

SARWA CAPITAL ANNOUNCES THE CLOSING OF ITS INAUGURAL SUKUK ISSUANCE OF EGP 2.5 BILLION

- The issue is the largest Sukuk in Egypt of EGP 2.5 billion
- The 7-year Shariah compliant issue increases the depth of the group's funding structure

November 25, 2020 | Cairo, Egypt Sarwa Capital Holding for Financial Investments SAE (SRWA.CA), Egypt's leading consumer and structured financial services provider, has successfully closed its inaugural Sukuk issuance by Sarwa Sukuk Company; a subsidiary of Sarwa Capital, of EGP 2.5 billion. The issue is a Shariah compliant 7-year Mudaraba Sukuk and received a high credit rating of A- by Middle East Ratings and Investors Service (MERIS). The proceeds will be used for further expansion of Contact Credit and its affiliate companies.

This issue is the first transaction of its kind and the largest sukuk issuance in Egypt. The landmark issuance underlines the group's strong financial position and its ability to diversify its funding sources to capture growth opportunities and solidifies its strategic position in developing innovative financing structures in the Egyptian debt capital market.

Sarwa has always been a pioneer in offering innovative financial solutions and the leading private issuer of corporate debt instruments in Egypt with total bond issuances reaching over EGP 23 billion to date through 30 issuances.

This transaction comes as a result of a combined effort from reputable banks, financial institutions and the Financial Regulatory Authority (FRA) which showed strong support during the process. It is worth mentioning that Sarwa Sukuk Company was the first to obtain Sukuk license in Egypt by the Financial Regularity Authority (FRA) in July 2019.

The issue closed with strong demand from a wide range of investors reflecting the strong track record of Sarwa in the debt market. Sarwa Promotion and Underwriting acted as lead manager and arranger on the transaction. Banque Misr and Misr Capital acted as underwriters. The issue was co-underwritten by Commercial International Bank and Ahli United Bank. Alieldean Weshahi & Partners (ALC) acted as the legal advisor while Elite Consulting Group acted as the independent financial consultant on the transaction.

Ayman El Sawy, Group Chief Financial Officer, commented, "We are extremely proud to have issued the inaugural Sukuk issuance for Sarwa Capital and the largest in the Egyptian capital markets. The success of this landmark transaction marks a new phase in diversifying the group's funding sources to cater for future growth. The Suku issue is the first of a number of new tools to be launched and comes on the back of our strong track record in the securitization bond market. We hope these will act as a model for alternative funding structures in Egypt."

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For more information, please contact:

Investor Relations

Sarah Hosni
Investor Relations Director
Tel: +2 2575 7775
e-mail: ir@sarwa.capital
investors.sarwa.capital

Head Office

7 Champollion Street
Tahrir, Downtown
Cairo, 11111
Egypt

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).