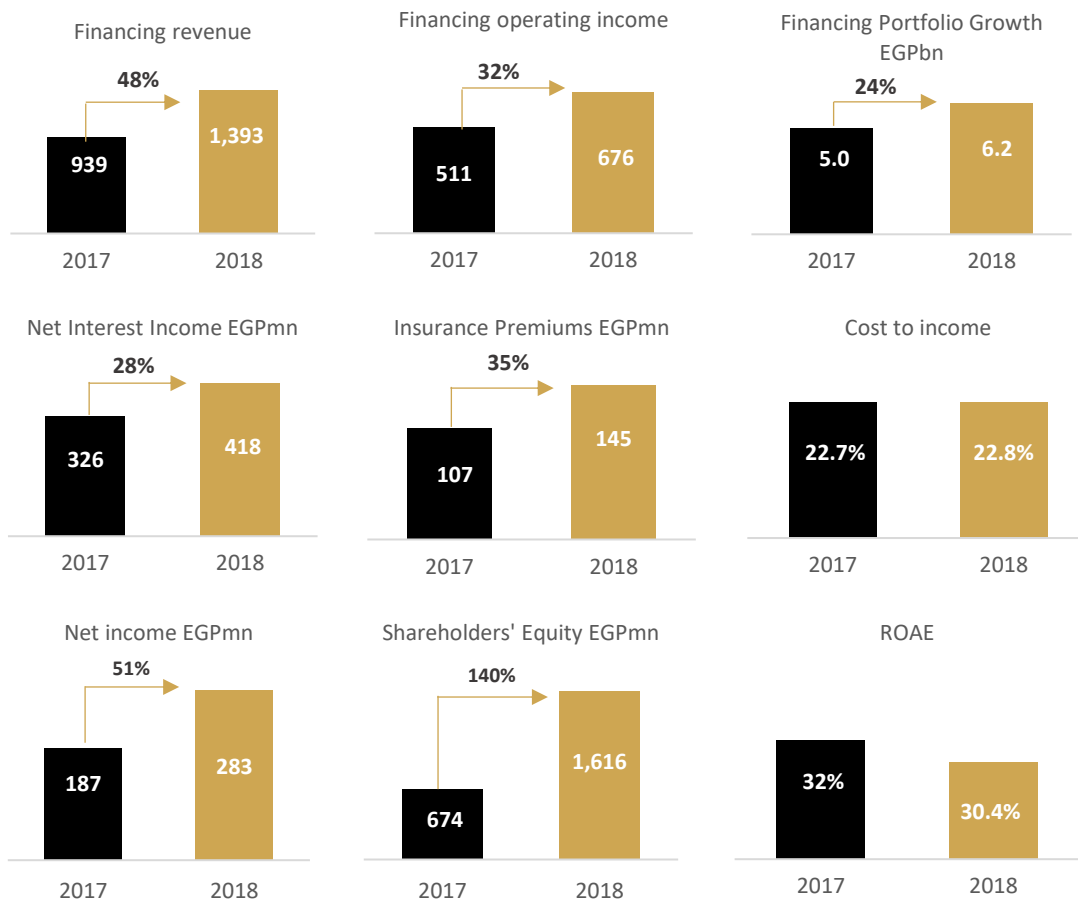


26 February 2019

**SARWA CAPITAL ANNOUNCES 2018 RESULTS;
CONSOLIDATED NET INCOME OF EGP 283 MILLION FOR 2018,
UP 51% FROM 2017**

Key Highlights*

- Financing Revenue of EGP 1,393 million, up 48% from 2017
- Net Interest Income of EGP 418 million, up 28% from 2017
- Financing Operating Income of EGP 676 million, up 32% from 2017
- Net Insurance Income of EGP 39 million, up 20% from 2017
- Net Operating Income of EGP 715 million, up 31% from 2017
- Net Income of EGP 283 million, up 51% from 2017
- Cost to Income of 22.8%
- Total Portfolio of EGP 6.2 billion, up 24%
- Q4 Net Income of EGP 35 million, nominally unchanged from Q4 2017
- Normalised Q4 Net Income of EGP 52.2 million, up 51.4% from 2017
- Return on Average Equity of 30.4%
- Return on Average Assets of 5%



Sarwa Capital Holding for Financial Investments SAE (SRWA.CA), Egypt’s leading consumer and structured finance provider, announced today its consolidated financial results for the year ending 31 December 2018, with consolidated net income after minority interest of EGP 283 million, up 51% from EGP 187 million in 2017. Net profit for the fourth quarter reached EGP 34.6 million, unchanged from Q4 2017 but after accounting for one-off IPO fees and the provision for the new health insurance tax.

Management commented: “we are pleased to report our excellent results for 2018, a year full of developments providing an exciting launchpad for the years ahead. In addition to completing our IPO, capital increase and welcoming a new key investor in Orascom Investment Holding, the expanded product lines are growing into their own, and the new insurance businesses are ready for launch.

Going forward, we expect continued strength across our business, while closely monitoring developments and shifts in our underlying asset markets and consumer dynamics as a result of macroeconomic and monetary policy developments. While some volatility is to be expected in the short term, evolving market dynamics present additional opportunities for expansion as demand looks set to pick up. We are also undertaking a substantial investment in technology through a number of initiatives aiming at continuously expanding our audience.”

*Summary Financial Results**

Income Statement (EGPm)	FY 2018	FY 2017	YoY	Q4 2018	Q4 2017	YoY
Financing Revenue	1,393	939	48%	347	283	23%
Financing Operating Income	675.6	511	32%	149	161.4	-8%
Net Operating Income	715.1	545	31%	159.4	171.1	-7%
Earnings Before Tax	456.3	370.7	23%	56.7	107.2	-47%
Net Income after minorities	282.8	187	51%	34.6	34.5	0%

Revenues

Financing Operating Income, which includes net interest income, refinancing income and fee income, rose by 32% during 2018, buoyed by active refinancing through the issuance of two securitization bonds worth EGP 3.8 billion. By contrast, one securitization took place in December 2017 worth EGP 1.1 billion, with off-balance sheet discounting facilities forming the rest of refinancing income in 2017. As a result of refinancing timing, Financing Operating Income came in 8% lower in the fourth quarter compared to the same quarter in 2017.

Net interest margin, which is net of interest margin recorded through refinancing, remained constant at 7.4% for the year.

New Financing

Total new financing extended during 2018 rose to EGP 4.3 billion, up 25% from EGP 3.4 billion in 2017.

New Financing Extended	YoY Growth
Contact Group - Auto Credit	17%
getGO - Consumer Durables Credit	73%
Contact Mortgages	239%
Plus Leasing	38%
Total	25%

Total auto credit grew by 17% in 2018 as targeted, despite a turbulent market towards the end of the year and into 2019. Shifts in the landscape are taking place due to a number of factors, led by expectations in custom duty changes, as well as the continued fallout from currency and interest rate factors affecting players across the car market.

Mortgages grew substantially with a strong contribution by the launch of the low and middle-income products according to the Central Bank of Egypt initiative, with 1,846 low-income housing loans disbursed during the year. In addition, the home finishing loan product continued its market penetration, its growth somewhat affected by high interest rates and substantial liquidity in the real estate market focusing on new construction. Furthermore, acquisition of retail portfolios from developers, with the objective of refinancing, began during the fourth quarter.

Consumer durable financing through the getGO finance card, in its various editions, has continued its fast growth with the number of transactions growing 91% to over 16 thousand and the value of transactions growing 73% during the year. In addition to an expanding presence with a number of new editions expected in 2019, the product platform is undergoing several enhancements to propel it further forward.

Leasing volumes grew notwithstanding the re-focusing of the business during 2018 on three segments: transportation, medical and structured deals, with the first two segments focusing on small business. Broader lines such as construction and generic corporate leasing lines were discontinued. As a result, average contract values dropped to EGP 625 thousand in 2018 from EGP 1.2 million in 2017.

With the foundation laid, the transportation and medical sectors are primed for substantial activity, with transportation in particular a substantial area of growth with initiatives in ride sharing and commercial transport.

Insurance

	FY 2018	FY 2017	YoY	Q4 2018	Q4 2017	YoY
Policies Issued	62,703	44,557	41%	15,206	12,334	23%
Insurance Premiums	144,772	107,037	35%	40,919	25,521	60%

Total insurance policies issued via the group rose 41% in 2018 to 63 thousand policies of which retail comprised 57%, rising from 51% in 2017. Retail continues to be the primary focus of insurance activities and is the main focus of the new Sarwa Insurance and Sarwa Life Insurance businesses as they target beginning operations in Q2 2019 following receipt of final regulatory approvals.

Revenues from insurance activities rose by 15% to EGP 90 million in 2018, with net insurance income rising by 20% to EGP 39 million.

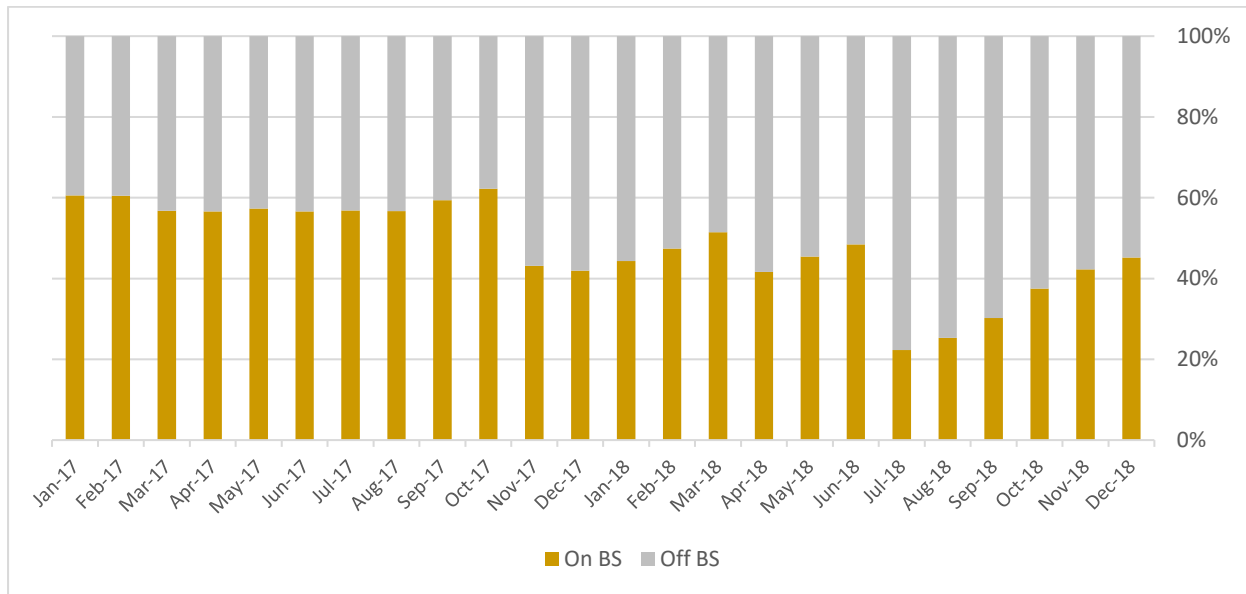
Financing Portfolio

Portfolio	YoY Growth	% of Portfolio FY 2018	% of Portfolio FY 2017
Contact Group - Auto Credit	19%	82%	86%
getGO - Consumer Durables Credit	63%	1%	1%
Contact Mortgages	329%	6%	2%
Plus Leasing	29%	9%	8%
Others	-31%	2%	3%
Total	24%	100%	100%

The total portfolio grew by 24% year on year to EGP 6.2 billion at the end of the fourth quarter. The non-auto credit products continue their marginal growth in the share of the portfolio to 18% from 14%

EGP m	FY 2018	FY 2017
On-balance sheet portfolio	2,789.1	2,080.2
Off-balance sheet portfolio	3,381.2	2,883.0
Total	6,170.3	4,963.2

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



Funding

Off balance sheet financing increased in activity during 2018 through 2 landmark securitization transactions totalling EGP 3.8 billion, while the focus of off-balance sheet financing during 2017 was through non-recourse discounting facilities totalling EGP 1.3 billion as the rate environment was less favourable for securitization. Those facilities were refinanced during 2018 as treasury operations continue to closely monitor and manage debt sources to reach the efficient pricing and liquidity in a continuously moving market. As always, no liquidity or interest rate risks taken.

Total Consolidated Debt (EGPm)	Dec 31 2018	Dec 31 2017
Bank Debt	2,282.8	1,470.6
Non-recourse Debt	118.6	1,129.1
Securitization Bonds	3,816.2	1,933.8
Total	6,217.6	4,533.5

Equity

Consolidated equity net of minority interest reach EGP 1.62 billion at the end of 2018 compared to closing at EGP 674.3 million in 2017. This includes the effect of the EGP 700 million capital increase from the IPO proceeds. The new capital was used to enhance the capital base across all the financing business, in addition to capitalizing new initiatives in insurance, factoring and sukuk issuance, the latter part of our array of funding tools for our business as well as our structured finance products.

Costs

Total operating costs reached EGP 163.4 million in 2018, growing 32% from 2017. Cost to income, as measured by operating expenses, was unchanged at 22.8% during the year, reflecting a high efficiency and increasing scale even as total costs grow with inflation and the substantial expansion of the business. S, G & A, mostly representing sales commissions, grew 44% to EGP 40.5 million.

The effective tax rate decreased in 2018 as a result of deferred taxes in 2017 due to provisions/credit enhancements embedded in the discounting financing structure, which were no longer applicable in 2018 with the effective tax rate reverting to the normal range. In addition, the new health insurance tax enacted during 2018 has been applied from July, affecting the bottom line, after minorities, by EGP 5.2 million.

Consolidated Management Reclassified Accounts

Income Statement (EGP000s)	FY 2018	FY 2017	YoY	Q4 2018	Q4 2017	YoY
Interest Income	1,133,946	752,090		325,196	212,023	
Interest Expense	(716,400)	(426,449)		(197,422)	(119,530)	
Net Interest Income	417,546	325,641	28%	127,774	92,493	38%
Fee Income	77,082	64,858	19%	21,217	15,934	33%
Refinancing Income	180,985	120,581	50%	0	53,016	-100%
Financing Operating Income	675,613	511,080	32%	148,990	161,444	-8%
Net Insurance Income	38,841	32,413	20%	10,239	7,946	29%
Other Services	686	1,525		152	1,662	
Net Operating Income	715,140	545,018	31%	159,380	171,053	-7%
Other Income/Expense	3,289	1,876		2,897	2,039	
Provisions	(14,430)	(17,358)		(5,183)	(13,481)	
Operating Expenses	(163,378)	(123,448)	32%	(49,569)	(43,535)	14%
SG&A	(40,451)	(28,122)	44%	(13,704)	(6,978)	96%
IPO Fees	(22,745)	-		(22,745)	0	
Health Insurance Provision	(10,145)	-		(10,145)	0	
Depreciation	(10,965)	(7,278)		(4,193)	(1,927)	
EBT	456,314	370,688	23%	56,738	107,170	-47%
Corporate Tax	(94,693)	(111,099)		(17,866)	(50,013)	
Consolidated Income	361,622	259,589	39%	38,872	57,157	-32%
Minorities	(78,869)	(72,582)		(4,286)	(22,675)	
Net Income	282,752	187,007	51%	34,585	34,481	0%

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. Leasing revenue is also reclassified net of asset depreciation (interest only).
- (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.

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

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About Sarwa Capital

Sarwa Capital Holding is a pioneer in consumer and structured finance in Egypt. Operating since 2001, Sarwa adopts innovative approaches in extending its services, offering a 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 in addition to an array of corporate financing services including securitization, structured debt and debt investment management.

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 acquisitions, 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.