

# Atlas Mara Limited

## Strategic Update & FY 2018 Results



April 30, 2019

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# Summary Highlights

## Strategic Transaction with Equity Group

- Executing on strategic priorities outlined in February 2019
- Share exchange agreement for four countries with strong operator in Equity Group
- Streamline the business and strengthen positioning of subscale banks
- Atlas Mara to secure shareholding in Equity Group

## 2018 Results

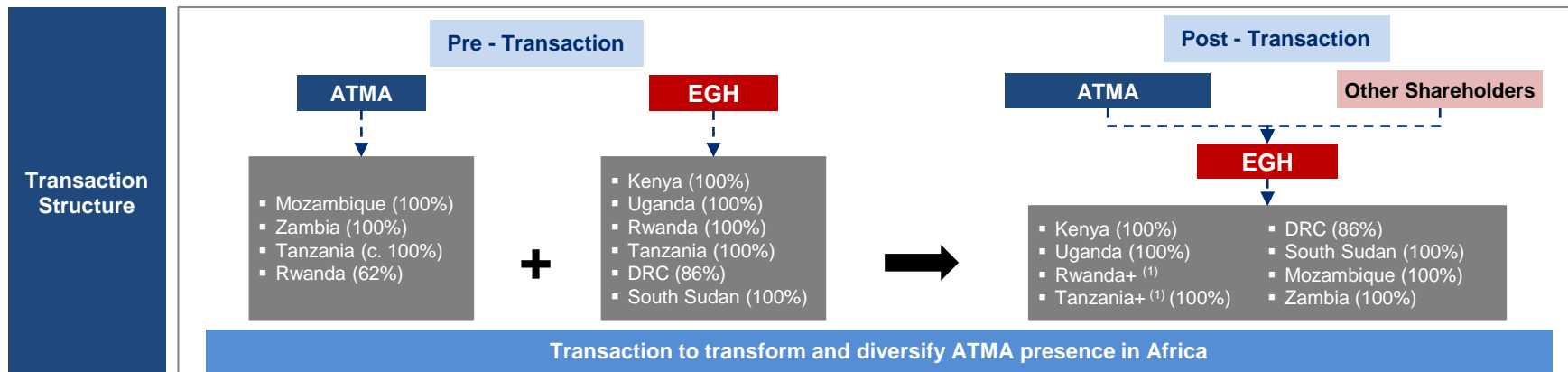
- Continued profitable results; but mixed operating performance across markets
- NPL ratio continues to improve
- Stable cost of funds
- UBN continues to strengthen: profit growth, NPL improvement
- Core growth at BancABC remains challenged
- Negative impact of currency (especially Zimbabwe) and IFRS 9 implementation on consolidated book value

## 2019 Focus

- Close strategic transaction with Equity Group
- Focus on UBN shareholding and support the growth strategy
- Drive growth in core banking markets
- Streamline operating platform
- Conclude strategic review

# Strategic Transaction Overview

- On April 30, 2019, Atlas Mara announced a binding term sheet with Equity Group Holdings (“EGH”) for a share exchange transaction in which ATMA will exchange its ownership of banking operations in Mozambique, Zambia, Tanzania and Rwanda for EGH ordinary shares
- Subject to confirmatory due diligence, shareholder and regulatory approvals. Expected to close between Q4 2019 and Q2 2020 depending on jurisdiction



- Transaction Overview**
- ATMA to receive EGH shares in exchange for ownership stakes in BancABC Mozambique, Atlas Mara Zambia, BancABC Tanzania and Banque Populaire du Rwanda; EGH expected to subsequently merge operations in Tanzania and Rwanda
  - Upfront transaction consideration of \$105.4m payable in EGH shares representing 6.27% Pro forma, plus potential upside from deferred consideration represents attractive valuation
  - ATMA expects to invest an additional amount in EGH equity to support growth in those markets

- EGH Overview**
- EGH, founded in 1984, is a financial services holding company with banking operations in six African countries. Presently, EGH serves more than 13.5m customers through network of c.290 branches, c.700 ATMs, c.18,000 POS terminals, and c.40,000 banking agents
  - As of FY 2018, total assets of c.US\$6bn and shareholder’s equity of c.US\$932m; group RoE of 21.1%
  - Listed on the Nairobi Securities Exchange and cross-listed in Uganda and Rwanda with a market capitalization of \$1.54bn<sup>(2)</sup>

- Transaction Rationale**
- Optimization:** Opportunity to reap significant scale benefits in Rwanda and Tanzania while leveraging EGH’s operational expertise and innovative digital and retail strategy to improve competitive proposition and profitability in Zambia and Mozambique
  - Diversification:** Diversification through exposure to additional countries in Africa including Kenya, Uganda, DRC and South Sudan
  - Focus on Core:** Opportunity for ATMA to focus group resources and efforts on driving greater profitability and returns to shareholders from banking operations where it has a clearer path to necessary scale and profitability



**Note:**

- Rwanda+ and Tanzania+ represents merged ATMA and EGH operations in these countries
- Market capitalization as of April 26, 2019 (Capital IQ)

## 2018: Key Financial Highlights

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- **Net Income:** \$39.7 million
- **Adjusted Operating Net Income:** \$26.4 million
- **EPS:** 23 cents
- **RoE:** 6.1%
- **NPL Ratio:** 11.1%
- **BVPS:** \$3.83
- **Tangible BVPS:** \$3.00

## 2018: Results Overview

<ul style="list-style-type: none"> <li>• <b>Mixed bank operating performance</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ <i>Strong performance in Nigeria and Zimbabwe</i></li> <li>▪ <i>In-line performance in Botswana, Mozambique and Rwanda</i></li> <li>▪ <i>Underperformance in Tanzania and Zambia</i></li> </ul>
<ul style="list-style-type: none"> <li>• <b>Improved credit quality</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ <i>Reduced NPL ratio from 11.8% to 11.1%</i></li> <li>▪ <i>Lower credit impairment driven by asset recoveries totaling \$6.0 million</i></li> </ul>
<ul style="list-style-type: none"> <li>• <b>Continued growth in digital</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ <i>Digital volumes and revenues increasing month on month across all channels</i></li> </ul>
<ul style="list-style-type: none"> <li>• <b>Execution on Nigeria strategy</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ <i>Ownership now 49.7%<sup>1</sup></i></li> <li>▪ <i>UBN continues to enhance shareholder value – significant improvement in RoTE and NPL ratios</i></li> </ul>
<ul style="list-style-type: none"> <li>• <b>Good performance by Markets &amp; Treasury</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ <i>Significant increase in net interest income for the markets &amp; treasury business due to enhanced liquidity management</i></li> <li>▪ <i>\$50m revenue business up from \$30m in 2015</i></li> </ul>
<ul style="list-style-type: none"> <li>• <b>Capital impact</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ <i>Negative impact to book value from currency (esp. Zimbabwe) and IFRS 9</i></li> <li>▪ <i>All countries met minimum regulatory capital requirements</i></li> </ul>

# UBN 2018 Financial and Operational Highlights

## Group Financial Highlights

(in USD 'millions, except per share data)

	2017	2018	Growth
<b>Balance Sheet</b>			
Gross Loans	1,693.0	1,448.4	(14.4%)
Customer Deposits	2,422.9	2,390.2	(1.4%)
Borrowed Funds	281.5	303.1	7.7%
<b>Total Assets</b>	<b>4,395.3</b>	<b>4,080.0</b>	<b>(7.2%)</b>
<b>Shareholders' Equity</b>	<b>1,037.2</b>	<b>628.9</b>	<b>(39.4%)</b>
<b>BVPS</b>	<b>₦11.79</b>	<b>₦7.75</b>	<b>(34.3%)</b>

## Income Statement

Gross Earnings	532.2	417.9	(21.5%)
Net Interest Income	216.5	159.0	(26.6%)
Net Fees and Commissions	33.2	33.3	0.5%
Operating Expenses	(216.7)	(215.5)	(0.6%)
<b>Profit Before Tax</b>	<b>45.2</b>	<b>53.0</b>	<b>17.2%</b>
<b>Net Income</b>	<b>42.3</b>	<b>52.0</b>	<b>23.0%</b>
<b>EPS</b>	<b>72k</b>	<b>61k</b>	<b>(15.3%)</b>

## Bank Key Metrics

Net Interest Margin	8.6%	7.1%
Cost/Income	63.0%	82.4%
Return on Avg. Assets	0.9%	1.4%
Return on Tangible Equity	5.9%	11.3%
NPL Ratio	20.8%	8.1%
NPL Coverage Ratio	103.0%	128.0%
Capital Adequacy Ratio	16.7%	16.4%

- A moderating interest rate environment and local currency liquidity conditions in Nigeria resulted in margin compression in 2018
- UBN has been focused on cleaning up loan book and further intensified recovery efforts, leading to significantly reduced NPL levels
- Decline in shareholders' equity was primarily due to one-off IFRS impairment taken within the year. This decline in shareholders' equity is evident across the banking industry in Africa

## Key 2018 Achievements & Operational Highlights

### Key Financial Highlights

- Group profit up 39%
- Bank RoTE up from 5.9% to 11.3%
- Bank NPLs down to 8.1% from 20.8% in 2017

### Risk Management

- Optimization of loan portfolio to enable more predictable earnings growth

### Funding and Capitalization

- Deposits up 7.0%
- Issued first LCY bond (3 and 7 year tenors) which was 165% subscribed
- Book value impact of IFRS 9

### Brand

- Brand awareness campaign having success (e.g. UBN's ad "Enabling Success" is most viewed Nigerian ad on YouTube)
- Won "Excellence in Banking Innovation" award

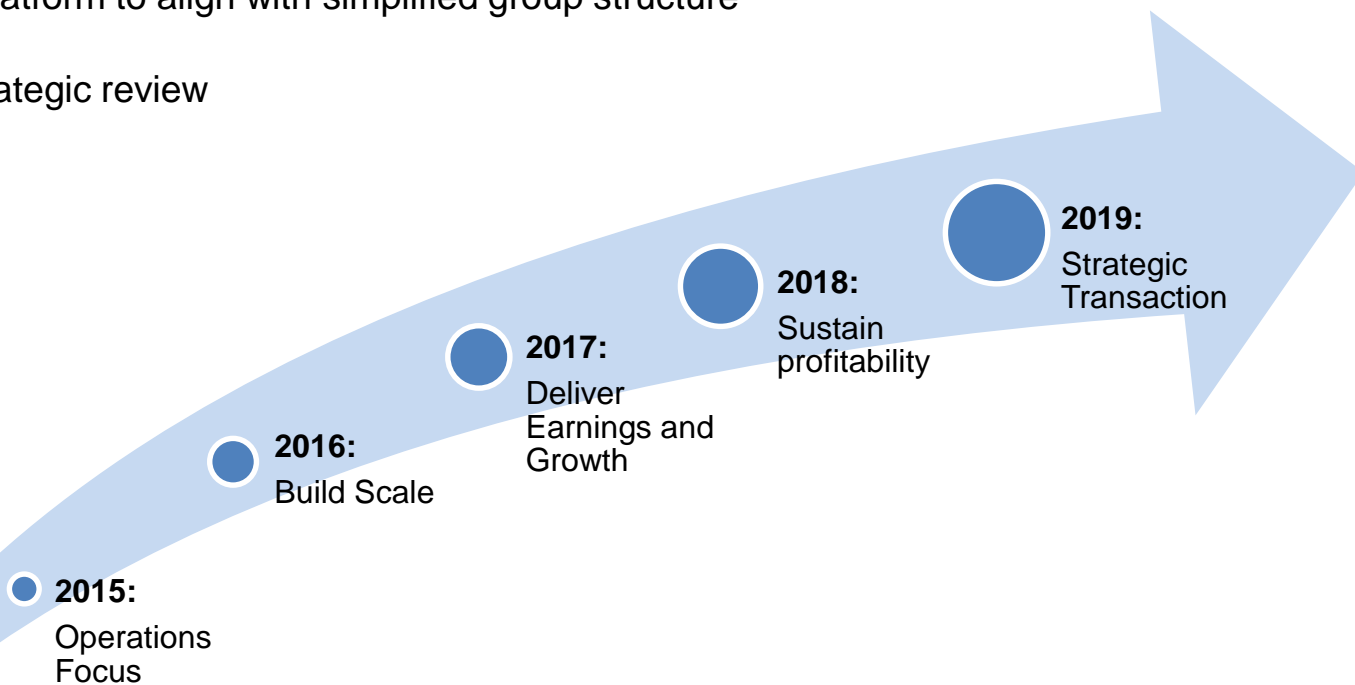
### Improved Digital Footprint (Y-o-Y)

- Active Mobile Users: 1.0m → 1.3m 30% ▲
- ATM: 950 → 1100 16%
- Active Online Users: 250k → 443k 77%
- Active POS: 7.0k → 7.9k 13%

## Focus in 2019

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- Conclude negotiations and obtain regulatory approvals to close out strategic transaction with Equity group
- Continue to execute long-term strategy and drive value for UBN
- Intensify efforts to drive greater profitability and returns to shareholders from banking operations
- Streamline platform to align with simplified group structure
- Conclude strategic review





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# Appendix



# Business Line Performance Highlights

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## Retail & Commercial Banking

- Investments made in operational and IT improvement, and talent acquisition across the platform
- Launched a deposit drive across Retail, Corporate and Institutional segments to lower cost of funds and generate sustainable funding
- CoF remained relatively stable despite market liquidity constraints in key countries
- Improved credit quality; NPL ratio 11.1% (11.8% at FYE 2017)

## Digital Initiatives

- Digital volumes and revenues, though on a small scale relative to total revenues, increasing month-on-month across all channels, especially mobile banking (all countries), mobile push/pull (Zimbabwe) and POS (Mozambique and Zimbabwe)
- Ramp up in deposit capture in Zimbabwe resulting in Current and Savings accounts contribution to total liabilities improving to 57% from 50% in 2017
- Officially launched prepaid card to public service employees in Botswana. Reaching goal of 200,000 issued in next 24 months would make Botswana franchise largest issuer in the market
- Partnered with World Remit, a global leader in international transfers to mobile money accounts, to enable bank to participate in diaspora remittances processing in Zimbabwe

## Markets & Treasury

- Net interest income increased 27% due to enhanced liquidity management and optimizing the balance sheet structure
- Led first ever secondary market transaction on fixed income trading in Mozambique and executed issuance of BancABC Mozambique corporate paper
- Launched regional research initiative with clients receiving daily intelligence through ATMA research on their mobile devices
- Continued focus on building client base and deepening wallet share e.g. trade finance and FX cross sell, where Zambia is leading, and in Zimbabwe to facilitate corporate activity

## Performance Overview: 2018 vs 2017

### Revenue

**USD 231.4m**

2017: USD 260.5m

Total Var (11.2%) CC Var (14.7%)

### Loans and Advances

**USD 1,154.1m**

2017: USD 1,330.0m

Total Var (13.2%) CC Var 2.4%

### Total Assets

**USD 2,804.7m**

2017: USD 3,140.4m

Total Var (10.7%) CC Var 6.0%

### Credit Impairments

**USD 0.2m**

2017: USD 22.3m

Total Var 99.1% CC Var 99.1%

### Deposits

**USD 1,631.8**

2017: USD 1,877.5

Total Var (13.1%) CC Var 7.2%

### Return on Equity

**6.1%(2018) vs 5.6%(2017)**

### Adjusted Net Profit

**USD 26.4m**

2017: USD 37.0m

### Total Equity

**USD 688.9m**

2017: USD 813.2m

### Total Physical Locations:

**384**

**(>680 including UBN)**

### Net Profit (Reported)

**USD 39.7m**

2017: USD 45.4m

Total Var (12.6%) CC Var (34.9%)

### Net Book Value per Share

**USD 3.83**

2017: USD 4.77m

### Countries of Operation: 7

**Customers: 993k  
(>5m including UBN)**

# Markets & Treasury

## 2018 Highlights

- Markets & treasury business continued to deliver a solid performance in 2018 with revenue totaling 50.2m. This was achieved despite the material local currency devaluation and liquidity constraints across our markets
- Net interest income increased significantly by 27% in 2018 due to enhanced liquidity management and optimizing the balance sheet structure
- This income stream has produced a CAGR of 23% since 2015
- Non Interest Revenue (Sales and Trading) revenue declined by 23% year on year as corporate flow and FX dried up in key markets
- Product diversification continued to yield positive results with fixed income trades across Zimbabwe, Zambia and Mozambique being executed
- Continued focus on building the client base with deepening of wallet share e.g. trade finance and FX cross sell, where Zambia is leading
- Launched a regional research initiative with clients receiving daily intelligence through an Atlas Mara research app on their mobile devices

## 2019 initiatives

- Continued focus on growing client base and FX Wallet share, focus on trade finance
- Focus on risk, control and governance with self assessment discipline being introduced across the markets
- Continued focus on income diversification through increasing the product range and onboarding of new clients.
- Complete the rollout of the front office Fusion Opics treasury system across all markets
- Continue to grow the regional opportunities
- Continued focus on Global Markets training across the footprint

## 2018 Key Metrics

### Gross Markets Revenue

**USD 50.2m**

2017: USD 50.4m

### Non Interest Revenue

**USD 20.1m**

2017: USD 26.7m

### Net Interest Revenue

**USD 30.1m**

2017: USD 23.7m

# FY 2018 Preliminary ATMA Group Income Statement Summary

Quarterly				\$'million	Financial year			
Q1 2018	Q2 2018	Q3 2018	Q4 2018		FY 2018	FY 2017	Var %	CC Var %
35.7	32.6	31.9	32.4	Net interest income	132.6	145.3	(8.8%)	(12.1%)
17.8	26.2	31.8	23.1	Non-interest revenue	98.8	115.2	(14.2%)	(17.9%)
<b>53.5</b>	<b>58.7</b>	<b>63.7</b>	<b>55.4</b>	<b>Total income</b>	<b>231.4</b>	<b>260.5</b>	(11.2%)	(14.7%)
(1.5)	(2.8)	(0.2)	4.3	Credit impairment	(0.2)	(22.3)	99.1%	99.1%
<b>52.0</b>	<b>56.0</b>	<b>63.5</b>	<b>59.7</b>	<b>Operating income</b>	<b>231.2</b>	<b>238.2</b>	<b>(3.0%)</b>	<b>(6.8%)</b>
(52.3)	(56.2)	(62.2)	(69.8)	Total expenses	(240.5)	(223.5)	(7.6%)	(10.3%)
<b>(0.3)</b>	<b>(0.2)</b>	<b>1.3</b>	<b>(10.1)</b>	<b>Net operating (loss)/income</b>	<b>(9.4)</b>	<b>14.7</b>	<b>&gt;100%</b>	<b>&gt;100%</b>
26.3	10.3	4.8	15.0	Income from associates	56.3	38.4	46.7%	46.8%
<b>26.0</b>	<b>10.1</b>	<b>6.0</b>	<b>4.8</b>	<b>Profit before tax</b>	<b>47.0</b>	<b>53.1</b>	<b>(11.5%)</b>	<b>(31.3%)</b>
(2.0)	(5.5)	(4.0)	6.7	Taxation	(4.7)	(5.3)	9.9%	5.6%
<b>24.0</b>	<b>4.6</b>	<b>2.1</b>	<b>11.6</b>	<b>Profit for the year</b>	<b>42.2</b>	<b>47.8</b>	<b>(11.7%)</b>	<b>(33.4%)</b>
0.3	0.3	(1.2)	3.1	Attributable to minority interest	2.5	2.4	6.6%	6.7%
<b>24.3</b>	<b>4.9</b>	<b>0.9</b>	<b>14.7</b>	<b>Attributable to ordinary shareholders</b>	<b>39.7</b>	<b>45.4</b>	<b>(12.6%)</b>	<b>(34.9%)</b>
6.5%	6.3%	6.0%	7.1%	Net interest margin - Earning assets	7.3%	6.8%		
4.6%	4.4%	4.2%	4.6%	Net interest margin - Total assets	4.7%	4.6%		
0.4%	0.7%	0.9%	-1.5%	Credit loss ratio	0.0%	1.7%		
97.8%	96.6%	95.7%	126.0%	Cost to income ratio	104.0%	85.8%		
5.3%	5.5%	5.5%	6.1%	Cost of fund	5.6%	5.5%		
3.1%	1.8%	0.6%	2.1%	Return on assets	1.4%	1.4%		
11.9%	7.6%	2.4%	9.1%	Return on equity	6.1%	5.6%		
				Earnings per share - \$	0.23	0.42		
				Book value per share - \$	3.83	4.77		
				Tangible book value per share - \$	3.00	3.87		

## Adjusted Operating Profit (Non-GAAP Method)

When calculating our adjusted operating profit, we exclude the impact of one-off and transaction-related items.

One-off items are considered, but not limited to be those related to matters such as separation packages paid to staff and executives, integration costs when acquiring new business and costs associated with corporate restructures and reorganisations which management would identify and evaluate separately when assessing performance and performance trends of the business.

The following table provides a reconciliation of the adjusted operating profit to most directly comparable measures under IFRS.

USD'm	2017	2017	Variance
	Actual	Actual	CC Var %
Total Income	231.4	260.5	(14.7%)
Loan impairment charge	(0.2)	(22.3)	99.1%
Total expenses (excluding one-off)	(229.4)	(213.5)	10.9%
Income from associates	27.6	17.8	55.1%
Adjusted profit before tax	29.4	42.5	(30.9%)
<b>Adjusted net profit</b>	<b>26.4</b>	<b>37.0</b>	<b>(45.2%)</b>
M&A transaction related expenses/gains	26.3	20.6	27.8%
Reorganising/restructuring costs	(8.7)	(10.0)	(13.0%)
Reported profit before tax	47.0	53.1	(11.5%)
<b>Reported net profit</b>	<b>39.7</b>	<b>45.4</b>	<b>(12.6%)</b>
Reported cost to income ratio	104.8%	85.8%	
Adjusted cost to income ratio	99.2%	82.0%	
Reported return on equity	6.1%	5.6%	
Adjusted return on equity	3.8%	4.5%	
Reported return on assets	1.4%	1.4%	
Adjusted return on assets	0.9%	1.2%	

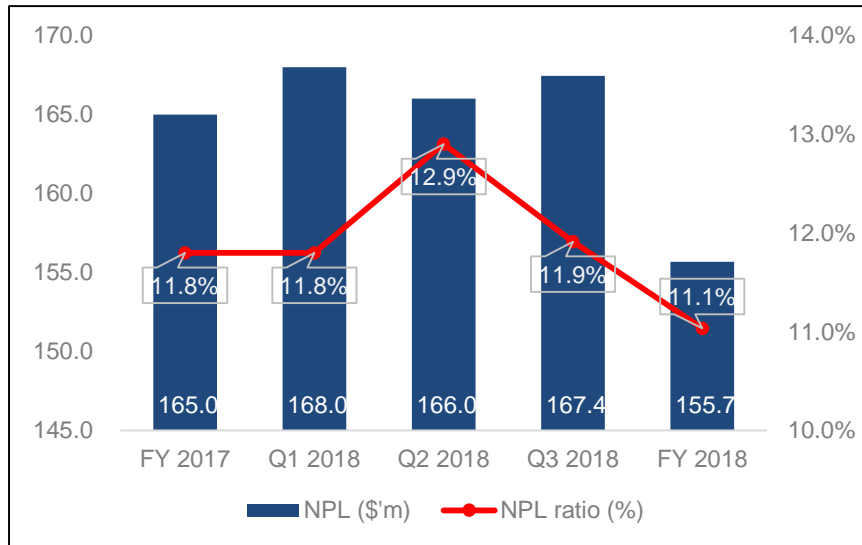
The M&A transaction gain of \$28.3 million relates to the gain on the acquisition of additional shares in UBN.

# FY 2018 ATMA Group Balance Sheet Summary

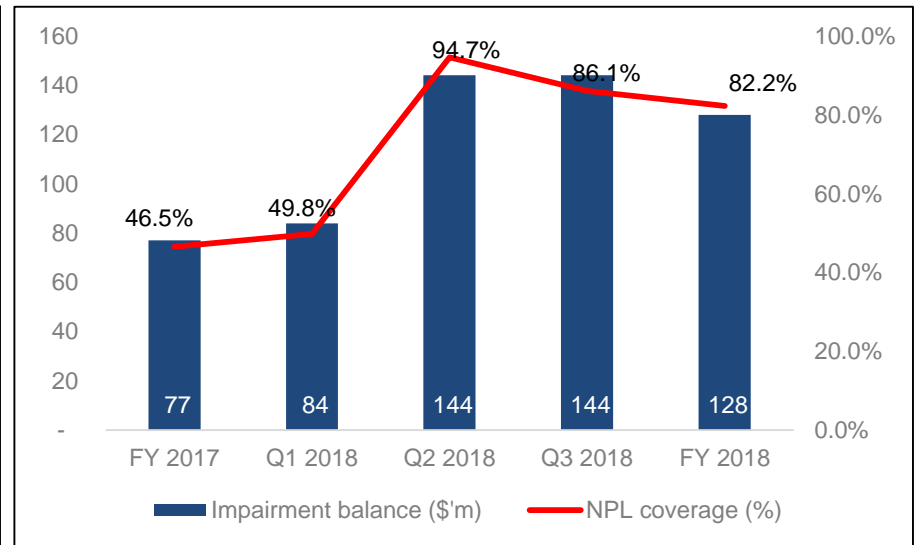
Quarterly			\$'million	Financial year ended			
Q1 2018	Q2 2018	Q3 2018		2018	2017	Var %	CC Var %
234.6	271.3	267.6	Cash and short term funds	288.9	355.1	(18.6%)	6.6%
68.4	68.3	76.3	Statutory reserves	93.1	101.9	(8.7%)	1.8%
82.0	25.3	18.8	Financial assets at FVPL	24.9	95.9	(74.0%)	(69.5%)
1,367.7	1,280.9	1,261.5	Loans & advances to customers	1,154.1	1,330.0	(13.2%)	2.4%
429.5	509.6	608.4	Investments	369.8	355.0	4.2%	61.1%
515.6	537.5	542.2	Investment in associates	532.2	444.6	19.7%	19.7%
101.5	100.6	93.5	Property and equipment	78.4	95.7	(18.1%)	8.2%
177.1	169.4	152.6	Intangible assets (including goodwill)	159.0	174.6	(8.9%)	(3.9%)
125.2	141.4	124.8	Other assets	104.2	187.6	(44.4%)	(35.9%)
<b>3,101.6</b>	<b>3,104.3</b>	<b>3,145.7</b>	<b>Total assets</b>	<b>2,804.7</b>	<b>3,140.4</b>	<b>(10.7%)</b>	<b>6.0%</b>
1,853.9	1,910.1	1,911.8	Deposits	1,631.8	1,877.5	(13.1%)	7.2%
350.5	358.1	408.2	Borrowed funds	410.2	346.2	18.5%	27.6%
70.9	59.9	65.5	Other liabilities	73.8	103.5	(28.7%)	58.2%
2,275.4	2,328.1	2,385.5	Total liabilities	2,115.8	2,327.2	(9.1%)	11.9%
805.6	757.6	741.8	Equity attributable to parent	646.8	792.5	(18.4%)	(18.4%)
20.7	18.6	18.4	Minority interests	42.1	20.7	>100%	>100%
826.3	776.2	760.2	Total capital and reserves	688.9	813.2	(15.3%)	(15.3%)
<b>3,101.6</b>	<b>3,104.3</b>	<b>3,145.7</b>	<b>Total equity and liabilities</b>	<b>2,804.7</b>	<b>3,140.4</b>	<b>(10.7%)</b>	<b>3.7%</b>
73.8%	67.1%	66.0%	Loan : Deposit ratio	70.7%	70.8%		
11.6%	12.9%	11.9%	NPL ratio	11.0%	11.8%		

# Quality of Loans and Advances

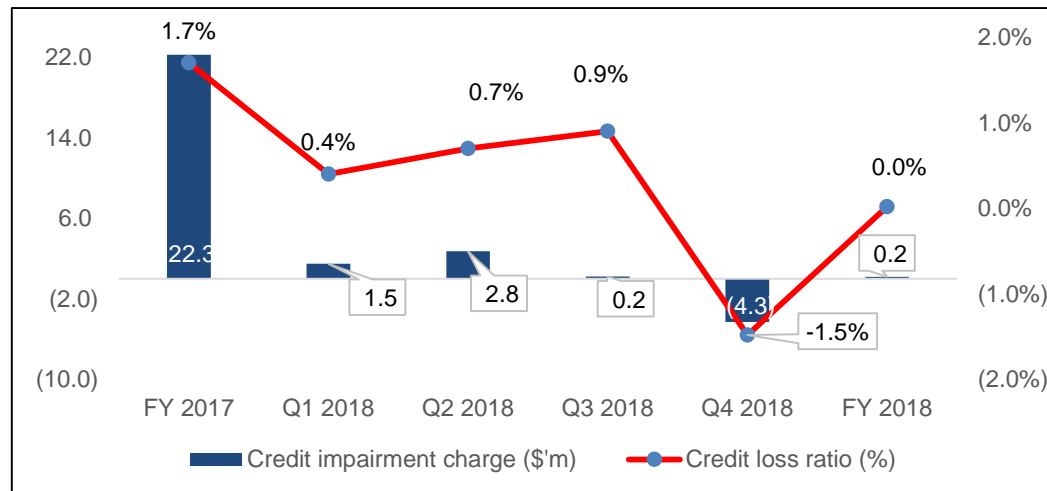
## NPL Balance/Ratio



## NPL Coverage & Impairment Balance



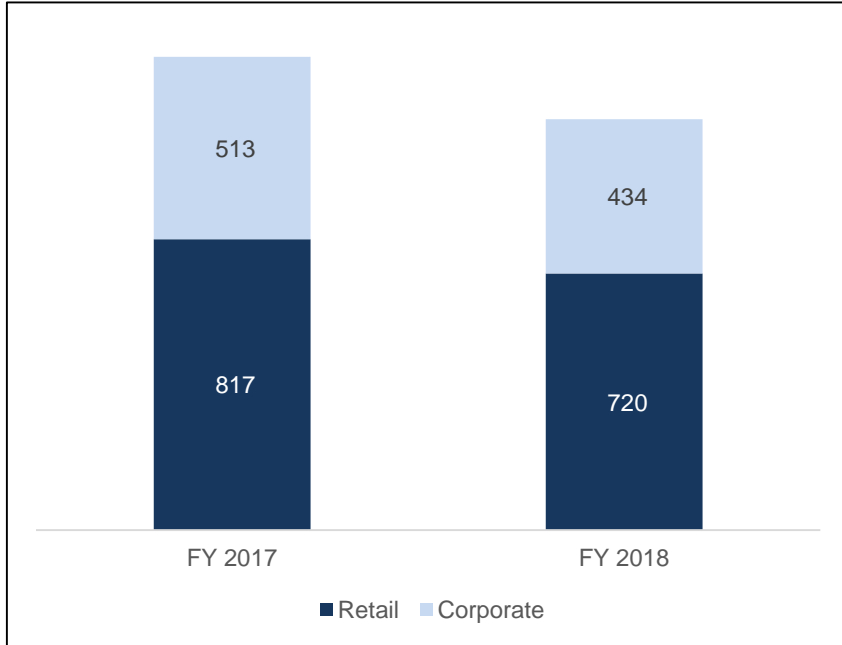
## Credit Impairment



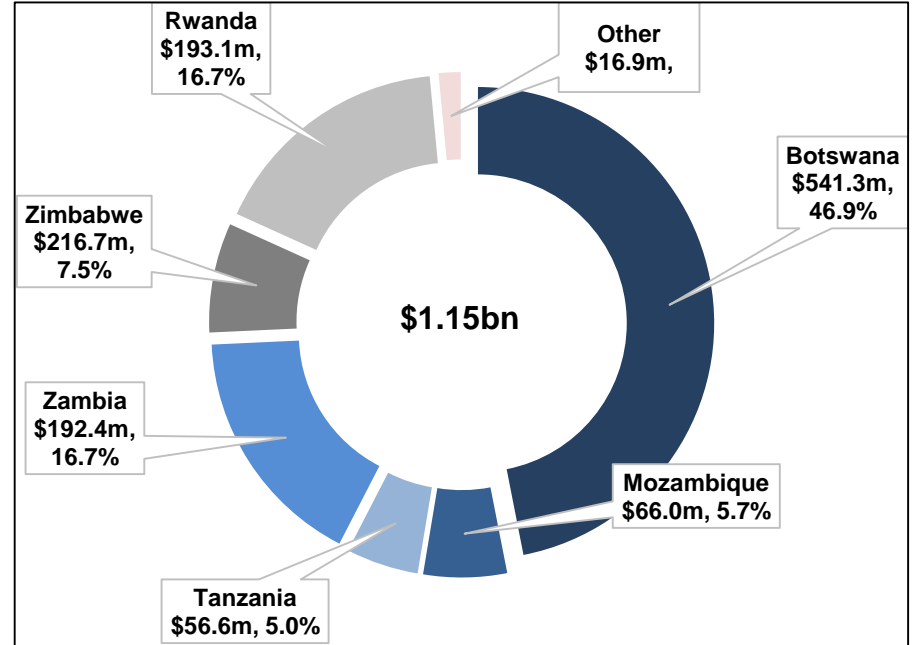


# Breakdown of Loans and Advances

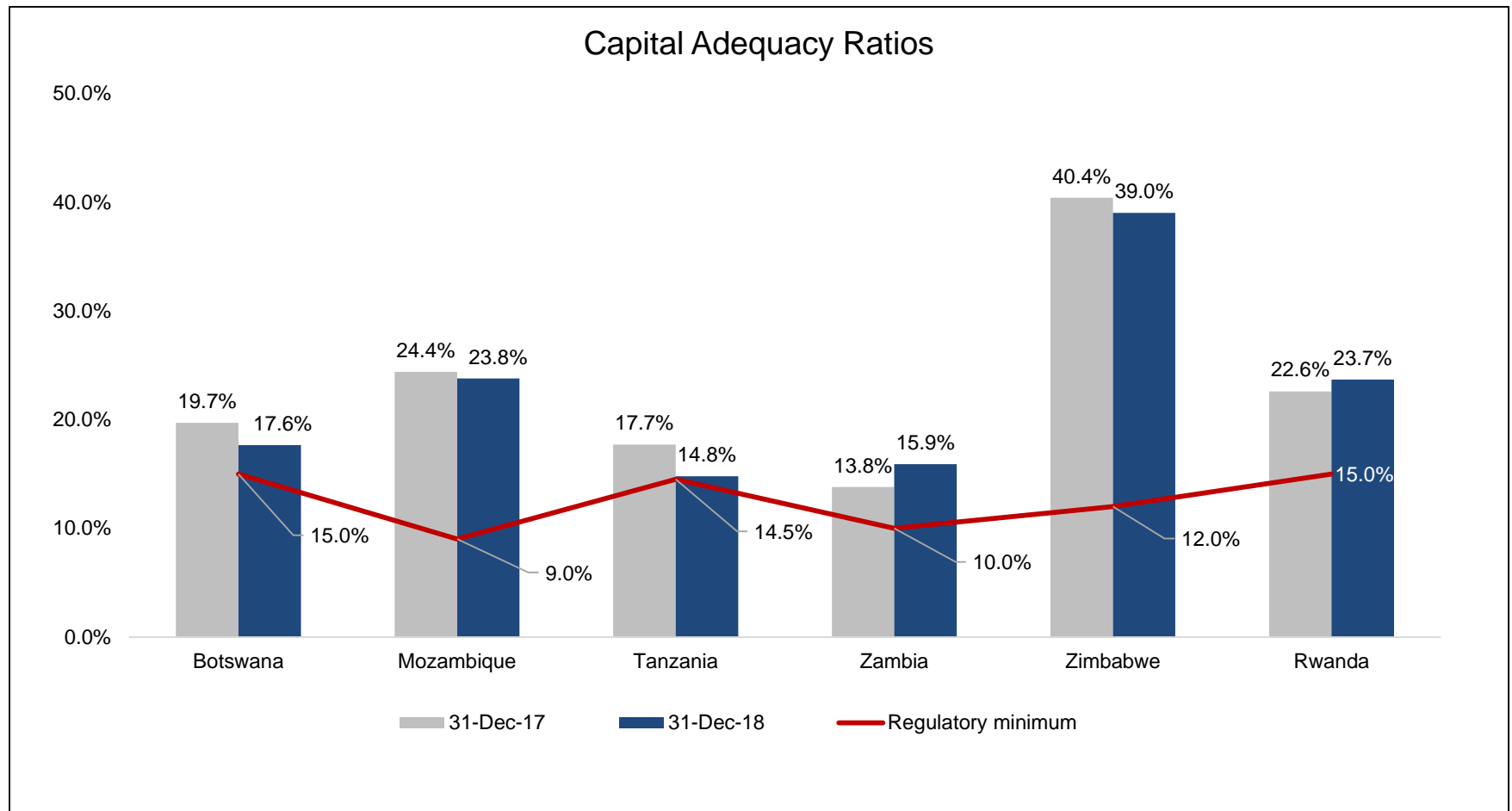
## Loans by Business Unit



## Loans by Country



# Capital Management



# 2018 Key Country Business Achievements (1/2)



## Botswana

- Completed an IPO for 20.5% of the shares in issue, raising \$28.1 million for ABCH Holdings, a portion of which has been reinvested in the ongoing efforts to develop and enhance the Group's IT infrastructure and banking platforms
- Raised \$15 million from the market to refinance Tier 2 Capital
- Renegotiated a three-year retail savings and loans scheme with two of the largest employee unions with a combined membership of 80,000 members
- Officially launched a prepaid Pula card to public service employees. With our goal of 200,000 cards issued in the next 24 months our Botswana franchise will become the largest card issuer in the market
- Partnered with one of the biggest telecom companies for the issuance of the telco's mobile wallet prepaid card



## Zimbabwe

- Executed on our liability-led strategy which resulted in Current and Savings accounts contribution to total liabilities improving to 57% from 50% in 2017
- Introduced new Agribusiness unit to take advantage of growth in the Agricultural sector. New products specifically suited to small scale farming customers have been developed with a significance increase in funding to our agri-finance clients
- Raised large funding facility as the second tranche of the Public sector road infrastructure programme
- Renewed significant stock financing facility with one of the biggest players in the agricultural sector
- Utilized partnership with one of the strongest insurance players in the market to serve the Retail & SME segments better through the issuance of zero-deposit mortgage advance and performance bonds and bid bonds
- Partnered with World Remit, a global leader in international transfers to mobile money accounts, to enable the bank to participate in diaspora remittances processing



## Zambia

- Launched an improved mobile banking application and a mobile wallet for both savings and micro-credit with multi-lingual functionality to support the Bank's financial inclusion drive
- Saw strong performance in Corporate Banking resulting in the doubling of new advances to our Corporate clients rising 150% compared to 2017
- Commenced rollout of 90 new ATMs with upgraded functionality. The ATMs are bringing new features like card-less transactions and cash deposit facilities
- Successfully completed the rebranding of the merged bank and was awarded the second place for brand equity conducted by IPSOS, a global market research and a consulting firm

## 2018 Key Country Business Achievements (2/2)



### Rwanda

- Continue to grow our presence in the Corporate Banking space. During 2018 we:
  - Participated in a \$50 million syndicated loan for a large MNO as lead arranger and extended financing (\$11 million) for infrastructure expansion and modernization;
  - Participated in the funding of a Corporate client contracted to construct a new Airport, and;
  - Launched a new pre-export value chain financing in the country's coffee sector
- Received the VISA license and commenced the integration process



### Mozambique

- Launched an online cash management solution with an automatic banking machine at client premise for Corporate and SME customers
- Initiated a micro-credit pilot with 19,000 mobile wallet subscribers of one of the biggest telecoms companies in Mozambique with a planned market-wide launch in 2019
- Launched a new Corporate and Retail online transactional platform with enhanced functionality and client experience



### Tanzania

- Launched a virtual card in partnership with the leading Mobile Network Operator in the market and Mastercard. This is the first of its kind in the Tanzanian market. The virtual card will allow MNO mobile wallet holders to make payments on any local or international website

## Segment financial summary - 2018

\$'m	FY 2018 Group	Banking Operations			Others
		Southern	East	West	SS&C, TDFL & Consol
Total income	231.4	193.6	52.2	-	(14.5)
Credit impairments	(0.2)	6.9	(6.6)	-	(0.4)
Total expenses	(240.5)	(165.3)	(45.0)	-	(30.2)
Income from associates	56.3	-	-	27.8	28.5
Profit/(loss) before tax	47.0	35.2	0.6	27.8	(16.6)
<b>Profit/(loss) after tax and NCI</b>	<b>39.7</b>	<b>27.5</b>	<b>(2.9)</b>	<b>27.8</b>	<b>(12.7)</b>
Loans and advances	1,154.1	886.9	250.3	-	16.9
Total assets	2,804.7	1,674.4	421.7	530.6	178.1
Total liabilities	2,115.8	1,479.9	353.5	-	282.3
Deposits	1,631.8	1,319.8	312.0	-	0.0
Net interest margin - total assets	4.7%	7.4%	9.2%		
Net interest margin - earnings assets	7.3%	8.8%	10.4%		
Cost to income ratio	104.0%	85.4%	86.2%		
Credit loss ratio	0.0%	-0.8%	2.6%		
Return on equity	6.1%	11.7%	-4.2%		
Return on assets	1.4%	1.6%	-0.7%		
Loan to deposit ratio	70.7%	67.2%	80.2%		

## Segment financial summary - 2017

\$'m	FY 2017 Group	Banking Operations			Others
		Southern	East	West	SS&C & Consol
Total income	260.5	181.7	54.1	-	24.7
Credit impairments	(22.3)	(12.7)	(9.6)	-	(0.0)
Total expenses	(223.5)	(156.8)	(41.3)	-	(25.4)
Income from associates	38.4	-	-	38.4	-
Profit / (loss) before tax	53.1	12.2	3.2	38.4	(0.7)
<b>Profit / (loss) after tax and NCI</b>	<b>45.4</b>	<b>8.5</b>	<b>1.4</b>	<b>38.4</b>	<b>(2.9)</b>
Loans and advances	1,330.0	1,037.6	286.7	-	5.7
Total assets	3,140.4	2,000.1	503.0	442.7	194.6
Total liabilities	2,327.2	1,875.2	422.3	-	29.7
Deposits	1,877.5	1,505.1	372.4	-	-
Net interest margin - total assets	4.6%	5.6%	7.6%		
Net interest margin - earnings assets	6.8%	6.7%	9.0%		
Cost to income ratio	85.8%	86.3%	76.5%		
Credit loss ratio	1.7%	1.2%	3.3%		
Return on equity	5.6%	6.8%	1.8%		
Return on assets	1.4%	0.4%	0.3%		
Loan to deposit ratio	70.8%	68.9%	77.0%		