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

Cairo, 18 February 2020

CI Capital Holding for Financial Investments (Ticker: CICH.CA) reports today its full year 2020 consolidated results. Consolidated revenues stood at EGP 2.4 billion and net profit after tax & minority recorded EGP 475 million with a total financing portfolio of EGP 10.3 billion.

Consolidated Highlights

- Total on balance sheet financing portfolio[1] reached EGP 10.3 billion, increasing 24% year-on-year (y-o-y)
- Consolidated revenues reached EGP 2.4 billion, down 10% y-o-y, with an NBFS contribution of 84%
- Net interest income reached EGP 845 million, increased a solid 13% y-o-y, with a blended NIM of 9.1%
- Net operating profit posted EGP 850 million, down 8% y-o-y
- Net profit after tax & minority reported EGP 475 million, down 12% from comparable year, with an NBFS bottom-line contribution of 90%

Non-bank Financial Services Highlights

Leasing

- Leasing net profit after tax reached EGP 413 million, inching down 1% y-o-y
- Corplease reported new lease bookings of EGP 4.8 billion, increasing 3% y-o-y
- Outstanding lease portfolio reached EGP 8.5 billion, growing 22% y-o-y

Microfinance

- Microfinance net profit after tax grew 11% y-o-y to reach EGP 125 million
- Total microfinance outstanding loans reached EGP 1.0 billion at the end of FY 2020, growing 46% y-o-y
- Total branch network increased to 102 branches, with 42 new branches added throughout FY 2020

Mortgage Finance

- CI Mortgage stood with a portfolio of EGP 163 million at the end of FY 2020, up from EGP 156 million in 9M 2020

Consumer Finance

- Souhoola, the Group's greenfield consumer finance arm, stood with a portfolio of EGP 58 million at the end of FY 2020

Investment Bank & Holding Highlights

- Assets under management (AUMs) reached EGP 10.4 billion, up 10% y-o-y
- Brokerage market share reached 7.3%[2] in FY 2020, ranking 2nd among all brokerage houses
- Investment banking advisory revenues recorded EGP 28 million, declining 66% year on year

Commenting on the FY 2020 performance, management stated:

"Our Group has demonstrated resilient performance in 2020, despite an unprecedented challenging year, fueled by the strong performance of our non-banking financial services (NBFS) platform and solid balance sheet. Our financing businesses successfully expanded their financing portfolios to a combined EGP 10.3 billion, with a staggering annual growth rate of 24%. Net interest income stood at EGP 845 million in FY 2020, up 13% y-o-y, yielding a blended NIM of 9.1%. Consolidated net profit after tax and minority reached EGP 475 million, down a moderate 12% y-o-y from an already strong base. The decline in bottom line was a function of challenging equity market conditions, which impacted our brokerage and investment banking platforms' pace of growth, and overheads associated with our fast-growing greenfield initiatives.

On the operational front, Reefy increased its footprint by 70% to 102 branches, while closing 2020 with an outstanding loan book of EGP 1.0 billion, delivering a remarkable 46% y-o-y growth. Corplease concluded an EGP 2.7 billion securitised bond issuance, the largest in its history, enabling it to diversify its source of funding, while maintaining a robust lease portfolio. Our greenfield initiatives, consumer and mortgage finance, continue to expand rapidly, with the latter achieving breakeven, as of FY 2020.

Meanwhile, Taaleem, CI Capital's minority-owned investment, continued to deliver solid results, with EGP 481 million in revenues in FY 2020 and a superior EBTIDA margin of 53%. Taaleem announced, in February 2021, its intention to proceed with an initial public offering (IPO) on the Egyptian Stock Exchange (EGX).

That said, going into 2021, we are optimistic and confident that our various lines of business are in a solid position to capitalise on the ongoing recovery in business activity and capital markets."

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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.

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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 2,900 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.