4 August 2019

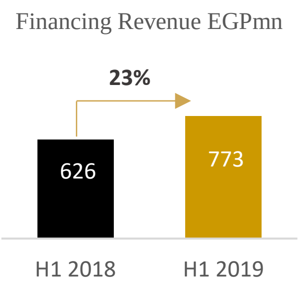
SARWA CAPITAL ANNOUNCES FIRST HALF RESULTS;

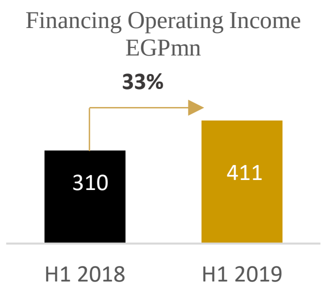
CONSOLIDATED NET INCOME OF EGP 183 MILLION FOR H1 2019,

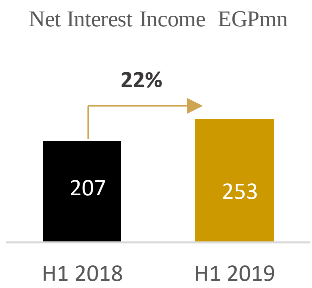
UP 24% FROM 2018

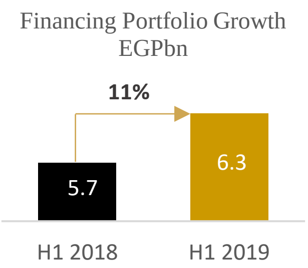
Key Highlights*

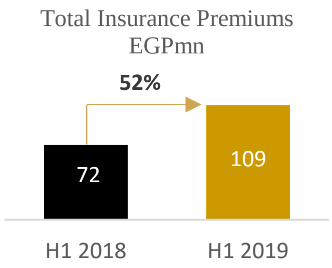
- Financing Revenue of EGP 773 million, up 23% from H1 2018
- Net Interest Income of EGP 253 million, up 22% from H1 2018
- Financing Operating Income of EGP 411 million, up 33% from H1 2018
- Insurance Revenue of EGP 71 million, up 69% from H1 2018
- Insurance Operating Income of EGP 27 million, up 53% from H1 2018
- Net Operating Income of EGP 437 million, up 34% from H1 2018
- H1 Net Income of EGP 183 million, up 24% from H1 2018
- Q2 Net Income of EGP 63 million, down 34% from Q2 2018
- Total Portfolio of EGP 6.3 billion, up 11% YoY
- H1 Annualized Return on Average Equity of 21.4%
- H1 Annualized Return on Average Assets of 5.9%

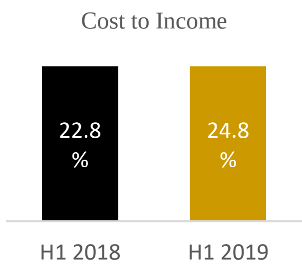


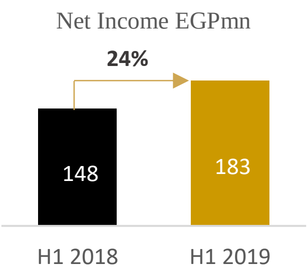


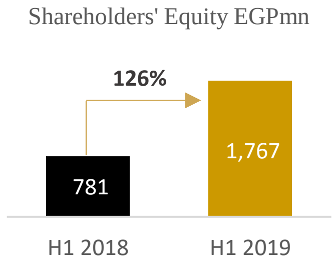


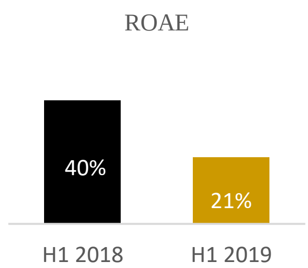












*All figures except Net Income and Equity figures based on reclassified management accounts. See note at end.

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 June 2019, with consolidated net income after minority interest of EGP 183 million, up 24% from EGP 148 million for the period ending June 30 2018, and consolidated earnings before tax up by 30%. For the second quarter, net income came to EGP 63 million, down 24% on the second quarter of 2018.

Management commented: "We are pleased to announce our interim results for the first half of 2019, a period marked by a number of key milestones and developments for the business. During the second quarter, we launched our insurance businesses, began factoring services, expanded our commercial vehicle financing operation, engaged in a number of important partnerships, and received the first Sukuk issuer license in the market.

With some of the headwinds affecting our underlying markets abating and demand recovering, we see growth potential ahead, enhanced by our expanding insurance operations and ongoing investments in technology with digital capabilities that will propel the business forward."

*Summary Financial Results**

Income Statement (EGPm)	H1 2019	H1 2018	YoY	Q2 2019	Q2 2018	YoY
Financing Revenue	773	626	23%	317	371	-14%
Financing Operating Income	411	310	33%	135	184	-27%
Insurance Operating Income	27	17	53%	17	7	133%
Net Operating Income	437	327	34%	152	191	-20%
Earnings Before Tax	294	226	30%	79	137	-42%
Net Income after minorities	183	148	24%	63	96	-34%

Revenues

Financing Operating Income, which includes net interest income, refinancing income and fee income, rose by 33% during the period ending June 2019 supported by the enhanced product mix, margin enhancement, and refinancing income. On a quarterly basis, the timing of refinancing transactions in Q1 2019 but Q2 2018, affected the quarterly distribution of earnings.

Net operating income recorded at EGP 437 million during the first six months of 2019, up by 34% from the same period in 2018, with an initial contribution of our new insurance business.

*All figures except Net Income and Equity figures based on reclassified management accounts. See note at end.

Financing Operations

Total new financing extended for the period recorded EGP 1.81 billion, down 16% from EGP 2.15 billion for the period to June 2018.

New Financing Extended	**YoY Growth**
Contact Group - Auto Credit	-24%
getGO - Consumer Durables Credit	8%
Contact Mortgages	31%
Plus Leasing	38%
Total	-16%

1. *Auto Credit*

Total auto credit extended declined by 24% during the first half of 2019. As highlighted previously, changes in the automotive market, exacerbated by a slow second quarter with Ramadan and a number of holidays, affected market conditions during the first half of the year. In addition, price decreases and expectations delayed the execution decision of many potential car buyers.

Nevertheless, during the second quarter of 2019, we observed a significant uptick in the number of applications reflecting demand recovery which bodes well for the coming period.

During the first half, we expanded our commercial vehicle financing operations, launching several products for financing new and used heavy vehicles and new light vehicles. Having established a nationwide network, we expect substantial volume in this underpenetrated segment.

While keeping a close eye on the current market shifts that are reshaping distribution structures within the auto sector, we continue to expand our presence in the auto credit business by signing two key new partnerships as we continue to solidify our network. Additionally, substantial investments on the digital front are underway.

2. *Consumer Credit*

Consumer durable financing through the getGo finance product, in its various forms, grew by 8% with the number of transactions growing by 12% during the period. With substantial reworking of the underlying technical infrastructure, network expansion slowed during the period standing at 622 outlets at the end of the first half. Along with an enhanced product experience, the new "getGo – by Contact" platform is being prepared for accelerated growth.

3. *Mortgage Finance*

Mortgages continued to grow, with new financing growing by 31% during the first half. In addition to substantial activity in the low-income housing products, a new home finishing product is being introduced, to complement the existing one, expanding the reach and target market of this segment.

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4. Leasing

Leasing activity grew by 38% for the period ending June 2019 with the business now focused on three segments: transportation, medical and structured deals, with the first two segments focusing on small business. Growth comes on the back of both the transportation segment which grew by 136%, and the medical segment which grew by 76%.

5. Factoring

While rolling out the factoring business through setting up new systems and operations, we closed our first transaction with a value of approximately EGP 15 million. We are expecting this activity to grow substantially capitalizing on the wide range of existing partnerships and relationships of the group.

6. Enterprise Finance

The enterprise financing unit has been actively building a substantial pipeline of business across the leasing, factoring, and mortgage businesses, in addition to a number of mandates for new securitization and debt market issuances. Importantly, during the second quarter the group received final approvals and the operating license for Sarwa Sukuk Company, the first licensed Sukuk issuer in the market.

During the first half of 2019, a new issue for Palm Hills Developments was closed, securitizing an EGP 760 million portfolio.

Financing Portfolio

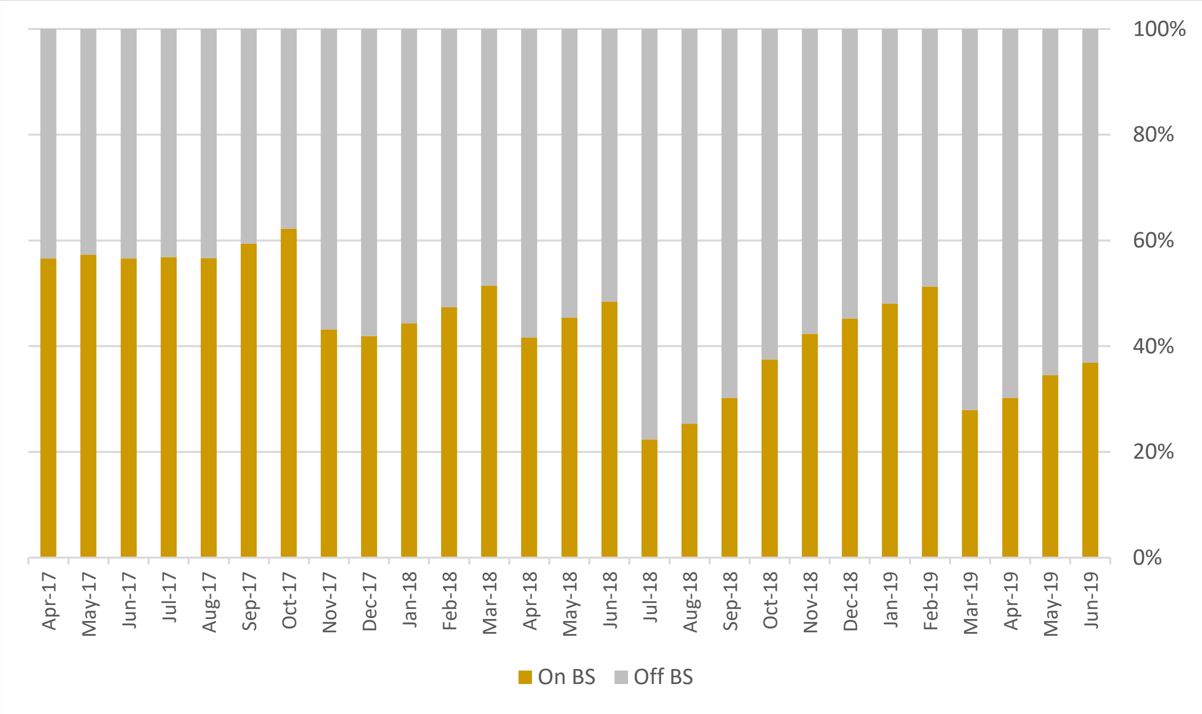
Portfolio	**YoY Growth**	**% of Portfolio Q2 2019**	**% of Portfolio Q2 2018**
Contact Group - Auto Credit	4%	80%	85%
getGO - Consumer Durables Credit	19%	2%	1%
Contact Mortgages	157%	8%	3%
Plus Leasing	34%	9%	8%
Others	-35%	1%	2%
Total	**11%**	**100%**	**100%**

The total portfolio grew by 11% year on year to EGP 6.3 billion at the end of the second quarter. The non-auto credit products grew in their share of the portfolio to 20% from 15%.

EGP m	**June 30 2019**	**June 30 2018**
On-balance sheet portfolio	2,473	2,756
Off-balance sheet portfolio	3,838	2,935
Total	**6,311**	**5,691**

*All figures except Net Income and Equity figures based on reclassified management accounts. See note at end.

The below shows the on- and off- balance sheet ratios since Q1 2017:



Insurance Operations

Insurance Services	H1 2019	H1 2018	YoY	Q2 2019	Q2 2018	YoY
Policies Issued via Group	24,443	30,841	-21%	8,915	16,111	-45%
Total Premiums	108,831	71,519	52%	50,737	26,786	89%
Of which underwritten by Sarwa					-	-
No. of Policies	6,096	-	-	6,096		
Premiums	23,023	-	-	23,023	-	-

Total revenues from insurance activities, including brokerage services, reached EGP 71 million during the first six months of 2019 supported by the commencement of our insurance operations. Insurance operating income amounted to EGP 27 million, up 53% for the period.

In April 2019, Sarwa Life and Sarwa Insurance companies kicked off their operations introducing life and non-life products. The business issued 6,096 policies with gross written premiums of EGP 23 million.

On the other hand, the decrease in the number of policies issued by our brokerage business was affected by the re-bundling of some products with our financing operations and the shift to our insurance companies. Total insurance brokerage premiums, however, increased by 47% EGP 104 million driven by higher corporate sales.

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Funding

Total Consolidated Debt (EGPm)	June 30 2019	June 30 2018
Bank Debt	1,275	2,247
Non-recourse Debt	85	34
Securitization Bonds	4,372	3,318
Total	5,732	5,599

Costs

Total operating costs reached EGP 108 million during the first six months of 2019, increasing 45% from the comparable period in 2018, pushed higher by the launch of the insurance business. Cost to income, as measured by operating expenses, came in at 24.8%, up from 22.8% during the comparable period ending in June 2018. S, G & A, mostly representing sales commissions, grew 28% to EGP 23.8 million for the first half of 2019 also impacted by insurance commissons

Equity

Consolidated equity net of minority interest reached EGP 1.77 billion at the end of the second quarter compared to closing at EGP 781 million at the end of the second quarter of 2018, owing to both the EGP 700 million capital increase as well as retained earnings.

Dividends

The Board of Directors has recommended the distribution of a stock dividend at the end of Q1 2019 of three shares in the capital of the company for every five shares during the meeting dated 13 May 2019. Upon the approval of shareholders during the upcoming Extraordinary General Meeting, the paid-up capital of the company will be increased from EGP 119,697,391.36 to EGP 191,515,826.24.

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Consolidated Management Reclassified Accounts

Income Statement (EGP000s)	H1 2019	H1 2018	YoY	Q2 2019	Q2 2018	YoY
Interest Income	615,476	523,954		301,056	300,854	
Interest Expense	(362,382)	(316,678)		(182,490)	(186,740)	
Net Interest Income	**253,093**	**207,276**	**22%**	**118,566**	**114,114**	**4%**
Fee Income	34,751	38,191	-9%	16,297	20,695	-21%
Refinancing Income	122,980	64,287	91%	0	48,999	-100%
Financing Operating Income	**410,824**	**309,754**	**33%**	**134,864**	**183,808**	**-27%**
Insurance Services:						
Gross Written Premiums	23,023	-		23,023	-	
Reinsurance & Reserves	(17,754)	-		(17,754)	-	
Claims and Provisions	(1,645)	-		(1,645)	-	
Investment Income	5,629	-		5,629	-	
Net Insurance Revenue	**9,253**	**-**		**9,253**	**-**	
Other Insurance Services	17,353	17,402		7,853	7,329	7%
Insurance Operating Income	**26,606**	**17,402**	**53%**	**17,106**	**7,329**	**133%**
Net Operating Income	**437,430**	**327,157**	**34%**	**151,969**	**191,138**	**-20%**
Other Income/Expense	751	590		748	453	
Other Services	336	389		(1)	199	
Provisions	(1,765)	(4,547)		1,559	(3,892)	
Operating Expenses	(108,393)	(74,749)	45%	(55,646)	(39,343)	41%
SG&A	(23,833)	(18,588)	28%	(14,300)	(9,299)	54%
Depreciation	(10,323)	(4,466)		(5,284)	(2,243)	
EBT	**294,203**	**225,786**	**30%**	**79,046**	**137,014**	**-42%**
Taxes	(60,556)	(35,948)		(4,777)	(14,683)	
Consolidated Income	**233,648**	**189,837**	**23%**	**74,269**	**122,331**	**-39%**
Minorities	(50,831)	(42,147)		(11,374)	(26,673)	
Net Income	**182,817**	**147,691**	**24%**	**62,895**	**95,658**	**-34%**

Important Note

Management accounts are a reclassification of the consolidated audited accounts as following:

(1) The auto credit and consumer goods financing businesses are treated under current accounting standards as trading activities (due to the legal structure of the companies – using a hire-purchase contract structure) and as such they account for the sales value of the underlying assets (net of sales tax) and the cost which matches the sale. We reclassify the numbers and include only interest income/expense and present the income statement as a financing business.

(2) The consolidated audited accounts do not consolidate any companies with ownership under 50%, even though Sarwa group entities have full management control over several of these businesses. In the reclassified accounts (income statement) these are consolidated fully with accounting for minorities. The portfolios of these companies are also consolidated.

(3) Securitization and discounting financing are off-balance sheet and without recourse. Under current accounting standards the financial statements do not show the balance and income from portfolios that were refinanced via those structures, despite the fact that the group continues to earn substantial revenues from these portfolios during their full tenor. In the reclassified accounts the revenues (interest income) and expense (bond interest as interest expense) are reclassified and the full portfolio included.

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(4) The consolidated audited accounts summarize insurance companies' activities while the management accounts separate revenues; gross and net, and consolidating OPEX and SG&A.

Full audited consolidated accounts are available on the company website **www.sarwa.capital**

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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 offers market leading services including new and used car financing through Contact Auto Credit, home finishing finance through Contact Mortgages, consumer goods financing through getGo Credit Services, SME asset finance through Plus Leasing, insurance products through Sarwa Insurance and Sarwa Life Insurance, in addition to 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).

Forward-Looking Statements

Certain statements in this Document are not historical facts and are forward-looking statements. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company's control and all of which are based on the Company's current beliefs and expectations in relation to future events. The forward-looking statements are typically identified by the use of forward-looking terminology, such as "believes", "expects", "may", "will", "could", "would", "should", "intends", "targets", "aims", "projects", "estimates", "plans", "assumes" or "anticipates" or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy that involve risks and uncertainties. In addition, from time to time, representatives of the Company have made or may make forward-looking statements orally or in writing. Furthermore, such forward-looking statements may be included in, but are not limited to, press releases or oral statements made by, or with the approval of, an authorised executive officer of the Company. Forward-looking statements include statements concerning the Company's plans, objectives, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to competitive strengths and weaknesses, business strategy and the trends anticipated in the industries and the political and legal environment in which the Company operates and other information that is not historical information. These forward-looking statements and other statements contained in this Document regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Company. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. Such forward-looking statements speak only as of the date on which they are made. Accordingly, the Company does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise other than as required by applicable laws or regulations. The Company does not make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario.

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