

CI Capital Holding for Financial Investments Reports its H1 2020 Consolidated Results

Cairo, August 16, 2020

CI Capital Holding for Financial Investments (Ticker: CICH.CA) reports today its first half 2020 consolidated results. Total revenues reached EGP 1.0 billion declining 9.9% year on year and a net profit after tax & minority of EGP 178.8 million declining 13.9% year on year, with a total financing portfolio of EGP 9.9 billion

Consolidated Highlights

- Total financing portfolio¹ reached EGP 9.9 billion, increasing 6.2% year on year (y-o-y)
- Total revenues reached EGP 1.0 billion, down 9.9% y-o-y, with an NBFS contribution of 79.8%
- Net interest income reached EGP 375.2 million, almost flat y-o-y, with a blended NIM of 8.3%
- Net operating profit reported EGP 312.6 million, down 8.7% y-o-y
- Net profit after tax & minority reported EGP 178.8 million decreasing 13.9% from its comparable year, with an NBFS bottom-line contribution of 75.0%

Non-bank Financial Services Highlights

Leasing

- Leasing net profit after tax reached EGP 113.0 million, decreasing 9.2% y-o-y
- Corplease reported new lease bookings of EGP 1.5 billion.
- Outstanding lease portfolio reached EGP 8.4 billion, growing 4.0% y-o-y

Micro-finance

- Micro-finance net profit after tax grew 6.9% y-o-y to reach EGP 60.6 million
- Total microfinance loans outstanding reached EGP 807.6 million at the end of H1 2020, growing 22.4% y-o-y
- Added 18 branches throughout H1 2020 to close the quarter with a total branch network of 78 branches

Mortgage

- CI Mortgage, the group's newly established mortgage arm, stood with a portfolio of EGP 90.3 million at the end of H1 2020

Investment Bank & Holding Highlights

- Assets under management (AUMs) reached EGP 9.8 billion, up 6.9% y-o-y
- Brokerage market share reached 9.9%² in H1 2020, ranking 2nd among all brokerage houses
- Investment banking advisory revenues recorded EGP 22.0 million, declining 34.9% year on year

Commenting on the H1 2020 performance, management stated:

“As we conclude the first half of an unprecedented year, our resiliency was capitalized by our solid balance sheet, favorable liquidity position, and progress around our strategic growth initiatives. Despite the challenging market conditions, our financing platform's various business lines continue to witness portfolio growth, while maintaining and keeping a close eye on our cash collection cycle. Progress for our greenfield mortgage and consumer finance (Souhoola) subsidiaries is on track, with our mortgage business on the verge of breaking even.

The Group's net profit after tax and minority declined 13.9% y-o-y to EGP 178.8 million versus a very strong comparable period the previous year. The decline was mainly attributable to the group's restatement to comply with IFRS 16 which resulted in incremental rent costs, losses incurred by our fast growing greenfield initiatives, and higher provisions to hedge against any possible disruption in business related to COVID-19. Despite the macro backdrop, our total financing business¹ portfolio increased 6.2% y-o-y to reach EGP 9.9 billion in H1 2020.

We are confident that market recovery is inevitable, and hence we remain committed to our expansion plans across most of our business lines, as we position ourselves to capitalize on the expected market recovery. Delivering on our promises, Reefy grew its network to 78 branches up from 50 a year earlier and Souhoola grew its number of merchants by 65% compared to the previous quarter. Meanwhile, Taaleem, our minority-owned investment, signed an MoU with Palm Hills Developments to establish a university in Badya in West Cairo in collaboration with the Medical University of Vienna International (MUVI).”

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1. Comprised of all financing activities under the various business lines.
 2. Market share is for CIBC and Dynamic for executions on the main market excluding deals

For investor relations related questions, please contact:

Khaled Sadek, Investor Relations & Corporate Finance Director

Adam Hammad, Investor Relations Analyst

investor.relations@cicapital.com

About CI Capital Holding for Financial Investments

CI Capital Holding for Financial Investments is a diversified financial services group and Egypt's leading provider of leasing, microfinance, mortgage finance, consumer finance and investment banking products and services. Through its headquarters in Cairo and presence in New York and Dubai, CI Capital Holding for Financial Investments offers a wide range of financial solutions to a diversified client base that includes global and regional institutions and family offices, large corporates, SMEs, and high net worth and individual investors. CI Capital Holding for Financial Investments leverages its full-fledged investment banking platform to provide market leading capital raising and M&A advisory, asset management, securities brokerage, custody and research. Through its subsidiary Corplease, CI Capital offers comprehensive leasing solutions, including finance and operating leases, and sale and leaseback, serving a wide range of corporate clients and SMEs. In addition, CI Capital Holding for Financial Investments offers microfinance lending through Egypt's first licensed MFI, Reefy. The Group has over 1,800 employees, led by a team of professionals who are among the most experienced in the industry, with complementary backgrounds and skill sets and a deep understanding of local market dynamics.

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This announcement contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of words and phrases like "according to estimates", "anticipates", "assumes", "believes", "could", "estimates", "expects", "intends", "is of the opinion", "may", "plans", "potential", "predicts", "projects", "should", "to the knowledge of", "will", "would", "annualized" or, in each case their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding the Company's business and management, the Group's future growth or profitability and general economic and regulatory conditions and other matters affecting the Group. Forward-looking statements reflect the current views of management of future events and are based on management's assumptions and involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause the actual financial condition and results of operations of the Group to differ materially from, or fail to meet expectations expressed or implied by, those forward-looking statements. The Company's business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to become inaccurate. These risks include fluctuations in employee costs required by the operations of the Group, its ability to retain the services of certain key employees, its ability to compete successfully, changes in political, social, legal or economic conditions in Egypt, worldwide economic trends, global and regional trends in the industry, inflation, interest rate and exchange rate fluctuations and the ability of management to identify accurately and in a timely manner future risks to the business of the Group and manage the risks mentioned above. Accordingly, investors should not rely on the forward-looking statements in this announcement. None of the Group, its management or CI Capital Holding for Financial Investments gives any assurance regarding the future accuracy of the opinions set forth in this announcement or as to the actual occurrence of any predicted developments. After the date of this announcement, none of the Group or its management assumes, and each of the Group and its management expressly disclaim, any obligation, except as required by law and the listing rules of the EGX, to update any forward-looking.
