



# Atlas Mara Transaction Announcement

Investor Presentation

March 31, 2014

# Important Information

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## IMPORTANT INFORMATION

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The Company intends to issue a prospectus (the “Prospectus”) in connection with the voluntary share-for-share exchange offer to be made by the Company to existing shareholders in ADC (the “ADC Offer”) and, if the Transaction completes, the Company intends to apply for readmission of its entire issued and to be issued securities to the Official List maintained by the UK Listing Authority by way of a Standard listing and to trading on the London Stock Exchange plc’s main market for listed securities. ADC SHAREHOLDERS WHO MAY RECEIVE SECURITIES ARE URGED TO READ CAREFULLY THE PROSPECTUS TOGETHER WITH OTHER RELEVANT DOCUMENTS TO BE ISSUED IN CONNECTION WITH THE ADC OFFER IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED ADC OFFER AND RELATED MATTERS.

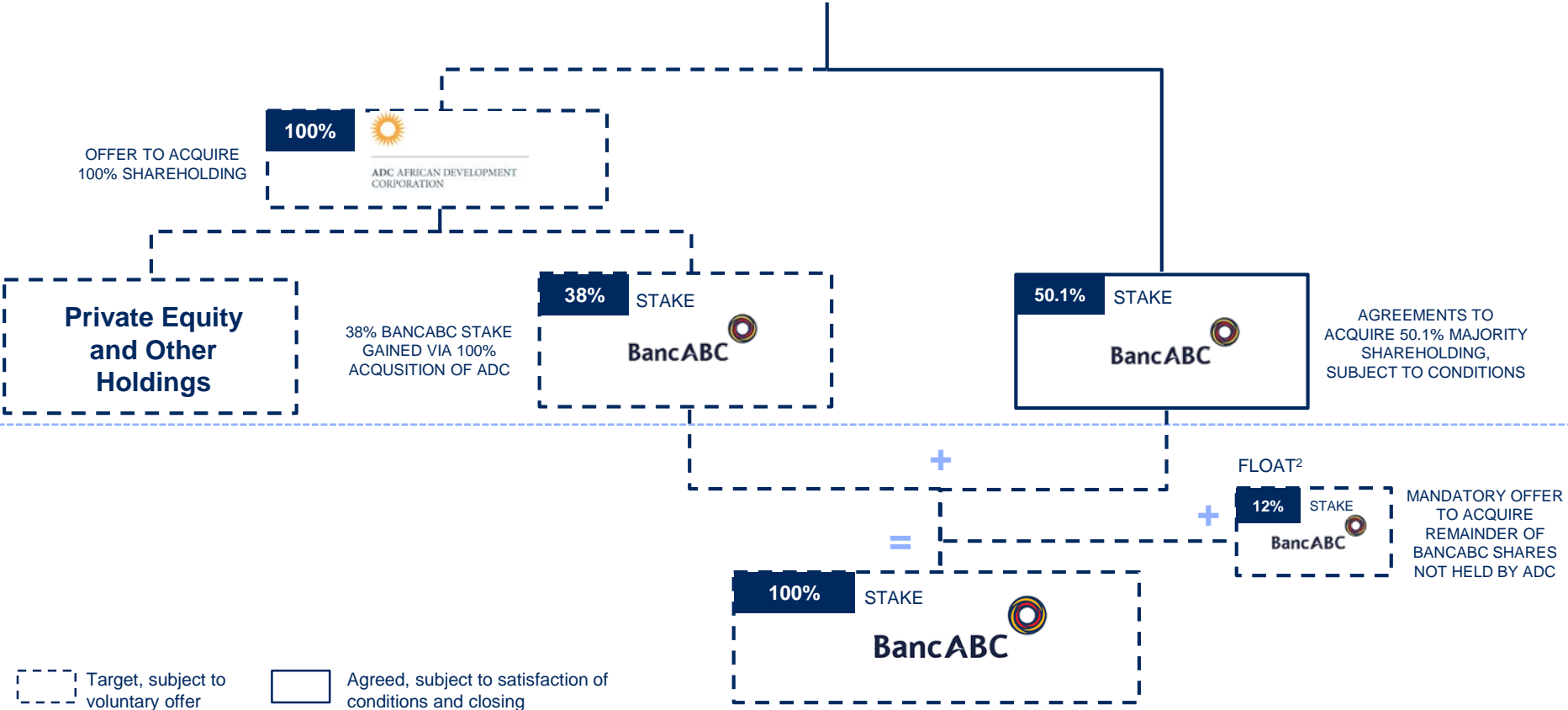
<b>Transaction Overview</b>	After careful diligence and detailed negotiations, Atlas Mara Co-Nvest Limited (“Atlas Mara”) is pleased to announce that it has reached agreements to acquire a majority interest in ABC Holdings Limited (“BancABC”)	
<b>Structure</b>	The acquisition of a majority stake in BancABC will be achieved via: <ul style="list-style-type: none"> <li>• at least 50.1% stake of BancABC to be acquired via direct agreements;</li> <li>• a voluntary offer to acquire a majority stake in ADC African Development Corporation AG (“ADC”), bringing total ownership in BancABC up to ~88%; and</li> <li>• a subsequent mandatory offer for the remaining 12% stake in BancABC</li> </ul>	
<b>Assets being acquired</b>	<ul style="list-style-type: none"> <li>• BancABC: Multi-country bank holding company with operations across the Southern Africa Development Community (“SADC”) with a long history dating back to 1956</li> <li>• ADC: Frankfurt-based, open market listed holding company with a significant equity holding in BancABC, a stake in Union Bank of Nigeria (“UBN”), and a portfolio of innovative, financial services-oriented private equity holdings</li> </ul>	
<b>Banking Proposition</b>	<ul style="list-style-type: none"> <li>• Basis for a multi-country banking operation in the <b>largest</b> trading bloc in Africa (SADC), representing over \$640 billion in GDP and average real GDP growth rate in excess of 5.8%<sup>1</sup></li> </ul>	
<b>Key Levers to Build Value</b>	<ul style="list-style-type: none"> <li>• Enhanced leadership, strong governance, and empowered management</li> <li>• Recapitalization of balance sheet and consolidation of current markets</li> <li>• New product revenue verticals and expansion opportunities</li> </ul>	
<b>Valuation</b>	<ul style="list-style-type: none"> <li>• <b><u>BancABC</u></b></li> <li>- P/B (2013): 1.28x</li> <li>- P/E (2013): 9.2x</li> <li>- Discount to Peers<sup>2</sup>: 35.2%</li> </ul>	<ul style="list-style-type: none"> <li>• <b><u>ADC (including BancABC)</u></b></li> <li>- P/B (2013): 1.28x</li> <li>- P/E (2013): 15.2x</li> <li>- Discount to Peers<sup>2</sup>: 35.2%</li> </ul>

Notes: (1) GDP figures as of 2012 (GDP growth excludes South Africa GDP growth of 2.5%). (2) Peer valuation defined as average P/Book valuation of Barclays Africa, Ecobank and Standard Bank after applying a similar 45% control premium.

# Transaction Summary



- On March 31<sup>st</sup> 2014, Atlas Mara Co-Nvest Limited announced its intention to acquire BancABC and its largest shareholder's parent company: ADC
- To date, Atlas Mara has reached agreements to acquire 50.1% of BancABC through Direct Agreements<sup>1</sup> and has the intention to launch a voluntary offer for ADC. Atlas Mara will launch a mandatory offer for the remaining float shares of BancABC to bring ownership up to a target 100%



Notes: (1) Subject to fulfilment of certain conditions, including relevant regulatory and merger control approvals and launch of voluntary offer for ADC. (2) Remaining 12% of BancABC shares will be acquired in a mandatory offer to minority shareholders at the transaction price.

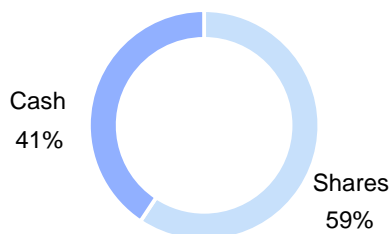
# Transaction Details (continued)



Atlas Mara Pro Forma Capitalization <sup>1</sup>	
<b>Cash &amp; Equivalents (\$mm)</b>	
Cash (Post-IPO balance, after fees) <sup>2</sup>	\$317.1
Less: Cash Utilized in Transaction	(\$108.1)
<b>Pro Forma Cash<sup>3</sup></b>	<b>\$209.0</b>

Market Capitalization (000s)	
Current Market Cap (at \$11.40 Per Share)	\$356.6
New Equity Issued (at 11.40 Per Share) <sup>4</sup>	\$157.7
<b>Pro Forma Market Cap</b>	<b>\$514.3</b>
<b>Pro Forma<sup>4</sup> Ownership – Current Atlas Mara Shareholders</b>	
	<b>69.3%</b>
<b>Pro Forma<sup>4</sup> Ownership – ADC Shareholders</b>	
	<b>26.3%</b>
<b>Pro Forma<sup>4</sup> Ownership – ABC Shareholders</b>	
	<b>4.4%</b>

## Offer Composition



Sources and Uses <sup>1</sup>	
<b>Sources (\$mm)</b>	
Atlas Mara New Share Issuance	\$157.7
Cash	\$108.1
<b>Total</b>	<b>\$265.8</b>

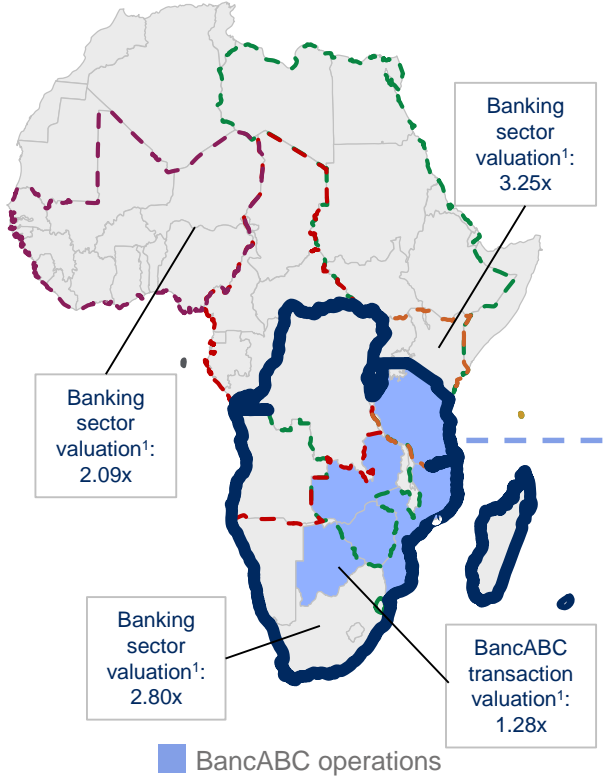
Uses (000s)	
<b>BancABC (Direct Purchase)</b>	
BancABC 50.1% Offer – Shares and Cash <sup>5</sup>	\$105.1
BancABC 12.2% Mandatory Offer – Shares or Cash <sup>6</sup>	\$25.8
<b>BancABC (Direct Purchase) Total</b>	<b>\$130.9</b>
<b>ADC<sup>7</sup></b>	
ADC 100% Share Offer – Shares	\$134.9
<b>ADC Total</b>	<b>\$134.9</b>
<b>Total (BancABC + ADC)</b>	<b>\$265.8</b>

Notes: (1) Assumes acquisition target of 100% of BancABC and 100% of ADC is reached. Excludes considerations around ADC bond and attached warrants. (2) Does not account for expenses post-IPO to date (3) Balance not adjusted for capital (cash) infusion of up to \$100m into BancABC to support growth. (4) Pro forma for issuance of estimated 13.8m new shares issued as acquisition consideration. (5) Of \$105.1m, \$22.8m will be transacted as a share exchange of BancABC shares held by BancABC management for Atlas Mara shares. (6) Under Mandatory Offer, BancABC shareholders will be offered the option to receive either cash or Atlas Mara shares in exchange for BancABC shares held. (7) Balance of 37.7% stake in BancABC acquired through 100% acquisition of ADC.

Event	Timing
Conditional Direct Agreements reached with selling shareholders, Cooperation Agreement with BancABC, Investment Agreement with ADC and announcement of Transaction	T = March 31
Atlas Mara trading suspended on the London Stock Exchange <sup>1</sup>	T + 1
Launch of voluntary offer for ADC	T + 75
Closing of Direct Agreements for 50.1% of BancABC	T + 120 <sup>1</sup>
Closing of ADC	T + 120
Re-admission of enlarged Atlas Mara group and resumption of trading on the London Stock Exchange	T + 120 <sup>2</sup>
Closing of BancABC mandatory offer	T + 190

Notes: (1) Expected at 7:30am on April 1, 2014. (2) Estimate. Subject to regulatory approvals.

**Valuation within Blocs in Sub-Saharan Africa**



**Key Facts**

SADC	
GDP	\$648.3bn
Growth <sup>2</sup>	5.8%
Countries	15
Population	286m

ECOWAS	
GDP	\$395.7bn
Growth	6.6%
Countries	15
Population	319m

EAC	
GDP	\$98.4bn
Growth	5.3%
Countries	5
Population	148m

ECCAS	
GDP	\$224.2bn
Growth	5.9%
Countries	10
Population	142m

COMESA	
GDP	\$548.5bn
Growth	2.3%
Countries	20
Population	501m

**BancABC as an entry point into SADC**

- **Largest** trading bloc in Sub-Saharan Africa. Resource rich with rising trade flows, strong GDP, and a growing population of 286 million people
- **Attractive** current valuations relative to rest of Sub-Saharan Africa<sup>1</sup> with a transaction valuation of only 1.28x P/B
- **Stable** politics and long history of democracy with potential upside from improved governance
- **Fragmented** markets with clear room for consolidation within existing markets, and expansion into periphery markets
- **Highly sought-after** market for banks looking to develop into Pan-African players
- **Well-known** regional dynamics with networks that can be easily tapped into to reach growth potential

  ECOWAS      COMESA      EAC  
  ECCAS      SADC

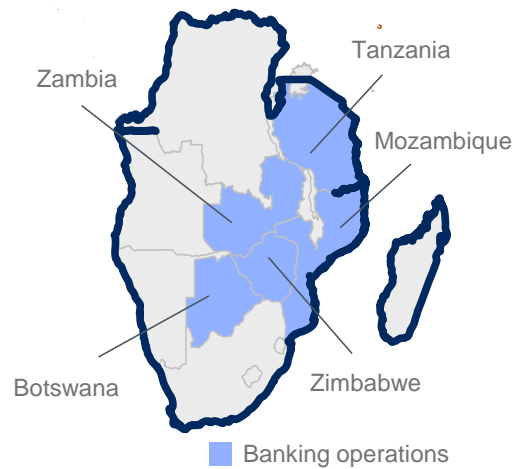
ECOWAS: Economic Community of West African States  
 COMESA: Common Market for Eastern and Southern Africa  
 EAC: East African Community  
 ECCAS: Economic Community of Central African States  
 SADC: Southern African Development Community

Source: Capital IQ, March 2014. World Bank data, 2012.

Notes: (1) Top 3 Nigerian banks (2.09x after applying a 45% control premium), Kenyan banks (3.25x after applying a 45% control premium) and South African banks (2.80x after applying a 45% control premium). (2) Growth excluding South African growth of 2.5%; including South Africa, SADC GDP growth would be 3.3%.

## BancABC: Strong Brand with History Dating back to 1956...

- Fast-growing (42% average annual growth in loans since 2009) banking group focused on the Southern Africa
- Led by a highly-regarded management team who have worked together for over a decade
- Capable of offering a range of banking products including corporate banking, treasury services, retail and SME banking, asset management and stock broking
- Expansion to date strong, but limited by capital constraints



**73 branches, 1,501 staff and +300,000 customers**

## BancABC Key Market Data

	Botswana	Mozambique	Tanzania	Zambia	Zimbabwe
GDP Growth	4.2%	7.4%	6.9%	7.3%	4.4%
Population	2.0m	25.2m	47.8m	14.1m	13.7m
% Banked <sup>1</sup>	30%	40%	17%	21%	40%
Market RoE <sup>1</sup>	34.8%	25.0%	19.9%	25.8%	26.0%
Contribution to BancABC Assets	33%	15%	7%	14%	30%
ABC Market Position	#5	#7	#14	#10	#2

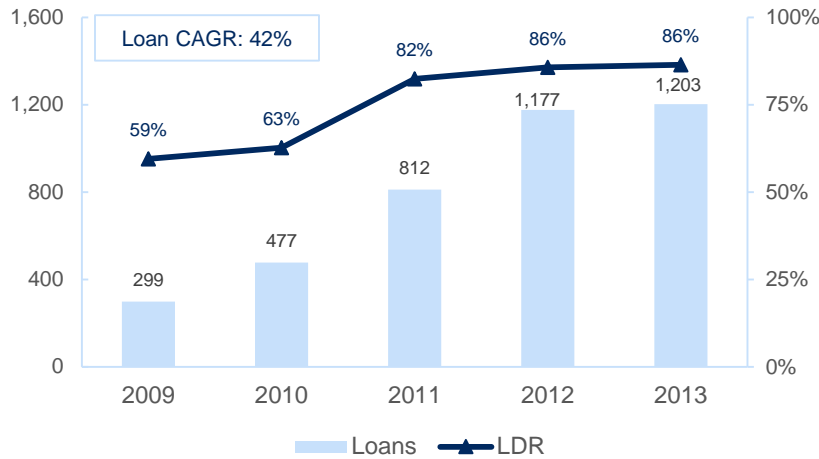
Significant organic opportunities in unbanked population  
 Market share growth integral part of Atlas Mara strategy for BancABC

## ADC: Diversified Holding Company with Large BancABC Stake

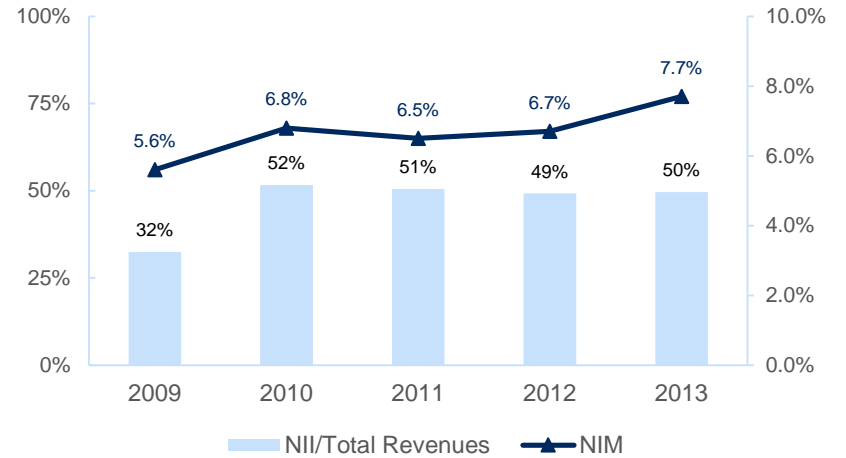
Investment	Summary
	<ul style="list-style-type: none"> <li>37.7% shareholding in a leading banking brand in Southern Africa</li> <li>ABC poised to benefit from rising trade flows and utilization of financial services in the SADC region</li> </ul>
	<ul style="list-style-type: none"> <li>3.9%<sup>2</sup> indirect shareholding in Union Bank of Nigeria (UBN)</li> <li>Equity held in private equity consortium controlling 65% of Bank</li> <li>UBN is a strong recovery play in Nigeria's banking sector</li> </ul>
	<ul style="list-style-type: none"> <li>88.5% shareholding in a major facilitator of payments transactions between Banks in Rwanda</li> <li>Significant in-country growth potential and scalability across Southern / Eastern Africa</li> </ul>
	<ul style="list-style-type: none"> <li>49.0% shareholding in an electronic payment solutions and services provider in South Africa</li> <li>Possibility for scale enhancement and market share development</li> </ul>
	<ul style="list-style-type: none"> <li>38.7% shareholding in a health insurance provider in Kenya</li> <li>Already expanding into Tanzania, Uganda and South Sudan</li> </ul>
	<ul style="list-style-type: none"> <li>19.1% shareholding in a Zimbabwean investment firm primarily investing in the financial, mining, energy, hospitality and real estate sectors</li> </ul>



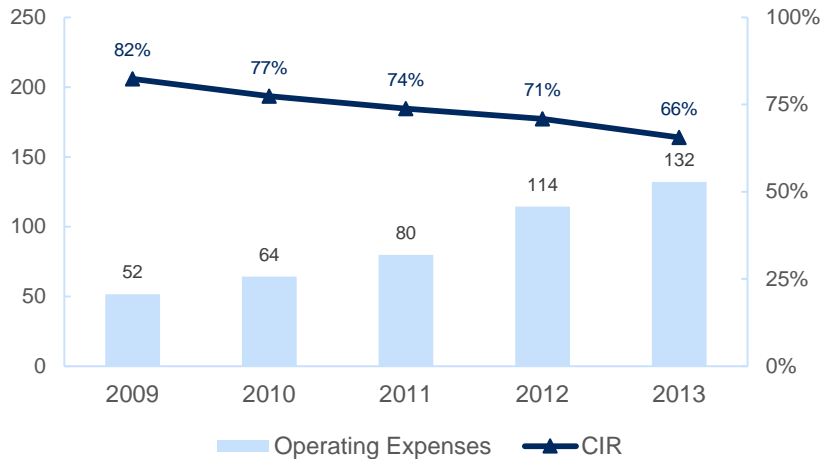
## Asset and Liability Growth (USDm)



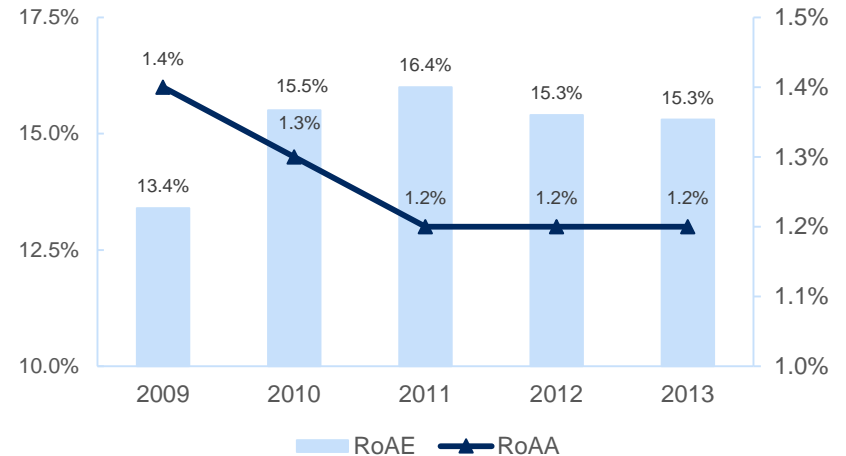
## Core Operating Performance



## Costs and Efficiency (USDm)



## Profitability and Operating Leverage



Source: BancABC audited annual accounts (2009 to 2013).

CAGR = Compounded Annual Growth Rate; RoAE = Return on Average Equity; RoAA = Return on Average Assets.

## Price/Book (Pre-Transaction Valuation)



## 2013 Profitability (RoAE)



## 2013 Efficiency (Cost/Income)



## Presence in Africa (# of countries)



Source: Company annual reports. CapitalIQ, March 2014.

Notes: (1) Ecobank as of September 30, 2013. BancABC, Barclays Africa and Standard Bank as of December 31, 2013.



**Douglas Munatsi**  
Chief Executive Officer

- Doug has been the CEO of BancABC, as well as its predecessors, First Merchant Bank and Heritage Investment Bank, since 2000. Prior to joining the Group, he was an executive in the Southern Africa regional mission of the International Finance Corporation (IFC). Before joining the IFC, he worked with Barclays Bank in Zimbabwe. Doug holds a Bachelor of Business Studies degree from the University of Zimbabwe and a Master of Business Administration (Finance) from the American University, Washington DC. He is also an Associate of the Institute of Bankers of Zimbabwe.
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**Francis Dzanya**  
Chief Operating Officer

- Francis has held various senior positions and has over 20 years of experience in the banking industry in Southern Africa, ten of which were spent at ABC Holdings and its predecessor companies. He was appointed Chief Operating Officer in 2008. Francis holds a Bachelor of Arts (Honours) degree in Banking, Insurance and Finance from Sheffield Hallam University in the UK and a Higher National Diploma in Banking and Finance from John Moores University, also in the UK. He is an Associate of the Chartered Institute of Bankers.
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**Beki Moyo**  
Chief Financial Officer

- Beki has held various senior positions within ABC Holdings and was appointed Chief Financial Officer in 2005. Beki trained and qualified as a Chartered Accountant with Deloitte and Touche, where he was later appointed Audit Manager. He holds a Bachelor of Accountancy (Honours) degree from the University of Zimbabwe, a Master of Business Administration degree in Banking and Finance from Manchester University and AMP from Harvard Business School.

## Key Due Diligence Areas Conducted by Independent 3<sup>rd</sup> Parties

<p>Accounting</p>   	<p>Key Persons (Management and Board)</p>  
<p>Asset Quality</p>  	<p>Legal</p>       
<p>Bribery and Corruption</p>  	<p>Liquidity</p>  
<p>Capital Adequacy</p>  	<p>Operations and IT</p>  
<p>Country Risks</p>      	<p>Regulatory</p>  
<p>Fairness Opinion</p>  	<p>Tax Compliance</p>  
<p>Funding Structure</p>  	<p>Tax Structuring</p>  

**Re-Focus**

- Conduct detailed assessment of operational cost structure with aim to bring down near term efficiency ratios
- Address legacy portfolio and strengthen risk management policies
- Engage strategic clients in each market, explore and invest in how a revamped BancABC can best meet their needs

**Optimize**

- Design human capital plan to enhance governance and operations at all levels
- Invest in and deploy mobile technologies to boost both efficiency (target Cost/Income ratio of 50% vs current 66%) and market reach into new customer segments
- Focus on securing low-cost Tier 2 funding and support from Development Financial Institutions

**Scale**

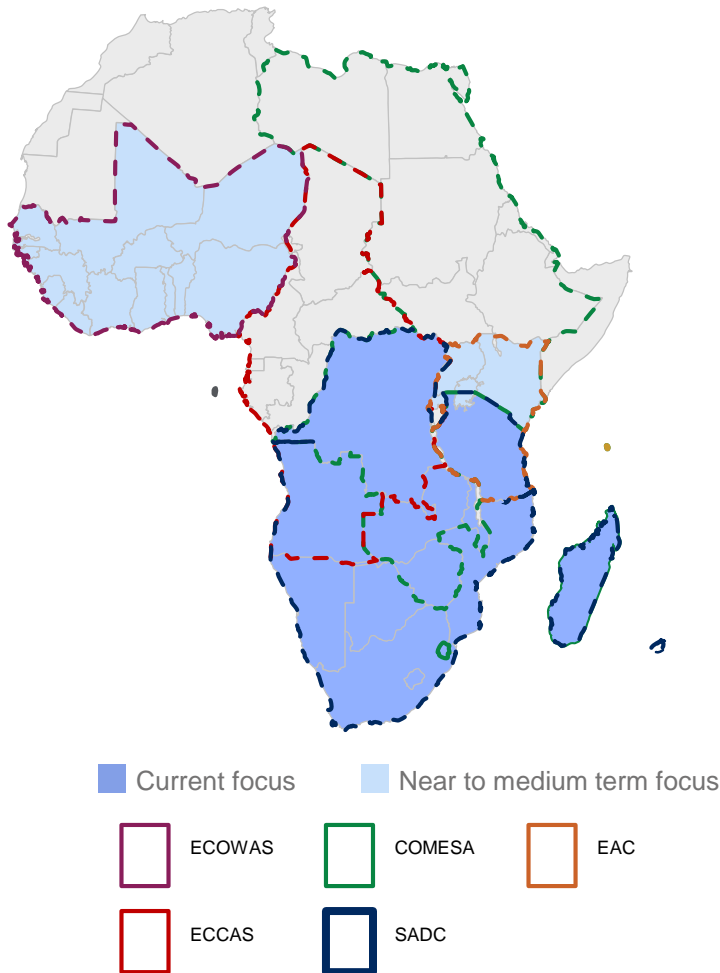
- Target bolt-on expansion to diversify product offerings within existing markets
- Build country-by-country plan to take a leading position (Top 5) in all markets of operation
- Designate specific resources towards identifying and extracting Group synergies
- Inject up to \$100m into BancABC to support growth

Reposition Business

Shift Resources towards Growth

**Focused on Strategically Building into a Pan-African Banking Platform**

## Opportunity Landscape



## Commentary

- Atlas Mara will have a continued focus on complementary acquisitions to broaden geographic footprint through prudent entry valuations
- Near to medium term focus on potential opportunities across other regional blocs in Africa. ECOWAS and EAC are top priorities
- Atlas Mara will have a long term strategic focus on integrating its presence across Sub-Saharan Africa

Pipeline of target opportunities being analyzed.  
Looking at future bolt-on acquisitions.

Promises Made	Promises Kept
Transaction Within One Year	✓
Attractive Entry Valuation	✓
Capacity to Combine Global Expertise and Local Management	✓
Capacity to Bring Best-In-Class Governance and Risk Management	✓
Capacity to Broaden Geographic Footprint	✓
Capacity to Broaden Product Offering for Strong Existing Client Base	✓
Capacity to Leverage New Technologies for Operational Efficiencies	✓
Capacity to Bring Long Term Capital to Sub-Saharan Africa	✓