

Earnings Release

1H22

- CI Capital delivered solid 1H22 results, with Group revenues and net profit of EGP1.6bn and EGP341mn, respectively
- The Group's total on-balance sheet financing portfolio recorded EGP15.4bn (▲ 36% y-o-y)
- CI Capital's brokerage arm topped the EGX brokerage league table in 1H22, with a leap in market share to 22.7%
- NBF1 contributed 81% and 88% to the Group's revenues and net profit, respectively

CI Capital Holding for Financial Investments

Cairo, 24 August 2022

CI Capital Holding for Financial Investments “CI Capital” (Ticker: CICH.CA), Egypt’s leading diversified financial services group, announced its 1H22 consolidated results, for the period ending 30 June 2022, today.

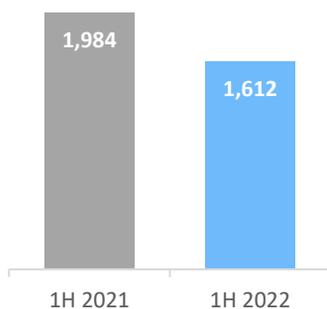
1H22 Key Performance Highlights:

<p>Total Group revenues</p> <p>EGP1,612mn</p> <p>↓ 19% y-o-y</p>	<p>Net operating profit</p> <p>EGP567mn</p> <p>↓ 47% y-o-y</p>	<p>On-balance sheet financing portfolio¹</p> <p>EGP15.4bn</p> <p>↑ 36% y-o-y</p>	<p>Blended net interest margin</p> <p>8.7%</p> <p>↑ 111 bps y-o-y</p>
<p>Net profit after tax & minority interest</p> <p>EGP341mn</p> <p>↑ 98% y-o-y</p>	<p>Annualised return on average equity</p> <p>19.5%</p>	<p>Assets under management</p> <p>EGP14.1bn</p> <p>↑ 18% y-o-y</p>	<p>Brokerage market share</p> <p>22.7%</p> <p>↑ 15.5 pp y-o-y</p>

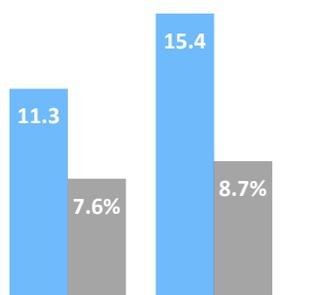
- 1H22 marked another solid set of results by the Group, delivering consolidated net profit after tax & minority interest of EGP341mn, marking a 98% y-o-y growth. The Group’s resilient results were a function of the Group’s scale, diversified business model, solid balance sheet, and sound liquidity position, placing it in a position of strength versus competition in often challenging times.
- The Group’s NBFS arm continued to deliver robust growth, with EGP15.4bn of on-balance sheet financing portfolio by 1H22, up a solid 36% y-o-y, and a blended NIM of 8.7%, marking a 111 bps y-o-y margin expansion. The NBFi platform represented 81% and 88% of the Group’s revenue and net profit, respectively, during the period.
- Total new loans disbursed surged 54% y-o-y to EGP5.7bn, as all segments delivered solid y-o-y growth. Corplease added EGP4.0bn in new bookings, reflecting a 55% y-o-y increase, of which EGP134mn were related to the company’s newly launched factoring business. Reefy, the Group’s microfinance arm, added EGP1.5bn in new loans disbursement, marking a solid 46% y-o-y growth, while CI Mortgage Finance, the Group’s greenfield subsidiary, issued new loans worth EGP286mn.
- The Investment Bank platform sustained its resilient performance despite turbulent equity market conditions, backed by the successful execution of number of high-profile IB advisory transactions, AUM growth, and garnered market share at the brokerage level. The Group’s brokerage arm topped the EGX brokerage league table in 1H22, with a significant leap in market share to 22.7%, while Asset Management recorded stellar 18% y-o-y growth in AUM.
- At the merchant banking level, CI Capital’s share of profit after minority from the companies under merchant banking platform, including the Group’s c13% stake in Taaleem Management Services (TALM.CA) and c28% stake in Cleopatra Hospitals Group (CLHO.CA) through its 60%-owned MCI Capital Healthcare Partners, amounted to EGP45mn in 1H22.

1. Comprised of all lending activities under the Group (leasing, microfinance, margin lending, and mortgage finance), and excludes off-balance sheet securitisation issuances

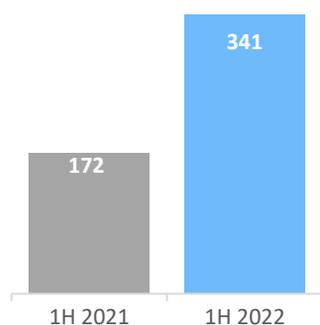
Group consolidated revenues (EGPmn)



Financing portfolio | NIM



Reported Net Profit (EGPmn)



Group Consolidated Performance

Group Financial Summary

EGPmn	2Q22	2Q21	Y-o-Y	1H22	1H21	Y-o-Y
Group Revenue	848	1,425	-40%	1,612	1,984	-19%
<i>Investment Bank</i>	157	992	-84%	307	1,125	-73%
<i>NBFIs</i>	691	432	60%	1,304	859	52%
Operating Expenses	(558)	(400)	40%	(1,045)	(923)	13%
<i>Interest Expense</i>	(375)	(202)	85%	(646)	(396)	63%
<i>People Cost & Other SG&A</i>	(182)	(197)	-8%	(399)	(527)	-24%
Net Operating Profit	291	1,025	-72%	567	1,061	-47%
<i>Net Operating Margin (%)</i>	34%	72%		35%	53%	
Net Profit after Tax & Minority	187	188	-1%	341	172	98%
<i>Investment Bank</i>	48	131	-64%	42	33	28%
<i>NBFIs</i>	139	57	143%	299	139	115%

Source: CI Capital Holding for Financial Investments Financial Statements

Group Performance in a Nutshell:

CI Capital's consolidated net profit for the 1H22 period recorded EGP341mn, nearly doubling y-o-y, driven by sustained ahead of peers' NBFIs quality growth and resilient performance from the Investment Bank. Out of the Group's bottom line, 88% stemmed from the NBFi platform and the balance from the Investment Bank. The Group's revenues declined 19% y-o-y to EGP1.6bn in 1H22, primarily on high base, as 2Q21 was inflated by EGY EDU minorities' share of the capital gain generated from Taaleem's IPO, excluding which, normalised y-o-y revenue growth would have detailed 36% in 1H22.

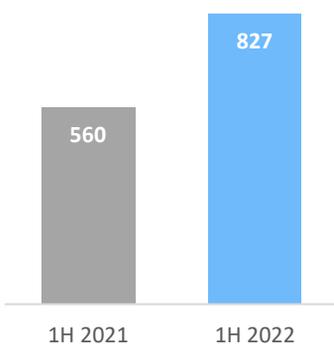
Across the Group's different business lines, the firm garnered market share and expanded footprint. Corplease delivered a robust growth in new lease bookings of 55% y-o-y in 1H22 to EGP4.0bn and issued its first factoring ticket in 2Q22. Reefy, the Group's microfinance arm, sustained its solid performance, delivering a new record high bottom line and KPIs for the sixth consecutive quarter, driven by like-for-like growth and rollover of 15 new branches to reach a network of 120 branches.

Despite challenging equity market backdrop, the Investment Bank continued to deliver solid results, fueled by the execution of select transactions out of the IB Advisory's pipeline of mandates. CI Capital's brokerage arm topped the EGX brokerage league table in 1H22 with a market share of 22.7%, capitalising on the recovery in institutional flow and building on CI Capital's market dominance on the institutional front and solid execution capabilities.

Aggregate, on-balance sheet, outstanding lending portfolios, reached EGP15.4bn, rising a robust 36% y-o-y. The platform generated combined net interest income of EGP582mn, up 41% y-o-y, with a blended NIM of 8.7%, marking a 111 bps y-o-y margin expansion.

The Group extended EGP5.7bn in new credit during 1H22, 54% ahead of the comparable period last year, of which c69% were driven by Corplease, c26% by Reefy, and c5% by CI Mortgage Finance.

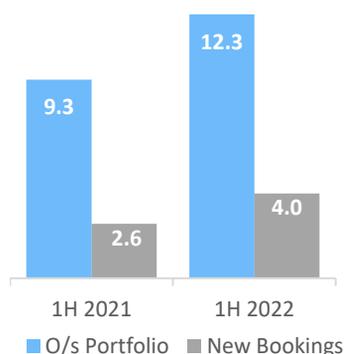
Leasing revenues
(EGPmn)



Leverage ratio | NIM



Leasing portfolio | New bookings
(EGPbn)



Group Business Line Performance

i. Leasing

Finance & operational summary

EGPmn	2Q22	2Q21	Y-o-Y	1H22	1H21	Y-o-Y
EGP12.3bn O/S Loan book						
EGP4.0bn New bookings						
6.4x Leverage ratio						
Total Revenues	438	278	58%	827	560	48%
<i>Interest Expense</i>	<i>(253)</i>	<i>(173)</i>	<i>46%</i>	<i>(425)</i>	<i>(340)</i>	<i>25%</i>
<i>People Cost & Other SG&A</i>	<i>(51)</i>	<i>(45)</i>	<i>16%</i>	<i>(102)</i>	<i>(92)</i>	<i>11%</i>
Operating Expenses	(305)	(218)	40%	(527)	(431)	22%
Net Operating Profit	133	60	124%	300	128	133%
<i>Net Operating Margin (%)</i>	<i>30%</i>	<i>21%</i>		<i>36%</i>	<i>23%</i>	
Net Profit After Tax	79	35	126%	189	99	90%

Source: CI Capital Holding for Financial Investments & Corplease Financial Statements

Leasing Performance Summary:

Corplease, the Group's leasing arm, recorded revenues and net profit after tax in 1H22 of EGP827mn and EGP189mn, up a solid 48% y-o-y and 90% y-o-y, respectively. The outstanding performance was driven by robust growth in newly secured bookings, growing on-balance sheet leasing portfolio, and FX gain.

The leasing unit successfully retained EGP4.0bn in new bookings during 1H22, up a vigorous 55% y-o-y. On-balance sheet lending portfolio gained 33% y-o-y to EGP12.3bn in 1H22.

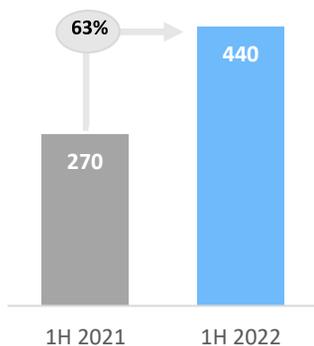
Venturing into the factoring business, Corplease extended its first factoring ticket in 2Q22. The move comes in line with the company's strategy to widen its product offering and diversify revenue streams to boost portfolio growth.

The company's debt-to-equity ratio stood at a healthy 6.4x, as of 1H22, vs. 5.9x in the comparable period last year, offering ample room to accommodate for further growth.

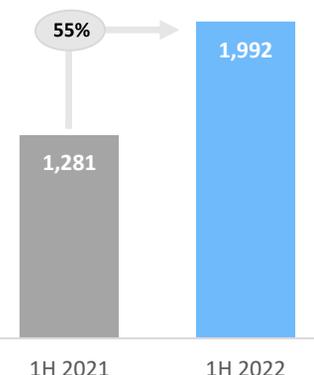
The company generated net interest income of EGP191mn in 1H22, up 22% y-o-y, implying an annualised NIM of 3.6%, marking a 12 bps margin expansion vs. the comparable period last year. Provisions for the period detailed EGP58mn vs. a mere EGP1mn in 1H21, implying an annualised cost of risk of 1.1%.

Outstanding portfolio remained well diversified, in terms of industry and currency exposure. The highest industry exposure remains the real estate sector with c29% contribution, followed by construction & materials at c19%, travel & leisure at c15%, and industrial goods & services at c13%.

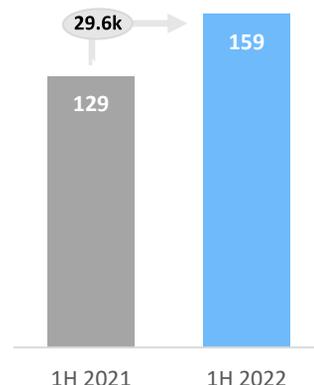
Microfinance revenues
(EGPmn)



Microfinance Portfolio
(EGPmn)



Active borrowers
(000's)



Group Business Line Performance

ii. Microfinance

Finance & operational summary

	EGP 2.0bn Loan portfolio	120 No. of branches	159k Active borrowers			
EGPmn	2Q22	2Q21	Y-o-Y	1H22	1H21	Y-o-Y
Total Revenues	230	142	62%	440	270	63%
<i>Interest Expense</i>	<i>(41)</i>	<i>(20)</i>	<i>105%</i>	<i>(71)</i>	<i>(38)</i>	<i>89%</i>
<i>People Cost & Other SG&A</i>	<i>(72)</i>	<i>(53)</i>	<i>36%</i>	<i>(145)</i>	<i>(103)</i>	<i>41%</i>
Operating Expenses	(113)	(73)	55%	(216)	(141)	54%
Net Operating Profit	116	69	69%	224	130	73%
<i>Net Operating Margin (%)</i>	<i>51%</i>	<i>48%</i>		<i>51%</i>	<i>48%</i>	
Net Profit After Tax	81	50	62%	157	92	72%

Source: CI Capital Holding for Financial Investments & Reefy Financial Statements

Microfinance Performance Summary:

Reefy, the Group's microfinance arm, reported another strong set of results, marking a new record high bottom line and KPIs for the sixth consecutive quarter. Growth was buoyed by widened customer base as the company further expanded its footprint, and like-for-like growth from existing network of branches. Net profit after tax reached EGP157mn in 1H22, up a remarkable 72% y-o-y.

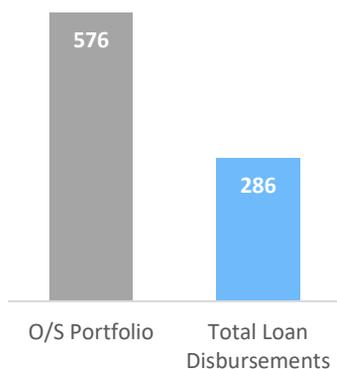
Outstanding portfolio came in at EGP2.0bn, up 55% y-o-y and 8% q-o-q, the highest level since the firm's inception. Total microfinance revenues grew a solid 63% y-o-y to EGP440mn in 1H22, generating net interest income of EGP343mn, implying a NIM of 37.7% and 61% y-o-y growth.

On branch rollout, Reefy added 11 new branches in 1Q22 and 4 new branches in 2Q22, taking the total number of branches to 120. Reefy is currently present in 20 governorates, with focus on Delta and Upper Egypt, accounting to c34% and c47% of Reefy's network of branches, respectively. Number of employees increased to 2,739 employees vs. 2,657 employees, as of 1H21, in line with the company's growth in business and footprint.

In 1H22, Reefy extended EGP1.5bn in new loans, up 46% y-o-y, implying average loan disbursements per branch of EGP12.4mn in 1H22, an increase of 28% compared to 1H21. Annualised cost of risk stood at a low 2.0%, a testament of Reefy's loan book quality and collection rates driven by prudent risk management.

The number of active borrowers increased by 23% y-o-y to 159k borrowers. Female active borrowers accounted for c50% of Reefy's active borrowers. The company issued 74k new loans during 1H22, c47% of which were for existing clients, marking a growth of c17% y-o-y and an average ticket size of EGP21.4k per loan.

Mortgage finance
(EGPmn)



Group Business Line Performance

iii. Mortgage Finance Finance & operational summary

EGP576mn
Mortgage book

EGP286mn
Loan disbursements

3.9%
Market share¹

CI Mortgage Finance, the Group's greenfield mortgage finance platform, continued to grow on firm footing, with outstanding portfolio reaching EGP576mn, surging 3.5x y-o-y and 57% on a q-o-q basis.

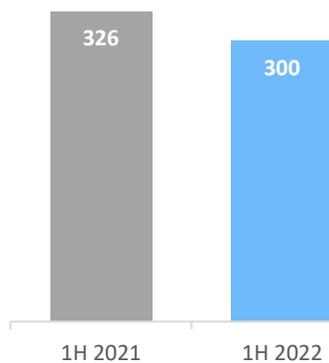
Total mortgage revenue in 1H22 gained 135% y-o-y to EGP37mn, on sustained growth in loan disbursements, driven by retail business and portfolio acquisition.

The business generated net interest income of EGP15mn, up 109% y-o-y and implying an annualised NIM of 6.3%. Net profit for the period reached EGP7.9mn vs EGP1.9mn in the comparable period of the previous year.

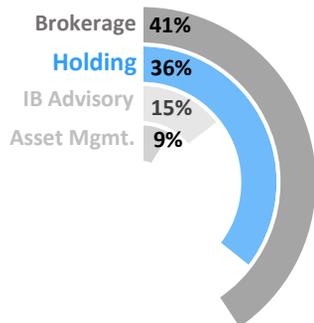
The mortgage platform extended new loans worth EGP286mn in 1H22, 3.8x ahead of the comparable period last year, with a blended average ticket size of EGP24mn, including retail and portfolio acquisition.

1. Jan-Jun 2022 total mortgage loan disbursements as per the Financial regulatory Authority

Investment Bank & Holding revenues (EGPmn)



IB & Holding Revenue Breakdown 1H 2022



Group Business Line Performance

iv. Investment Bank & Holding Finance & operational summary



EGPmn	2Q22	2Q21	Y-o-Y	1H22	1H21	Y-o-Y
IB & Holding Revenue	163	202	-20%	300	326	-8%
<i>Brokerage</i>	58	48	21%	122	105	16%
<i>Asset Management</i>	11	29	-64%	27	37	-27%
<i>IB Advisory</i>	1	1	7%	44	29	50%
<i>Holding (incl. Merchant Banking)</i>	93	124	-25%	107	155	-31%
Operating Expenses	(146)	(72)	104%	(275)	(287)	-4%
<i>Interest Expense</i>	(72)	(4)	nm	(132)	(9)	nm
<i>People Cost & Other SG&A</i>	(75)	(68)	10%	(143)	(278)	-49%
Net Operating Profit	16	131	-88%	25	40	-38%
<i>Net Operating Margin (%)</i>	10%	65%		8%	12%	
Net Profit after Tax & Minority	36	131	-72%	42	33	29%

Source: CI Capital Holding for Financial Investments Financial Statements

Investment Bank Performance:

The investment bank and holding's total revenues in 1H22 inched down 8% y-o-y to EGP300mn, primarily on a high base effect, as 1H21 revenues were boosted by recognised capital gains on CI Capital's partial exit of Taaleem's investment during the latter's IPO in April 2021. The positive performance across the IB platform's different business lines was partly offset by unrealised revaluation loss at the Holding Co. level on marking-to-market CI Capital's EGX listed investments.

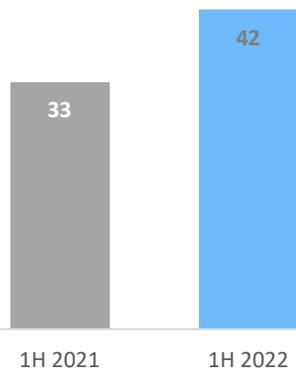
The brokerage business, which contributes c41% of the IB platform revenues, climbed 16% y-o-y to EGP122mn, on solid market share gains at the institutional and retail levels. CI Capital's overall market share, including and excluding special deals, expanded by 15.5pp y-o-y and 3.2pp y-o-y to 22.7% and 9.0% in 1H22, respectively.

Asset management revenues were down 27% y-o-y to EGP27mn in 1H22 on typical seasonality in performance fees despite recording double-digit growth in management fees and buoyed by growing AUM, while IB Advisory recorded revenues of EGP44mn, posting a growth of 50% y-o-y.

Net operating expenses came in at EGP275mn, down 4% y-o-y, primarily on lower people cost as the comparable quarter was elevated by one-off ESOP expense of EGP150mn that was incurred in following by the execution of Banque Misr MTO in 1Q21.

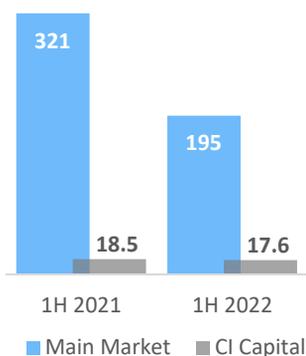
Net profit after tax & minority was at EGP42mn in 1H22, marking a growth of 29% y-o-y.

Net profit after tax & minority (EGPmn)

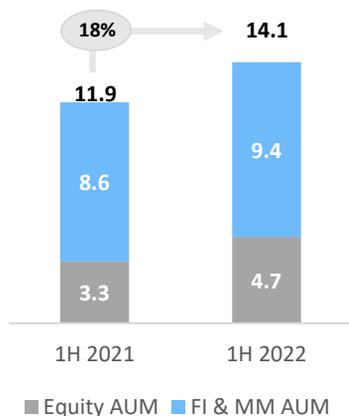


1. Including deals

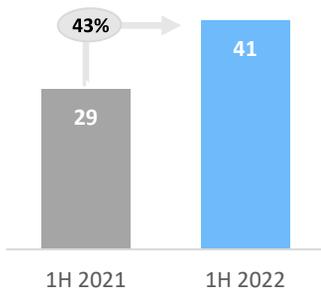
Total value traded on EGX
(excluding deals)
(EGPbn)



Assets Under Management
(EGPbn)



IB Success Fees
(EGPmn)



Operational performance by business line:

- Securities Brokerage

Total value traded on the EGX (excluding deals) decreased by 39% y-o-y to EGP195bn in 1H22 from EGP321bn in 1H21. Retail investors constituted 59% of trading activity vs. 75% in 1H21, which weighed down on CI Capital's Brokerage arm's market share, as the nature of its business is institution focused. CI Capital's market share in 1H22 stood at 9.0% of total value traded (excluding deals).

- Asset Management (CI Asset Management – CIAM)

CIAM continued to grow on firm footing, with total AUM reaching EGP14.1bn, up 18% y-o-y in 1H21. Money markets and fixed income AUM gained a staggering 10% to EGP9.4bn, while equity funds AUM edged up 40% to EGP4.7bn. Around two-third of the growth in AUM is related to newly managed funds and portfolios, along with cash injection in existing mandates.

- Investment Banking Advisory (CIIB)

CIIB recorded revenues of EGP44mn in 1H22, an increase of 50% from the previous year's comparable period. In 1Q22, CIIB successfully concluded a number of high-profile ECM and M&A transactions during the quarter.

During 2021, CIIB concluded advisory on several high-profile transactions, including e-finance IPO, Egypt's largest IPO in the last decade, Abu Qir follow-on offering, and Aldar-ADQ consortium's acquisition of 85.5% stake in Sixth of October Development and Investment Company (SODIC).

The company has a solid pipeline of high-profile DCM, ECM, and M&A mandates, some of which are at highly advanced stages and are expected to be finalised in the short-term.

- Merchant Banking

The two key investments currently under the platform are Taaleem Management Service (Ticker: TALM EY, TALM.CA), Egypt's leading private higher education player in Upper Egypt, in which CI Capital has a c13% stake, and Cleopatra Hospitals Group (Ticker: CLHO EY, CLHO.CA), Egypt's largest private hospitals group, in which CI Capital owns a c28% stake through MCI Capital Healthcare Partners.

MCI Capital Healthcare Partners is an Egypt-focused healthcare investment platform that is 60% directly and indirectly owned by CI Capital Holding for Financial Investments and 40% owned by Banque Misr.

CI Capital's share of profit from the companies under its merchant banking platform amounted to EGP45mn in 1H22.

Financial Statements

Full financial statements can be downloaded at <http://www.cicapital.com>

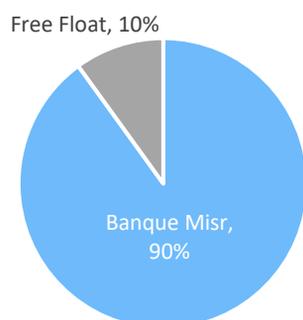
i. Income statement

(EGPmn)	2Q22	2Q21	Y-o-Y	1H22	1H21	Y-o-Y
Operating revenue	702	484	45%	1,338	992	35%
Share of profit in joint control investment	107	882		141	891	
Gain from selling assets available for sale	0	(0)		0	(0)	
Interest income from T-bills	3	6		6	17	
Profit from selling investments FVTPL	1	0		7	0	
Profit (losses) from revaluations of investments at FVTPL	(27)	18		(55)	41	
Foreign exchange differences	15	(1)		109	(3)	
Gain from selling fixed assets	0	1		0	1	
Credit interest	23	11		42	23	
Dividend income	14	10		14	10	
Cost of sales	0	0		0	(5)	
Other income	8	14		10	16	
Total revenues	848	1,425	-40%	1,612	1,984	-19%
Interest expense	(375)	(202)		(646)	(396)	
General and administrative expenses	(182)	(197)		(399)	(527)	
Impairment of client accounts	(36)	(21)		(83)	(20)	
Provisions (net)	0	0		0	0	
Total expenses	(594)	(420)	41%	(1,128)	(943)	20%
Net profit before taxes	254	1,004	-75%	484	1,041	-54%
Income tax	(60)	(30)		(117)	(63)	
Net profit after tax	194	975	-80%	366	978	-63%
Distributed as:						
Parent company	187	188	-1%	341	172	98%
Non-controlling interest	8	786		26	806	

ii. Balance sheet

(EGPmn)	30 Jun-22	31 Dec-21
Settlement guaranteed fund	10	7
Receivables	10,096	7,111
PP&E	191	198
Goodwill	349	349
Securitisation difference, net	85	82
Financial Investments In Associates	2,614	2,474
Other non-current assets	205	169
Non-current assets	13,550	10,389
Receivables	5,065	3,918
Cash and cash equivalents	977	3,709
Available for sale assets	8	5
Investments at fair value through profit or loss	149	396
Other current assets	359	86
Current assets	6,557	8,112
Total assets	20,107	18,502
Paid-in capital	1,000	1,000
Legal reserve	47	35
Translation difference	98	69
Retained earnings	1,936	1,922
Other reserves	13	47
Share premium reserve	403	403
Shareholders' equity (Holding company)	3,497	3,475
Non-controlling interest	436	484
Total shareholder's equity & non-controlling interest	3,934	3,959
Long-term loans	8,784	5,946
Prepaid lease rent	219	141
Employees end of service benefits	33	30
Deferred tax liabilities	2	46
Other non-current Liabilities	126	92
Non-current liabilities	9,163	6,255
Short-term loans & facilities	5,366	4,296
Credit customers	496	1,698
Leased assets payable to suppliers	216	504
Clearance – credit balances	49	808
Taxes payable	129	193
Provisions	35	28
Due to related parties	0	0
Other current liabilities	719	759
Current liabilities	7,010	8,288
Total liabilities & equity	20,107	18,502

Shareholder Structure



Share Information

Reuters / Bloomberg
CICH.CA / CICH EY

Shares Outstanding
1,000,000,000

Paid-In Capital
EGP 1,000,000,000

About CI Capital Holding for Financial Investments

CI Capital Holding for Financial Investments (Ticker: CICH EY, CICH.CA) 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, SME, 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.

Additionally, CI Capital Holding for Financial Investments offers microfinance lending through Egypt's first licensed MFI, Reefy. The Group has over 2.9k 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.

Investor Relations Contact

Khaled Sadek
Investor Relations & Corporate Finance Director
E: khaled.sadek@cicapital.com
T: +20 (02) 2129 2430

Forward Looking Statements

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, 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.