



# Q1 2015 Update



12 May 2015

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# Executive Summary



# Executive Summary

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<b>Atlas Mara Q1 2015 Results</b>	<ul style="list-style-type: none"><li>▪ Reported profit of US\$0.5m at the group level</li><li>▪ Income from associates (Union Bank of Nigeria) offset headwinds in Southern segment on loan growth and interest margins</li></ul>
<b>Focus on Operational Improvements at BancABC</b>	<ul style="list-style-type: none"><li>▪ Multiple initiatives underway with an emphasis on credit lifecycle management and near-term revenue enhancement; impact expected to be recorded during H2 2015</li><li>▪ Further senior hires / management changes effected to enhance performance and execution of strategy</li></ul>
<b>Momentum at UBN</b>	<ul style="list-style-type: none"><li>▪ Since publication of Atlas Mara 2014 results, UBN reported both its full year 2014 and Q1 2015 financials</li><li>▪ The comprehensive transformation program is yielding results:<ul style="list-style-type: none"><li>- Strong loan growth</li><li>- Margin expansion</li><li>- Deft management of currency and sectoral exposures</li><li>- Nearing completion of disposals of non-core businesses</li></ul></li></ul>
<b>Expansion in Rwanda</b>	<ul style="list-style-type: none"><li>▪ 27 April 2015 announcement of discussions to combine Banque Populaire du Rwanda (“BPR”) with BRD Commercial</li><li>▪ Proposed transaction will lead to Atlas Mara having a &gt; 70% stake in Rwanda’s No. 2 bank by assets, consistent with stated strategy of being top 5 in its markets</li><li>▪ Intention to close in Q3 2015</li></ul>
<b>Other Developments</b>	<ul style="list-style-type: none"><li>▪ Continue to evaluate several near-term acquisition opportunities, consistent with strategy of achieving critical scale, and associated external financing</li><li>▪ Board of Directors has renewed the authorization to acquire up to 10% of the Company’s issued share capital</li></ul>
<b>Outlook</b>	<ul style="list-style-type: none"><li>▪ Atlas Mara remains confident 2015 results will show improvement over 2014 adjusted pro forma results</li><li>▪ Medium-term guidance with respect to ca. 20% RoE and ca. 2% RoA remains unchanged</li></ul>

# Macroeconomic Update



# Macroeconomic Update

- In April 2015, the IMF published its updated World Economic Outlook (“WEO”), including commentary on the prospects for sub-Saharan Africa:
  - “Growth for 2014 as a whole remained solid at 5.0%, albeit lower than the 5.2% growth in 2013”
  - “Projected to experience solid growth in 2015-2016, but, given the weaker global outlook, its economic prospects have been revised downward relative to earlier expectations”
- Despite revisions, growth in sub-Saharan Africa remains robust compared to developed economies

## GDP Forecasts in Atlas Mara Markets

% change	2014A	2015	2016	2020
Botswana	5.5%	5.5%	5.4%	5.8%
Mozambique	7.4%	6.5%	8.1%	14.5%
Nigeria	6.3%	4.8%	5.0%	6.0%
Rwanda	7.0%	7.0%	7.0%	7.5%
Tanzania	7.2%	7.2%	7.1%	6.9%
Zambia	5.4%	6.7%	6.9%	6.4%
Zimbabwe	3.2%	2.8%	2.7%	3.7%

## Consumer Price Forecasts in Atlas Mara Countries

% change	2014A	2015	2016	2020
Botswana	3.9%	3.7%	3.8%	3.9%
Mozambique	2.3%	5.0%	5.6%	5.6%
Nigeria	8.1%	9.6%	10.7%	7.0%
Rwanda	1.8%	2.9%	4.4%	5.0%
Tanzania	6.2%	4.2%	4.5%	4.5%
Zambia	7.9%	7.7%	6.5%	5.0%
Zimbabwe	-0.2%	1.0%	0.0%	1.9%

# Recent Developments in Nigeria

## Overview

- Clear, credible, and peaceful elections in March 2015
  - First ever win by opposition party
  - New president faces major challenges including Boko Haram, infrastructure funding gaps, and low oil prices
  - Financial markets nonetheless optimistic about new leader, a disciplinarian who has promised to reshape the economy
  - Naira has stabilized following late 2014 depreciation
- Despite overall real GDP growth projections slowing from ca. 6%, non-oil GDP growth accelerating to ca. 7% YoY
- Banking sector profitability faces some headwinds (phasing out of Commission on Turnover, additional AMCON levy, and FX loans and Oil & Gas exposure affecting NPLs)
- Net interest margins should benefit from further rate hikes in response to downward pressure on NGN
- Long-term economic outlook remains strong on sheer demographic size and growth potential, coupled with expectations of government crackdown on corruption

## Nigeria All Share Index



## Nigeria Banking Stocks



## NGN / US\$ FX Rate



# Q1 2015 Results





# Selected Initiatives in Process

A comprehensive programme of operational improvements has been implemented in BancABC under the mantra “Fit for Growth” and is representative of Atlas Mara’s “Buy, Protect, Grow” business model

Capital and Liquidity	<ul style="list-style-type: none"> <li>Have provided up to US\$100m of funding to BancABC to provide liquidity and capital (Tanzania)</li> </ul>
M&A	<ul style="list-style-type: none"> <li>Ongoing work across BancABC countries exploring acquisitions to improve overall market position, as well as evaluation of new markets</li> <li>Continued focus on achieving a top 3-5 position to achieve long-term scale benefits and improved economics</li> </ul>
Top Talent Recruitment	<ul style="list-style-type: none"> <li>Board of ABCH restructured and recruiting new independent non-executive directors</li> <li>Changes to senior management and brought onboard new top talent from major African banks</li> </ul>
Strategy	<ul style="list-style-type: none"> <li>Re-evaluation of Tanzania strategy resulting in a recapitalization and execution of refined strategy</li> <li>Corporate banking strategy to be re-developed with Head of Corporate Banking joining</li> <li>Future focus on Markets revenues (FX and fixed income)</li> <li>Retail strategy and client value proposition to be enhanced through new Retail Head</li> </ul>
Revenue Optimization and Diversification	<ul style="list-style-type: none"> <li>Lower overall cost of funding via focus on improved transactional banking (retail and corporate)</li> <li>Focus on improving share of wallet from existing relationships (cross-selling)</li> <li>Seeking to deploy full suite of retail products including improved electronic channels (ATM, Internet, Mobile) to enable effective competition</li> </ul>
Brand Endorsement Strategy	<ul style="list-style-type: none"> <li>Currently evaluating brand endorsement strategy between BancABC and Atlas Mara brands</li> <li>Will be used for both internal and external (client and stakeholder) messaging</li> </ul>
Risk, Governance and Controls	<ul style="list-style-type: none"> <li>Improved regulatory compliance and build-out of the compliance function</li> <li>Analysis of credit process deficiencies and roll-out of multi-year improvement program</li> <li>Improved liquidity and capital management</li> <li>Strong focus on NPL recovery</li> </ul>
Regulatory Relationships	<ul style="list-style-type: none"> <li>Emphasis on continuously engaging constructively with regulators</li> <li>Involvement of BancABC and Atlas Mara senior management</li> </ul>
Operating Model	<ul style="list-style-type: none"> <li>Responsibilities and accountabilities with appropriate linkages to rewards, recognition and consequences</li> <li>Getting the matrix to work – supporting functional excellence with geographical execution</li> </ul>
Operational Efficiency	<ul style="list-style-type: none"> <li>IT enablement, better project management and governance, improved application architecture</li> <li>Centralization / shared service delivery</li> <li>Head Office restructure and optimization</li> <li><b>Overall aim remains to reduce the cost to serve our customers whilst improving service levels</b></li> </ul>

# Atlas Mara Limited – Q1 2015 Results Highlights (Unaudited)

<b>Positives</b>	<ul style="list-style-type: none"><li>▪ Profit reported at both ATMA consolidated level and at all operational banking entities, except Tanzania (where business performance turn-around is encouraging)</li><li>▪ Non-interest income in line with expectations, driven by encouraging performance in foreign currency trading activities (esp. Mozambique and Tanzania, albeit still early days). Some uplift in in fee and commission revenue as management continues to focus on cross-sell initiatives and a revised transactional banking strategy</li><li>▪ Income from associates represents 31% current stake in UBN at an average Q1 NGN / US\$ rate of 194.5 – contributed additional earnings of US\$5.2m</li><li>▪ All operating banks are within prescribed local regulatory limits for both liquidity and capital adequacy</li></ul>
<b>Headwinds</b>	<ul style="list-style-type: none"><li>▪ Credit impairments within the continued challenging macro environment in Zimbabwe and legacy asset quality concerns</li><li>▪ Market liquidity pressures (Zimbabwe, Botswana, Zambia), margin pressure (Botswana), slower loan book growth than expected (all countries)</li><li>▪ Cost of funds remaining high and impacting negatively on net interest income</li></ul>
<b>Actions</b>	<ul style="list-style-type: none"><li>▪ Considerable focus on improving average cost of funding by increasing the transactional product offering and liquidity gathering activities across lower-priced market segments. Focus also remains on reducing reliance on the interbank market and government-backed institutions, which should benefit cost of funds longer-term. Numerous DFI initiatives are ongoing</li><li>▪ Substantial focus on the credit processes in the operating countries, especially in relation to asset recovery activities</li><li>▪ Operating expenses at ATMA corporate center reflect a reduction quarter-on-quarter mainly due to lower transaction-related expenses (operational expenses at US\$4.7m). Cost consciousness continues while also having the capacity for growth in our banking operations</li><li>▪ Operational expenditure across BancABC countries is broadly in line with expectations with a strong focus to deliver savings in costs where budgeted revenue appears under pressure</li></ul>

# Atlas Mara Limited – Q1 2015 Results Highlights (Unaudited) (cont'd)

Unaudited

(US\$m)	2015	2014	Variance	
	Actual	Pro Forma	Total	CC <sup>(5)</sup>
Total Income <sup>(1)</sup>	44.3	46.8	(2.5)	0.9
Provision for credit losses	(5.1)	(6.5)	1.4	1.0
Total expenses <sup>(2)</sup>	(42.8)	(41.1)	(1.7)	(4.1)
Income from associates	5.2	7.8	(2.7)	(1.4)
Profit / (loss) before tax	1.6	7.1	(5.4)	(3.7)
<b>Attributable profit / (loss)</b>	<b>0.5</b>	<b>4.1</b>	<b>(3.7)</b>	<b>(2.1)</b>
Loans and advances	1,243.1	1,196.2	46.9	160.4
Total assets	2,568.7	2,334.6	234.1	402.8
Total equity <sup>(3)</sup>	653.9	677.7	(23.8)	(10.9)
Total liabilities	1,914.8	1,656.9	257.9	413.7
Deposits	1,518.1	1,316.5	201.6	335.2
No. of shares outstanding	70,790,263	-		
Book value per share (US\$) <sup>(4)</sup>	9.31	-		
Net interest margin	3.1%	4.6%		
Cost to income ratio	96.4%	87.7%		
Credit loss ratio	1.6%	2.2%		
Return on equity	0.3%	2.4%		
Return on assets	0.1%	0.7%		
Loan to deposit ratio	81.9%	90.9%		

- 2014 Pro Forma results represents the 1<sup>st</sup> quarter 2014 consolidation assuming ownership of subsidiaries and associates as of 1 January 2014
- Constant currency variance reflects the results on a constant currency basis excluding the impact of the strengthening US\$ against African currencies year over year (i.e., reflects the operational performance variance). Excluding the currency impact, the variance from Q1 actual results to Q1 2014 would only have been negative US\$2.1m. The currency impact on profit is therefore ca. US\$1.6m quarter on quarter
- Income from associates consists of the 22% direct shareholding in UBN and the indirect 9% holding through ADC ownership (31% in total), contributing US\$5.2m additional net profit to Atlas Mara
- Equity at US\$654m is US\$28m lower than the US\$682m reported as at 31 December 2014, largely as a result of the currency impact in the revaluation of goodwill and intangible assets accounted for as Other Comprehensive Income through equity

Notes:

- (1) Includes net interest income and non-interest income
- (2) Includes transaction-related expenses of US\$2.0m
- (3) Total equity, including non-controlling interest
- (4) Book value per share at 31 December 2014 was US\$9.73 (70,714,636 shares in issue)
- (5) Constant Currency or reflective of the operational variance, excluding FX impact

# Atlas Mara Limited – Q1 2015 Segmental Results (Unaudited)

Unaudited

(US\$m)	2015	Southern	East	West	Corporate
	Actual				
Total Income <sup>(1)</sup>	44.3	40.0	2.5	-	1.8
Provision for credit losses	(5.1)	(4.8)	(0.3)	-	-
Total operational expenses	(40.8)	(28.8)	(4.7)	-	(7.3)
Transaction-related expenses	(2.0)	-	-	-	(2.0)
Income from associates	5.2	-	-	5.2	-
Profit / (loss) before tax	1.6	6.5	(2.5)	5.2	(7.5)
<b>Attributable profit / (loss)</b>	<b>0.5</b>	<b>4.7</b>	<b>(2.1)</b>	<b>5.2</b>	<b>(7.3)</b>
Loans and advances	1,243.1	1,096.4	135.1	-	11.6
Total assets	2,568.7	1,693.3	259.3	8.3	607.8
Total equity <sup>(2)</sup>	653.9	103.2	36.9	8.3	505.5
Total liabilities	1,914.8	1,590.1	222.4	-	102.3
Deposits	1,518.1	1,292.1	209.3	-	16.7
Net interest margin	3.1%	5.2%	3.3%	-	-
Cost to income ratio	96.4%	71.9%	185.2%	-	-
Credit loss ratio	1.6%	1.7%	0.9%	-	-
Return on equity	0.5%	18.3%	(22.6%)	-	-
Return on assets	0.1%	1.1%	(3.2%)	-	-
Loan to deposit ratio	81.9%	84.9%	64.6%	-	-

- The Southern segment includes BancABC subsidiaries in Botswana, Mozambique, Zambia, and Zimbabwe, as well as ABC Holdings, which supports this region and other smaller country-based subsidiaries
- The East segment includes BancABC Tanzania, Tanzania Development Finance Corporation (TDFL) and BRD Commercial
- The West segment consists of the associate investment in UBN in Nigeria (equity accounted for under IFRS)
- Corporate includes the Atlas Mara BVI corporate center, the ADC subsidiary in Germany, other intermediate holding companies, as well as all consolidation entries

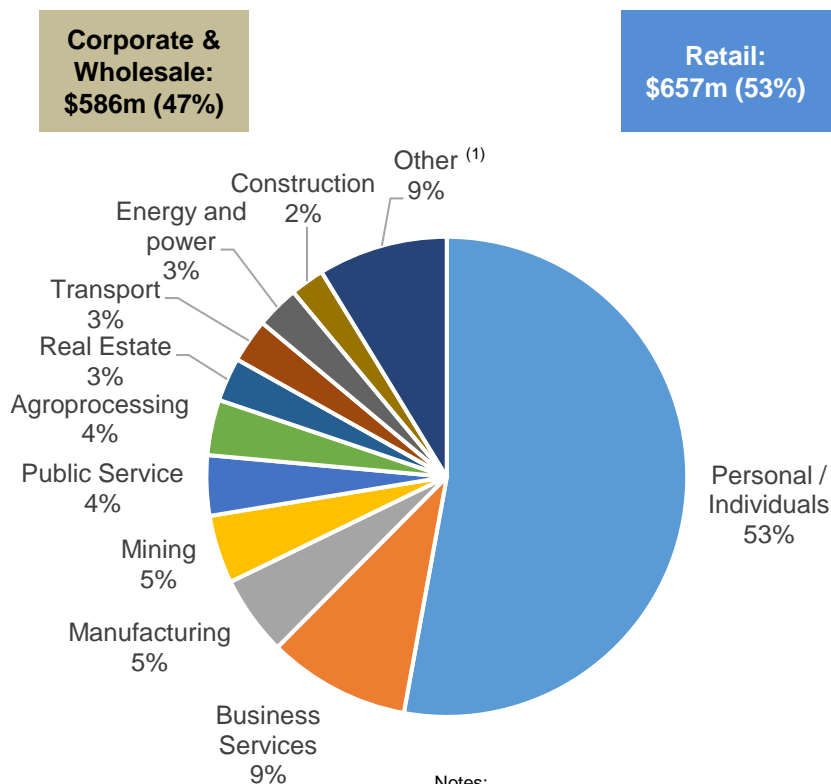
# Atlas Mara Limited – Q1 2015 Segmental Performance Drivers (Unaudited)

<b>Southern</b>	<ul style="list-style-type: none"><li>▪ Revenue in the Southern segment remains depressed largely as a result of a reduction in the reference rate at which banks lend to customers in Botswana, as well as subdued economic activity in Zimbabwe</li><li>▪ Encouraging results from the Mozambique treasury offset lower than expected fee income</li><li>▪ Credit impairments remain a key focus, with increased efforts on asset recovery of non-performing corporate clients in Zimbabwe, as well as defaults on some corporate scheme loans in Mozambique</li></ul>
<b>East</b>	<ul style="list-style-type: none"><li>▪ Losses in the East segment were driven by slower than expected loan growth in Tanzania as the turnaround strategy is being executed</li><li>▪ BRD Commercial results were encouraging and in line with budget</li></ul>
<b>West</b>	<ul style="list-style-type: none"><li>▪ Compared to associate income trends at the end of 2014, UBN's results showed lower growth due to the non-recurrence of various one-off profits from the sale of non-core assets during 2014, as well as the continued depreciation of the Naira against the US\$</li></ul>
<b>Corporate and Consolidation</b>	<ul style="list-style-type: none"><li>▪ The net loss includes:<ul style="list-style-type: none"><li>- Atlas Mara BVI (US\$8.3m), which includes FX impact (US\$1.4m), transaction-related expenses (US\$2.0m), operational expenses (US\$4.7m) of which US\$2.7m relates to staff costs</li><li>- ADC net expenditure (US\$0.97m)</li></ul></li></ul>

# Atlas Mara Limited – Q1 2015 Loans and Asset Quality

- Loans and Advances split evenly between Corporate & Wholesale and Retail
- Corporate & Wholesale portfolio diversified across industries

- Sufficient provision coverage across all countries
- Ratios exclude security / collateral, thus downside risk is less than presented by these financial ratios
- Broadly in line with market peers, considering the portfolio of assets and markets involved



	Asset Quality <sup>(2)</sup>	Provision Coverage <sup>(3)</sup>	Credit Loss Ratio <sup>(4)</sup>	NPL Ratio <sup>(5)</sup>
Botswana	2.3%	79.5%	0.9%	2.9%
Mozambique	3.0%	29.3%	0.1%	10.2%
Rwanda	1.8%	76.3%	1.8%	2.4%
Tanzania	0.2%	2.2%	0.5%	9.6%
Zambia	5.5%	38.4%	1.3%	14.4%
Zimbabwe	6.3%	35.1%	3.4%	18.1%
<b>Total <sup>(6)</sup></b>	<b>4.9%</b>	<b>40.0%</b>	<b>1.6%</b>	<b>12.4%</b>

**Notes:**

Excludes UBN, which is not consolidated in Atlas Mara's financial results

(1) Other includes Finance, Retail & Wholesale businesses, Trade, Communication and Tourism / Hotels

(2) Asset quality = balance sheet provision / gross loans

(3) Provision coverage = balance sheet provision / non-performing loans

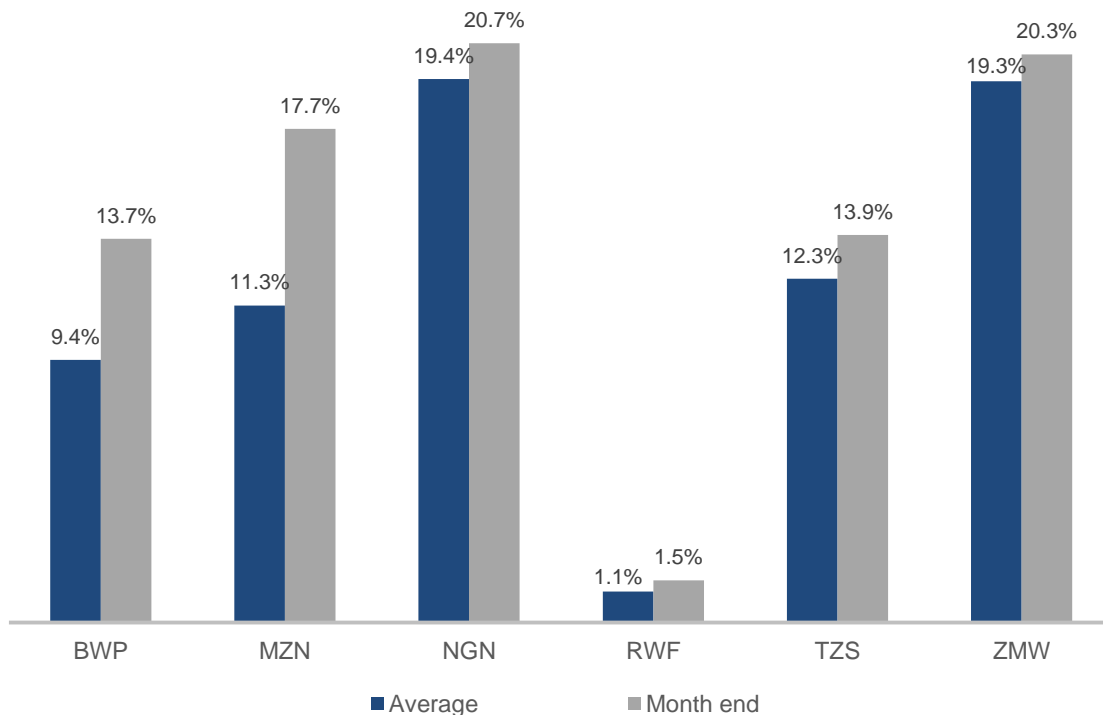
(4) Credit loss ratio = income statement impairment provision / gross loans (also referred to as 'cost of risk')

(5) NPL ratio = non-performing loans / gross loans

(6) Ratios reflected on consolidation level, and thus include non-bank subsidiaries

# Foreign Exchange Developments

## US\$ strength is visible: currency depreciation impact on results



- The impact of the strengthening US\$ against African currencies on reported results was ca. 7.2% on total income, ca. 6.1% on total expenses (providing a buffer) and ca. 8.4% on total assets
- The impact on equity was only 1.9% owing to consolidation entries in US\$ (ADC and ATMA BVI accounts reported in US\$) and equity therefore reflected as US\$. On a stand-alone basis, the impact on equity of the BancABC Group was ca. 7.2%
- UBN consolidation had a net negative US\$8m impact on equity due to translation losses upon consolidation, directly accounted for in Other Comprehensive Income (against equity on the balance sheet)

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# UBN Update





## UBN – Q1 2015 and FY 2014 Performance (Bank)

(NGNm)	Q1 2015	Q1 2014	% change	FY 2014	FY 2013	% change
Gross Earnings	29,018	25,603	13%	109,821	103,225	6%
NII after Impairment	12,506	12,610	(1%)	47,319	41,872	13%
Net Operating Income	10,076	11,072	(9%)	77,913	60,887	28%
<b>Profit after Tax</b>	<b>4,907</b>	<b>4,409</b>	<b>11%</b>	<b>20,486</b>	<b>5,121</b>	<b>300%</b>
Loans & Advances (net)	350,147	302,372	16%	302,372	210,118	44%
Total Assets	956,754	920,936	4%	920,936	882,097	4%
Shareholders' Funds	211,582	205,974	3%	205,974	187,784	10%
NPL Ratio	-	-	-	5%	6%	-
Cost to Income Ratio <sup>(1)</sup>	74%	76%	-	68%	74%	-
RoE	9.5%	9.4%	-	10%	3%	-
RoA	-	-	-	2.3%	0.5%	-
Capital Adequacy Ratio <sup>(2)</sup>	-	-	-	16.4%	24.8%	-
Liquidity Ratio	-	-	-	43%	63%	-
Loan to Deposit Ratio	70%	64% <sup>(3)</sup>	-	64%	48%	-

- Improved performance across nearly all key metrics in FY 2014 and Q1 2015 YoY
- Strong asset growth driven by Oil & Gas, Manufacturing, Trade
- 2015 target loan growth of 35-45% and deposit growth of 25-30%
- 2014 NIM expansion of 100 bps, with 2015 target of another 120-140 bps
- Improved efficiency and cost management despite expenses for salary alignment to market levels
- Liquidity Ratio declining via shift from lower-earning government securities to customer loans (min 30%)

Sources: UBN Analyst Presentation (30 April 2015), UBN Q1 2015 financial results

Notes:

1Q 2015 results are unaudited

(1) Cost to Income Ratio is net of restructuring cost

(2) 2014 Capital Adequacy Ratio is based on Basel II

(3) Reported as of 31 December 2014

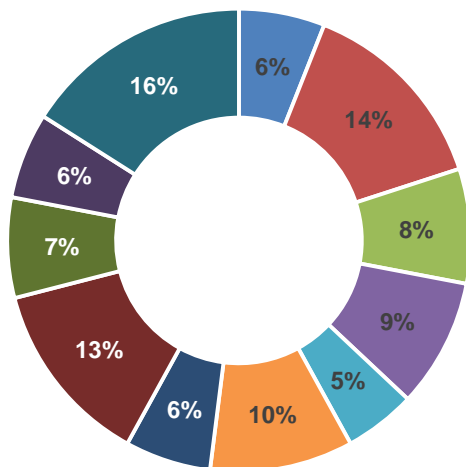
# UBN – Transformation Plan Update

- In 2012-2013, the new Board of Directors and Executive Management embarked on a comprehensive transformation program aimed at returning UBN to its place among Nigeria’s leading financial institutions
- The program spans key functional areas and has yielded significant progress to date

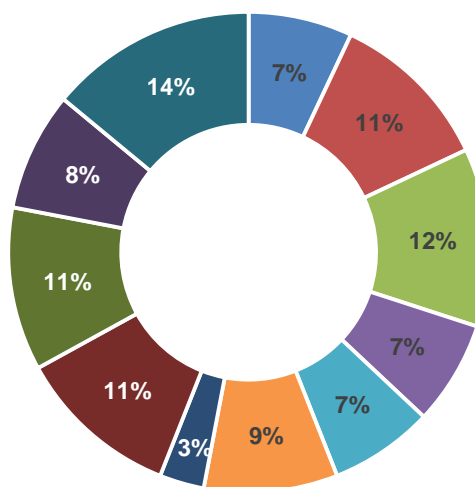
	Strategic Goal	Achievements to Date
<b>Technology and Systems</b>	<ul style="list-style-type: none"> <li>▪ Enhance technology infrastructure and MIS to support strategy and growth acceleration</li> </ul>	<ul style="list-style-type: none"> <li>▪ Upgraded to Oracle Flexcube platform</li> <li>▪ First Nigerian bank awarded PCIDSS 3.0 (payment card security standard)</li> </ul>
<b>Internal Operations</b>	<ul style="list-style-type: none"> <li>▪ Streamline internal operations groups</li> </ul>	<ul style="list-style-type: none"> <li>▪ Established centralized processing center</li> <li>▪ Improved systems in Trade, Treasury, Collections</li> </ul>
<b>Customer Access</b>	<ul style="list-style-type: none"> <li>▪ Optimize branch network and expand customer access across channels</li> </ul>	<ul style="list-style-type: none"> <li>▪ Upgraded 12 branches</li> <li>▪ Grew ATM network more than 3x</li> <li>▪ Enhanced online and mobile platforms</li> </ul>
<b>Talent</b>	<ul style="list-style-type: none"> <li>▪ Recruit, reward, and retain the right people</li> </ul>	<ul style="list-style-type: none"> <li>▪ Filled key expertise gaps</li> <li>▪ Retrained existing staff</li> <li>▪ Aligned compensation to market levels</li> </ul>
<b>Brand and Marketing</b>	<ul style="list-style-type: none"> <li>▪ Enhance brand and communications to accelerate growth</li> </ul>	<ul style="list-style-type: none"> <li>▪ Launched “UnionFacts” PR campaign</li> <li>▪ Increased CSR and sponsorship efforts</li> </ul>
<b>Segment Re-Focus</b>	<ul style="list-style-type: none"> <li>▪ Develop Retail, Commercial, and Corporate value propositions, sales &amp; service models</li> </ul>	<ul style="list-style-type: none"> <li>▪ Currently developing distinct segment value propositions</li> </ul>

# UBN – Asset Diversification

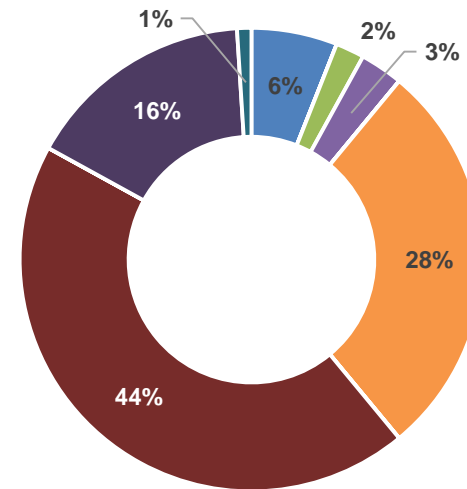
Gross Loans 2014



Gross Loans 2013



Non-Performing Loans 2014



- Agriculture
- Construction
- IT & Telecommunications
- O&G Upstream
- Wholesale & Retail Trade
- Individuals
- O&G Downstream
- Public Sector
- Other
- O&G Services
- Manufacturing

- 2014 YoY growth of 41% driven by oil and gas (up 49%), manufacturing (up 65%) and wholesale & retail (up 51%)
- Top 3 sectors contributing to NPLs are manufacturing (44%), wholesale & retail (28%) and individuals (16%)
- As at March 2015, the foreign currency denominated loans constituted approximately 34% of the total loan book (38% at December 2014)
- UBN remains focused on continuous mitigation of the exposure to unforeseen shocks by prioritizing asset quality through diligent and systematic approach to risk management

# BRD / BPR Update



# BRD – Proposed Acquisition of Banque Populaire du Rwanda (“BPR”)

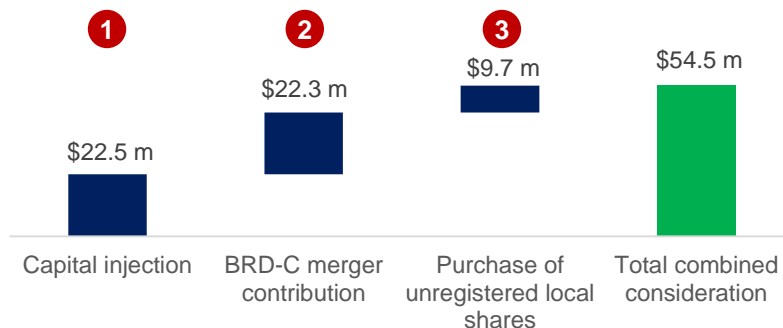
## BPR Background

- Founded in 1972 with the assistance of Switzerland and a two-fold mandate: (i) to offer reliable and affordable deposit products and (ii) to stimulate the creation of SMEs by democratizing credit. Transformed from a cooperative into a commercial bank in 2007/2008
- The large shareholder base and rural presence arise from BPR’s roots in the cooperative movement, as it was originally established as an amalgamation of several agricultural based cooperatives before converting into a licensed commercial bank in 2008
- Today, BPR is the 2<sup>nd</sup> largest commercial bank with total assets in excess of US\$232m and over 190 branches. The bank has more than 600,000 shareholders and 1,600 employees, with a strong footprint in rural Rwanda
- The loan book is majority (95%) retail, focusing on mortgages, consumer loans, equipment loans and overdrafts. Deposits are also retail focused with a high CASA ratio above 70%

## Transaction Rationale / Next Steps

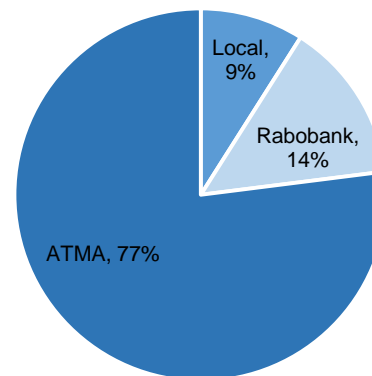
- The proposed combination represents a unique opportunity to merge BRD Commercial with the second largest bank in Rwanda and accelerate Atlas Mara’s strategy in both Rwanda and the East Africa Community, more broadly
- The merged BRD Commercial and BPR entity will have a significant market share, tremendous customer reach through an established branch footprint
- Next Steps:** Negotiation of binding legal documentation and reverse due diligence in progress. Integration planning in progress, selection of key management hires to be part of integration plan, expected to be submitted to regulators by end of May. Target signing of binding agreements: 2Q 2015. Target transaction close: 3Q 2015

## Implied Transaction Pricing



- Steps 1 and 3:** Total cash outlay of US\$32.3m; resulting in 77% Atlas Mara stake in the merged entity

## Pro Forma Ownership (Indicative)



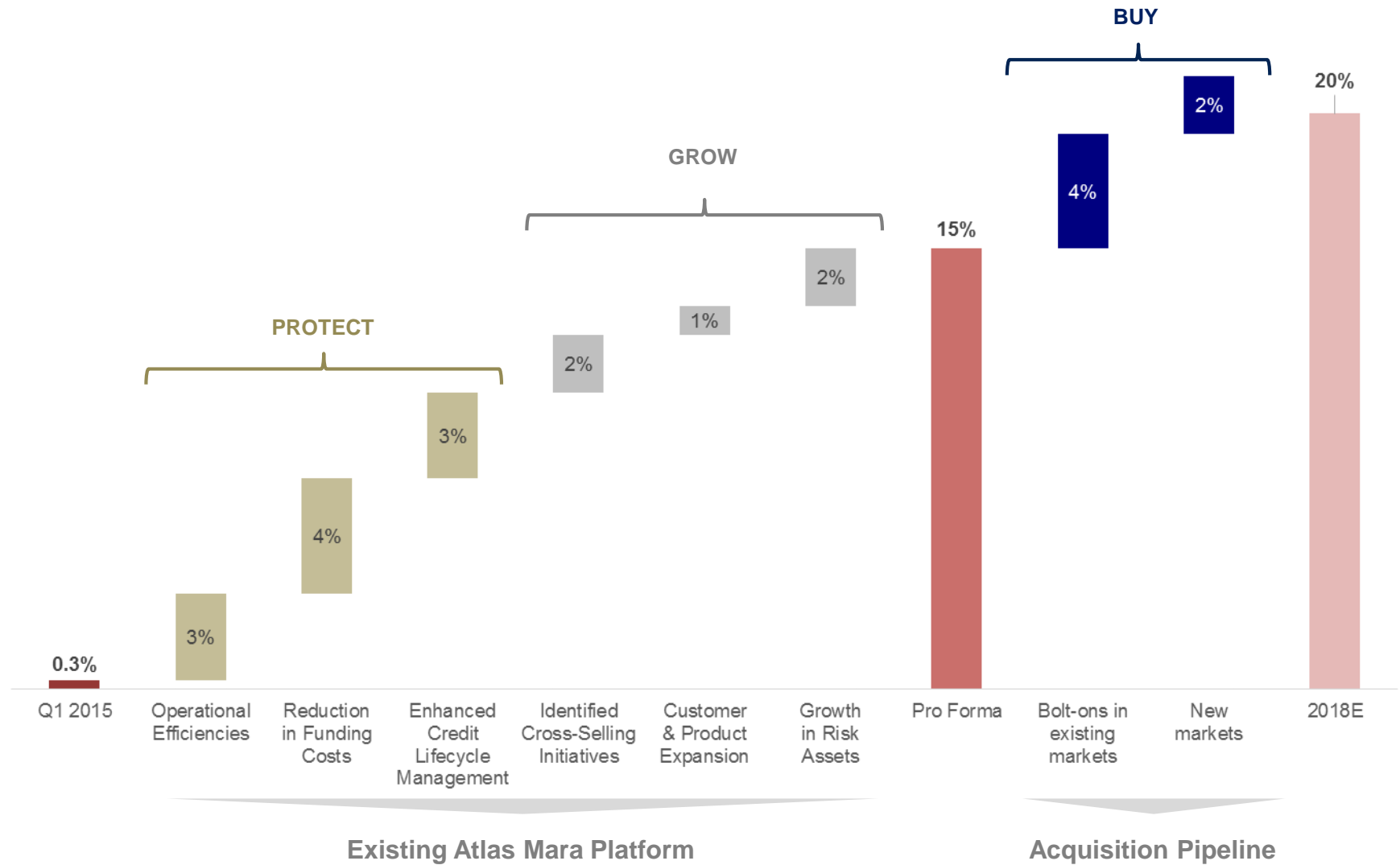
# Outlook



# Guidance: Focused on Delivering Results and Shareholder Returns

	KPIs	Rationale	Target
Buy	<b>Market position (by assets, loans and/or deposits)</b>	<ul style="list-style-type: none"> <li>Profit pools are correlated to size in many of the markets in which Atlas Mara operates</li> <li>A strong market position enables more competitive costs of funding and thus, competitive pricing of risk</li> </ul>	Among the Top 5
	<b>Book value per share and earnings per share</b>	<ul style="list-style-type: none"> <li>There will likely be an integration / enhancement period, but Atlas Mara remains focused on generating tangible value for shareholders</li> </ul>	Acquisitions to be accretive in 3 years
Protect	<b>Cost-to-income ratio</b>	<ul style="list-style-type: none"> <li>Focused on creating efficient, scalable platforms</li> </ul>	60-65% in the medium-term
	<b>NPL-to-total loans</b>	<ul style="list-style-type: none"> <li>Sound credit and risk management processes are core to Atlas Mara's strategy</li> </ul>	< 4% across the platform
Grow	<b>Increase in countries of operation, customers and employees</b>	<ul style="list-style-type: none"> <li>Atlas Mara intends to continue broadening its platform and geographic footprint to participate in, and contribute to, the growth of financial services across sub-Saharan Africa</li> </ul>	Atlas Mara expects to be in 10+ countries in the medium term
	<b>Loan and deposit growth relative to GDP and peers</b>	<ul style="list-style-type: none"> <li>In connection with the strategy of achieving a top 5 position in our markets of operations, above-market loan and deposit growth is expected/required</li> </ul>	Growth > 1.5x GDP growth
	<b>Return on average equity</b>	<ul style="list-style-type: none"> <li>Measure of capital efficiency upon which Atlas Mara remains highly focused</li> </ul>	ca. 20% in the medium term
	<b>Return on average assets</b>	<ul style="list-style-type: none"> <li>Represents a measure of balance sheet efficiency and, when analyzing return on equity in parallel, the impact of leverage on earnings</li> </ul>	ca. 2% in the medium term

# 2015-2018 Return on Equity Development – Illustrative





# Valuation Upside Potential

Atlas Mara				
Share Price (\$)	Market Cap (\$m) <sup>(1)</sup>	P/BV <sup>(2)</sup>	P/TBV <sup>(3)</sup>	
7.00	496	0.8x	1.0x	
7.50	531	0.8x	1.0x	
8.00	566	0.9x	1.1x	
8.50	602	0.9x	1.2x	
9.00	637	1.0x	1.2x	
9.50	673	1.0x	1.3x	
10.00	708	1.1x	1.4x	
12.00	849	1.3x	1.6x	
14.00	991	1.5x	1.9x	
16.00	1,133	1.7x	2.2x	
18.00	1,274	1.9x	2.5x	
20.00	1,416	2.1x	2.7x	
22.00	1,557	2.4x	3.0x	
24.00	1,699	2.6x	3.3x	
26.00	1,841	2.8x	3.6x	

## Atlas Mara Highlights:

- Unique, diversified footprint in high-growth African markets
- No exposure to lower-growth South Africa
- World-class management team
- Global compliance and corporate governance standards
- London listing

Selected Peers				
Company	Share Price (LCY)	Market Cap (\$m)	P/BV	P/TBV
<b>West</b>				
Access	5.99	691	0.5x	0.5x
Diamond	4.60	537	0.5x	0.5x
GT Bank	28.75	4,088	2.3x	2.4x
UBA	5.29	818	0.6x	0.6x
Zenith	21.15	3,349	1.3x	1.3x
Ecobank	0.30	1,412	0.8x	0.9x
Standard Chartered Ghana	20.31	612	4.7x	4.7x
<b>Average</b>		<b>1,644</b>	<b>1.5x</b>	<b>1.5x</b>
<b>East</b>				
Equity Bank	49.25	1,925	3.0x	3.2x
Kenya Commercial Bank	62.50	1,968	2.5x	2.5x
NIC Bank	59.00	398	1.5x	1.6x
CRDB Bank	415.00	454	2.2x	2.2x
Bank of Kigali <sup>(4)</sup>	295.00	292	2.2x	2.2x
<b>Average</b>		<b>1,186</b>	<b>2.3x</b>	<b>2.3x</b>
<b>Southern</b>				
Letshego	3.07	688	1.7x	1.7x
Barclays Africa	190.58	13,393	2.0x	2.0x
FirstRand Limited	56.83	26,453	3.8x	3.8x
Standard Bank	174.60	23,437	2.0x	2.4x
<b>Average</b>		<b>15,993</b>	<b>2.4x</b>	<b>2.5x</b>

Notes: Peer information sourced from CapitalIQ as of 1 May 2015

(1) Based on 70,790,263 Atlas Mara shares outstanding as of 31 March 2015

(2) Based on Atlas Mara book value per share of US\$9.31 as of 31 March 2015

(3) Based on Atlas Mara tangible book value per share of US\$7.31 as of 31 March 2015

(4) Multiples for Bank of Kigali based on 30 April 2015 close of RWF 295 and shares outstanding of ca. 670m. Book value and tangible book value sourced from 2014 audited financial statements. RWF / US\$ rates of 679.575 and 677.866 as of 31 December 2104 and 30 April 2015 respectively

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