

Earnings Release

Q1 2020

- Group total revenues recorded a decrease of 7.4% y-o-y to reach EGP 526.1 million in Q1 2020 versus EGP 568.0 million in Q1 2019
- Total on balance sheet financing portfolio outstanding stood at EGP 9.1 billion, growing 8.2% y-o-y, with a blended net interest margin of 8.6%
- Operating profit reported EGP 157.4 million in Q1 2020 versus EGP 178.3 million in Q1 2019.
- Consolidated net profit after tax and minority interest declined 18.9% y-o-y to reach EGP 88.5 million in Q1 2020
- Non-bank financial services contribution to net profit after tax & minority reached 73.9% while the holding company and investment bank represented the remaining 26.1%

CI Capital Holding for Financial Investments

Cairo, 18th May, 2020

CI Capital Holding for Financial Investments (Ticker: CICH.CA), Egypt's leading diversified financial services group, announced today its consolidated financial results for the first quarter of 2020 ending 31st March 2020.

Q1 2020 Financial & Operational Highlights:

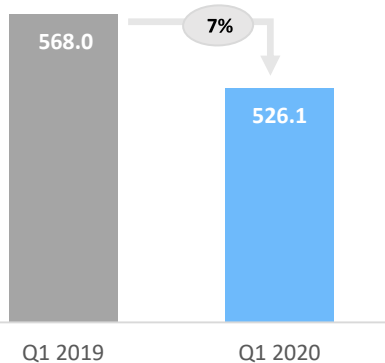
<p>Total Group Revenues</p> <p>EGP 526.1mn</p> <p>↓ 7% y-o-y</p>	<p>Net Operating Profit</p> <p>EGP 157.4mn</p> <p>↓ 12% y-o-y</p>	<p>On Balance Sheet Financing Portfolio¹</p> <p>EGP 9.1bn</p> <p>↑ 8% y-o-y</p>	<p>Leasing Portfolio</p> <p>EGP 7.6bn</p> <p>↑ 8% y-o-y</p>
<p>Net Profit Before Tax</p> <p>EGP 137.7mn</p> <p>↓ 15% y-o-y</p>	<p>Net Profit After Tax & Minority</p> <p>EGP 88.5mn</p> <p>↓ 19% y-o-y</p>	<p>Micro-finance Loans Outstanding</p> <p>EGP 823.9mn</p> <p>↑ 31% y-o-y</p>	<p>IB & Holding Revenue</p> <p>EGP 106.2mn</p> <p>↓ 11% y-o-y</p>

Q1 2020 in a Nutshell:

- Egypt's economic activity kicked off the year on a positive note. Headline inflation receded to low levels which lent support to overall economic activity during the first two months of the year, with key consumer sectors witnessing noticeable recovery in volumes for the first time since 2016. Nonetheless, the outbreak of COVID-19 started to take its toll in Mar-20, and throughout the 2Q20. In response to this, the government started to implement precautionary measures in an effort to contain the spread of the virus, including a partial curfew and the closure of schools, universities, and all entertainment facilities. On the monetary front, the CBE cut policy rates by 3% in an emergency meeting in order to support the economy. This was coupled with the instruction that banks postpone interest and principal repayments for both corporates and individuals for a six-month period. On the fiscal front, the Ministry of Finance allocated an EGP100bn support package to combat the adverse implications of the current backdrop, in addition to cutting both electricity and natural gas prices for the manufacturing sector by an average of 16%.
- **CI Capital Holding for Financial Investments** started Q1 on a very positive note in the first two months especially in the microfinance business which achieved record results. Starting March, the effect of the COVID-19 pandemic became more impactful on the business with its implications continuing to date in Q2. Overall, the Group maintains a very solid balance sheet with ample liquidity across the various business lines and the holding company. Total revenues generated during the quarter reached a total of EGP 526.1 million, down only 7.4% from its comparable year; while net profit after tax & minority reached EGP 88.5 million.
- **Total on-balance sheet financing portfolio** grew by 8.2% year on year reporting a total EGP 9.1 billion from EGP 8.4 billion the previous year; while registering a blended net interest income of 8.6%.
- **Non-bank financial services platform** continues to represent the majority of top-line and bottom-line contribution, standing at 79.8% and 73.9% respectively.
- **Investment Bank & Holding** top-line witnessed an expected decline, down 11.4% y-o-y as a result subdued stock market activity which impacted both, the brokerage and advisory businesses.

1. Comprised of all lending activities under the various business lines (leasing, micro-finance, margin lending, mortgage finance and consumer finance) and excludes all off-balance sheet securitization issuances.

Group Consolidated Revenues
(EGP mn)



Financial and Operational Summary

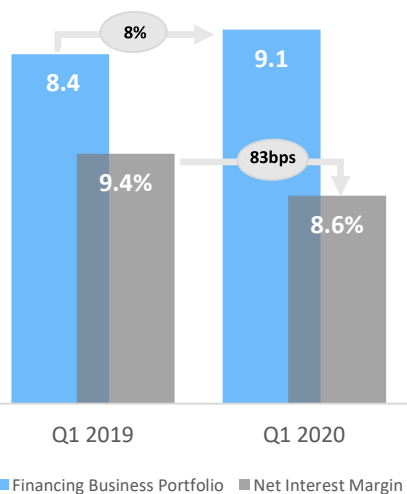
EGP 9.1bn
Financing Business Portfolio¹

12.9%
Annualized ROAE

30.8%
Cost to Income

EGP mn	Q1 2020	Q1 2019	y-o-y
Total Revenues	526.1	568.0	-7.4%
<i>Interest Expenses</i>	206.5	247.6	-16.6%
<i>People Cost & Other SG&A</i>	162.2	142.1	14.1%
Operating Expenses	368.8	389.7	-5.4%
Net Operating Profit	157.4	178.3	-11.7%
<i>Net Operating Margin</i>	29.9%	31.4%	-
Net Profit After Tax & Minority Interest	88.5	109.1	-18.9%
<i>People Cost & Other SG&A as % of Revenue</i>	30.8%	25.0%	-
<i>People Cost & Other SG&A as % of OPEX</i>	44.0%	36.5%	-

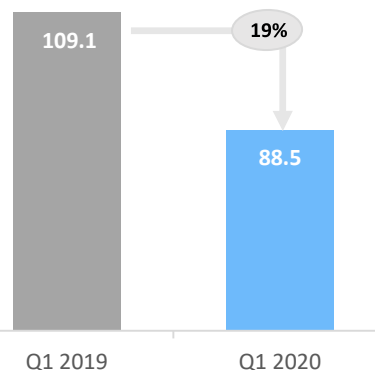
Financing Business Portfolio | NIM
(EGP bn)



Source: CI Capital Holding for Financial Investments Financial Statements

On our first quarter in 2020, the group witnessed a decline in consolidated revenues reaching EGP 526.1 million, a 7.4% decrease year on year. The decline was predominantly driven by recent repercussions sparked by the pandemic which affected the ability to generate new business in the majority of the group's lines of businesses. However, the group's financing business reached a total portfolio of EGP 9.1 billion in Q1 2020, increasing 8.2% year on year from EGP 8.4 billion in Q1 2019, the growth in financing portfolio was primarily due to new lease bookings and loans disbursed in the microfinance business. This translates into a net interest margin of 8.6% in Q1 2020, a decrease of only 83 bps y-o-y from 9.4% in Q1 2019 as a result of a larger financing portfolio.

Net Profit After Tax & Minority
(EGP mn)



Operating expenses saw a notable decrease of 5.4% y-o-y to record EGP 368.8 million in Q1 2020 from EGP 389.7 million in Q1 2019. This was a product of lower interest expenses which declined by 16.6% y-o-y to reach EGP 206.5 million in Q1 2020 despite an expansion in the group's total financing portfolio. People cost & other SG&A however, grew a commensurate 14.1% y-o-y to reach EGP 162.2 million in Q1 2020 driven by a larger workforce in the microfinance business to cope with the growth in loans and number of new branches, the launch of the mortgage and consumer finance business which were not operational in the comparative period, in addition to the group salary increase which is implemented effective January of every year. Operating profit decreased 11.7% year on year to reach EGP 157.4 million which primarily due to recognized losses from the group's greenfield initiatives consumer and mortgage finance, and the group's recent changes in accounting standards to comply with EAS 49 (IFRS 16) which requires the recognition of significant rent expenses.

Net profit after tax and minority interest decreased 18.9% y-o-y to reach EGP 88.5 million in Q1 2020 from EGP 109.1 million Q1 2019. Despite the decrease, the group feels comfortable with the attributable net profit as result of lower demand and the government's reshuffled priorities from private sector developments amid the COVID-19 pandemic.

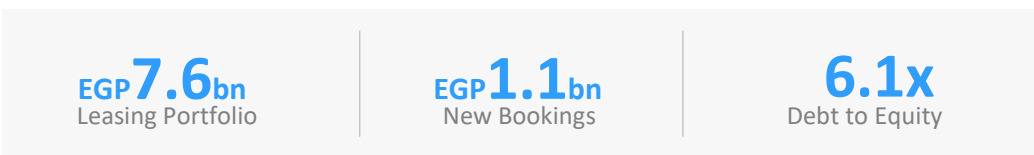
The Group maintains a very healthy balance sheet with ample liquidity and leverage across the various business lines.

1. Comprised of all lending activities under the various business lines (leasing, micro-finance, margin lending, mortgage finance and consumer finance) and excludes all off balance sheet securitization issuances.

Group Business Line Performance

i. Leasing

Financial and Operational Summary



EGP mn	Q1 2020	Q1 2019	y-o-y
Total Revenues	310.2	366.9	-15.5%
<i>Interest Expense</i>	186.2	228.7	-18.6%
<i>People Cost & Other SG&A</i>	46.0	43.1	6.9%
Operating Expenses	232.3	271.8	-14.5%
Net Operating Profit	77.9	95.1	-18.1%
<i>Net Operating Margin</i>	25.1%	25.9%	
Net Profit After Tax	49.5	62.4	-20.6%

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

Financial Performance:

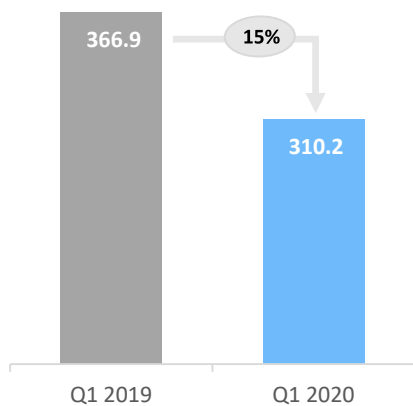
In Q4 2019 the group concluded the largest securitization transaction in its history, amounting to EGP 2.2 billion. This allowed Corplease to start the year with a very favorable liquidity position and strong balance sheet but also a smaller leasing portfolio which had a negative impact on revenues which witnessed a 15.5% decline year on year to report EGP 310.2 million in Q1 2020. Net interest income also saw a decrease down 8.7% year on year reaching EGP 78.6 million in Q1 2020 from EGP 86.1 million in Q1 2019; translating to an annualized net interest margin of 4.4% in Q1 2020 declining 84 bps y-o-y. Net interest margin was negatively distorted by the fact that most of Q1 2020 new bookings were recognized in the end of the first quarter with their interest income reflected only for a small period during Q1 2020.

Operating expenses declined commensurately to the decline in revenues, decreasing 14.5% y-o-y to reach EGP 232.3 million in Q1 2020 from EGP 271.8 million in Q1 2019. This was primarily due a significantly lower financing costs, which declined 18.6% as a result of lower leverage and lower policy rates. G&A expenses witnessed a slight growth of 6.9% y-o-y to reach EGP 46.0 million in Q1 2020. This funnels down to net profit after tax of EGP 49.5 million in Q1 2020, a 20.6% decline versus a strong comparable period.

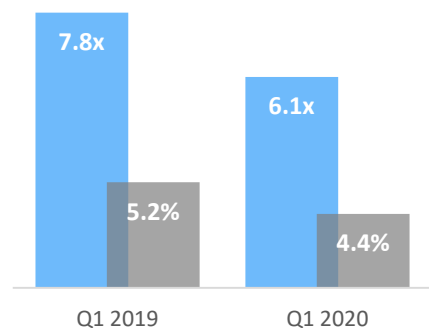
Operational Performance:

Corplease's leasing portfolio grew by 7.7% y-o-y from EGP 7.0 billion in Q1 2019 to stand at EGP 7.6 billion in Q1 2020. New bookings witnessed a decline of 14% year on year to reach EGP 1.1 billion in Q1 2020 from EGP 1.3 billion Q1 2019 on the back of the current COVID 19 outbreak.

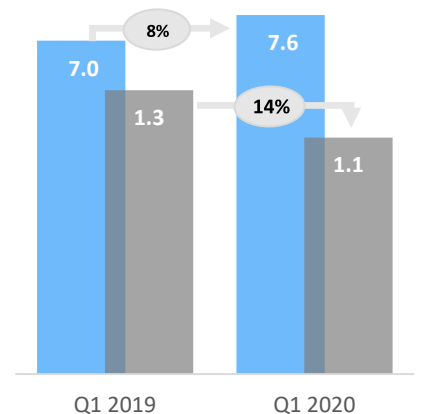
Leasing Revenues
(EGP mn)



Debt to Equity | Net Interest Margin

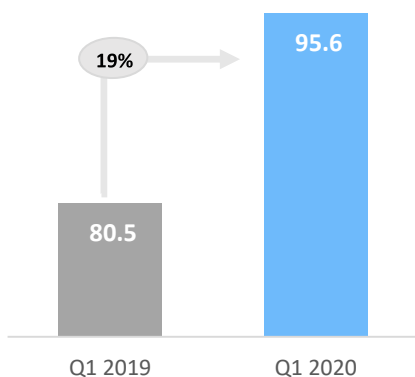


Leasing Portfolio | New Bookings
(EGP bn)

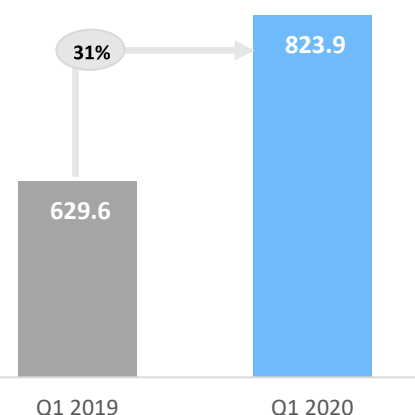


Portfolio Outstanding | New Bookings

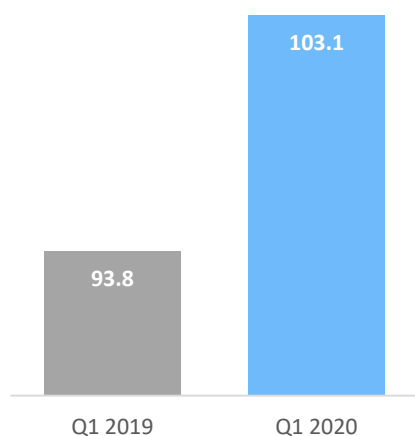
Micro-finance Revenues
(EGP mn)



Micro-finance Loans Outstanding
(EGP mn)



Active Borrowers
(000's)



Group Business Line Performance

ii. Micro-finance

Financial and Operational Summary

EGP823.9mn Loan Portfolio	70 No. of branches	103.1k Active Borrowers
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EGP mn	Q1 2020	Q1 2019	y-o-y
Total Revenues	95.6	80.5	18.7%
<i>Interest Expense</i>	14.1	18.8	-25.0%
<i>People Cost & Other SG&A</i>	29.5	19.8	48.7%
Operating Expenses	43.6	38.6	12.8%
Net Operating Profit	52.0	41.9	24.1%
<i>Net Operating Margin</i>	54.4%	52.0%	
Net Profit After Tax	35.1	29.2	20.0%

Financial Performance:

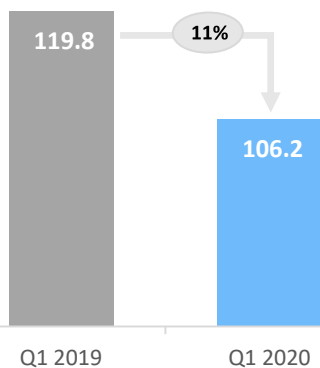
Reefy, the group's micro-finance arm witnessed its strongest quarter in its history delivering robust growth with total revenues registering an increase of 18.7% y-o-y to reach EGP 95.6 million in Q1 2020 from EGP 80.5 million in Q1 2019. Growth was primarily driven by an increase in number of branches and loan officers' productivity. Outpacing total revenues, net interest income grew 36.5% y-o-y from EGP 58.7 million in Q1 2019 to reach EGP 80.1 million Q1 2020.

The increase in operating expenses by 12.8% y-o-y was mainly driven by new hires to cope with the growing branch network and the annual salary increases in with their effect dampened by a decline in interest expenses y-o-y due to higher equity component in the funding mix. Net operating profit grew a strong 24.1% y-o-y reaching EGP 52.0 million in Q1 2020; funneling down to a solid 20.0% growth year on year in net profit after tax to reach EGP 35.1 million in Q1 2020 from EGP 29.2 million in Q1 2019.

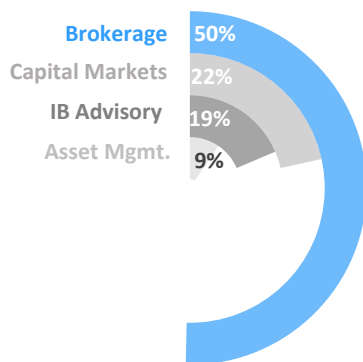
Operational Performance:

Microfinance loans outstanding stood at EGP 823.9 million in Q1 2020, the largest portfolio ever accumulated in the history of the micro-finance company, growing 30.9% y-o-y versus EGP 629.6 million in Q1 2019. Active borrowers reached 103,123 in Q1 2020 versus 93,766 in Q1 2019.

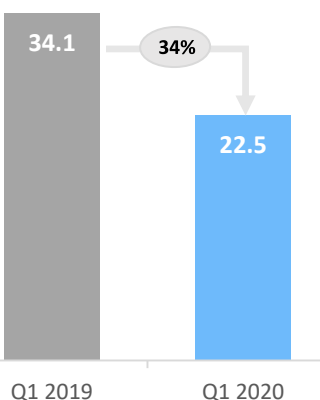
IB & Holding Revenues
(EGP mn)



IB & Holding Revenue Breakdown
Q1 2020



Net Profit After Tax & Minority
(EGP mn)



Group Business Line Performance

iii. Investment Bank & Holding

Financial and Operational Summary

EGP19.8mn
IB Advisory Revenue

11.3%
Brokerage Market Share¹

EGP8.6bn
Assets Under Management

EGP mn	Q1 2020	Q1 2019	y-o-y
<i>Brokerage</i>	53.5	66.7	-19.8%
<i>Asset Management</i>	10.1	6.6	51.5%
<i>IB Advisory</i>	19.8	26.6	-25.6%
<i>Capital Markets & Treasury</i>	22.9	19.9	15.0%
Total Revenues	106.2	119.8	-11.4%
<i>Interest Expenses</i>	5.7	0.0	n/m
<i>People Cost & Other SG&A</i>	69.3	77.9	-11.0%
Operating Expenses	75.0	77.9	-3.7%
Net Operating Profit	31.2	42.0	-25.7%
<i>Net Operating Margin</i>	29.4%	35.0%	
Net Profit After Tax & Minority Interest	22.5	34.1	-33.9%

Source: CI Capital Financial Statements

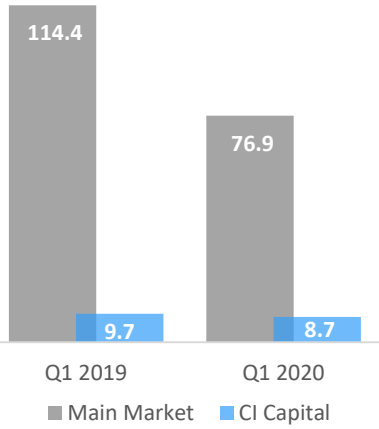
Financial Performance:

For the first quarter of 2020, total revenues reached EGP 106.2 million falling 11.4% y-o-y as a result of subdued market conditions impacting the brokerage and advisory businesses. However, asset management revenues grew y-o-y by 51.5% to reach EGP 10.1 million in Q1 2020, the increase was mainly attributable to performance fees that were booked in the first quarter of 2020. Capital markets and treasury also fared well growing 15.0% year on year to reach EGP 22.9 million in Q1 2020.

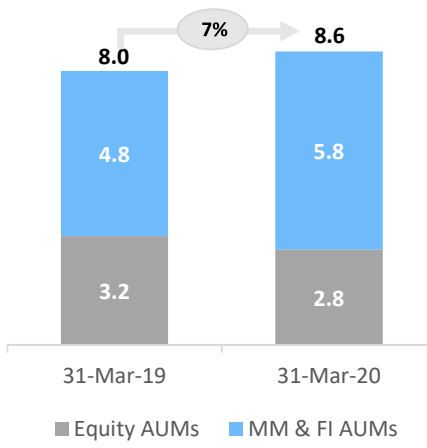
Operating expenses witnessed a decline of 3.7% from its comparable year to reach EGP 75.0 million in Q1 2020, despite a notable increase in interest expenses. Net profit after tax & minority decreased 33.9% y-o-y from EGP 34.1 million in Q1 2019 to record EGP 22.5 million in Q1 2020.

1. Market share is for CIBC and Dynamic for executions on the main market excluding deals

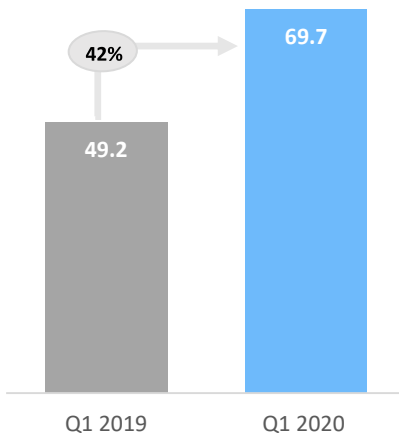
Total Value Traded on EGX
(Excluding Deals)
(EGP bn)



Assets Under Management
(EGP bn)



Taaleem Management Services
EBITDA (EGP mn)



Operational Performance by Business Line:

- Securities Brokerage

As a result of subdued market performance in Q1 2020, total value traded on the EGX (excluding deals) contracted from its comparable period by 32.7% y-o-y to record EGP 76.9 billion in Q1 2020 from EGP 114.4 billion in Q1 2019. However, CI Capital's brokerage arm was able to expand its market share and maintain its position in the market ranking as the 2nd largest player on the EGX with a market share of 11.3% (excluding deals).

- Asset Management (CI Asset Management - CIAM)

In Q1 2020, CIAM continued its stellar performance with its managed funds topping peer funds in the market amongst the various asset classes. AUMs have witnessed notable growth to reach EGP 8.6 billion in Q1 2020 from EGP 8.0 billion in Q1 2019; reporting a increase of 7.0% y-o-y despite a backdrop in equity funds and portfolios. However, this was offset by larger inflows from money markets & fixed income AUM's growing 20.0% to record EGP 5.8 billion in March 2020 from EGP 4.8 billion in March 2019.

- Investment Banking Advisory

The implications of subdued market conditions also impacted the group's advisory arm. As CIIB's strong pipeline of several ECM and M&A mandates including deals from the Egyptian government as part of the privatization program have been temporarily postponed. Thus, CI Capital's strategic focus revolves around expanding its pipe-line of prospective clients and mandates especially in these tough times that will for sure entail the need for additional capital by prospective clients as well as M&A activities.

- Merchant Banking – Taaleem Management Services

The group's higher educational arm, Taaleem Management Services was able to foster opportunity in a time of uncertainty by shifting all its lectures to be conducted on an online basis. This eased inflationary pressures on Taaleem's Nahda University and translated to robust EBITDA growth of 41.7% year on year to report EGP 69.7 million in Q1 2020 from 49.2 million in Q1 2019. Growth was also attributable to a 32% increase in average tuition revenues sparked by the new school of medicine which reached 100% utilization in its first semester. The university currently runs at an average utilization rate of 74% serving c. 5,600 students with a teaching staff 530 lecturers.

Financial Statements

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

i. Income Statement

(EGP mn)	Q1 2020	Q1 2019	% Change
Operating revenue	503.9	543.7	-7.3%
Gain from selling assets available for sale	0.3	0.0	1098.7%
Interest income from treasury bills and bonds	5.4	5.9	-7.9%
Profit from selling investments at fair value through profit and loss	0.0	0.0	-9.8%
Foreign exchange differences	-5.5	-7.5	-26.6%
Gain from selling fixed assets	0.3	0.4	-23.1%
Credit interest	17.8	18.4	-3.4%
Dividend income	0.0	0.0	10.9%
Other income	3.9	7.0	-44.5%
Total Revenues	526.1	568.0	-7.4%
Interest Expenses	-206.5	-247.6	-16.6%
General and administrative expenses	-162.2	-142.1	14.1%
Impairment of client accounts	-19.0	-18.4	3.1%
Impairment of other assets	-0.7	2.8	-126.0%
Provisions (Net)	0.0	0.0	n/m
Reefy acquisition cost	0.0	0.0	n/m
Total expenses	-388.5	-405.3	-4.2%
Net profit before taxes	137.7	162.7	-15.4%
Current income tax	-35.7	-39.7	-10.0%
Net profit after tax	101.9	123.0	-17.1%
Distributed as:			
Parent company	88.5	109.1	-18.9%
Non- controlling interest	13.5	13.9	-3.1%

ii. Balance Sheet

(EGP mn)	31-Mar-20	31-Dec-19
Settlement guaranteed fund	8.6	9.1
Lease Receivables	5,628.4	4,979.7
PP&E	135.7	134.5
Goodwill	348.8	348.8
Securitization difference, net	310.4	210.9
Other non-current assets	499.7	384.2
Non-current assets	6,931.5	6,067.2
Lease Receivables	2,315.6	2,076.6
Cash and cash equivalents	1,337.4	1,458.2
Available for sale assets	13.1	9.5
Investments at fair value through profit or loss	1.0	0.4
Clearing accounts – debit	2.3	20.3
Debit clients	1,103.3	1,149.9
Other current assets	104.4	95.7
Current assets	4,877.0	4,810.5
Total assets	11,808.6	10,877.7
Paid-in capital	800.0	800.0
Legal reserve	26.3	22.1
Translation difference	36.7	38.0
Retained earnings	1,282.4	1,292.5
Treasury stocks	0.0	0.0
Share premium reserve	602.7	602.7
Shareholders' equity (Parent company)	2,749.0	2,755.4
Shareholders' equity (Non-controlling interest)	173.3	200.4
Total shareholder's equity & minority interest	2,922.2	2,955.8
Long-term loans & facilities	4,540.1	4,513.2
Prepaid lease rent	95.0	79.9
Employees end of service benefits	20.1	20.9
Deferred tax liabilities	9.2	18.3
Non-current liabilities	4,664.4	4,632.3
Short-term loans & facilities	2,817.9	2,189.7
Credit customers	438.6	412.4
Leased assets payable to suppliers	473.3	16.6
Clearing accounts – credit	0.0	0.0
Taxes payable	136.1	154.8
Provisions	28.4	32.7
Due to related parties	3.7	31.8
Other current liabilities	324.0	451.6
Current liabilities	4,222.0	3,289.5
Total liabilities & equity	11,808.6	10,877.7

Additional Information

Share Information

Ticker:	CICH.CA; CICH EY
Shares Outstanding:	800,000,000
Paid-In Capital:	EGP 800,000,000

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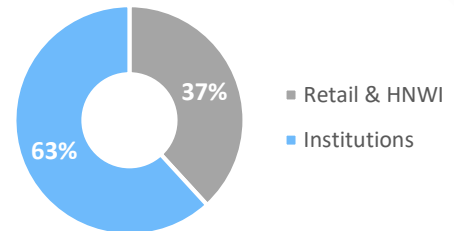
About CI Capital

CI Capital Holding for Financial Investments is a diversified financial services group and Egypt's leading provider of leasing, micro-finance, mortgage finance, consumer finance and investment banking products and services.

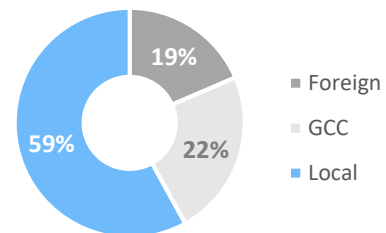
Through its headquarters in Cairo and presence in New York and Dubai, CI Capital Holding for Financial Investments offers a wide range of financial solutions to a diversified client base that includes global and regional institutions and family offices, large corporates, SMEs, and high net worth and 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 offers micro-finance 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.

Shareholder Structure by Investor Type
As of March-31 2020



Shareholder Structure by Nationality
As of March-31 2020



Important Notice

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.