



Contact Financial Holding
PRESS RELEASE
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CONTACT FINANCIAL ANNOUNCES Q1 2021 RESULTS
Q1 CONSOLIDATED NET INCOME OF EGP 109 MN,
UP 21% FROM Q1 2020

Financial Summary

Financing Business

- Total new financing extended of EGP 1.7 billion, up 86% from Q1 2020
- Total Portfolio of EGP 8.7 billion, up 34% from Q1 2020
- Financing Operating Income of EGP 261 million, same as Q1 2020
- Financing Net Income of EGP 104 million, up 5% from Q1 2020

Insurance Business

- GWP of EGP 125 million, up 67% from Q1 2020
- Insurance Revenue of EGP 151 million, up 67% from Q1 2020
- Insurance Operating Income of EGP 68 million, up 134% from Q1 2020
- Insurance Net Income of EGP 5 million

Group Consolidated Metrics

- Net Operating Income of EGP 329 million, up 13% from Q1 2020
- Net Income of EGP 109 million, up 21% from Q1 2020
- Annualized Return on Average Equity of 21.9%

Contact Financial Holding SAE (CNFN.CA), Egypt's largest non-banking financial services provider, announced today its consolidated financial results for the period ending 31 March 2021, with consolidated net income after minority interest of EGP 109 million, up 21% from EGP 91 million for the period ending 31 March 2020.

Management commented "we begin this year reporting strong operational and financial figures that continue to demonstrate the coming together of the key elements of our strategy. With a market-leading range of consumer financial products, a streamlined branding and marketing approach, and a strong emphasis on distribution capabilities, the effects will be felt further in the coming phase.

The first quarter saw the full relaunch of contactcars.com as a standalone subsidiary, the launch of our first money market fund under Sarwa Life Insurance, and a number of new product launches within consumer finance. In addition, the Contact client mobile application and the Contact Rewards loyalty program were launched with strong initial impact, complementing the rapid geographical expansion."

Group Renaming & Rebranding

During the first quarter of 2021, the group name officially changed to Contact Financial Holding S.A.E. from Sarwa Capital Holding for Financial Investments S.A.E. This was approved by the extraordinary general assembly on 15 February, and accordingly the company ticker on the Egyptian Exchange was changed to CNFN.CA from SRWA.CA.

The name change was effected to better reflect the composition of the group's business and its leading position within the consumer financial services landscape. This comes after all financing activities were consolidated under the Contact brand over the preceding period. The insurance and debt capital markets activities will retain the Sarwa brand.

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 two new primary branches in Qalyubia and Monoufia, as part of a large geographical expansion. In addition, the size of the merchant network for Contact Shopping doubled to 3,079 during the quarter, growing 5x during the past year. This continuing plan aims to address demand across different segments of the population.

During this quarter, the Contact client 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.

Also, during this quarter 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.

A new long term mortgage product was poised for launch as the quarter drew to a close, offering 10-year mortgages and to be delivered via physical and digital channels starting with Sakneen, the online portal that Contact invested in during the quarter. Sakneen offers homebuyers with an enhanced search engine with unique tools that also serve to qualify units for financing, an important part of streamlining the mortgage finance process.

Insurance Division

Gross written premiums for both Sarwa Insurance and Sarwa Life reached EGP 125 million in during the period, a 67% increase on the comparable period. At EGP 81 million, Sarwa Insurance was the larger contributor with 89% year on year growth, driven by motor insurance. Meanwhile, Sarwa Life launched its SME life and health products during the quarter with immediate positive results.

During the first quarter of 2021, even after applying group cost allocations, the insurance companies combined has turned to profitability with reported net income of EGP 5 million compared with a loss of EGP 9 million for 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.

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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).