Atlas Mara Limited

H1 2019 Results

30 September 2019

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This presentation contains certain non-GAAP financial information. The primary non-GAAP financial measures used are 'adjusted operating profit' which is computed by adjusting reported results for the impact of one-off and transaction related items and "constant currency balances/variances, which adjusts for the period-on-period effects of foreign currency translation differences. One-off items are considered, but not limited to be those related to matters such as separation packages paid to staff and executives, integration cots when acquiring new business and costs associated with corporate restructures and reorganizations which management and investors would identify and evaluate separately when assessing performance and performance trends of the business. Reconciliations between non-GAAP financial measurements and the most directly comparable IFRS measures are provided in the Reconciliations of Non-GAAP Financial Measures document available on the Atlas Mara website.

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Summary Highlights

2019 H1 Results

- Adjusted operating profit of $17.0m (H1 2018: $13.4m); $0.10 per share (H1 2018: $0.08)
- IFRS 5 P&L net loss of $126.4m primarily due to reclassification of banks in the Strategic Transaction
- Book value $2.96 per share; tangible book value $2.84 per share
- Strong first half results from UBN
- Favorable results from Zimbabwe despite macro challenges

Strategic Transaction with Equity Group

- Transaction process on track
- Due diligence completed
- Finalizing definitive documentation to be approved by boards of ATMA and EGH
- Regulatory engagements ongoing

UBN

- Increased ownership to 49.75% at 30 June 2019 and 49.9% at 30 September 2019
- Expect to achieve majority control shortly pending regulatory engagements
- Pro forma impact to ATMA of UBN consolidation as at 30 June 2019: $7.2b in assets, $2.4b in loans, $3.4b in deposits; $0.11 accretive to book value per share, marginally ($0.02) dilutive to tangible book value per share
- Signed $200 million 10-year debt financing with OPIC to support growth initiatives

Go-Forward Priorities

- Address share price disconnect from underlying value of the franchise
- Conclude strategic transaction with Equity Group
- Pivot Group focus to support UBN management team, positioning the bank for sustainable dividends, continued growth, and enhanced profitability
- Focus on targeted means to improve results in our core markets; protect the franchise in Zimbabwe
- Shift structure from centralized group to streamlined holding company structure

Simplified Structure in 2020 and Beyond

- **<u>Going into 2020 and beyond</u>** (following closing of the strategic transaction):
  - *more narrowly-focused holding company with operational expertise in core markets*
  - *majority control of profitable and scaled operations in core markets*
  - *meaningful shareholding in a very strong, growing operator in Equity Group*

unionbank

- Positioned to take majority control near term
- Deepening efforts to support management's growth plans and improved profitability
- Intensifying focus on positioning the bank to pay dividends sustainably

EQUITY Group Holdings Plc

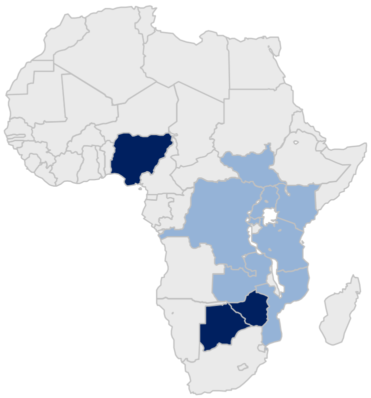
- Meaningful position in Equity Group Holdings
- Exposure in 11 African countries in total
- Value creation opportunities in Atlas Mara core markets
- Strong complementary competencies

Banking Operations

- Core markets of Nigeria, Botswana, and Zimbabwe
- Profitable banks with scale positions in their markets

Streamlined Structure

- Transition from operating group to streamlined holding company
- Continued reduction in cost and scale of HoldCo entities
- Focused on fewer, more targeted avenues for value creation through investments in operating banks



UBN H1 2019 Highlights

Financial Highlights

$'million	H1 2019	FY 18	Var	CC Var
Statement of financial position				
Gross loans	1,837.5	1,695.5	8.4%	8.3%
Deposits	2,903.0	2,798.0	3.8%	3.7%
Key ratios				
Loan to deposit ratio	63.3%	60.6%		
Non-performing loans ratio	7.3%	8.1%		
Capital adequacy ratio (CAR)	19.4%	16.4%		

$'million	H1 2019	H1 2018	Var	CC Var
Income statement				
Net interest income	84.8	112.5	(24.6%)	(24.3%)
Non-interest revenue	60.9	69.2	(12.0%)	(11.7%)
Credit impairment charge	14.6	(15.1)	>100%	>100%
Total expenses	(122.3)	(128.4)	4.7%	4.4%
Profit before tax	**39.6**	**38.1**	**3.8%**	**4.1%**
Key ratios				
Net interest margin	5.6%	8.2%		
Cost to income ratio	76.3%	77.1%		
Return on equity	10.3%	6.4%		
Return on assets	1.5%	1.3%		

Source: UBN H1 2019 unaudited IFRS financial statements

Key H1 2019 achievements

Customer acquisition

- Increased active customers to 4.9m in Jun'19 from 4.3m (Jun '18)

Portfolio diversification

- Decreased exposure to oil and gas sector – 34.6% vs 38.2% (Dec '18)
- Increased lending to retail – 8% vs 6.9% and ICT – 8.9% vs 3.2%

Operational efficiency

- Implementation of Project LEAP has led to a YoY drop in total expenses - driven by a 31% Y-o-Y decline across major overheads

Ecosystems for Value Chain & Growth

Refocus of value chain strategies led to:

- 14% growth in Payroll sign-ons YTD (13k vs 11.4k – Dec 2018)
- 32% growth in key distributor conversion YTD (1,200 vs 908 – Dec 2018)

Funding

- Successfully closed a 10-year ₦30 billion bond in June, as part of the bank's ₦100 billion debt capital program
- Series was fully subscribed
- Largest 10-year bond issued by a Nigerian corporate to date

Improved Digital Footprint (Y-O-Y)

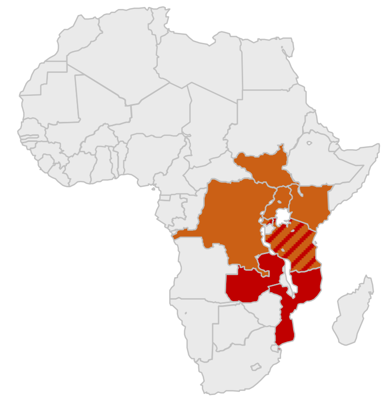
- Active Mobile Users – 1.2m → 1.7m
- ATM: 967 → 1009
- Active Online Users: 314k → 616k
- Active POS: 6.5k → 6.7k

Overview of Equity Group Holdings

- Equity Group, headquartered in Kenya and established in 1984, is one of the best performing and fastest growing banking groups in Africa
    - $1.6 billion market cap
    - $6.2 billion total assets
    - Return on equity >24%
- Strong history of innovation, particularly in digital and distribution
    - *97% of banking transactions done outside the branch in H1 2019*
- Consistently delivered on targets and impact goals centered on financial inclusion
    - *H1 2019 results included 10% profit before tax growth and 18% asset growth*
- Current footprint of six countries will expand to eight via strategic transaction with Atlas Mara
- Long-term targets include 10-country footprint and 100 million customers
- Listed on the Nairobi and Uganda stock exchanges

EQUITY Group Holdings Plc

	Entry
Kenya	1984
Uganda	2008
South Sudan	2008
Rwanda	2011
Tanzania	2012
DRC	2015



Current Presence

PF for strategic transaction

KES b	H1 2019
Loans	320.9
Assets	638.7
Deposits	458.6
Equity	102.7
Net Income	12.0
RoAE	24.3%

H1 2019 ATMA Group Performance Summary

Q1 2019	$'million	Year to 30 June 2019 Continuing operations	Year to 30 June 2019 Discontinued operaions	Year to 30 June 2019 Total	Year to 30 June 2018 Continuing operations	Year to 30 June 2018 Discontinued operaions	Year to 30 June 2018 Total	Var %	CC Var %
22.3	Net interest income	8.8	35.7	**44.5**	22.2	46.0	**68.3**	(34.9%)	(19.0%)
10.9	Non-interest income	29.7	21.3	**51.0**	21.8	22.1	**43.9**	16.1%	46.4%
33.2	**Total income**	**38.5**	**57.0**	**95.5**	**44.1**	**68.1**	**112.2**	**(14.9%)**	**6.4%**
0.7	Impairment (charges)/credit	(0.7)	(2.0)	**(2.7)**	1.4	(5.6)	**(4.3)**	37.1%	46.6%
33.9	**Operating income**	**37.8**	**55.0**	**92.8**	**45.5**	**62.5**	**108.0**	**(14.1%)**	**9.5%**
(52.8)	Total expenses	(39.5)	(63.5)	**(103.1)**	(47.0)	(61.5)	**(108.5)**	5.0%	(9.5%)
(18.9)	**Net operating loss**	**(1.8)**	**(8.5)**	**(10.3)**	**(1.5)**	**1.0**	**(0.5)**	**>(100%)**	**(9.2%)**
8.2	Income from associates	18.7	-	**18.7**	36.6	-	**36.6**	(49.0%)	(49.0%)
(10.7)	**(Loss)/profit before tax**	**16.9**	**(8.5)**	**8.4**	**35.1**	**1.0**	**36.1**	**(76.8%)**	**(69.2%)**
(0.9)	Taxation	(7.4)	(1.0)	**(8.4)**	(5.4)	(1.5)	**(6.9)**	(21.4%)	(95.9%)
(11.6)	**(Loss)/profit after tax**	**9.5**	**(9.5)**	**0.0**	**29.7**	**(0.5)**	**29.2**	**(100.0%)**	**(99.9%)**
-	Loss on remeasurement	-	(125.6)	**(125.6)**	-	-	**-**	0.0%	0.0%
(11.6)	**(Loss)/profit for the period**	**9.5**	**(135.1)**	**(125.6)**	**29.7**	**(0.5)**	**29.2**	**>100%**	**>100%**
	Attributable to:								
0.4	Equity holders of the company	8.9	(135.3)	**(126.4)**	29.8	(1.1)	**28.6**	>100%	>100%
(12.0)	Non-controlling interest	0.6	0.3	**0.9**	(0.1)	0.7	**0.6**	52.3%	60.5%
(11.6)	**(Loss)/profit for the period**	**9.5**	**(135.1)**	**(125.6)**	**29.7**	**(0.5)**	**29.2**	**>100%**	**>100%**
5.1%	Net interest margin - Earning assets	2.1%		10.5%			6.3%		
3.2%	Net interest margin - Total assets	1.1%		3.6%			4.4%		
5.7%	Cost of funds	5.4%		10.2%			5.2%		
(0.3%)	Credit loss ratio	0.2%		0.5%			0.7%		
159.0%	Cost to income ratio	102.8%		108.0%			96.7%		
(1.7%)	Return on assets	1.1%		(5.1%)			1.8%		
(7.4%)	Return on equity	3.6%		(25.4%)			7.6%		

Adjusted Operating Profit (non-GAAP method)

- When calculating our adjusted operating profit, we excluded the impact of one-off restructuring and transaction or M & A related gains/expenses or losses.
- One-off restructuring 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 reorganizations which management would identify and evaluate separately when assessing performance and performance trends of the business.
- The M&A transaction loss of $125.6 million relates to the fair value loss arising on the remeasurement of the assets and liabilities of the disposal groups held for sale to the lower of costs and fair value less cost to sell in line with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations.*

$'million	H1 2019 Total	H1 2018 Total	Variance %
Total income	95.5	112.2	6.4%
Loan impairment charge	(2.7)	(4.3)	46.6%
Total expenses	(90.4)	(108.7)	(9.5%)
Income from associates	18.7	17.4	7.2%
Adjusted operating profit before tax	21.0	16.7	25.9%
Adjusted net operating profit	**17.0**	**13.5**	**25.9%**
M&A transaction gains/(expenses)	(125.6)	19.2	>(100%)
Reorganising/restructuring costs	(12.6)	0.2	>100%
Reported (loss)/profit before tax	8.4	36.1	(76.8%)
Reported (loss)/profit after tax, NCI and remeasurement loss	**(126.4)**	**28.6**	**>100%**
Reported cost to income ratio	108.0%	96.7%	
Adjusted cost to income ratio	94.7%	96.8%	
Reported return on equity	(25.4%)	7.6%	
Adjusted return on equity	6.8%	3.6%	
Reported return on assets	(5.1%)	1.8%	
Adjusted return on assets	1.4%	0.9%	
Reported earnings per share	(0.74)	0.17	
Adjusted earnings per share	0.10	0.08	

H1 2019 Summary Group Statement of Financial Position

Q1 2019	Var %	$'million	H1 2019	FY 2018	Var %	CC Var %	H1 2018	Var %
404.3	(69.2%)	Cash and short term funds	124.6	382.0	(67.4%)	(64.8%)	339.6	(63.3%)
29.1	(17.9%)	Financial assets held at FVTPL*	23.9	24.9	(4.1%)	2.6%	25.3	(5.6%)
1,097.3	(44.9%)	Loans & advances to customers	604.6	1,154.1	(47.6%)	(44.3%)	1,280.9	(52.8%)
318.5	(62.0%)	Investments	120.9	369.8	(67.3%)	(61.6%)	509.6	(76.3%)
546.2	2.4%	Investment in associates	559.1	532.2	5.1%	5.1%	537.5	4.0%
96.2	(64.5%)	Property and equipment	34.1	78.4	(56.5%)	(50.7%)	100.5	(66.1%)
160.2	(53.6%)	Intangible asset (including goodwill)	74.3	159.0	(53.3%)	(52.3%)	169.4	(56.1%)
109.0	(63.4%)	Other assets	39.8	104.2	(61.8%)	(55.8%)	141.5	(71.8%)
2,760.8	(42.7%)		1,581.4	2,804.7	(43.6%)	**(39.8%)**	3,104.3	**(49.1%)**
-	0.0%	Assets classified as held for sale	915.2	-	0.0%	0.0%	-	0.0%
2,760.8	**(9.6%)**	**Total assets**	**2,496.6**	**2,804.7**	**(11.0%)**	**(4.9%)**	**3,104.3**	**(19.6%)**
1,557.5	(56.1%)	Deposits	684.0	1,631.8	(58.1%)	(54.7%)	1,910.2	(64.2%)
436.4	(5.2%)	Borrowed funds	413.5	410.2	0.8%	2.7%	358.1	15.5%
71.9	(39.5%)	Other liabilities	43.5	73.8	(41.1%)	(19.9%)	59.9	(27.4%)
2,065.8	(44.8%)		1,141.0	2,115.8	(46.1%)	(42.0%)	2,328.1	(51.0%)
-	0.0%	Liabilities classified as held for sale	809.8	-	0.0%	0.0%	-	0.0%
2,065.8	(5.6%)	Total liabilities	1,950.8	2,115.8	(7.8%)	(0.8%)	2,328.1	(16.2%)
651.3	(23.1%)	Equity attributable to parent	501.0	646.8	(22.6%)	(18.8%)	757.6	(33.9%)
43.7	2.5%	Minority interests	44.8	42.1	6.4%	6.4%	18.6	>100%
695.0	(21.5%)	Total equity	545.8	688.9	(20.8%)	(17.2%)	776.2	(29.7%)
2,760.8	**(9.6%)**	**Total equity and liabilities**	**2,496.6**	**2,804.7**	**(11.0%)**	**(4.9%)**	**3,104.3**	**(19.6%)**

*Includes financial assets held at FVPL and those designated at fair value.

Appendix

H1 2019 Key Country Achievements from Continuing Operations

Botswana

- Opened four new Sales and Service Centers to double footprint outside Gaborone; performance better than expected
- Successfully hired new, experienced, leadership in Corporate & Investment banking and Operations to drive growth in Corporate and GMT divisions and support the transformation agenda
- Completed and launched credit card product
- Enhanced and reengineered legacy processes for improved efficiencies and reducing inherent operational risk
- Signed five new lending schemes in line with the Bank's strategy of diversifying the loan book
- Launched state-of-the-art new internet banking platform, BancOnline, with additional functionality which brings the Bank's transactional banking at par with the most competitive in the market
- Challenging conditions for Markets & Treasury affected first quarter results

Zimbabwe

- Appointed a new CEO, Dr. Lance Mambondiani with effect from 1 July, following retirement of the prior CEO Joe Sibanda. Dr Mambondiani, an experienced banker in the region, joins the bank with a successful track record in pioneering fintech solutions in Zimbabwe
- Closed $15m trade and commodity financing deal with one of the biggest agri-processors, paving way for similar deals in the near term
- Despite unprecedented economic circumstances,our Zimbabwe Markets and Treasury team continues to deliver strong revenues, demonstrated by an 88.4% increase in non-interest income on a US dollar basis, compared to H1 2018.
- Total bank assets doubled in the first half of 2019 driven by changes in functional currency and the revaluation of foreign denominated assets. Capital adequacy ratio increased to 57.6% as at 30 June 2019 from 35.1% at year-end as a result of organic capital generation
- We caution that the conditions in Zimbabwe have continued to deteriorate over the course of the year with the country entering into a period of hyperinflation. Management is focusing on value preservation strategies in the second half of the year

H1 2019 Segment Financial Summary

$'m	H1 2019 Group	Continuing operations Botswana	Zimbabwe	Nigeria	Others	Discontinued operations
Total income	95.5	22.9	33.0	-	(17.4)	57.0
Credit impairments	(2.7)	0.5	(0.3)	-	(0.9)	(2.0)
Total expenses	(103.1)	(17.1)	(9.3)	-	(13.1)	(63.5)
Income from associates	18.7	-	-	18.7	-	-
Profit/(loss) before tax	**8.4**	**6.2**	**23.5**	**18.7**	**(31.5)**	**(8.5)**
Loss on remeasurement	(125.6)	-	-	-	-	(125.6)
Profit/(loss) after tax and NCI	**(126.4)**	**3.8**	**18.8**	**18.7**	**(32.4)**	**(135.3)**
Loans and advances	604.6	558.6	31.6	-	14.4	
Total assets	2,496.6	800.1	165.4	557.5	58.4	
Total liabilities	1,950.8	684.5	121.0	-	335.5	
Deposits	684.0	603.7	80.3	-	-	
Net interest margin - total assets	3.6%	4.5%	7.2%			
Net interest margin - earnings assets	10.5%	5.1%	10.3%			
Cost to income ratio	108.0%	74.8%	28.1%			
Credit loss ratio	0.5%	(0.2%)	1.7%			
Return on equity	(25.4%)	10.6%	84.5%			
Return on assets	(5.1%)	0.9%	22.7%			
Loan to deposit ratio	88.4%	92.5%	39.3%			

H1 2018 Segment Financial Summary

$'m	H1 2018 Group	Continuing operations Botswana	Zimbabwe	Nigeria	Others	Discontinued operations
Total income	112.2	29.6	23.7	-	(9.2)	68.1
Credit impairments	(4.3)	-	(0.6)	-	2.0	(5.6)
Total expenses	(108.5)	(18.5)	(16.9)	-	(11.6)	(61.5)
Income from associates	36.6	-	-	17.4	19.2	-
Profit/(loss) before tax	36.1	11.1	6.2	17.4	0.4	1.0
Profit/(loss) after tax and NCI	**28.6**	**8.5**	**4.9**	**17.4**	**(1.0)**	**(1.2)**
Loans and advances	1,280.9	550.6	185.3	-	16.1	
Total assets	3,104.3	806.8	522.3	535.6	11.4	
Total liabilities	2,328.1	715.0	431.9	-	117.9	
Deposits	1,910.2	629.6	366.9	-	-	
Net interest margin - total assets	4.4%	5.5%	5.1%			
Net interest margin - earnings assets	6.3%	6.3%	5.8%			
Cost to income ratio	96.7%	62.5%	71.3%			
Credit loss ratio	0.7%	0.0%	0.6%			
Return on equity	7.6%	18.6%	10.8%			
Return on assets	1.8%	2.1%	1.9%			
Loan to deposit ratio	67.1%	87.5%	50.5%			