5 September 2018

Atlas Mara Limited Interim Results - Six Months Ended 30 June 2018

Atlas Mara Limited ("Atlas Mara" or the "Company" and, including its subsidiaries, the "Group"), the sub-Saharan Africa financial services group, today publishes its reviewed results for the six months ended 30 June 2018.

Key highlights for the period:

- Atlas Mara reported profit after tax of $28.6 million (2017: $11.5 million).
- Completed the transaction to acquire an additional stake in Union Bank of Nigeria Plc (UBN) to take Atlas Mara's effective shareholding to ca. 49%.
- UBN continued to demonstrate ongoing business improvements and contributed $17.4 million (2017: $8.7 million) of net income to Atlas Mara's results. A notable improvement has been the positive reduction in UBN's NPL ratio to 10.8% due to the ongoing efforts on non-performing loan recoveries and credit risk management.
- Atlas Mara hired key resources at centre and in subsidiaries to enhance management capacity.

Financial highlights during the period

- Reported net profit after tax for the first half of 2018 was $28.6 million compared to $11.5 million for the prior year period, reflecting the improved performance of UBN, the company's associate investment.
- While costs increased 3.3%, this was below the rate of inflation in our main markets of operation.
- Non-interest income (NIR), largely driven by the Markets and Treasury business, increased by 1.1% on a constant currency (ccy) basis.
- Loan impairment charges of $4.3 million represent an improvement of 57.8% on a ccy basis year on year.
- Loans and advances were $1.28 billion at 30 June 2018. The loan book declined by 1.2% in ccy terms year on year reflecting the impact of the IFRS 9 implementation and muted growth in the loan books.
- Non-performing loans (NPLs) decreased to $166 million from $169 million; however, as a percentage of the loan book, NPLs increased to 12.9% (June 2017: 12.0%), primarily due to the impact of the reduction in the total loan balance.
- Deposits were $1.91 billion at 30 June 2018, representing growth of 3.9% on a ccy basis since June 2017.
- Equity as at June 2018 is $776.2 million (December 2017: $ 813.2 million), reflecting the net impact of the profit contribution for the half year, the negative impact of IFRS 9, and the negative FX translation impact from converting our investments, which are made in local currency, into US dollars as reporting currency over H1 2018 .

Reflecting the IFRS 9 and FX translation impacts, at the end of June 2018 our book value was $4.48 per share (December 2017: $4.77) and our tangible book value was $3.49 per share (December 2017: $3.87).

Key operational highlights during the period

- Launched a deposit drive across Retail, Corporate and Institutional segments across the franchises to lower the cost of funds and generate sustained funding for balance sheet growth.
- In Botswana, successfully renegotiated, for a 3 year period, Retail savings and loans schemes with the key employee unions and signed a contract to provide prepaid Pula cards to Public employees.
- Launched an online cash management solution for SME and Corporate clients in Mozambique, and saw continued growth in Agency banking which now has 160 agents and 30,000 new accounts of which more than 20,000 were acquired in the first half of 2018.
- Continued to grow our presence in the corporate market in Rwanda, through our participation in a $50 million syndicated loan for a large MNO (our share is $11 million) for infrastructure expansion and modernisation, as well as through a $5 million facility to a corporate client contracted to construct a new airport and another $5 million pre-export value chain financing for the country's leading coffee exporter.
- Evident signs of recovery in our Markets and Treasury business as volumes slowly pick up after the sharp contractions experienced in the previous year, reflecting macro factors and our own initiatives.
- Facilitating financial inclusion in Zambia where the subsidiary is soon to launch a mobile money proposition for the currently unbanked which will be available in seven local languages and will allow clients to save and borrow digitally.
- Increased public sector lending business during the period with lines for the energy services provider for infrastructure development in Zambia, while continuing to explore other public sector initiatives for financing highways, road network and Agricultural subsidy finance.
- Introducing supply chain financing credit enhanced accounts payable product in Zimbabwe to facilitate trade flows and enhance our position in trade finance. We also introduced a new Agricultural Unit to take advantage of nascent growth in the Agricultural sector which is a major contributor to the country's GDP.
- Raised $40 million for the second tranche of the road infrastructure programme through our Markets and Treasury unit in Zimbabwe.
- UBN's financial performance improved across a number of key metrics from FY 2017 to H1 2018 as well as over the same period last year. Return on Tangible Equity was up at 10.4% for the first six months of 2018, supported by profit after tax growth of 25% over the same period last year.
- During the course of the first six months of 2018, UBN also focused on improving fee and other non-interest income to offset the impact of declining asset yields in Nigeria.

Key events since period end

- On 6 August 2018, the Group announced that it has reached agreement in principle for a $40M Debt Facility (the "New Debt Facility"). This New Debt Facility will replace the convertible bond (the "April Convertible") issued to Fairfax Africa Holdings Corporation ("Fairfax Africa"), the Company's largest shareholder, as previously announced on 24 April 2018. Completion of the New Debt Facility remains subject to customary conditions for transactions of this nature.
- Proceeds will be used for general corporate purposes, including replacing the April Convertible, and supporting broader business growth and operations.

H1 Results Review - Investor Conference Call

Atlas Mara's Senior Management will today be holding a conference call for investors at 10am EST / 3pm BST.

There will be a presentation available in the Investor Relations section of the Company's website, http://atlasmara.com.

Dial-in details are as follows:
United States: +1 (631) 913 1422
United Kingdom: +44 3333000804
Participant PIN Code: 39935625#

Contacts
Investors
Kojo Dufu, +1 212 883 4330

Media
Teneo Blue Rubicon
Anthony Silverman, +44 (0)207 4203142

Atlas Mara Limited

Consolidated Summary Statement of Comprehensive Income

Quarterly		USD' million	Six Months Ended 30 June		
			Reviewed	Reviewed	
Q1 2018	Q2 2018		2018	2017	CC Var %
35.7	32.6	Net interest income	68.3	78.6	(14.2%)
17.8	26.2	Non-interest income	44.0	43.6	1.1%
53.5	**58.8**	**Total income**	**112.3**	**122.2**	(8.7%)
(1.5)	(2.8)	Credit impairment	(4.3)	(10.0)	57.8%
52.0	**56.0**	**Operating income**	**108.0**	**112.2**	**(4.4%)**
(52.3)	(56.2)	Operating expenses	(108.5)	(104.1)	(3.3%)
(0.3)	**(0.2)**	**Net operating (loss)/income**	**(0.5)**	**8.1**	**>(100%)**
26.3	10.3	Income from associates	36.6	8.7	>100%
26.0	**10.1**	**Profit before tax**	**36.1**	**16.8**	**>100%**
(2.0)	(5.5)	Taxation and minority interest	(7.5)	(5.3)	(34.7%)
24.0	**4.6**	**Profit after tax**	**28.6**	**11.5**	**>100%**
6.5%	6.0%	Net interest margin (earning assets)	6.3%	7.0%	
4.6%	4.2%	Net interest margin (total assets)	4.4%	5.4%	
0.4%	0.9%	Credit loss ratio	0.7%	1.5%	
97.8%	95.5%	Cost to income ratio	96.6%	85.2%	
3.1%	0.6%	Return on assets	1.8%	0.8%	
11.9%	14.7%	Return on equity	7.6%	4.0%	

Atlas Mara Limited

Consolidated Summary Statement of Financial Position

Quarterly Results		USD' million	Period Ended 30 June		
Audited			Reviewed	Reviewed	CC Var %
Q4 2017	Q1 2018		2018	2017	
457.0	302.9	Cash and investments	339.6	486.2	(27.5%)
95.9	82.0	Financial assets*	25.3	91.4	(71.6%)
1,330.0	1,367.7	Loans & advances to customers	1,280.9	1,329.9	(1.2%)
355.0	429.5	Investments	509.6	323.5	61.2%
444.6	515.6	Investment in associates	537.5	302.6	77.7%
174.6	177.1	Intangible asset	169.4	175.1	1.5%
283.3	226.8	Other assets	242.0	204.7	23.3%
3,140.4	**3,101.6**	**Total assets**	**3,104.3**	**2,913.4**	**9.3%**
1,877.5	1,853.8	Customer deposits	1910.1	1,892.7	3.9%
346.2	350.5	Borrowed funds	358.1	364.7	0.2%
103.5	71.0	Other liabilities	59.9	82.9	(28.3%)
813.2	826.3	Capital and Reserves	776.2	573.1	38.3%
3,140.4	**3,101.6**	**Total equity and liabilities**	**3,104.3**	**2,913.4**	**9.3%**
70.8%	73.8 %	Loan : Deposit ratio	67.1%	70.3%	

*Includes financial assets held for trading and those designated at fair value

John Staley, Chief Executive Officer

Since joining the group in May I have visited with all of our majority owned banks and with the support units, thereby getting to know my colleagues in these businesses and meeting with regulators, customers and other stakeholders.

I have been developing an understanding of the issues and the innate potential for our businesses. I have also been reviewing the capital and funding structure of our businesses. Having been heavily involved with the success of several other financial institutions in Africa I shall be seeking to further develop our model of ensuring that the banks in which we invest can be in the top tier in the countries in which the operate, that they are funded by low marginal cost, sticky consumer deposits and transactional flows supported by robust, flexible, efficient and customer friendly digital infrastructures and capabilities. Such a strategy enables funding the provision of sensible credit to customers in a sustainable manner at attractive margins and drives the opportunity for the cross sale of other products which customers need.

There is a heightened urgency in expediting this work as the market backdrop has been less buoyant than it was in in 2017. Lower international demand for commodities, international trade tensions , Central Banks in the US and Europe pursuing less accommodative monetary policies and the relative strengthening of the US $ have reduced foreign inflows into, and the economic growth trajectory in some of our markets .This has resulted in tighter liquidity conditions, increased capital requirements and lower credit demand from viable customers. Recognizing this environment, we will continue to execute on our business plan.

Accordingly, I am actively working with my colleagues and the Board to further develop and execute our strategy so as to deliver on the potential of our businesses in the best interests of our shareholders, customers, staff and other stakeholders. I am invigorated by this task.

John Staley
CEO

Bob Diamond, Chairman

We are pleased to present the Company's first half results, which included a positive net profit, albeit with some challenges. We maintained a largely stable balance sheet while weathering substantial macroeconomic challenges in some key markets. At the same time, we saw progress in the countries and business lines, as we continue to establish our franchise and pursue our long-term goal of being a top tier player across our footprint.

The first half was also marked by some key strategic developments. First, as you know, this half year marks the first with our CEO, John Staley, at the helm, and he has demonstrated the drive to accelerate value creation across the Company. We have also strengthened management in-country.

We increased our investment in Nigeria, the largest economy in Africa. We now own 49% of UBN. At the same time, UBN's management team has continued to deliver, with another profitable half year. Since the spike last year, UBN's NPL ratio trend has been reversed. The UBN team deserves credit for their continued strong performance. We remain optimistic about the future of that market.

Although we expect the balance of 2018 to bring continued challenges in our growth and rate environments, the Board and I remain cautiously optimistic about the future. We are in attractive markets for which we expect the long-term trends to remain favorable. As always, we are grateful to all of our shareholders for your support.

Bob Diamond
Chairman

Kenroy Dowers, Chief Financial Officer Overview

As our Chairman and CEO have noted, we continue to face challenging market environments from constrained macroeconomic growth, low liquidity levels, and rate pressures, among other factors, which have combined to impede our broader growth.

The consolidated profit after tax for the period to June 2018 was $28.6 million which compares to the comparable prior year profit of $11.5 million, and the full year 2017 profit of $45.4 million. The Group's reported non-GAAP adjusted operating profit is $13.5 million compared to $12.2 million in June 2017.

The improvement in our net profit this year is, in the main, due to the gain on acquisition of the additional share of UBN of $19.2 million combined with an improvement in UBN's underlying performance. The Group's share of income from our associate, UBN, excluding the impact of the gain is $17.4 million (H1 2017: $8.7 million), which includes the impact of the increase in shareholding and UBN's net profit growth of 25%.

The overall decrease of 8.1% in total income compared to H1 2017, 8.7% on a ccy basis year on year, was primarily driven by a 12.8% decrease in interest income, due to muted low loan book growth and some margin pressure, as the credit appetite in many markets remains subdued.

Net interest margin on earning assets has reduced to 6.3% compared to 7.0% as at 30 June 2017, with this change due most notably to liquidity challenges experienced in certain markets during the first half of 2018.

Despite difficult conditions in the first quarter in the foreign exchange markets, the Markets business produced stable results, with overall performance in line with the comparative period.

While costs increased 3.3% overall year on year, this was below the rate of inflation in our main markets, as we continued to focus on cost management.

NPLs were reduced in absolute terms from $169 million to $166 million, but the lower comparable loan balance, partially reflecting IFRS 9 impacts, resulting in the NPL ratio increasing to 12.9%, compared to 11.8% at 31 December 2017.

Table 1: Adjusted operating profit and reconciliation to IFRS profit for six months to end June

		2018	**2017**	Var
Total income	$ million	112.2	122.2	8.1%
Impairment	$ million	(4.3)	(10.0)	57.5%
Total expenses (excluding one-off)	$ million	(108.6)	(103.5)	(5.0%)
Share of profit of associate	$ million	17.4	8.7	99.7%
Adjusted profit/(loss) before tax	$ million	16.7	17.4	(4.3%)
Adjusted net profit/(loss)	**$ million**	**13.5**	**12.2**	**10.6%**
M&A transaction (expenses)/gains	$ million	19.2	(0.4)	>100
Reorganising/restructuring costs	$ million	0.2	(0.2)	>100
Reported profit/(loss) before tax	$ million	36.1	16.8	>100
Reported net profit/(loss)	**$ million**	**28.6**	**11.5**	>100
Reported cost to income ratio	%	96.7	85.2	
Adjusted cost to income ratio	%	96.8	84.7	
Reported return on equity	%	7.6	4.0	
Adjusted return on equity	%	3.6	4.3	
Return on assets	%	1.8	0.8	
Adjusted return on assets	%	0.9	1.7	
Reported EPS	$	0.17	0.15	
Credit loss ratio	%	0.7	1.5	
Book value per share	$	4.48	7.18	
Tangible book value per share	$	3.49	6.07	

Income statement review

Total income decreased by 8.1% and 8.8% on a ccy basis, largely due to a decrease in net interest income resulting from muted loan growth and some margin pressure.

We saw marginal growth of 1.1% on a ccy basis in non-interest revenue, driven primarily by the Markets and Treasury business.

Table 2: Total income

	2018	2017	Var	CC Var
	$m	$m	%	%
Net interest income	**68.3 m**	78.6 m	(13.1%)	(14.2%)
Non-interest income	**44.0 m**	**43.6** m	0.8%	1.1%

Net interest income

NII for the 6 months was $68.3 million compared to $78.6 million attributable to low loan book growth and some liquidity pressures and rate cap issues in certain markets.

Non-interest income

NIR growth of 1.1% on a ccy basis has been mainly due to consistent performance in our Markets business. Challenging macro conditions in the first quarter eased somewhat in the second quarter and certain of our new initiatives in the subsidiaries started to get some traction in customer transactions.

Fee income has been low, driven by the low loan book growth experienced in most markets.

Total expenses

Total costs amounted to $108.5 million versus $104.1 million in the prior period, an increase of 3.3% in constant currency terms year on year, which was below the rate of inflation in the main markets in which we operate.

Loan impairment charges

The loan impairment charge of $4.3 million (2017: $ 10.0 million) reflects the impact of the new impairment methodology introduced by IFRS 9, as the group now accounts for losses on an expected loss bases as required by the standard. We benefitted from the impact of recoveries of legacy non-performing loans, most notably in Tanzania and Mozambique.

This has resulted in a reduction in the credit loss ratio from 1.5% reported in 2017 to 0.7% as at 30 June 2018.

Table 3: Loan impairment charges

	2018	2017	Var	CC Var
	$m	$m	%	%
Loan impairment charges	**4.3**	10.0	57.5%	57.8%

Share of profit of associates

This represents Atlas Mara's share of profit from the ca. 49.0% stake in Union Bank of Nigeria Plc ('UBN') based on their published results to 30 June 2018. The impact of intangible amortisation is also included.

Included in the share of profits from associates is the impact of a $19.2 million gain related to the acquisition of additional shares during the quarter. Excluding this gain, the contribution from UBN as associate increased from $8.7 million to $17.4 million, due to both 20% growth on a USD basis in the earnings from UBN and the increased shareholding.

UBN's financial performance improved across a number of key metrics from FY 2017 to H1 2018 and the comparative period. Return on Tangible Equity was up at 10.4% for the first six months of 2018, supported by profit after tax growth of 25% over the same period last year.

During the course of the first six months of 2018, UBN also focused on improving fee and other non-interest income to offset the impact of declining asset yields in Nigeria.

Another significant improvement of note as of June 2018 has been the positive reduction in the NPL ratio of the bank to 10.8% led by the ongoing efforts on non-performing loan recoveries and credit risk management.

UBN remains well-capitalized, with its Capital Adequacy Ratio (CAR) sitting at 18.2% as at 30 June 2018, higher than the Nigeria regulatory minimum of 15.0%.

Table 4: Share of profit of associates

	2018	2017	Var	CC Var
	$m	$m	%	%
Share of profit of associates	**36.6**	8.7	>100%	>100%

Statement of financial position review

Customer loans and advances comprise ca. 41% of the Group's total asset base. Balance sheet growth of 6.5% or 9.3% on a constant currency basis is primarily due to the impact of the group's increased shareholding in UBN. Loan growth remained relatively stagnant in most of the countries due to market liquidity constraints and a lower than anticipated demand for credit due to challenging economic environment. Loan balances as of 30 June 2018 were $1,280.9 million compared to $1,330.0 million at year end.

Credit quality

The operational NPL coverage ratio has increased year on year at 95.0% (2017: 58.1 %), with this increase due to the impact of IFRS 9, which the Group adopted effective 1 January 2018. The day 1 impact was an increase in the impairment allowance of ca. $85 million, with the net impact accounted for in equity being ca. $60 million (including the impact of off balance sheet items and securities reclassified to amortized cost).

We continue to focus on improving credit processes to drive improvements in the quality of the loan portfolio – a key priority for management. This is evident in the continued reduction in the total NPL balance as at June 2018. NPLs were reduced in absolute terms from $169 million to $166 million, but the lower comparable loan balance, partially reflecting IFRS 9 impacts, resulting in the NPL ratio increasing to 12.9%, compared to 11.8% at 31 December 2017.

Capital position

As at 30 June 2018, all of Atlas Mara's operating banks complied with local minimum capital ratios relevant in each of our operating countries, as summarised in the table below.

Table 5: Capital adequacy

Capital ratios	June 2018	June 2017	Regulatory minimum
Botswana	19.1%	19.1%	15.0%
Mozambique	25.8%	26.1%	8.0%
Rwanda	21.3%	23.1%	15.0%
Tanzania	17.0%	14.1%	14.5%
Zambia	17.0%	14.2%	10.0%
Zimbabwe	35.3%	22.5%	12.0%

Table 6: Customer loans and deposits

	June 2018 $m	December 2017	Var %	CC Var %
Customer loans	1,280.9	1,330.0	(3.7%)	(1.2%)
Total deposits	1,910.1	1,877.5	1.7%	3.9%

Goodwill and intangibles

As a result of the acquisitions made to date and in compliance with IFRS 3: Business Combinations, the statement of financial position incorporates a goodwill asset of $85.5 million (December 2017: $83.7 million) and intangible assets of $83.9 million (December 2017: $90.9 million). Intangible assets are amortised over an average seven-year useful life period and include investment in new product development.

This asset class represents a combined 5% of the Group's total assets, resulting in a tangible book value of $3.49 per share (December 2017: $3.87 per share) versus a book value per share of $4.48 (December 2017: $4.77).

Investment in associate: UBN

Our investment in UBN is equity-accounted for in the statement of financial position as an investment in an associate, with a closing balance of $535.6 million (June 2017: $300.6 million). The value of the equity-accounted earnings is as reported in UBN's 30 June 2018 unaudited financials.

We have performed an assessment to determine if any impairment triggers have been met as defined by IFRS and have concluded that no impairment test is required as at 30 June 2018. The asset will be subject to the mandatory annual impairment review as at 31 December 2018.

Equity and Liabilities

Equity decreased over the period to $776.2 million (December 2017: $813.2 million), with the positive net impact of the profit contribution for the half year being offset by the impact of IFRS 9 day 1 adjustment accounted for in equity and the negative FX translation impact of $8.8 million from converting our investments, which are made in local currency, into US dollars as reporting currency. Customer deposits comprise 82% of the liability base and represent 62% of the aggregate of liabilities and equity. The loan to deposit ratio for June 2018 is 67.1% (June 2017: 70.3%).

Table 7: Composition of liabilities

	2018	2017	Var	CC Var
	$m	$m	%	%
Deposits due to customers	**1,910.1**	1,892.7	0.9%	3.9%
Borrowed funds	**358.1**	364.7	(1.8%)	0.2%

Segment information

The segmental results and statement of financial position information represent Management's view of its underlying operations. The business is managed on a geographic basis consistent with the Group's emphasis on sub-Saharan Africa's key trading blocs with a specific focus on underlying business line and to actively support intra-Africa trade opportunities.

The seven countries of operation and investment are grouped as follows:

Southern Africa

Our Southern Africa segment includes the operations of the BancABC Group excluding Tanzania, i.e. Botswana, Mozambique, Zambia and Zimbabwe, as well as its holding company, ABCH, incorporated in Botswana.

East Africa

Our East Africa segment consists of BancABC Tanzania and Banque Populaire du Rwanda.

West Africa

The contribution to earnings from West Africa comprises our associate investment in UBN, based on our 49% share of UBN's earnings attributable to equity holders as disclosed in its published results. Our investment in UBN resulted in associate income of $36.6 million in 2017 compared to $8.7 million for 2017, representing a >100% increase in constant currency.

Other

Included in this segment are Atlas Mara Limited, the BVI incorporated holding company, Atlas Mara's Dubai subsidiary and all other intermediate Group holding entities acquired in connection with acquisitions of ABCH and ADC in August 2014.

Table 8: Segmental results

2018		Banking Ops			Other
US$m	**Group**	**Southern**	**East**	**West**	**SS &C and Consolidation**
Total income	112.3	95.6	25.6	–	(8.9)
Loan impairment charge	(4.3)	(0.9)	(5.3)	–	1.9
Operating expenses	(108.5)	(62.8)	(21.4)	–	(24.3)
Share of profits of associate	36.6	–	–	36.6	–
Profit / (loss) before tax	36.1	31.9	(1.1)	36.6	(31.3)
Profit / (loss) after tax and NCI	28.6	14.6	(2.5)	36.6	(31.3)
Loans and advances	1 280.9	1 003.0	276.1	–	10.9
Total assets	3 104.3	1 944.9	494.4	535.6	132.4
Total liabilities	2 328.1	1 659.0	423.9	–	436.4
Deposits	1 910.1	1 524.9	385.2	–	–
Net interest margin - total assets	4.4	6.3	(0.5)	–	–
Net interest margin - earning assets	6.4	7.2	(0.5)	–	–
Cost to income ratio	96.5	65.7	83.5	–	–
Statutory credit loss ratio	0.7	0.2	4.0	–	–
Return on equity	7.6			–	
Return on assets	1.8			–	
Loan to deposit ratio	54.6	65.8	54.6	–	–

2017		Banking Ops			Other
US$m	Group	Southern	East	West	SS &C and Consol
Total income	122.2	95.1	24.7	–	2.4
Loan impairment charge	(10.0)	(6.9)	(5.6)	–	2.5
Operating expenses	(104.1)	(79.6)	(21.5)	–	(3.0)
Share of profits of associate	8.7	–	–	8.7	–
Profit / (loss) before tax	16.8	8.6	(2.4)	8.7	1.9
Profit / (loss) after tax and NCI	**11.5**	**4.5**	**(1.6)**	**8.7**	**(0.1)**
Loans and advances	1 329.9	1 047.2	276.0	–	6.7
Total assets	2 913.4	2 006.3	480.6	300.6	125.9
Total liabilities	2 340.3	1 891.1	412.1	–	37.1
Deposits	1 892.7	1 518.5	376.0		(1.8)
Net interest margin - total assets	5.4%	5.7%	8.0%		
Net interest margin - earning assets	7.1%	6.4%	8.8%		
Cost to income ratio	85.2%	83.7%	87.1%		
Statutory credit loss ratio	1.5%	1.3%	4.1%		
Return on equity	4.0%	7.7%	(4.8%)		
Return on assets	0.8%	0.4%	(0.7%)		
Loan to deposit ratio	70.3%	69.0%	73.4%		

Kenroy Dowers

Chief Financial Officer

Principal Risks

The principal risks as listed and described on pages 28 - 29 of the 2017 Annual Report have been evaluated and individually considered by Management.

These risks are deemed to be still applicable and no material additional risks have been identified as at the period ended 30 June 2018.

Directors' Responsibilities Statement in Respect of the Interim Results

We confirm that to the best of our knowledge:

The condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU;

The interim management report includes a fair review of the information required by:

a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board

Bob Diamond

Chairman

5 September 2018

Forward Looking Statement and Disclaimers

This announcement does not constitute or form part of any offer or invitation to purchase, otherwise acquire, issue, subscribe for, sell or otherwise dispose of any securities, nor any solicitation of any offer to purchase, otherwise acquire, issue, subscribe for, sell, or otherwise dispose of any securities.

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