



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 Portfolio of EGP 9 billion, up 31% YoY
- Financing Revenue of EGP 891 million, up 2% H1 2020
- Net Interest Income of EGP 274 million, up 15% from H1 2020
- Total Revenue from Portfolio Transfer of EGP 205 million, up 38% from H1 2020
- Financing Operating Income of EGP 539 million, up 28% from H1 2020
- Financing Net Income of EGP 215 million, up 64% from H1 2020
- Annualized Return on Average Assets of 5%
- Annualized Return on Average Equity of 23%

***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***

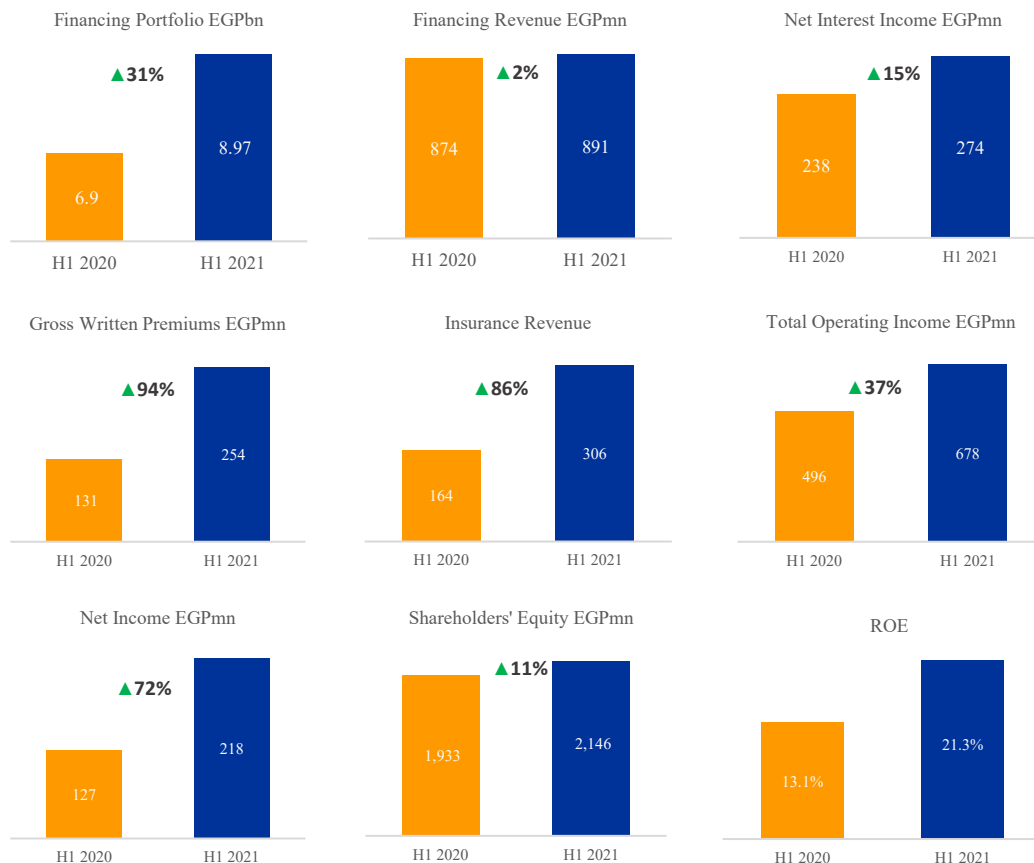
- Total Operating Income of EGP 678 million, up 37% from H1 2020
- Net Income of EGP 218 million, up 72% from H1 2020
- Annualized Return on Average Equity of 21%



**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.”





## Summary Consolidated Financial Results\*

EGPm	H1 2021	H1 2020	YoY	Q2 2021	Q2 2020	YoY
Financing Revenue	891	874	2%	447	375	19%
Revenue from Portfolio Transfer	205	149	38%	118	46	158%
Total Fee Income	52	30	76%	24	14	72%
Financing Operating Income	539	421	28%	278	161	73%
Insurance Revenue	306	164	86%	155	74	110%
Insurance Operating Income	114	57	101%	51	34	49%
Total Operating Income	678	496	37%	341	204	68%
Earnings Before Tax	322	211	52%	159	66	143%
Net Income after Minorities	218	127	72%	109	36	201%

### 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

#### Operational Highlights

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.

**Total new financing** extended for the first half ending in June 30 2021 recorded EGP 3.4 billion, up 86% from the first half 2020.

New Financing Extended by Asset Class	YoY Growth
Auto	60%
Trucks	48%
Shopping/ Consumer Finance	162%
Mortgage	534%
Medical	154%
Other Financing Products	1127%
<b>Total</b>	<b>86%</b>

**Contact Auto** new financing grew by 60% during the first half of 2021, with a rebound in the car market, in addition to the higher penetration levels coming from direct marketing, new branches and cross selling.

The new car market is witnessing changes in its dynamics with low inventories across the industry due to supply-chain disruptions in 2021. As a result, we expect volatility in the new car market to continue as visibility over supply normalization remains unclear. Nevertheless, increasing penetration levels and wider distribution continue to create growth.

**Contact Trucks** new financing grew by 48% supported by the gradual normalization in the commercial vehicles market and easing restrictions on cross border trade activities. Contact expanded the product to include financing of used light commercial vehicles to help capture demand.

**Consumer Financing** including Contact Shopping has grown significantly over the past year. Overall new financing grew by 162% with a significant increase in Contact Shopping in addition to the launch of several new products including Shattab, club membership financing and credit for insurance purchases. The unique technology platform, rebranding, expanded product range and fast-growing merchant network are the drivers of growth as Contact Shopping becomes the hub of the client relationship. It is important to note that, with an extensive and growing product range, Contact Shopping now serves the needs of a large audience typically accessing credit through traditional and inefficient small merchant installment sales.

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. 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.

**Contact Medical** new financing witnessed substantial recovery during the first quarter of the year, supported by expanded market reach targeting new market segments of small clinics and medical centres outside Cairo such as Upper Egypt.

**Other Financing Products** include a variety of products including supply and logistics factoring, commercial real estate leasing, and other products.

#### *Financing Portfolio*

In total, the portfolio grew by 31% year on year to EGP 8.97 billion at the end of the first half of 2021. Passenger vehicles represented 74% of the portfolio.

Portfolio	YoY Growth	% of Portfolio H1 2021	% of Portfolio H1 2020
Auto	27%	74%	76%
Trucks	31%	7%	7%
Shopping	79%	4%	3%
Mortgage	24%	7%	8%
Medical	57%	4%	3%
Others	74%	4%	3%
<b>Total</b>	<b>31%</b>	<b>100%</b>	<b>100%</b>

#### *Financial Highlights\**

Financing Business (EGPm)	H1 2021	H1 2020	YoY	Q2 2021	Q2 2020	YoY
Interest Income	626,173	689,961	-9%	298,598	314,994	-5%
Interest Expense	(351,841)	(452,115)	-22%	(169,021)	(214,779)	-21%
<b>Net Interest Income</b>	<b>274,332</b>	<b>237,846</b>	<b>15%</b>	<b>129,577</b>	<b>100,215</b>	<b>29%</b>
Net Revenue from Portfolio Transfer	204,517	148,649	38%	118,019	45,723	158%
Fee Income	52,488	29,900	76%	24,023	13,945	72%
Other Services Income	7,500	5,084	48%	6,512	622	
<b>Financing Operating Income</b>	<b>538,836</b>	<b>421,479</b>	<b>28%</b>	<b>278,131</b>	<b>160,506</b>	<b>73%</b>
General and Administrative Expenses	(185,643)	(129,139)	44%	(96,949)	(62,529)	45%
Sales and Distribution Expense	(30,318)	(17,226)	76%	(16,909)	(7,838)	116%
Other Operating Expenses	(6,268)	(4,110)	53%	(3,494)	(1,887)	85%
Provisions	5,247	(52,609)	-110%	2,352	(27,572)	-109%
ESOP	(12,062)	(8,085)	49%	(6,031)	(4,048)	49%
Other Expenses	(531)	(252)	111%	(212)	(74)	186%
<b>EBT</b>	<b>309,260</b>	<b>210,059</b>	<b>47%</b>	<b>156,889</b>	<b>56,559</b>	<b>177%</b>
Income Tax	(80,246)	(63,228)	27%	(40,105)	(22,467)	79%
<b>Net Income before Minorities</b>	<b>229,014</b>	<b>146,831</b>	<b>56%</b>	<b>116,784</b>	<b>34,092</b>	<b>243%</b>
Minorities	(14,111)	(15,979)	-12%	(5,917)	(2,750)	115%
<b>Financing Net Income</b>	<b>214,903</b>	<b>130,851</b>	<b>64%</b>	<b>110,867</b>	<b>31,341</b>	<b>254%</b>

Total interest income recorded EGP 626 million, down by 9% during the first half of 2021 with a substantially lower on-balance sheet portfolio yield. Interest expenses fell by 22% resulting in an 15% increase in net interest income combining both on and off-balance sheet constituents.

EGPmn	Q4 2019	Q2 2020	Net Interest Income H1 2020	NIM % H1 2020	Q4 2020	H1 2021	Net Interest Income H1 2021	NIM % H1 2021
<b>On-BS Portfolio</b>	2,767	2,619	176	13.08%	2,459	2,716	213	16.48%
<b>Off-BS Portfolio</b>	3,858	4,245	62	3.05%	5,265	6,249	61	2.12%
<b>Total</b>	<b>6,625</b>	<b>6,865</b>	<b>238</b>	<b>7.05%</b>	<b>7,725</b>	<b>8,966</b>	<b>274</b>	<b>6.57%</b>

Net interest margin recorded 6.6% during the first half compared to 7.1% during the comparable period of 2020 with higher off-balance sheet portfolio balance compared with that of last year as well as adjusting bond amortizations during the second half of 2020. On the other hand, net revenue from portfolio transfer margin rebounded from the first quarter to 8.2%.

Total Revenue from Portfolio Transfer:

	H1-2021	H1-2020
Total Transferred Portfolio	2,500,827	2,243,928
Refinancing of Recalled Portfolio	-	(641,037)
<b>Transferred Portfolio (New Origination)</b>	<b>2,500,827</b>	<b>2,243,928</b>
Net Revenue from Portfolio Transfer	204,517	148,649
Refinancing Recalled Portfolio Revenue	-	(16,336)
<b>Net Gain (New Origination)</b>	<b>204,517</b>	<b>132,313</b>
% New Origination	8.18%	8.25%
% Recalled Portfolio	-	2.55%

Financing operating income, which includes net interest income, net revenue from portfolio transfer and fee income, recorded EGP 539 million during the first six months of 2021 increasing by 28% from the corresponding period in 2020.

Operating costs of the financing division after internal cost allocation came in at EGP 186 million during the first half of 2021, up by 44% from the same period in 2020 on the back of investing in expanding the network geographically and approaching clients directly as part of our new strategic framework as well as operating costs for contactcars.com. As a result, cost to income, as measured by operating expenses, came in at 34.5%, compared to 30.6% during the same period in 2020. Sales commissions and marketing costs grew by 76% to EGP 30.3 million.

Financing net income recorded EGP 215 million after internal cost allocation compared with EGP 131 million for the first half of 2020, up by 64% year-on-year.

## Insurance Division

### Operational Highlights

Insurance Services (EGP 000s)	H1 2021	H1 2020	YoY	Q2 2021	Q2 2020	YoY
Total Premiums	281,144	157,767	78%	140,221	72,666	93%
<b>Of which underwritten by Sarwa</b>	<b>254,283</b>	<b>131,323</b>	<b>94%</b>	<b>129,575</b>	<b>56,560</b>	<b>129%</b>

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.

Though still in the build-up phase, claim ratios are at 38% for both insurance companies, while overall combined ratio stood at 107% at the close of the first half of 2021. Total assets under management for both companies rose by 25% to EGP 347 million at the end of June. Total investment income on designated funds increased by 52% year-on-year.

During the first quarter, Sarwa Life issued its first fund, an open-ended money market fund with an initial size of EGP 100 million. The fund stood at EGP 317 million at the end of June 2021.

#### Financial Highlights

Insurance Business (EGPm)	H1 2021	H1 2020	YoY	Q2 2021	Q2 2020	YoY
Gross Written Premium	254,283	131,322	94%	129,575	56,559	
<b>Net Underwriting Revenue</b>	<b>113,760</b>	<b>56,574</b>	<b>101%</b>	<b>50,582</b>	<b>33,968</b>	
Other Insurance Operating Revenue	25,267	18,182	39%	12,712	9,213	
<b>Insurance Operating Income</b>	<b>139,026</b>	<b>74,756</b>	<b>86%</b>	<b>63,294</b>	<b>43,181</b>	
General and Administrative Expenses	(62,257)	(43,977)	42%	(27,880)	(20,924)	
Sales and Distribution Expenses	(62,156)	(28,786)	116%	(34,002)	(13,284)	
Impairment Loss on Receivable	(2,178)	(863)	153%	634	(9)	
<b>EBT</b>	<b>12,435</b>	<b>1,130</b>	<b>1000%</b>	<b>2,046</b>	<b>8,964</b>	
Income Tax	(3,847)	(2,441)	58%	(1,888)	(1,283)	
<b>Net Income before Minorities</b>	<b>8,588</b>	<b>(1,310)</b>		<b>159</b>	<b>7,682</b>	
Minorities	(5,133)	(2,633)		(1,958)	(2,774)	
<b>Insurance Net Income</b>	<b>3,455</b>	<b>(3,943)</b>		<b>(1,799)</b>	<b>4,908</b>	

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.

Total revenues from insurance activities including insurance brokerage services reached EGP 306 million, up from EGP 164 million in the first half of 2020. On a consolidated basis, insurance operating income came in at EGP 139 million during the first six months of 2021 compared to EGP 75 million during the corresponding period of 2020.

Total operating costs for insurance activities including insurance brokerage activities and after internal cost allocation reached EGP 62 million during the first three months of 2021, increasing from EGP 44 million during the comparable period in 2020. The expense ratio for both insurance companies excluding insurance brokerage recorded 69%.

#### 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.



### **Treasury and Debt Capital Market Division**

Liquidity continues to be substantial with a wide funding base from banks and debt capital markets with total of EGP 13.9 billion available to the group.

The group's funding strategy is shifting towards systematically funding the financing activities through Sukuk issuances rather than securitizing the portfolio, increasing our on-balance sheet capacity. Unlike refinancing through securitization, Sukuk are a primary funding tool offering revolving liquidity at loan origination based on pre-set criteria and margins set by the offering terms and approved by a Sharia board and the regulator. The benefits are enhanced liquidity due to its direct and revolving nature, and mitigating transient pricing risk. During the first half of 2021, the group continued to utilize the proceeds of the EGP 2.5 billion Sukuk issued during the third quarter of 2020 to originate new auto credit and truck financing loans directly through the Sukuk vehicle, with a second issue of EGP 2.5 billion launched at the end of the first half.

Also, during the second quarter of 2021, the group's debt capital markets division operating under the Sarwa Capital brand, successfully closed a securitization bond issuance for Palm Hills Developments backed by receivables portfolio of approximately EGP1.2 billion.

### **Group Shareholders' Equity**

Consolidated equity net of minority interest and portfolio fair value premium reached EGP 2.1 billion at the end of the first half of 2021 compared to closing at EGP 1.9 billion at the end of the comparable period in 2020, up 11% year-on-year.





### **Important Note Regarding Group Financial Performance & Accounts**

To simplify both the group consolidated financials and the divisional reporting, and to clarify the transition from the audited financials to the management reclassified accounts, the board of directors approved in May a new-look detailed income statement. The new income statement forms a clearer basis for the management reclassified accounts, in two steps as follows:

- The income statement is adjusted to reflect entities which are not consolidated. This includes (Table 1):
  - Companies where Contact has full control of yet are not consolidated (but detailed in the notes to the financial statements).
  - Recurring revenue (and associated expenses) from off-balance sheet portfolios due to their materiality.
- The line items are then reclassified to better reflect the business activities of the group in the Management Reclassified Accounts (Table 2).

The full audited consolidated accounts, segment reports, KPIs and reclassified management accounts are available on the company website [investorrelations.contact.eg](http://investorrelations.contact.eg)

**Table 1: Mapping the Audited Income Statement with the Consolidated Management Accounts H1 2021**

Audited financials H1 2021	EGP "000"	Breakdown of Sec. Net Revenue (Note 19)	JV's Consolidation (Note 15)	Consolidated Adjusted Accounts	
		After Adjustments	KPMG Standalone		
Sales Revenue - goods and services	134,538		269,372	403,910	Sales Revenue - goods and services
Income from financing activities	212,919	303,137	12,451	528,507	Income from financing activities
Securitization Gain	-		-	-	Securitization Gain
Discounting gain	49,359		10,268	59,627	Discounting gain
Sukuk gain	134,808		10,081	144,890	Sukuk gain
Interest Income (Cash Surplus Financing)	43,135	20,675		63,810	Interest Income (Cash Surplus Financing)
Interest Income (Cash Surplus Insurance)	8,487			8,487	Interest Income (Cash Surplus Insurance)
Management Fees (Securitization Issuance)	44,179	(43,527)		652	Management Fees (Securitization Issuance)
<b>Management Fees (Sukuk Issuance)</b>	8,483			8,483	Management Fees (Sukuk Issuance)
Discounting Income (Escrow account deduction)	17,109			17,109	Discounting Income (Escrow account deduction)
Securitization Profit	293	(293)		-	Securitization Profit
Fee Income	45,662		4,102	49,763	Fee Income
Profit share from associates	12,144		(12,144)	-	Profit share from associates
Other Insurance Service (Insurance)	-			-	Other Insurance Service (Insurance)
Net Revenue from portfolio transferred	1,811			1,811	Net Revenue from portfolio transferred
Portfolio Management Fee from Associates	2,814		(2,814)	0	Management fees & Incentive Fees
Other Operating Revenue	3,524		2,152	5,676	Other Operating Revenue
Income from website	-			-	Income from website
Income from mutual fund - life insurance	1,049			1,049	Income from mutual fund -life insurance
Other revenue	8,237		-	8,237	Other revenue
Portfolio Management Fees	125		-	125	Portfolio Management Fees
<b>Total Revenues</b>	<b>728,676</b>	<b>279,991</b>	<b>293,468</b>	<b>1,302,135</b>	<b>Total Revenues</b>
Cost of sales - good and services	(113,475)		(265,658)	(379,133)	Cost of sales - good and services
General and administrative expense	(203,314)		(6,639)	(209,953)	General and administrative expense
Interest Expense	(69,452)	(279,991)	(2,397)	(351,841)	Interest Expense
Interest Expense (Right of use)	(7,231)			(7,231)	Interest Expense (Right of use)
Operating expense	(5,952)		(317)	(6,268)	Operating expense
<b>Sukuk management cost</b>	<b>(4,870)</b>			<b>(4,870)</b>	<b>Sukuk management cost</b>
Contingent provision	2,589		(440)	2,149	Contingent provision
Other Services cost (Insurance)	(2,189)			(2,189)	Other Services cost (Insurance)
Sales and distribution expense	(26,732)		(3,587)	(30,318)	Sales and distribution expense
(Deficit)from insurance activities	20,796			20,796	(Deficit)from insurance activities
Impairment of financial assets	(432)		1,338	906	Impairment of financial assets
ESOP expenses	(12,062)			(12,062)	ESOP expenses
Foreign currency differences	105		(6)	98	Foreign currency differences
Board of directors' allowances	(525)			(525)	Board of directors' allowances
Other Insurance Services	-			-	Other Insurance Services
Investment Income (Losses)	-		-	-	Investment Income (Losses)
<b>Total Expense</b>	<b>(422,744)</b>	<b>(279,991)</b>	<b>(277,705)</b>	<b>(980,441)</b>	<b>Total Expense</b>
Net Profit for the year before tax	305,932	(0)	15,763	321,695	
Income tax	(78,176)		(5,916)	(84,093)	Income tax
Net Profit for the year after tax	227,756	(0)	9,847	237,602	
Non-controlling interest	(9,397)		(9,847)	(19,244)	Non-controlling interest
<b>Net Income</b>	<b>218,359</b>	<b>(0)</b>	<b>(1)</b>	<b>218,358</b>	<b>Net Income</b>

**Table 2: The Consolidated Reclassified Management Accounts**

	H1 2021	H1 2020	YoY	Q2 2021	Q2 2020	YoY
<b>Financing Business:</b>						
Income from financing activities	528,507	595,334		247,616	276,333	
Management fees (securitization issuances)	652	1,487		396	687	
Management fees (sukuk issuance)	8,483	-		8,483	-	
Management fees from associates	-	-		-	-	
Interest revenue from transferred portfolio	1,811	5,288		715	2,298	
Portfolio management fees	125	105		(901)	50	
Interest income (cash surplus)	63,810	77,803		31,171	31,857	
Discounting Income (Escrow account release)	17,109	-		8,234	-	
Other operating revenue	5,676	9,944		2,885	3,770	
<b>Total interest income</b>	<b>626,173</b>	<b>689,961</b>	<b>-9%</b>	<b>298,598</b>	<b>314,994</b>	<b>-5%</b>
Interest expense	(351,841)	(452,115)		(169,021)	(214,779)	
<b>Total interest expenses</b>	<b>(351,841)</b>	<b>(452,115)</b>	<b>-22%</b>	<b>(169,021)</b>	<b>(214,779)</b>	<b>-21%</b>
<b>Net interest income</b>	<b>274,332</b>	<b>237,846</b>	<b>15%</b>	<b>129,577</b>	<b>100,215</b>	<b>29%</b>
Securitization gain	-	103,283		-	357	
Discounting gain	59,627	45,366		39,015	45,366	
Sukuk gain	144,890	-		79,004	-	
<b>Net revenue from portfolio transfer</b>	<b>204,517</b>	<b>148,649</b>	<b>38%</b>	<b>118,019</b>	<b>45,723</b>	<b>158%</b>
Fee income	49,121	28,707		26,528	13,843	
Prepayment cost (Sukuk Portfolio)	(4,870)	-		(4,870)	-	
(Other revenue) contactcars.com revenue	8,237	1,193		2,365	102	
<b>Total fee income</b>	<b>52,488</b>	<b>29,900</b>	<b>76%</b>	<b>24,023</b>	<b>13,945</b>	<b>107%</b>
Insurance services revenue	-	-		-	(750)	
Insurance services Cost	(2,189)	(2,084)		(194)	(755)	
Sales revenue - goods and services	387,962	2,126,236		113,808	1,083,783	
Cost of sales - goods and services	(378,273)	(2,119,067)		(107,102)	(1,081,657)	
<b>Total other services income</b>	<b>7,500</b>	<b>5,084</b>	<b>48%</b>	<b>6,512</b>	<b>622</b>	<b>946%</b>
<b>Net Financing operating Income</b>	<b>538,836</b>	<b>421,479</b>	<b>29%</b>	<b>278,131</b>	<b>160,506</b>	<b>76%</b>
<b>Insurance business:</b>						
GWP	254,283	131,322	94%	129,575	56,559	129%
Reinsurance & reserves	(111,275)	(61,463)	81%	(58,462)	(20,536)	185%
Claims & provisions	(53,861)	(25,525)	111%	(32,020)	(8,448)	279%
Provisions for retrograde fluctuations at end of the year	(547)	(848)		(420)	(848)	
Investment income	10,552	6,964	52%	5,425	3,976	36%
Outward reinsurance commissions income	11,423	4,146	175%	4,726	2,300	105%
Fee income	3,185	1,978	61%	1,757	965	82%
<b>Insurance operating income</b>	<b>113,760</b>	<b>56,574</b>	<b>101%</b>	<b>50,582</b>	<b>33,968</b>	<b>49%</b>
Net other insurance operating income	25,267	18,182	39%	12,712	9,213	39%
<b>Total operating income</b>	<b>677,863</b>	<b>496,235</b>	<b>37%</b>	<b>341,425</b>	<b>203,687</b>	<b>38%</b>
General and administrative expenses	(247,901)	(173,116)	43%	(124,828)	(83,453)	43%
Sales and distribution expenses	(92,474)	(46,012)	101%	(50,910)	(21,122)	101%
Operating expenses - Insurance Companies	(6,268)	(4,110)		(3,494)	(1,887)	
Contingent provision & Impairment of financial assets	3,069	(53,471)	-106%	2,986	(27,580)	-106%
ESOP expenses	(12,062)	(8,085)	49%	(6,031)	(4,048)	49%
IPO fees & others	(531)	(252)	111%	(212)	(74)	111%
<b>EBT</b>	<b>321,695</b>	<b>211,189</b>	<b>52%</b>	<b>158,935</b>	<b>65,523</b>	<b>52%</b>
Income Tax	(84,093)	(65,668)	28%	(41,992)	(23,749)	28%
<b>Net Income before Minorities</b>	<b>237,602</b>	<b>145,520</b>	<b>63%</b>	<b>116,943</b>	<b>41,774</b>	<b>63%</b>
Minorities	(19,225)	(18,613)	3%	(7,875)	(5,525)	3%
<b>Net Income</b>	<b>218,358</b>	<b>126,908</b>	<b>72%</b>	<b>109,067</b>	<b>36,249</b>	<b>72%</b>

**Table 3: Financing Business Income Statement**

	H1-2021	H1 2020	YoY	Q2 2021	Q2 2020	YoY
Income from financing activities	528,507	597,845		247,616	278,844	
Management fees (securitization issuances)	652	1,487		396	687	
Management Fees (Sukuk Issuance)	8,483			8,483	-	
Management fees from associates	-	0		(0)	0	
Interest Revenue from transferred portfolio	1,811	5,288		715	2,298	
Portfolio management fees	125	105		(901)	50	
Discounting Income (Escrow account release)	17,109			8,234	-	
Interest income (cash surplus)	63,810	77,803		31,171	31,857	
Other operating revenue	5,676	7,433		2,885	1,259	
<b>Total interest income</b>	<b>626,173</b>	<b>689,961</b>	<b>-9%</b>	<b>298,598</b>	<b>314,994</b>	<b>-5%</b>
Interest expense	(351,841)	(452,115)		(169,021)	(214,779)	
<b>Total interest expense</b>	<b>(351,841)</b>	<b>(452,115)</b>	<b>-22%</b>	<b>(169,021)</b>	<b>(214,779)</b>	<b>-21%</b>
				-	-	
<b>Net interest income</b>	<b>274,332</b>	<b>237,846</b>	<b>15%</b>	<b>129,577</b>	<b>100,215</b>	<b>29%</b>
Securitization gain	-	103,283		-	357	
Discounting gain	59,627	45,366		39,015	45,366	
Sukuk gain	144,890	-		79,004	-	
<b>Net Revenue from portfolio transfer</b>	<b>204,517</b>	<b>148,649</b>	<b>38%</b>	<b>118,019</b>	<b>45,723</b>	<b>158%</b>
Fee income	49,121	28,707		26,528	13,843	
Other revenue	8,237	1,193		5,261	1,024	
contactcars.com revenue	(4,870)	-		(4,870)	-	
<b>Total fee income</b>	<b>52,488</b>	<b>29,900</b>	<b>76%</b>	<b>24,023</b>	<b>13,945</b>	<b>72%</b>
Insurance services revenue	-	-		-	(750)	
Insurance services Cost	(2,189)	(2,084)		(194)	(755)	
Sales revenue - goods and services	387,962	2,126,236		113,808	1,083,783	
Cost of sales - goods and services	(378,273)	(2,119,067)		(107,102)	(1,081,657)	
<b>Total other services income</b>	<b>7,500</b>	<b>5,084</b>	<b>48%</b>	<b>6,512</b>	<b>622</b>	<b>946%</b>
<b>Financing operating income</b>	<b>538,836</b>	<b>421,479</b>	<b>28%</b>	<b>278,131</b>	<b>160,506</b>	<b>73%</b>
General and administrative expenses	(199,050)	(145,838)		(103,075)	(71,076)	
Interest expense (rent)	(6,757)	-		(6,212)	-	
G&A cost allocation	20,164	16,700		12,338	8,547	
<b>Net Operating Expenses</b>	<b>(185,643)</b>	<b>(129,139)</b>	<b>44%</b>	<b>(96,949)</b>	<b>(62,529)</b>	<b>55%</b>
Sales and distribution expenses	(30,318)	(17,226)	76%	(16,909)	(7,838)	116%
Operating expenses	(6,268)	(4,110)	53%	(3,494)	(1,887)	85%
Contingent provision & Impairment of financial assets	5,247	(52,609)	-110%	2,352	(27,572)	-
ESOP	(12,062)	(8,085)	49%	(6,031)	(4,048)	109%
Foreign currency differences	(6)	3	-301%	(6)	41	49%
Board of directors' allowances	(525)	(255)	106%	(206)	(115)	-
Investment Income (Losses)	-	-		-	-	115%
Other Expense	-	-		-	-	79%
<b>Earnings Before Tax</b>	<b>309,260</b>	<b>210,059</b>	<b>47%</b>	<b>156,889</b>	<b>56,559</b>	<b>177%</b>
Income Tax	(80,246)	(63,228)	27%	(40,105)	(22,467)	79%
<b>Financing Net Income before minorities</b>	<b>229,014</b>	<b>146,831</b>	<b>56%</b>	<b>116,784</b>	<b>34,092</b>	<b>243%</b>
Minorities	(14,111)	(15,979)	-12%	(5,917)	(2,750)	115%
<b>Financing Net Income</b>	<b>214,903</b>	<b>130,851</b>	<b>64%</b>	<b>110,867</b>	<b>31,341</b>	<b>254%</b>

**Table 4: Insurance Business Income Statement**

	H1-2021	H1-2020	YoY	Q2 2021	Q2 2020	YoY
Direct premiums	254,283	131,322	94%	129,575	56,559	129%
Outward reinsurance premiums	(75,840)	(36,825)	106%	(37,917)	(14,546)	161%
Provisions for unearned premiums	(35,435)	(24,638)	44%	(20,544)	(5,990)	243%
Other operating income	3,185	1,978	61%	1,757	965	82%
Incurred claims	(53,861)	(25,525)	111%	(32,020)	(8,448)	279%
Provisions for retrograde fluctuations	(547)	(848)	-36%	(420)	(848)	-50%
Net income from designated investments	8,886	5,045	76%	4,567	3,070	49%
Investment income	1,667	1,919	-13%	859	906	-5%
Outward reinsurance commissions income	11,423	4,146	175%	4,726	2,300	105%
Other revenue	-	-	-	-	-	-
<b>Net Underwriting Income</b>	<b>113,760</b>	<b>56,574</b>	<b>101%</b>	<b>50,582</b>	<b>33,968</b>	<b>49%</b>
Sales revenue - goods and services	15,948	11,478		7,873	6,392	
Interest income (cash surplus)	8,487	7,985		4,415	3,407	
Interest income (cash surplus insurance)	-	-		-	-	
Money Market fee Income	1,049	-		641	-	
Fee income	642	191		385	105	
Interest expense	-	-		-	-	
Other Revenue	-	8		-	8	
<b>Total Other Insurance Income</b>	<b>26,127</b>	<b>19,662</b>		<b>13,314</b>	<b>9,912</b>	
Cost of sales - goods and services	(860)	(1,480)		(602)	(699)	
<b>Total other insurance costs</b>	<b>(860)</b>	<b>(1,480)</b>	<b>39%</b>	<b>(602)</b>	<b>(699)</b>	<b>38%</b>
<b>Net other insurance operating income</b>	<b>25,267</b>	<b>18,182</b>	<b>39%</b>	<b>12,712</b>	<b>9,213</b>	<b>38%</b>
<b>Total insurance operating income</b>	<b>139,026</b>	<b>74,756</b>	<b>86%</b>	<b>63,294</b>	<b>43,181</b>	<b>47%</b>
General and administrative expenses - Insurance Companies	(28,630)	(22,066)	30%	(10,472)	(9,717)	8%
General and administrative expenses - Brokerage	(10,902)	(4,780)		(5,452)	(2,418)	
G&A Cost Allocation	(20,164)	(16,700)	21%	(12,338)	(8,547)	44%
Operating expenses - Insurance Companies	-	(138)	-100%	-	(68)	
Contingent provisions & Impairment loss on receivable - Brokerage	(2,193)	(258)	749%	251	(134)	
Foreign currency differences - Brokerage	105	(36)	-392%	48	(40)	
Interest Expense (Right of use) - Insurance Companies	(474)	-		83	-	
<b>Net Operating Expenses</b>	<b>(62,257)</b>	<b>(43,977)</b>	<b>42%</b>	<b>(27,880)</b>	<b>(20,924)</b>	<b>33%</b>
Direct commissions	(30,347)	(17,367)	75%	(12,057)	(7,283)	66%
Production costs	(31,809)	(11,419)	179%	(21,944)	(6,001)	266%
Impairment loss on receivable - Insurance Companies	(2,178)	(863)	153%	634	(9)	
<b>EBT</b>	<b>12,435</b>	<b>1,130</b>	<b>1000%</b>	<b>2,046</b>	<b>8,964</b>	<b>-77%</b>
Income Tax	(3,847)	(2,441)	58%	(1,888)	(1,283)	47%
<b>Net income before minorities</b>	<b>8,588</b>	<b>(1,310)</b>	<b>-755%</b>	<b>159</b>	<b>7,682</b>	<b>-98%</b>
Minorities	(5,133)	(2,633)	95%	(1,958)	(2,774)	-29%
<b>Insurance Net income</b>	<b>3,455</b>	<b>(3,943)</b>	<b>-188%</b>	<b>(1,799)</b>	<b>4,908</b>	<b>-137%</b>

—Ends—



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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).

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