

11 November 2020

**SARWA CAPITAL ANNOUNCES SOLID THIRD QUARTER RESULTS
CONSOLIDATED NET INCOME OF EGP 194 MILLION FOR 9M 2020,
NORMALIZED NET INCOME OF EGP 309 MILLION**

Key Highlights*

Financing Business

- Total Portfolio of EGP 7.3 billion, up 14% YoY
- Financing Revenue of EGP 1,109 million, down 3% from 9M 2019
- Net Interest Income of EGP 370 million, down 11% from 9M 2019
- Financing Operating Income of EGP 602 million, up 1% from 9M 2019

Insurance Business

- GWP of EGP 202 million, up 264% from 9M 2019
- Insurance Revenue of EGP 280 million, up 102% from 9M 2019
- Insurance Operating Income of EGP 104 million, up 100% from 9M 2019

Group Consolidated Metrics

- Net Operating Income of EGP 706 million, up 10% from 9M 2019
- 9M Net Income of EGP 194 million, down 31% from 9M 2019
- 9M Normalized Net Income of EGP 309 million, down 2% from 9M 2019
- 9M Annualized Return on Average Equity of 13%
- 9M Annualized Return on Average Assets of 3.8%

November 11, 2020 | Cairo, Egypt Sarwa Capital Holding for Financial Investments SAE (SRWA.CA), Egypt's leading consumer and structured financial services provider, announced today its consolidated financial results for the period ending 30 September 2020, with consolidated net income after minority interest of EGP 194 million, down 31% from EGP 280 million for the period ending September 30 2019. For the third quarter, net income came to EGP 67 million, down 31% on the third quarter of 2019.

Separating the new insurance businesses, and adjusting for ESOP amortization, new treasury bill tax treatment, and provisions from the application of IFRS 9, normalized consolidated net profit came in at EGP 309 million, down 2% from the period ending September 30 2019. Worth noting that the financing businesses have fully prepared for the implementation of IFRS9 as well as regulatory provisions.

Management commented: “We are pleased to report solid results for the first nine months of the year. This quarter has brought many positive developments for our business; starting with the strong rebound in activity in our consumer lending activities following the challenging conditions of the second quarter of the year. As the quarter closed, we were completing work on the first phase of our new digital transformation and marketing strategy, with the consumer lending activities looking set to capture strong growth going forward. We have also prepared fully for the application of new accounting and regulatory rules, and with an array of new funding sources being finalized, our strong balance sheet further supports the strong growth potential ahead.

Our insurance businesses have continued to make strong progress in size and shape, and with the implementation of the technological infrastructure almost complete, a broad range of product offerings and distribution channels will come online beginning a new growth phase. Meanwhile, the relaunch of our market-leading automotive portal and marketplace, Contactcars.com, is imminent, leading to substantial value creation.”

—Ends—

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About Sarwa Capital

Sarwa Capital Holding for Financial Investments SAE (SRWA.CA) is a pioneer in consumer and structured financial services in Egypt. Operating since 2001, Sarwa adopts innovative approaches in extending its services, offering quality services with simple procedures and reaching a wide client base through its various subsidiaries, affiliates and partners.

Sarwa’s financing division offers market leading services including consumer financing for new and used and an array of consumer durables through Contact Credit, home finishing through Contact Mortgages, as well as commercial finance through Contact Leasing and Contact Factoring. Sarwa operates in insurance through Sarwa Insurance and Sarwa Life Insurance. Sarwa also offers an array of corporate financing services including securitization, structured debt and debt investment management. Sarwa Capital Holding for Financial Investments SAE is authorized and regulated by the Financial Regulatory Authority (FRA).