643	476,407,744	75,514,756	8,875,702	12,065,805	1,842,328,625

Housing And Development Bank**Notes To The Consolidated Financial Statements
For The Six Months Ended 30 June 2026****27. DUE TO BANKS**

	<u>30/06/2026</u>	<u>31/12/2025</u>
	<u>EGP</u>	<u>EGP</u>
Current accounts	611,166	621,732
Deposits	-	-
	<u>611,166</u>	<u>621,732</u>
local banks	-	-
Foreign banks	611,166	621,732
	<u>611,166</u>	<u>621,732</u>
Non-interest bearing balances	611,166	621,732
Interest bearing balances (fixed rate)	-	-
	611,166	621,732
Current balances	<u>611,166</u>	<u>621,732</u>

28. CUSTOMERS' DEPOSITS

	<u>30/06/2026</u>	<u>31/12/2025</u>
	<u>EGP</u>	<u>EGP</u>
Demand deposit	73,375,083,994	61,219,188,725
Time & call deposits	22,308,766,251	18,748,692,882
Saving certificates	26,393,283,275	22,744,568,301
Saving deposits	15,598,732,952	12,911,794,809
Other deposits	64,326,113,118	63,365,582,123
	<u>202,001,979,590</u>	<u>178,989,826,840</u>
Institutions deposits	88,411,185,508	74,740,818,959
Individual deposits	113,590,794,082	104,249,007,881
	<u>202,001,979,590</u>	<u>178,989,826,840</u>
Non-interest bearing balances	78,999,528,975	74,192,771,749
Interest bearing balances (variable rate)	15,587,138,116	12,911,389,973
Interest bearing balances (fixed rate)	107,415,312,499	91,885,665,118
	<u>202,001,979,590</u>	<u>178,989,826,840</u>
Current balances	175,608,696,315	156,245,258,539
Non-current balances	26,393,283,275	22,744,568,301
	<u>202,001,979,590</u>	<u>178,989,826,840</u>

Housing And Development Bank

Notes To The Consolidated Financial Statements
For The Six Months Ended 30 June 2026

29. OTHER LOANS

	<u>Interest rate</u>	<u>30/06/2026</u>	<u>31/12/2025</u>
	<u>%</u>	<u>EGP</u>	<u>EGP</u>
Long term loans			
Loans Granted from the CBE:			
Construction & Housing Organization	19.50%	133,928,559	134,464,273
Total loans granted from the CBE		133,928,559	134,464,273
Loans granted from the Social Fund for development	%14.75 , %7	18,327,100	24,087,100
The Egyptian Company for real estate refinance loan	%11 , %10.25	6,725,000	9,321,875
Loan granted to HD leasing (subsidiary company) from EBE, NBE, Banque Misr		1,044,035,957	1,087,614,340
Total		1,203,016,616	1,255,487,588
Current balances		40,661,729	49,554,318
Non-current balances		1,162,354,887	1,205,933,270
		1,203,016,616	1,255,487,588

The bank fulfilled its commitments regarding those loans in terms of the principal amount & interest amount or any other conditions during the year and comparative period.

30. OTHER LIABILITIES

	<u>30/06/2026</u>	<u>31/12/2025</u>
	<u>EGP</u>	<u>EGP</u>
Accrued interest	1,704,399,411	574,314,126
Unearned revenue	21,504,850	26,808,408
Accrued expense	312,037,182	753,604,944
Creditors	114,190,459	156,993,131
Advanced reservation of lands and units	3,396,462,303	3,025,473,741
Down payments under installments	-	-
Checks under payment & credit accounts under settlement	480,707,309	820,670,292
Lands purchase creditors	7,438,464,907	330,091,746
Other credit balance	9,483,409,980	8,686,883,879
Balance at the end of the period / year	22,951,176,401	14,374,840,267

Housing And Development Bank

Notes To The Consolidated Financial Statements For The Six Months Ended 30 June 2026

31. Other Provisions

<u>30/06/2026</u>	Beginning balance	Charged amounts	Utilized amounts	Amounts no longer required	Foreign currency revaluation difference	Ending Balance
Provision for contingent liabilities	557,437,487	-	-	(171,365,530)	-	386,071,957
Provisions for loans commitments	337,102,838	-	-	(31,079,282)	-	306,023,556
Provision for tax	253,370,345	-	-	-	-	253,370,345
Provision for legal claims	31,223,651	5,002,500	(1,582,673)	(1,289,519)	-	33,353,959
Provision for disaster aids	363,972	2,000,000	(789,890)	-	-	1,574,082
Other contingencies	268,499,358	32,263,939	(8,379,510)	-	-	292,383,787
Provision for operating losses	147,282,639	-	-	-	-	147,282,639
Loyalty Points Provision	5,334,071	46,545,493	(35,650,995)	-	-	16,228,569
Balance at the end of the period	1,600,614,361	85,811,932	(46,403,068)	(203,734,331)	-	1,436,288,894

<u>31/12/2025</u>	Beginning balance	Charged amounts	Utilized amounts	Amounts no longer required	Foreign currency revaluation difference	Ending Balance
Provision for contingent liabilities	289,126,339	268,311,148	-	-	-	557,437,487
Provisions for loans commitments	176,641,845	160,460,993	-	-	-	337,102,838
Provision for tax	254,766,161	2,300,000	(3,695,816)	-	-	253,370,345
Provision for legal claims	28,605,726	3,541,389	(256,380)	(667,084)	-	31,223,651
Provision for disaster aids	1,589,455	-	(1,225,483)	-	-	363,972
Other contingencies	167,163,921	108,763,726	(7,428,289)	-	-	268,499,358
Provision for operating losses	134,678,232	12,604,407	-	-	-	147,282,639
Loyalty Points Provision	2,301,979	48,796,592	(45,764,500)	-	-	5,334,071
Balance at the end of the year	1,054,873,658	604,778,255	(58,370,468)	(667,084)	-	1,600,614,361

<u>Other provisions:</u>	<u>30/06/2026</u>			<u>30/06/2025</u>		
	Charged amounts	Amounts No Longer Required	Total	Charged amounts	Amounts no longer required	Total
Provision for contingent liabilities	-	171,365,530	171,365,530	-	15,472,239	15,472,239
Provision for loans commitments	-	31,079,282	31,079,282	-	1,703,381	1,703,381
Provision for tax	-	-	-	-	-	-
Provision for legal claims	(5,002,500)	1,289,519	(3,712,981)	(2,534,840)	22,209	(2,512,631)
Provision for disaster aids	(2,000,000)	-	(2,000,000)	-	-	-
Other contingencies	(32,263,939)	-	(32,263,939)	(81,363,616)	-	(81,363,616)
Provision for operating losses	-	-	-	(12,604,407)	-	(12,604,407)
Loyalty Points Provision	(46,545,493)	-	(46,545,493)	(16,226,407)	-	(16,226,407)
Total	(85,811,932)	203,734,331	117,922,399	(112,729,270)	17,197,829	(95,531,441)

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Notes To The Consolidated Financial Statements For The Six Months Ended 30 June 2026

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

	<u>Deferred tax assets</u>		<u>Deferred tax liability</u>	
	<u>30/06/2026</u>	<u>31/12/2025</u>	<u>30/06/2026</u>	<u>31/12/2025</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Fixed assets and Intangible Assets	-	-	(13,608,624)	(31,666,681)
Change in fair value of equity instrument at fair value through other comprehensive income	20,023,421	-	-	(2,702,096)
Provisions other than Loans impairment losses*	242,983,823	285,449,913	-	-
Total tax that resulted in asset / (Liability)	263,007,244	285,449,913	(13,608,624)	(34,368,777)
Net tax that resulted in asset / (Liability)	249,398,620	251,081,136		

- * 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 transactions:

	<u>Deferred tax assets</u>		<u>Deferred tax liability</u>	
	<u>30/06/2026</u>	<u>31/12/2025</u>	<u>30/06/2026</u>	<u>31/12/2025</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Beginning balances of the period / year	285,449,913	209,626,924	(34,368,777)	(37,202,286)
Additions during the period / year*	28,873,683	114,932,218	(94,968)	(10,664,078)
Disposals during the period / year**	(51,316,352)	(39,109,229)	20,855,121	13,497,587
Balance at the end of the period / year	263,007,244	285,449,913	(13,608,624)	(34,368,777)

*Additions (Assets) contain amount of EGP 25 670 827 million related to deferred tax included into OCI note number 35-H.

**Disposals (Liabilities) contain amount of EGP 2 702 096 million related to deferred tax included into OCI note number 35-H.

Unrecognized deferred assets

Deferred tax assets are not recognized for those items:

	<u>30/06/2026</u>	<u>31/12/2025</u>
	<u>EGP</u>	<u>EGP</u>
Loans impairment provision excluding the 80% during the period / year	264,243,296	244,317,041

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Notes To The Consolidated Financial Statements For The Six Months Ended 30 June 2026

33. RETIREMENT BENEFIT OBLIGATIONS

	<u>30/06/2026</u>	<u>31/12/2025</u>
	<u>EGP</u>	<u>EGP</u>
Retirement benefit obligation as recorded in balance sheet:		
Medical benefit after retirement	154,190,215	161,282,610
Transactions of liabilities during the period / year represented as follows :		
Beginning balance of the period / year	161,282,610	110,877,616
Interest cost during the period / year	8,657,698	17,702,260
Actuarial losses	40,000,000	80,000,000
Paid contributions	(55,750,093)	(47,297,266)
Balance at the end of the period / year	154,190,215	161,282,610

Main actuarial assumption used represented in the following:

	<u>Current year</u>	<u>Comparison year</u>
	<u>%</u>	<u>%</u>
Discount rate	13.97%	13.97%
Expected interest rate on assets	6%	6%
Inflation rate used in medical services cost	15%	15%
Mortality rate	(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 30 billion, the issued and paid in capital is EGP 10.626 billion totaling 1.0626 billion 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 1000 million to EGP 3000 million, and the issued and paid in capital from EGP 550 million to EGP 1150 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 1150 million.

- 2- The Bank's extraordinary general assembly approved on 10/04/2014 increasing the issued and paid-up capital from EGP 1150 million to EGP 1265 million by contribute EGP 115 million from the Legal reserve of year 2012 by one share for every ten share and marked on the bank's commercial register on 14/12/2014 accordingly the issued and paid capital has reached EGP 1265 million.

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For The Six Months Ended 30 June 2026

- 3- The Bank's extraordinary general assembly approved on 20/12/2017 to increase the issued and paid-up capital from EGP 1265 million to EGP 1518 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 1518 million.
- 4- The Bank's extraordinary general assembly approved on 30/3/2022 to increase the issued and paid-up capital from EGP 1518 million to EGP 5313 million by contribute EGP 3283 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 5313 million.
- 5- The Bank's extraordinary general assembly approved on 25/03/2025 to increase the authorized capital from EGP 10 billion to EGP 30 billion and the issued and paid in capital from EGP 5313 million to EGP 10626 million, by contribute EGP 5313 million from the General reserve by 1 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 15/6/2026 accordingly the issued and paid capital has reached EGP 10626 million

Following are the shareholders who have over than 5% from the issued capital:

Contributors	<u>Number of shares</u>	<u>Percentage of contribution</u>	<u>EGP in thousands</u>
New urban communities authority	158,395,608	29,81%	1,583,956
Rolaco EGB for investments (Ali Hassan Ali 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

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35. RESERVES

	<u>30/06/2026</u>	<u>31/12/2025</u>
	<u>EGP</u>	<u>EGP</u>
General banking risks reserve	17,491,986	11,202,944
Legal reserve	2,677,071,433	1,816,811,921
General reserve	17,583,977,430	7,643,977,430
Special reserve	9,344,966	9,344,966
Other reserves	39,643,762	39,028,283
General risk reserve	89,215,810	89,215,810
Balance of reserves at the end of the period / year	<u>20,416,745,387</u>	<u>9,609,581,354</u>

A- General banking risks reserve

	<u>30/06/2026</u>	<u>31/12/2025</u>
	<u>EGP</u>	<u>EGP</u>
Beginning balance of the period / year	11,202,944	4,913,902
Transferred from retained earning	6,289,042	6,289,042
Ending balance of the period / year	<u>17,491,986</u>	<u>11,202,944</u>

B- Legal reserve

	<u>30/06/2026</u>	<u>31/12/2025</u>
	<u>EGP</u>	<u>EGP</u>
Beginning balance of the period / year	1,816,811,921	1,264,822,211
Transferred from retained earnings	860,259,512	551,989,710
Ending balance of the period / year	<u>2,677,071,433</u>	<u>1,816,811,921</u>

C- General reserve

	<u>30/06/2026</u>	<u>31/12/2025</u>
	<u>EGP</u>	<u>EGP</u>
Beginning balance of the period / year	7,643,977,430	6,506,977,430
Transferred from retained earnings	9,940,000,000	6,450,000,000
Amounts reserved for capital increase	-	(5,313,000,000)
Ending balance of the period / year	<u>17,583,977,430</u>	<u>7,643,977,430</u>

D- Special reserve

	<u>30/06/2026</u>	<u>31/12/2025</u>
	<u>EGP</u>	<u>EGP</u>
Beginning balance of the period / year	9,344,966	9,344,966
Ending balance of the period / year	<u>9,344,966</u>	<u>9,344,966</u>

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E- Other reserves

	<u>30/06/2026</u>	<u>31/12/2025</u>
	<u>EGP</u>	<u>EGP</u>
Beginning balance of the period / year	39,028,283	38,185,992
Transferred from retained earnings	615,479	842,291
Ending balance of the period / year	<u>39,643,762</u>	<u>39,028,283</u>

F- General risk reserves:

	<u>30/06/2026</u>	<u>31/12/2025</u>
	<u>EGP</u>	<u>EGP</u>
Beginning balance of the period / year	89,215,810	89,215,810
Ending balance of the period / year	<u>89,215,810</u>	<u>89,215,810</u>

G-Other Comprehensive Income

	<u>30/06/2026</u>	<u>31/12/2025</u>
	<u>EGP</u>	<u>EGP</u>
Beginning balance of the period / year	63,932,432	(66,916,968)
Change in fair value of Financial Assets at fair value through other comprehensive income	(71,954,543)	185,453,767
Expected credit loss of debt instruments at fair value through other comprehensive income	6,276,451	(13,388,275)
Deferred tax	22,725,517	(41,216,092)
Ending balance of the period / year	<u>20,979,857</u>	<u>63,932,432</u>

The Balance of Other Comprehensive Income is as The following:

	<u>30/06/2026</u>	<u>31/12/2025</u>
	<u>EGP</u>	<u>EGP</u>
fair value of Financial Assets at fair value through other comprehensive income	(24,811,510)	47,143,033
Expected credit loss of debt instruments at fair value through other comprehensive income	28,458,564	22,182,113
Deferred tax	17,332,803	(5,392,714)
Total Other Comprehensive Income Items	<u>20,979,857</u>	<u>63,932,432</u>

36. DIVIDENDS DISTRIBUTIONS

Dividends distributions is not recorded until approved by the shareholders general assembly,

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.

	<u>30/06/2026</u>	<u>30/06/2025</u>
	<u>EGP</u>	<u>EGP</u>
Due from central bank	1,678,020,643	2,191,133,696
Due from banks	16,097,111,898	7,020,297,513
Financial assets other than at fair value through profit and loss	13,975,323	2,277,563,497
	<u>17,789,107,864</u>	<u>11,488,994,706</u>

38. CONTINGENT LIABILITIES AND COMMITMENTS

A- Capital commitments

The bank contracts of Capital commitments reached 727,855,855 EGP on 30 June 2026 compared to EGP 489,550,148 on comparative year 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 55,970,632 in 30 June 2026 compared to EGP 60,624,795 on comparative year which represents in Operating lease contracts.

C- Contingent liabilities

	<u>30/06/2026</u>	<u>31/12/2025</u>
	<u>EGP</u>	<u>EGP</u>
Letters of Guarantee	7,666,623,239	7,572,302,847
Letters of Credit	104,056,116	23,741,449
Less:		
Collaterals	<u>(1,023,205,763)</u>	<u>(990,062,939)</u>
Contingent liabilities	<u>6,747,473,592</u>	<u>6,605,981,357</u>

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39. MUTUAL FUNDS El-Taamer Mutual Fund

The board of directors has agreed on September 10, 2007 to establish accumulated fund with regular dividends distribution called El-Taamer Mutual Fund for EGP (100) million, managed by Prime Company for Financial Investments,

The Central Bank of Egypt has agreed on Jan 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 30 June 2026 was EGP 875.29

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 21 December 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 30 June 2026 was EGP 69.3991

40. 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 2022: Inspection has been completed; the tax that resulted from the tax inspection has been paid.

2023: The tax inspection is currently carried out for the year, the bank presented the annual tax settlement for the year, the bank pays the tax monthly and prepare the tax settlements in the due dates under law no, (91) Year 2005.

The years from 2024 to 2025: 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:

From beginning of the activity to 31/7/2006

The Bank's Stamp tax has been inspected, paid and settled until the end of Law 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, the points of disagreement were referred to the Dispute Resolution Committee. The dispute was settled amicably and is currently being approved by the higher Committee recording the outstanding credit balance due to the bank.

The period from 01/01/2021 till 31/12/2025

- The tax inspection has not yet been carried out; the bank pays the stamp duty regularly on a quarterly basis

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Corporate Income tax:

From 1980 to 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

2020 : The bank's corporate income tax has been inspected, the final tax form has not yet been received."

The years from 2021 to 2024: The tax inspection is currently carried out for these years, 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.

2025: 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 2025.

41. 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 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.

During 2025, the Monetary Policy Committee (MPC) of the Central Bank of Egypt (CBE) decided, across its meetings, to lower the overnight deposit and lending rates, as well as the CBE's main operation rate, by 725 basis points (bps) to reach 20%, 21%, and 20.5%, respectively. Furthermore, the credit and discount rate were reduced by 725 bps to reach 20.5%. These adjustments may influence the Bank's future strategy regarding the pricing of its current and upcoming banking products.

On February 12, 2026, the Monetary Policy Committee (MPC) of the Central Bank of Egypt (CBE) decided in its meeting to cut the overnight deposit rate, the overnight lending rate, and the rate of the main operation by 100 basis points (bps) to reach 19%, 20%, and 19.5%, respectively. Additionally, the discount rate was lowered by 100 bps to reach 19.5%. These adjustments may impact the Bank's pricing policies for both current and future banking products.

Our bank is monitoring the updates of the USA - Iran 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.