



10 August 2021

**CONTACT FINANCIAL ANNOUNCES H1 2021 RESULTS  
CONSOLIDATED NET INCOME OF EGP 218 MILLION,  
UP 72% FROM H1 2020**

**Financial Summary**

***Financing Business***

- Total new financing extended of EGP 3.4 billion, up 86% YoY
- Total Portfolio of EGP 9 billion, up 31% YoY
- Financing Operating Income of EGP 539 million, up 28% from H1 2020
- Financing Net Income of EGP 215 million, up 64% from H1 2020

***Insurance Business***

- GWP of EGP 254 million, up 94% from H1 2020
- Insurance Revenue of EGP 306 million, up 86% from H1 2020
- Insurance Operating Income of EGP 139 million, up 86% from H1 2020
- Insurance Net Income of EGP 3.4 million

***Group Consolidated Metrics***

- Total Operating Income of EGP 678 million, up 37% from H1 2020
- Net Income of EGP 218 million, up 72% from H1 2020
- Annualized Return on Average Equity of 21%

**August 10, 2021 | Cairo, Egypt** Contact Financial Holding SAE (CNFN.CA), Egypt's largest non-banking financial services provider, announced today its consolidated financial results for the period ending 30 June 2021, with consolidated net income after minority interest of EGP 218 million, up 72% from EGP 127 million for the period ending 30 June 2020.

Management commented "we are pleased to report these strong operational and financial figures, continuing on our high growth curve with the coming together of the key elements of our strategy. Our operational performance is benefiting from the delivery of our market-leading range of consumer financial products to a wider audience, with a strong emphasis geographical and digital distribution.

The first half saw the continued expansion of our branches and points of sale as well as the development of the Contact client mobile application and AI capabilities. Looking ahead, these aim to further propel growth across our product range. In addition, the continued investment and empowering of technology platforms, with the relaunch of contactcars.com and several existing and upcoming investments, add another value-generating aspect to our business."

## **Financing Division**

Propelled by receiving the first consumer finance license, Contact Credit expanded its product range substantially during the past year and ramped up its direct to customer approach through a variety of channels – physical and digital. With the emphasis shifting to distribution and addressing a wide audience, Contact added five new primary branches in Qalyubia, Monoufia, Kafr Elsheikh, Beni Soueif, and Fayoum as part of a large geographical expansion across Egypt. In addition, the size of the merchant network for Contact Shopping grew to 4,355 during the quarter, growing six times year-on-year. This continuing plan aims to address demand across different segments of the population.

During this year, the Contact client mobile application was launched, serving both existing and new clients. Existing clients can access their account, transactions and an array of benefits under the new Contact Rewards loyalty program; while new users can start the onboarding process with a number of incentives, as the process becomes increasingly seamless within the app within a short time period registrations on the app reached 35,000 with a significant portion of new users.

Also, during the first half several new financing products were launched, including Shattab, the new streamlined home finishing financing product; a revamped club membership financing product; and adding insurance policies as a new product category for consumer financing.

Moreover, during the second quarter Contact signed new partnership agreements with Matrix & Al Zohour sports clubs to provide membership and other financing products to their prospective and existing members.

Contact Mortgage new financing has grown almost six times during the first six months of 2021, on the back of enhanced activity on low-income mortgage and home equity loans. Home equity loan executions (renamed from home finishing loans) more than tripled with significantly lower interest rates as compared to H1 2020, while the reactivation of the low- and middle-income housing program saw a renewed contribution from that segment. Our newly launched long term mortgage product offering 10-year mortgages was rolled out in the second quarter of this year via physical and digital channels starting with Sakneen, the online portal that Contact invested in.

## **Insurance Division**

Gross written premiums for both Sarwa Insurance and Sarwa Life reached EGP 254 million during the period, a 94% increase on the comparable period. At EGP 171 million, Sarwa Insurance was the larger contributor with 97% year on year growth, driven by motor insurance. Meanwhile, Sarwa Life recorded GWP of EGP 83 million, growing by 86% year-on-year driven by medical insurance, in addition to a starting contribution from the recently launched SME life and health products.

During the first six months of 2021, even after applying group cost allocations, the insurance division including insurance brokerage services turned to profitability with reported net income of EGP 3.4 million compared with a loss of EGP 3.9 million for H1 2020.

### **contactcars.com**

At the end of the first quarter, the contactcars.com web portal and smartphone apps were fully relaunched under the new setup as a stand alone company. As Egypt's leading automotive marketplace, the conversion into a separate commercial entity aims to capitalize on its reach and monetize the substantial and evolving opportunity in offering digital services to the car market, on both the dealer and end user fronts.

Since relaunch, unique user numbers are witnessing steady growth, daily classifieds postings have more than doubled and the recently launched pricing tool (that provides users with the current market value of

their vehicle), has doubled in volume and customer satisfaction as the AI pricing model continues to improve its quality and accuracy.

contactcars.com will continue to launch new innovative products and services every month for end users making the searching, buying, selling and car ownership processes simpler, faster and more efficient. In addition, we are launching a wide range of services with a dedicated app for the dealer network making it easier for dealers to source, value and remarket used cars using a digital auction tool as we continue our innovation drive digitising more products and services bringing the entire automotive ecosystem closer together.

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*For more information, please contact:*

**Investor Relations**

Sarah Hosni  
Investor Relations Director  
Tel: +202 2575 7775  
E-mail: [ir@contact.eg](mailto:ir@contact.eg)  
URL: [investorrelations.contact.eg](http://investorrelations.contact.eg)

**Head Office**

7 Champollion Street,  
Tahrir, Downtown  
Cairo, 11111  
Egypt

*About Contact Financial*

Contact Financial Holding SAE (CNFN.CA) is the largest non-bank financial services provider in Egypt changing the way people and business access finance and insurance. Operating since 2001, Contact 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.

Contact's financing division offers market leading services including consumer financing for new and used passenger and commercial vehicles 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. Contact operates in insurance through Sarwa Insurance and Sarwa Life Insurance. Contact also offers an array of corporate financing services including securitization, structured debt and debt investment management. Contact Financial Holding SAE is authorized and regulated by the Financial Regulatory Authority (FRA).