



# Atlas Mara

## Investor Presentation

November 2014

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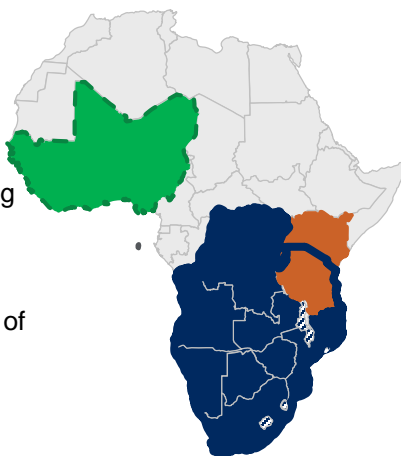
## Overview of Atlas Mara

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# Atlas Mara Investment Thesis

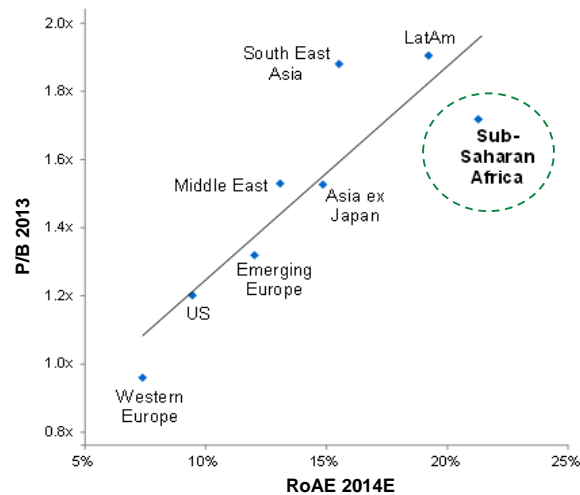
## Our Goal

- Create the premier sub-Saharan African financial services institution
- Establish a significant presence in leading trading blocs
- Obtain top 3-5 market positions in every country of operation
- Be a positive disruptive force in sub-Saharan financial services



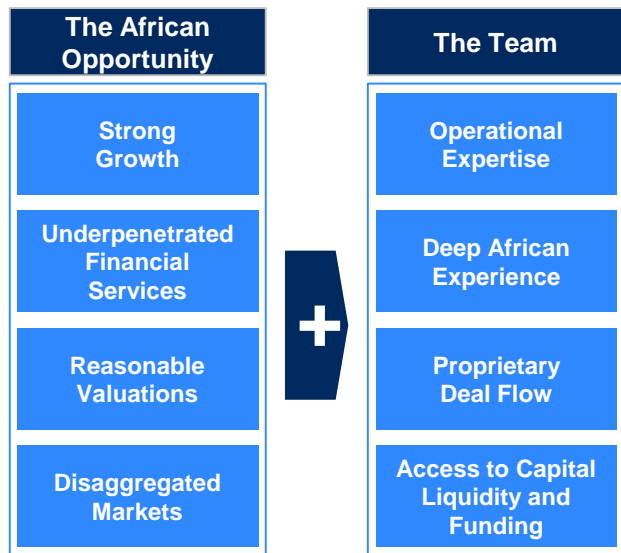
## The Opportunity

### Attractive returns at reasonable valuations



Source: FactSet as at 6 November 2014 and company disclosure

## Africa Provides the Beta, We Provide the Alpha



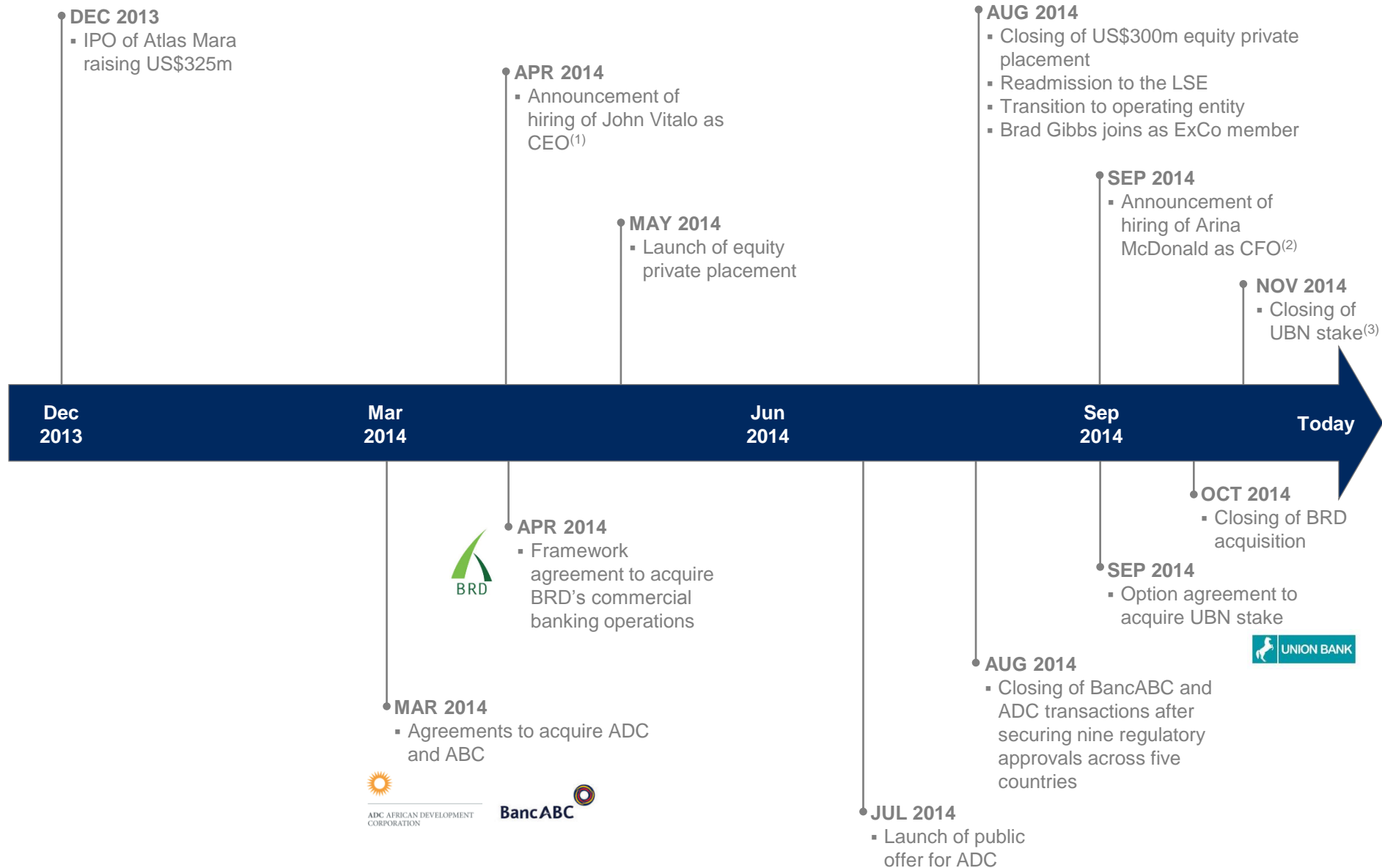
## Competitive Differentiation

<b>Leadership &amp; Vision</b>	<ul style="list-style-type: none"> <li>▪ We are operators, not just investors</li> <li>▪ Track record in leading multi-country platforms in Africa</li> </ul>
<b>Capital, Liquidity &amp; Funding</b>	<ul style="list-style-type: none"> <li>▪ Growing while others are retreating</li> <li>▪ Permanent capital</li> <li>▪ Strong ties with Development Finance Institutions</li> </ul>
<b>Talent &amp; Technology</b>	<ul style="list-style-type: none"> <li>▪ Attracting high calibre talent</li> <li>▪ Opportunity to leap frog technologies / limited legacy systems</li> </ul>
<b>Platform</b>	<ul style="list-style-type: none"> <li>▪ Introduction of new products and capabilities</li> <li>▪ Driving synergies across the Group</li> <li>▪ Ensuring strong corporate governance and risk management</li> </ul>

## Our Strategy

- To create sub-Saharan Africa's premier financial institution through a combination of experience, expertise and access to capital, liquidity and funding
- The goal is to combine the best of global institutional knowledge with extensive local insights and experience
- We aim to support economic growth and strengthen financial systems in the countries in which we operate

# Key Achievements to Date



**Notes:**

- (1) Began on 4 July 2014
- (2) Began on 1 November 2014
- (3) Pending regulatory approvals

	Commitments	Accomplishments	Next steps
1	Transaction Within One Year of IPO		Current focus on Nigeria and BancABC fill-in acquisitions
2	Acquire at Attractive Purchase Prices	All transactions below 1.3x reported book value	Maintain pricing discipline
3	Combine Global Expertise and Local Management	Strong local management teams; ExCo provides forum for sharing best-practices / coordination	Support strengthening of local teams; continue building-out corporate center
4	Bring Best-In-Class Talent, Governance, and Risk Management	Appointment of CEO, CFO and Head of Integration	Strengthen corporate center with a Chief Risk Officer and General Counsel
5	Capacity to Broaden Geographic Footprint	Banking operations in seven countries	Expand to neighbouring countries opportunistically and pursue in-market consolidation
6	Capacity to Broaden Product Offering	Engagement of third parties to support assessment of opportunities	Demonstrate execution of identified areas of enhancement
7	Capacity to Leverage New Technologies for Operational Efficiencies	Appointment of mobile specialist as CEO in Rwanda, working closely with IT experts in Atlas Mara's constellation	Launch pilots in Rwanda with subsequent roll-out into other markets



Atlas Mara in Africa	Valuation within Blocs in Sub-Saharan Africa	Key Facts
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## ECOWAS:



- Through UBN, Atlas Mara will be pursuing an entry strategy into Nigeria and the broader ECOWAS region
- UBN provides Atlas Mara with a meaningful position in a major Nigerian banking platform

## SADC:

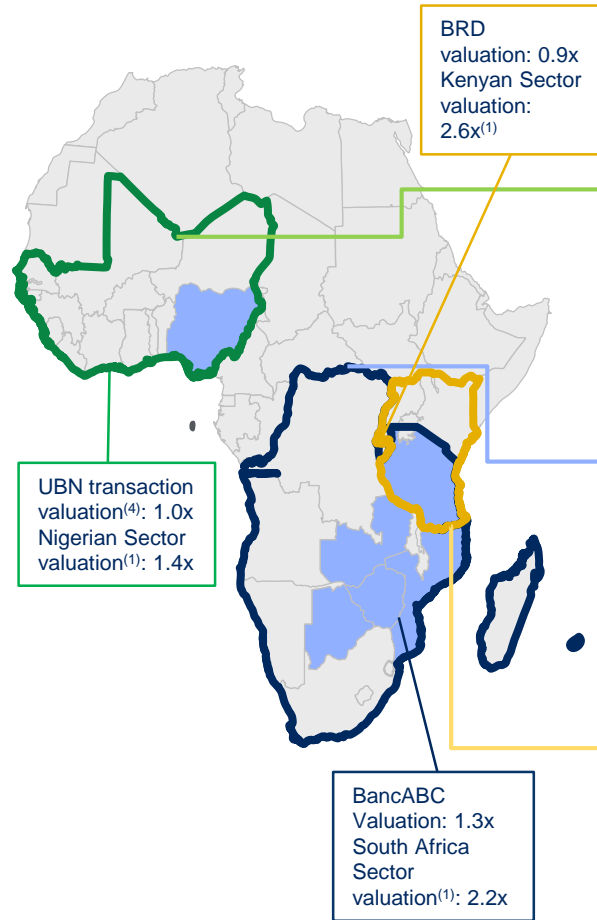


- BancABC transaction provides Atlas Mara a multi-country, multi-product platform in high growth markets in Southern Africa
- Opportunity to drive RoE expansion via operational optimization, fill-in acquisitions, and enhanced access to capital

## EAC:



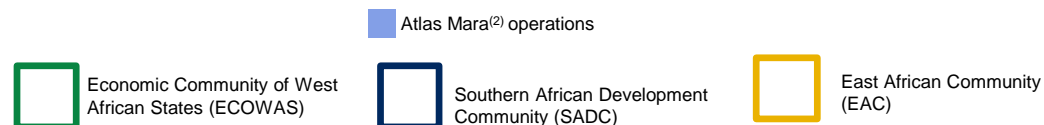
- The acquisition of the commercial arm of the Development Bank of Rwanda (BRD) gives Atlas Mara an entry platform to develop operations in the EAC
- BRD presents an opportunity to play a key role in transforming Rwanda into a financial services hub



ECOWAS	
GDP	US\$675.9bn
2013 GDP Growth	6.0%
Countries	15
Population	327m

SADC	
GDP	US\$647.8bn
2013 GDP Growth	4.84% <sup>(3)</sup>
Countries	15
Population	294m

EAC	
GDP	US\$108.9bn
2013 GDP Growth	5.3%
Countries	5
Population	153m



Source: Capital IQ, September 2014. World Bank data, 2013

Notes: (1) 0.9x P/BV BRD valuation as of May 2014. 1.4x represents average valuation for Tier 1 Nigerian banks, 2.6x represents average valuation for top Kenyan banks (Equity Bank, Kenya Commercial Bank, Co-operative Bank of Kenya), and 2.2x represents average valuation for top South African banks (Standard Bank, Barclays Africa, FirstRand). (2) Subject to the closing of UBN transaction. (3) SADC GDP growth excluding South Africa of 4.84%; SADC GDP growth including South Africa of 4.64%; South Africa GDP growth of 1.9%. (4) For minority stake

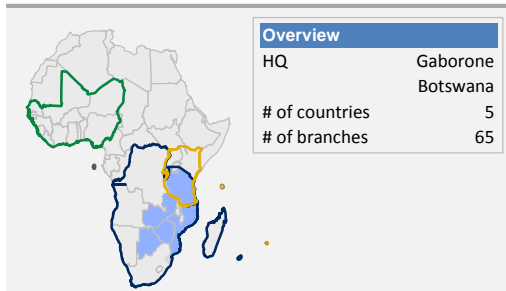
## Geographic Presence

## Purchase Price

## Key Financials <sup>(5)</sup>

## Strategic Priorities

### BancABC

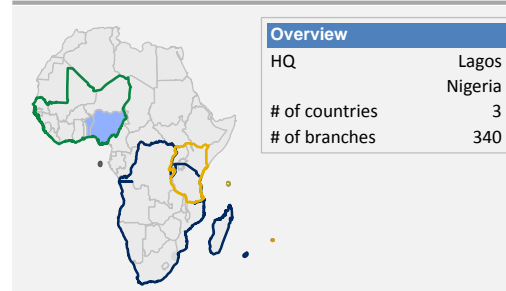


US\$210m (100%) <sup>(1)</sup>

US\$m	FY13 <sup>(3)</sup>	H1 14
Net Interest Income	119	53
Profit After Tax	(9)	7
Loans	1,178	1,202
Deposits	1,392	1,467
Equity	118	164
Assets	1,759	1,857
Cost/Income	69%	70%
RoAE	n.m.	8.6%

- Revenue side: Engage in a review of client engagement and “quick wins”
- Cost side: Engage in review of credit and compliance processes
- Address legacy portfolio issues and strengthen risk management policies
- Inject up to US\$100m into BancABC to support and drive sustainable growth

### Union Bank of Nigeria

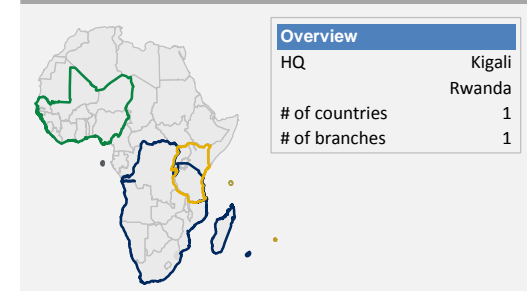


US\$257m (21%) <sup>(4)</sup>

US\$m	FY13	Q3 14
Net Interest Income	356	234
Profit After Tax	24	49
Loans	1,425	1,667
Deposits	2,996	3,338
Equity	1,193	1,220
Assets	6,223	5,894
Cost/Income	73%	84%
RoAE	2%	5%

- Strengthen relationships with bank management and Board of Directors
- Assist in implementing the transformation strategy for growth
- Continue dialogues with other significant shareholders

### BRD Commercial



c.US\$10.2m (100%) <sup>(2)</sup>

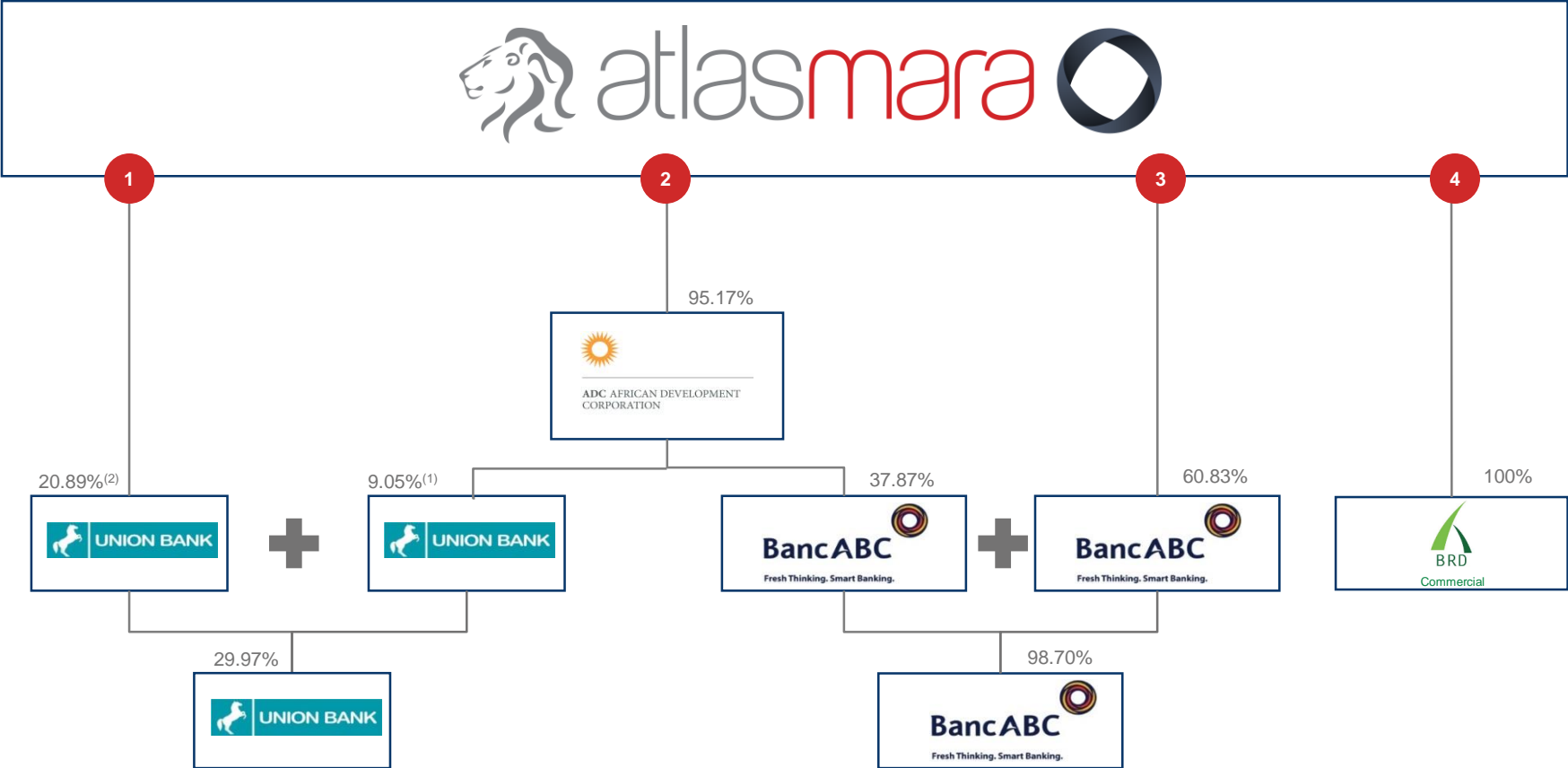
US\$m	FY14 <sup>(2)</sup>
Net Interest Income	n.m.
Profit After Tax	n.m.
Loans	58
Deposits	43
Equity	20
Assets	77
Cost/Income	n.m.
RoAE	n.m.

- Continue to build out the team
- Design, implement and commence operations
- Evaluate consolidation opportunities

Notes: (1) Valuation for a 100% of BancABC based on consideration paid on ABC share purchase; (2) As of May 2014. Consideration excludes regulatory equity capital injection, FY14 figures are indicative only; (3) FY13 are as per Atlas Mara offering document dated 2 July 2014; (4) 29.9% cumulative stake in UBN including ADC's stake of 9.05% in UBN; (5) Average and YE US\$ / BWP exchange rate of 0.1182 and 0.1140 respectively for BancABC and average US\$ / NGN exchange rate of 0.00621 for 2013 and 2014 average and closing US\$ / NGN exchange rate of 0.00617 and 0.00613 respectively for UBN

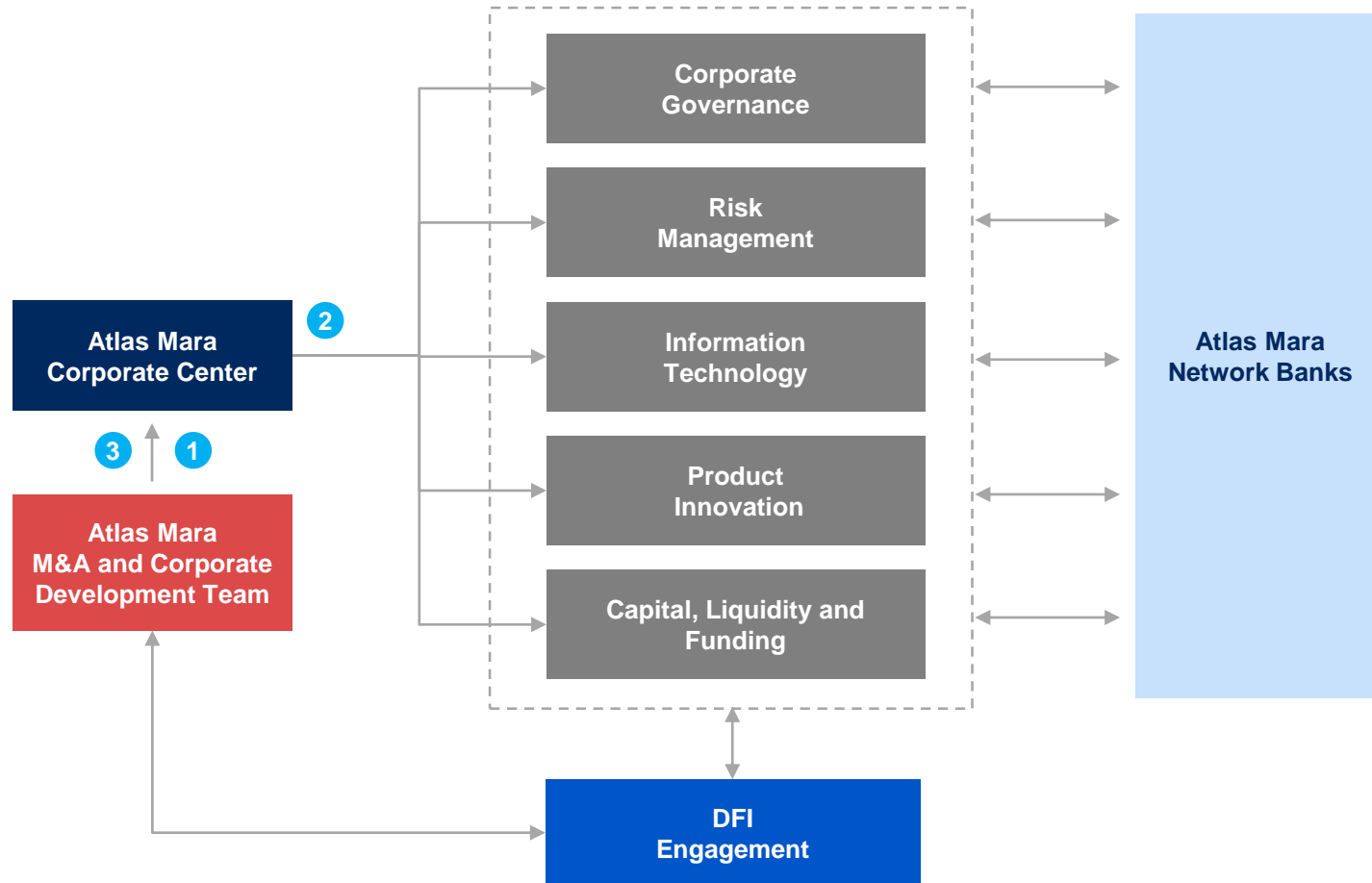
# Simplified Corporate Structure

Atlas Mara has four direct holdings



Notes: The structure excludes various intermediate holding companies  
 (1) Indirect stake held through 14.74% in UGPL, the controlling shareholder owning 61.39% of UBN  
 (2) Pending regulatory approvals

# Centralized Activities – A Focus on Synergies and Value Add



- 1 Atlas Mara Corporate M&A team leads sourcing and execution of opportunities
- 2 Atlas Mara Corporate Center provides expertise, resources and integration leadership required by the ATMA network banks
- 3 Atlas Mara M&A and Corporate Development team provides expertise and supports identification and execution of concession funding

## Buy the Bank

- Strong pipeline
- Experienced corporate development / M&A team
- Network of advisory relationships
- Due diligence roadmap
- Disciplined buyer

## Protect the Bank

- Enhance corporate governance
- Strengthen compliance focus
- Improve credit processes
- Drive operational efficiencies
- Identify & strengthen key client relationships
- Revitalise fit for purpose branch networks
- Provide capital support to safeguard the platform
- Liquidity support by driving a lower cost funding structure

## Grow the Bank

- Identify and extract synergies
- Capital injection to support growth
- Bolt-on acquisitions to diversify product offering
- Investment in mobile technology to grow customer base through innovation
- Benefit from strong relationships with Development Financial Institutions

# DFI Engagement Strategy

## What do Development Financial Institutions provide?

### Political Risk Coverage

### Patient Risk Capital

### Debt Capacity

### Product Innovation

- Atlas Mara team has over 40 years worth of combined experience working with DFIs globally
- Currently DFIs have committed over US\$135bn globally and US\$15bn in Africa <sup>(1)</sup>
- Atlas Mara is well-positioned to tap low-cost debt financing from US and African DFIs
- DFIs deploy subsidized funding for product innovation in servicing SMEs, trade finance, and mobile banking

### North America

c.US\$70bn with c.US\$10bn committed to Africa <sup>(1, 2)</sup>



Multilateral Investment Guarantee Agency



International Finance Corporation



Overseas Private Investment Corporation



Export-Import Bank of the United States



United States Agency for International Development

### European Union

c.US\$20bn with c.US\$1bn committed to Africa <sup>(1)</sup>



European Investment Bank



Netherlands Development Finance Company



German Development Bank



Groupe Agence Francaise de Développement



Norwegian Investment Fund for Developing Countries



Department for International Development



OPEC Fund for International Development



Development financier of the Swedish State

### Africa / Asia

c.US\$45bn with c.US\$4bn committed to Africa <sup>(1)</sup>



Africa Agriculture and Trade Investment Fund



African Export-Import Bank



Japan Bank for International Cooperation



Norsad Finance Limited <sup>(3)</sup>



Shelter Afrique



African Development Bank



AfricInvest Finance Sector Fund

Atlas Mara continues to focus on connecting the world to Africa. DFIs are a key element of this strategy

#### Notes:

(1) As per DFI disclosures on respective websites, financial year 2013

(2) Total commitments include investments, loans, and guarantees. Commitment data is the most recent available from DFI websites and annual reports. OPIC commitment to Africa only includes US\$1.5bn committed to the Power Africa Initiative

(3) Part of Norfund

# Atlas Mara Executive Management



**Name**  
**Role**

**John Vitalo**  
CEO

**Arina McDonald**  
CFO

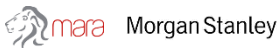
**Brad Gibbs**  
Executive Committee  
Member

**Jyrki Koskelo**  
M&A and Corporate  
Development<sup>(2)</sup>

**Douglas Munatsi**  
CEO  
BancABC

**Konde Bugingo**  
CEO  
BRD Commercial

**Affiliation<sup>(1)</sup>**



**Career**

- Previously CEO of Barclays MENA, comprising Corporate & Investment Banking, Wealth & Investment Management and the Retail & Business Bank
- Seasoned banking executive with a decade of experience in Africa, including serving under Bob Diamond at Barclays where he was CEO of ABSA Capital

- Previously Head of Group Central Finance Standard Bank Group of South Africa, providing strategic direction and leadership to the finance function and delivery
- CFO for Standard Bank Group African business entities from 2009 to 2013, covering 17 countries across the African continent, excluding South Africa

- Co-founder of Atlas Mara and Mara Capital Partners with Ashish J. Thakkar
- Head of South Africa Investment Banking and served as a member of the Board of Directors of Morgan Stanley South Africa (Pty) Limited
- 18 years of Investment Banking at Morgan Stanley, Lazard, UBS and Salomon Brothers

- Previously worked at the IFC in multiple roles, including: Vice President Global Industries, Vice President Africa and Investment Officer for investments in Africa and contributed to IFC's strong performance
- 30+ years of global private sector experience in developing markets

- CEO of ABCH since its formation in 2000
- Previously Managing Director of its predecessors, First Merchant Bank and Heritage Investment Bank
- Founded Heritage in 1995 and later successfully negotiated Heritage's merger with First Merchant Bank Limited, then controlled by Anglo American Corporation

- Previously CEO of RSwitch, the national e-payment switch of Rwanda and has been instrumental in the sale to Millicom International, a global leader in digital services
- COO of Banque Populaire du Rwanda Ltd (BPR), commonly known to focus on retail banking activities and agricultural business expertise, with corporate customers in the food and agri-business value chain

Notes:  
 (1) Current and former  
 (2) Jyrki Koskelo is employed as a consultant to Atlas Mara

# Atlas Mara Board of Directors



**Name**  
**Role**

**Arnold Ekpe**  
Chairman  
Non-Executive Director

**John Vitalo**  
CEO

**Bob Diamond**  
Founder

**Ashish J. Thakkar**  
Founder

**Tonye Cole**  
Independent  
Non-Executive Director

**Rachel Robbins**  
Senior Independent  
Non-Executive Director

**Affiliation<sup>(1)</sup>**



**Career**

- 30+ years of African and international banking experience
- Previously Group CEO and Director of Ecobank between 2005-2012
- Ecobank recognized as the “African Bank of the Year” by the African Banker in 2012
- Honored with the “Lifetime Achievement Award” by the African Banker in 2012

- Previously CEO of Barclays MENA, comprising Corporate & Investment Banking, Wealth & Investment Management and the Retail & Business Bank
- Seasoned banking executive with a decade of experience in Africa, including serving under Bob Diamond at Barclays where he was CEO of ABSA Capital

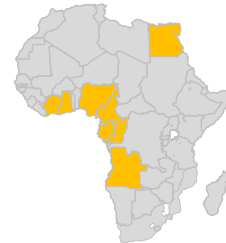
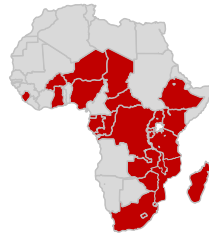
- Previously CEO of Barclays
- Developed Barclays Capital into an integrated global investment bank
- Launched pan-African corporate and investment bank, ABSA Capital
- ABSA recognized as the “most innovative bank” in Africa in 2009 by the African Banker

- 4<sup>th</sup> generation African and founder of the pan-African enterprise, Mara Group, a multi-sector conglomerate with investments/assets operating across 19 countries<sup>(2)</sup> in Africa and employing 8,000+<sup>(3)</sup>
- Member of the World Economic Forum’s Global Agenda Council on Africa and recognized as a Young Global Leader

- Co-founder and Group Executive Director of Sahara Group, an energy conglomerate with operations spanning the entire energy chain in Nigeria to neighboring West African countries and beyond
- The Group operates in 14 countries around the world with over 500 employees and annual turnover of US\$10.6bn

- Previously, Vice President, General Counsel of IFC and a member of IFC’s Management Group between 2008 and 2012
- 30 years of experience in legal and financial services, serving as General Counsel for New York Stock Exchange and its parent, NYSE Euronext, JP Morgan, Citigroup International

**African Experience**



Notes:  
 (1) Current and former  
 (2) African presence of Mara ISON Technologies  
 (3) Employees of Mara Group’s various investments / projects



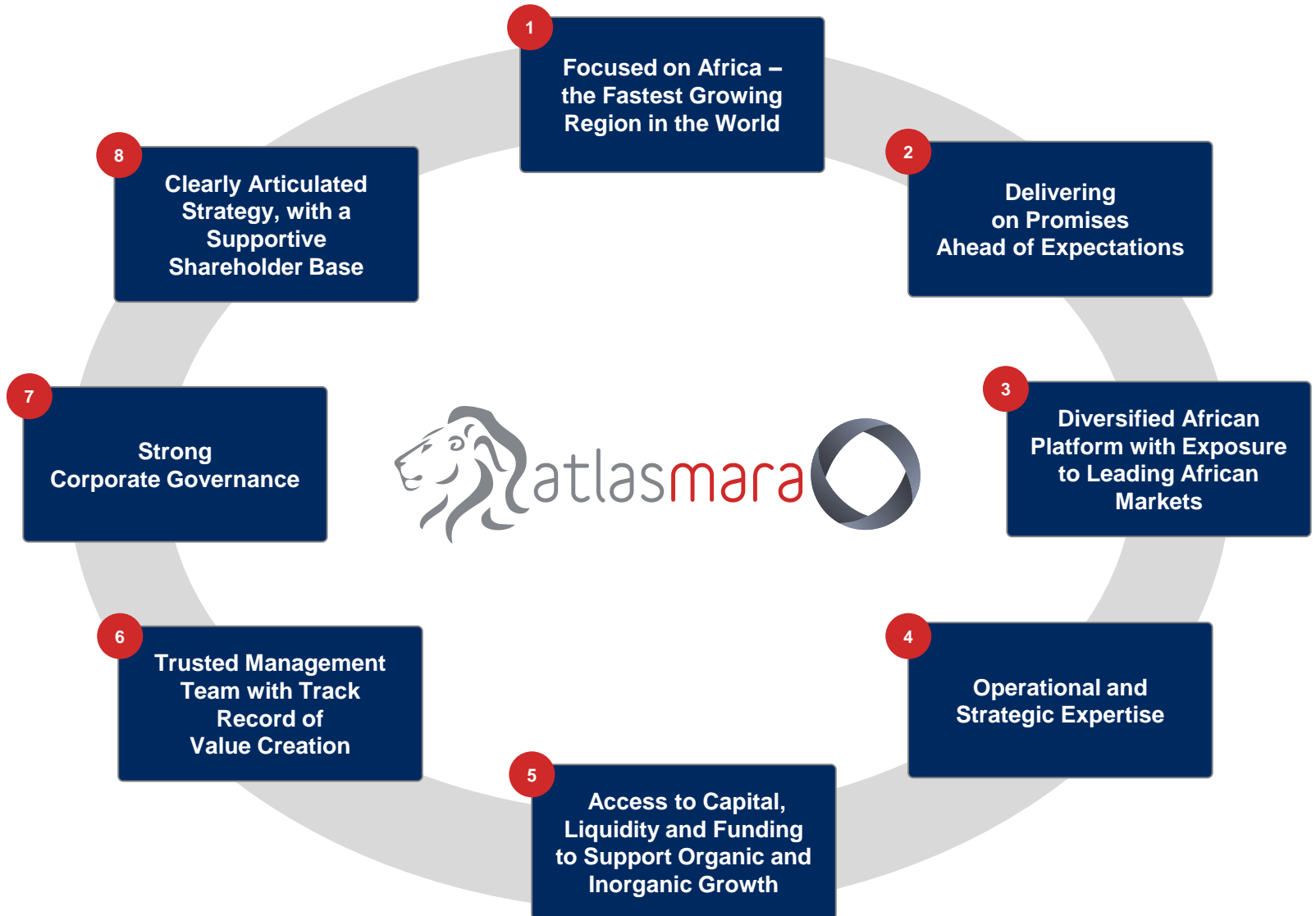
## SUMMARY UNAUDITED FINANCIALS (US\$'000)

Loans and advances	1,180,721
Deposits	1,538,589
Loan-to-Deposit Ratio	77%
Equity	737,806
Tangible Equity	582,626
Shares outstanding	71,850,013
Book Value Per Share (US\$)	\$10.27
Tangible Book Value Per Share (US\$)	\$8.11

## ATLAS MARA UNAUDITED AUGUST 2014 BALANCE SHEET (US\$'000)

ASSETS	US\$'000	LIABILITIES	US\$'000
Cash and short term funds	371,170	Deposits	1,538,589
Investment Securities – Available for Sale	479,790	Derivative financial liabilities	3,667
Financial assets held for trading	195,210	Creditors and accruals	38,693
Financial assets designated at fair value	23,449	Deferred tax liability	1,995
Derivative financial assets	1,071	Borrowed funds	307,268
Other Intangible assets and Goodwill on acquisition	146,362	Non-current liabilities and disposal groups held for sale	1,361
Loans and advances	1,180,721	<b>TOTAL LIABILITIES</b>	<b>1,891,573</b>
Investment securities	7,345	<b>EQUITY</b>	<b>US\$'000</b>
Prepayments and other receivables	28,997	Founder Preference Shares	12,500
Current tax assets	4,053	Shareholders' Equity	765,606
Investment in associates	84,819	Reserves	(13,969)
Property and equipment	82,709	Retained earnings	(26,331)
Investment property	2,692	<b>TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS</b>	<b>737,806</b>
Deferred tax assets	21,736	Non-controlling interest	10,923
Non-current assets and disposal groups held for sale	10,176	<b>TOTAL EQUITY</b>	<b>748,729</b>
<b>TOTAL ASSETS</b>	<b>2,640,302</b>	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,640,302</b>

Atlas Mara is building the premier financial institution in sub-Saharan Africa





## Overview of BancABC

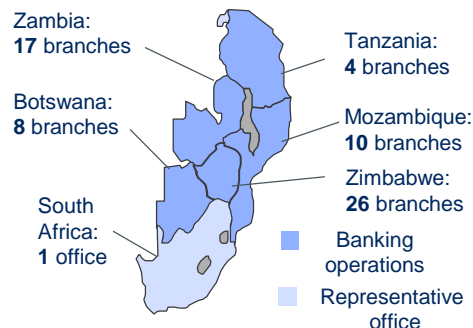
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# Overview of BancABC

## COMPANY DESCRIPTION

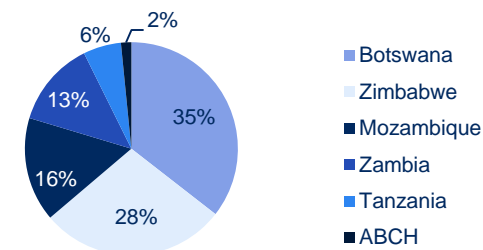
- Fast-growing (42% average annual growth in loans since 2009) banking group focused on Southern Africa
- Offers a range of banking products including: corporate banking, treasury services, retail and SME banking, asset management and stock broking
- Expansion to date has been strong, but limited by capital constraints

## REGIONAL FOOTPRINT<sup>(1)</sup>



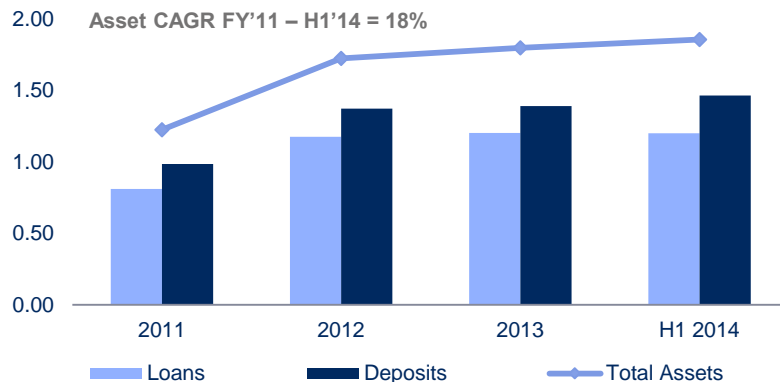
In total: 65 branches, 1,594 staff and c.300,000 customers

## LOAN PORTFOLIO<sup>(2)</sup>



Retail and wholesale lending are roughly equal to each other

## BALANCE SHEET DEVELOPMENT (in USbn)<sup>(3)</sup>



## KEY PERFORMANCE INDICATORS<sup>(3)</sup>

	2011	2012	2013	H1 2014
Net interest margin	6.5%	6.7%	7.7%	7.0% <sup>(4)</sup>
Cost-to-income ratio	74%	71%	66%	69.9%
Net loan-to-deposit ratio	82.4%	85.7%	86.5%	82.0%
NPL ratio	6.6%	9.2%	9.8%	13.7%
Return on assets	1.2%	1.2%	1.2%	0.7% <sup>(4)</sup>
Return on equity	16.3%	15.3%	15.3%	8.3% <sup>(4)</sup>

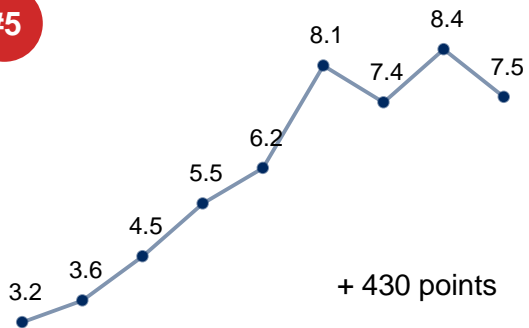
Notes:

- As of 30 June 2014
- Based on composition of BancABC loan portfolio as of 30 June 2014
- Based on BancABC subgroup standalone figures. As reported by BancABC and does not reflect Atlas Mara restatement
- Half-yearly figures annualized by extrapolation.

# BancABC Market Share Trends By Total Assets

## BOTSWANA MARKET SHARE (%)

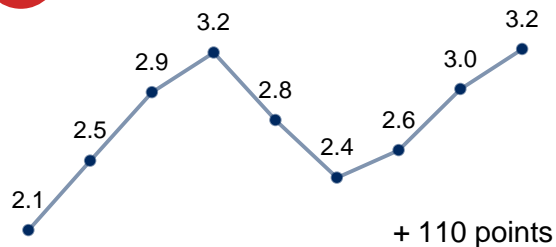
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Dec-08 Dec-10 Jun-12 Jun-13 Jun-14

## MOZAMBIQUE MARKET SHARE (%)

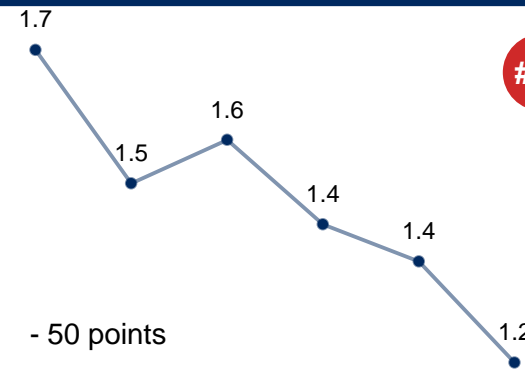
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2007 2009 2011 Jun-13 Jun-14

## TANZANIA MARKET SHARE (%)

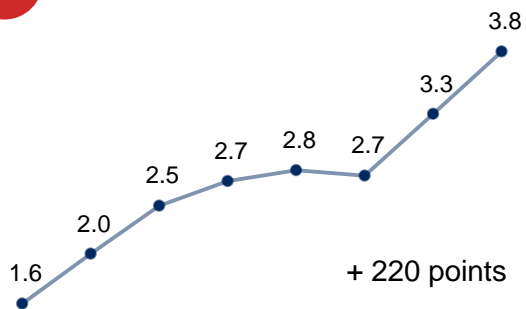
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Dec-11 Jun-12 Dec-12 Jun-13 Dec-13 Jun-14

## ZAMBIA MARKET SHARE (%)

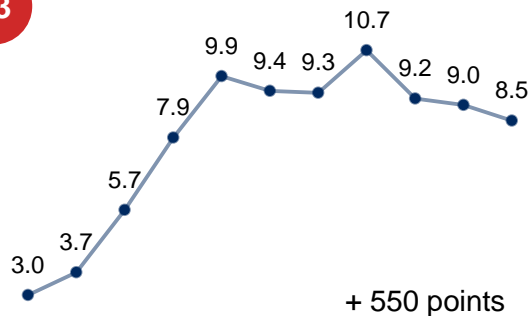
#6



Dec-10 Dec-11 Dec-12 Dec-13

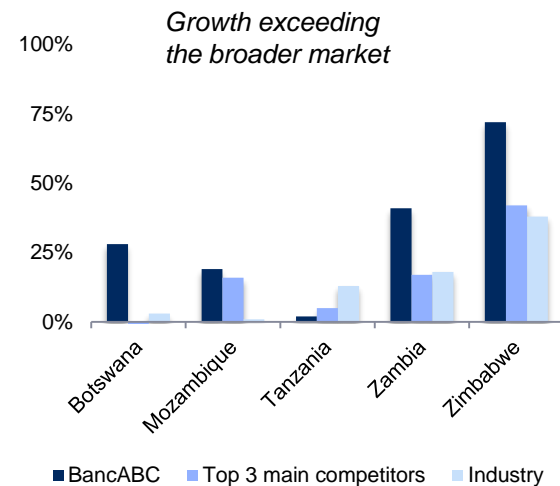
## ZIMBABWE MARKET SHARE (%)

#3



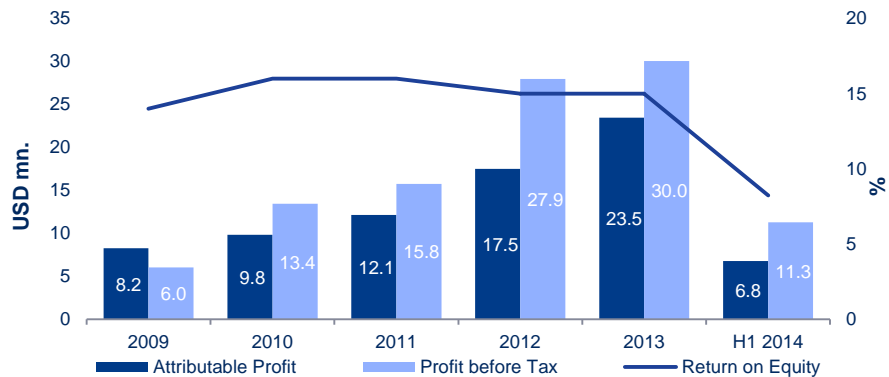
Jun-09 Jun-10 Jun-11 Jun-12 Jun-13 Jun-14

## USD ASSET GROWTH ('09 - '13 CAGR)

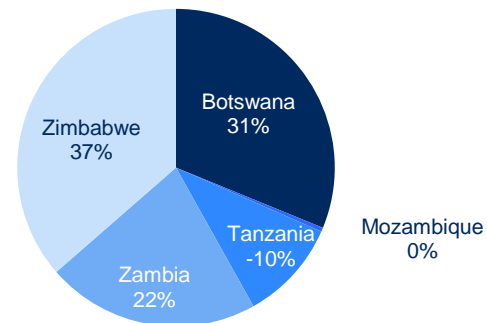


# Historical Operating Performance

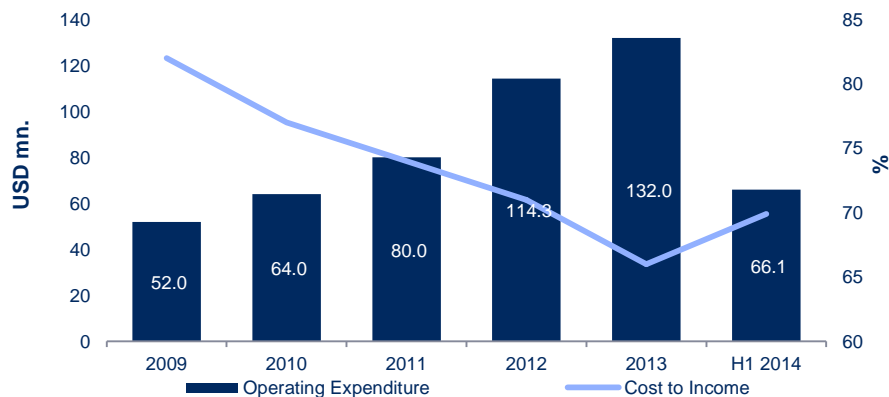
## PROFITS AND RETURN ON EQUITY



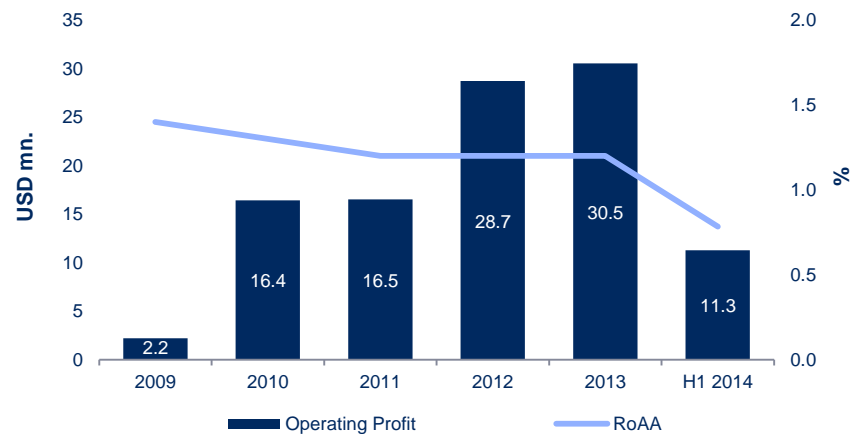
## INCOME CONTRIBUTION BY OPERATIONS (%)



## OPERATING EXPENDITURE AND COST-TO-INCOME



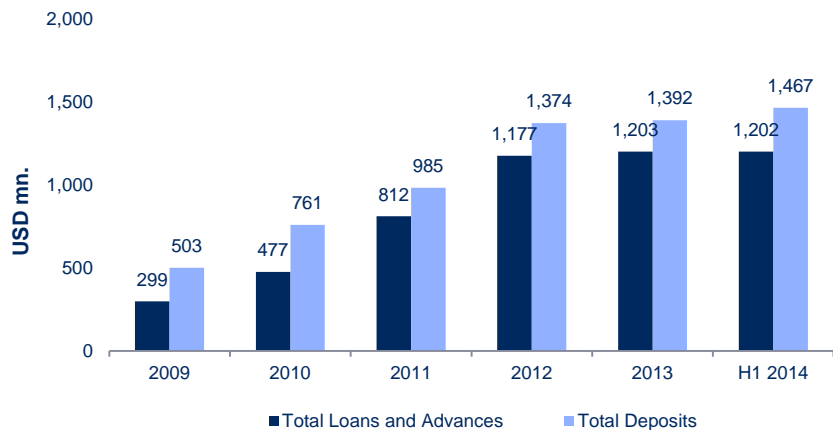
## PROFITABILITY AND OPERATING LEVERAGE



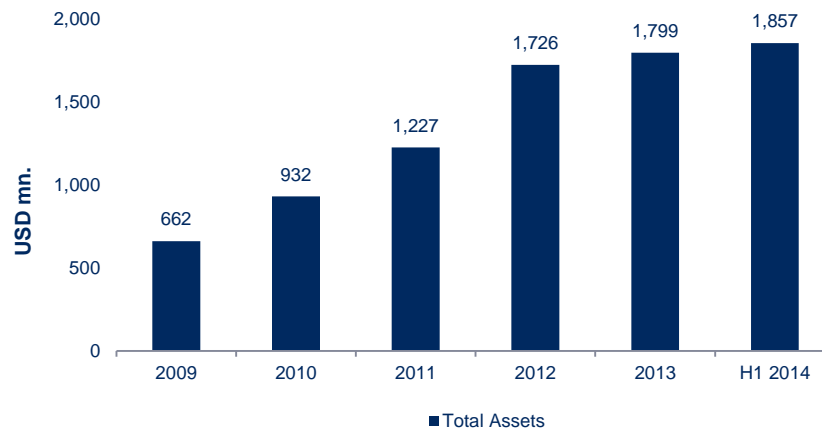
Source: BancABC H1 2014 financials, BWP/ USD: 0.1131. As reported by BancABC and does not reflect Atlas Mara restatement

# Balance Sheet Overview

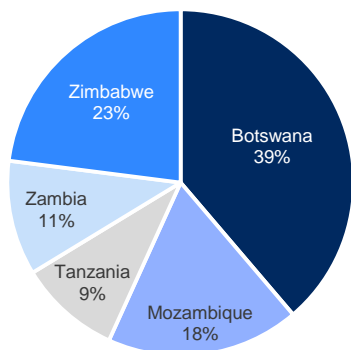
## TOTAL LOANS AND DEPOSITS



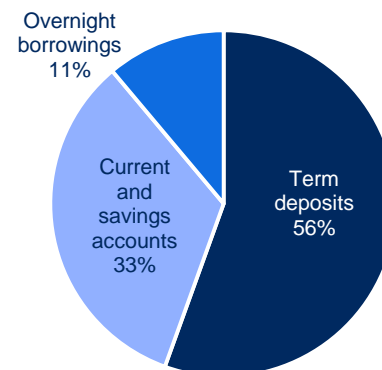
## TOTAL ASSETS



## DEPOSITS BY COUNTRY (%)



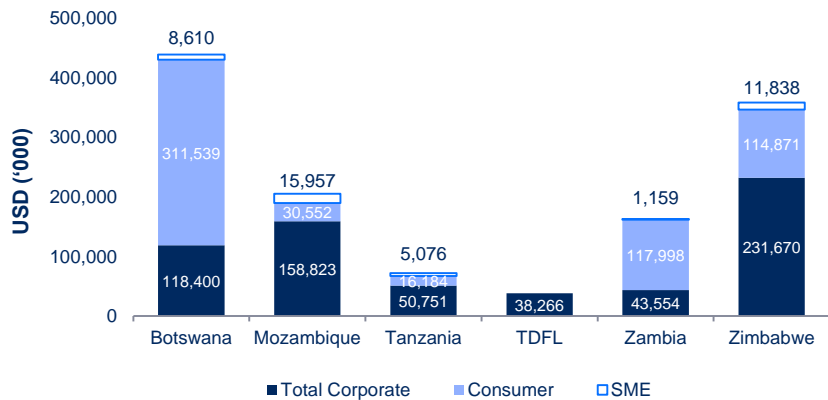
## FUNDING BY TYPE (%)



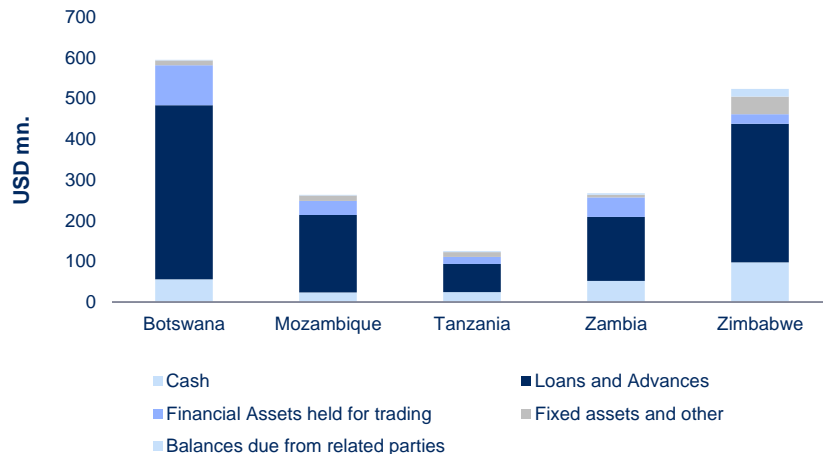
Source: BancABC H1 2014 financials, BWP/ USD: 0.1131. As reported by BancABC and does not reflect Atlas Mara restatement

# Assets and Capital

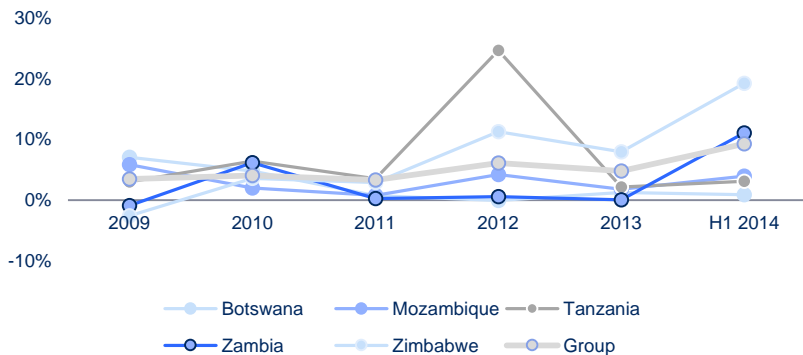
## GROSS LOAN BOOK BY COUNTRY AND SEGMENT



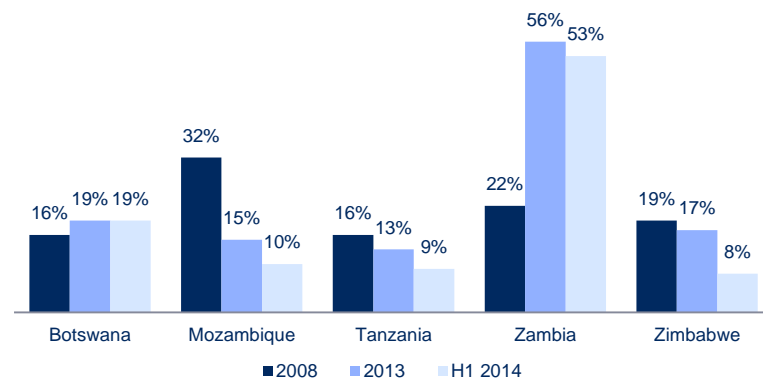
## ASSETS



## NET NPL RATIO BY SUBSIDIARY (%)



## CAPITAL ADEQUACY RATIO (%)



Source: BancABC H1 2014 financials, BWP/ USD: 0.1131. As reported by BancABC and does not reflect Atlas Mara restatement



1

## Revenue Opportunities

- Atlas Mara and BancABC have been working together with external consultants to identify opportunities for additional revenue through various cross-selling and customer segmentation initiatives
- The diagnostics phase of this exercise has been completed and Atlas Mara is moving onto implementation

2

## Profitability Enhancement

- Atlas Mara and BancABC have engaged external consultants to undertake an extensive analysis of BancABC's credit processes
- NPLs and recoveries are a clear focus

3

## Expansion Opportunities

- We are actively evaluating fill-in opportunities in countries where BancABC can become a Top 3 – 5 player through inorganic growth



## Overview of Union Bank of Nigeria (“UBN”)

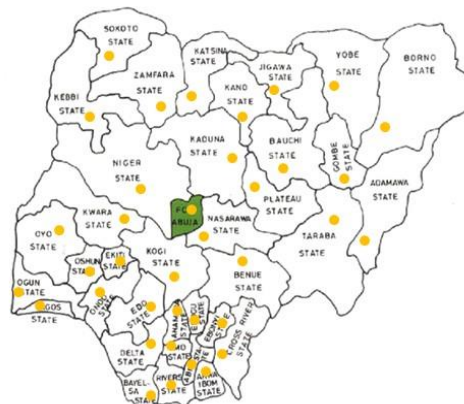
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# Overview of UBN

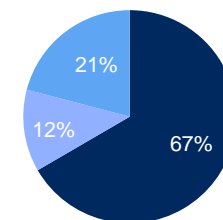
## COMPANY DESCRIPTION

- Incorporated in 1917 and listed on the Nigerian stock exchange (UBN:NL) in 1971, UBN is a respected and recognized financial institution
- Robust commercial and retail banking franchise with stable customer deposit base
- Stable deposits and a national branch network accesses low cost financing to fund loan growth
- Undergoing a transformation that is catalysing operational and infrastructural change. New management are driving business growth and risk analysis to position UBN as a top bank going forward

## REGIONAL FOOTPRINT<sup>(1)</sup>



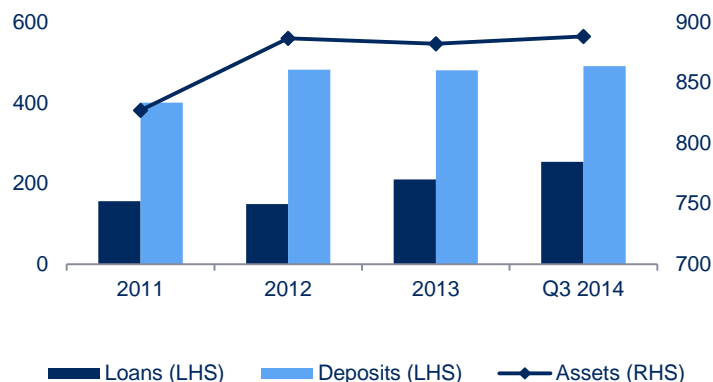
## INCOME COMPOSITION (Q3 2014)



- Net interest income
- Fee & commissions income
- Other income

- New management has built foundation for loan book expansion
- Relatively high liquidity compared to peers

## BALANCE SHEET DEVELOPMENT (in NGN bn)<sup>(1)</sup>



## KEY PERFORMANCE INDICATORS<sup>(1)</sup>

	2011	2012	2013	Q3 2014 <sup>(2)</sup>
Net interest margin	4.2%	11.0%	9.4%	8.7%
Cost-to-income ratio	n/a	95.3%	85.8%	76.0%
Net loan-to-deposit ratio	36.1%	28.4%	43.8%	51.6%
NPL ratio	5.1%	6.7%	5.9%	6.3%
Return on assets	n.m.	0.4%	0.6%	1.8%
Return on equity	n.m.	1.8%	2.8%	8.2%

Notes:

(1) Core bank

(2) As reported by UBN as of 30 September 2014

# Overview of UBN (cont'd)

## RECENT HISTORICAL DEVELOPMENTS

- **Nov 2012:** Appointment of a new Group Managing Director, Emeka Emuwa
- **Sep 2012:** UGPL completed its capital injection of US\$500m to recapitalize the Bank
- **Sep 2012:** Return to profitability following the completion of the recapitalization process
- **Apr 2011, Dec 2012:** Clean up of loan book through the sale of non-performing loans to the Asset Management Corporation of Nigeria (AMCON)
- **Aug 2009:** The Central Bank of Nigeria (CBN) intervened, replacing the Executive Management team and appointed a five-man team to stabilise and recapitalise the bank

## MANAGEMENT

**Emeka Emuwa**  
CEO

- 25 years – Citigroup
  - MD/CEO – Citibank Nigeria Ltd.
  - Country Officer and Country head – Cameroon
  - Country Officer – Tanzania, Ghana, Niger and Nigeria

**Oyinkan Adewale**  
CFO

- Citigroup CFO – West Africa
- Pioneer Managing Director, COO – Africa Renaissance Group
- Integration Manager – Ecobank Nigeria/Oceanic Bank Merger post AMCON intervention

**Kandolo Kasongo**  
CRO

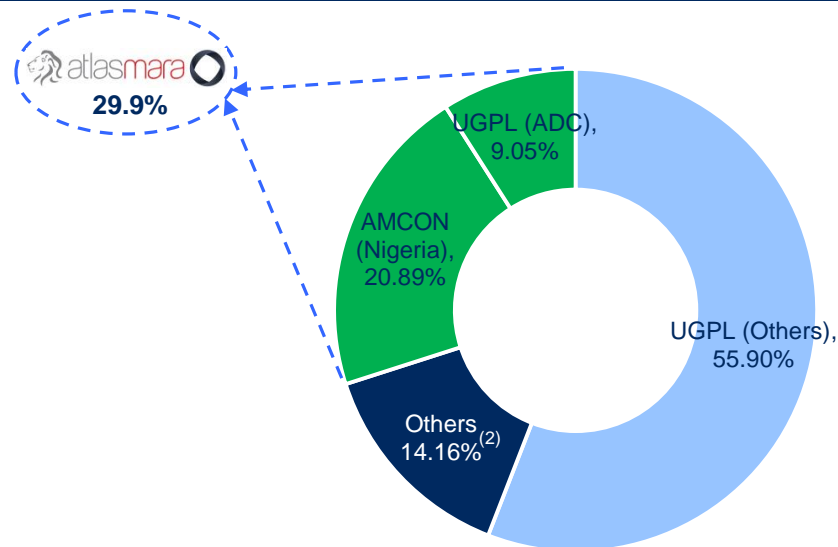
- 27 years – Citigroup
  - Citigroup Country Head – Zambia, and Senegal
  - Citigroup Regional Risk Head – East, West and North/West Africa
- Regional Credit Head – West Africa, Standard Bank
- Barclays Risk Director for GRCB Emerging Markets

Notes:

(1) UGPL owns 61.39% in UBN and controls 65.0% when including a 3.61% vote pooling agreement

(2) AMCON will retain a small stake

## SHAREHOLDERS



Union Global Partners Limited (“UGPL”) is a consortium of investors that recapitalized UBN in FY2012 for 65% of the shares in the bank <sup>(1)</sup>

Through the acquisition of ADC African Development Corporation AG (“ADC”), Atlas Mara holds an indirect stake in UBN of 9.05%

Asset Management Corporation of Nigeria (“AMCON”), established to stabilize the financial system, acquired the 20.9% stake through the capitalization of UBN and the acquisition of non-performing loans

Includes publicly traded shares on the Nigerian Stock Exchange

# Q3 2014 Financial Performance Update

## UBN FINANCIAL UPDATE – Q3 2014

- **PBT:** Group PBT of NGN 2.3bn, increased significantly YoY. PBT for core bank was NGN 5.2bn
- **Net Interest Income:** Group NII of NGN 13.3bn, down by 8.0% YoY, while core bank NII of NGN 13.1bn, up by 14.8%
- **Non-Interest Income:** Group non-interest income of NGN 5.1bn, up 7.4% YoY. The core bank ended up 34.9% on NGN 7.9bn
- **OPEX:** Cost base of NGN 14.3bn for the group and NGN 14.0bn for the bank were up 17.1% and 37.4% YoY respectively
- **Net Loans / Deposits:** Net loans were up 20.7% vs. FY 2013 at group level with NGN 277.0bn, and up 20.6%, at NGN 253.3bn at core bank level. Deposits increased 4.2% at group level, ending on NGN 503.0bn, and 2.2% at core bank level, ending on NGN 490.7bn
- **Total assets:** Total assets were NGN 979.1bn at group level, down 2.4% vs. FY 2013, while they increased 0.7% at core bank level, at NGN 888.3bn
- **ROAE / ROAA:** YTD annualized 2014 ROE was 5.3% for group and 8.2% for core bank, while ROA was 1.1% for group and 1.8% for bank
- **Margins:** Slight ratio improvement reflects better fundamentals, with NIM finishing at 7.9% at Group level and 8.7% at core bank level
- **NPLs:** Non-performing loans decreased to 6.3% from 7.3% at the end of Q2 2014, reflecting good performance in asset recovery
- **Stock:** Closed Q3 at NGN 8.69. NGN 8.26 on 29<sup>th</sup> October 2014. Market cap of \$845.9mn and P/B 0.70x

## KEY PERFORMANCE INDICATORS – CORE BANK

NGN mn	2013		2014			Q3 2014 Growth	
	Q3	FY	Q1	Q2	Q3	YoY / YTD <sup>(3)</sup>	QoQ
<b>INCOME STATEMENT</b>							
NII <sup>(1)</sup>	11,373	55,127	12,610	11,840	13,058	14.8%	10.3%
Impairments	-2,753	-13,255	-683	1,088	-2,246	n.m.	n.m.
Total Income	10,241	60,887	18,197	16,475	19,305	88.5%	17.2%
OPEX	-10,214	-56,686	-13,749	-14,307	-14,035	37.4%	-1.9%
PBT	27	4,201	4,448	2,168	5,270	n.m.	n.m.
<b>BALANCE SHEET</b>							
Gross Loans	198,947	230,720	225,966	263,269	279,390	21.1%	6.1%
IS <sup>(2)</sup>	316,543	290,377	259,001	280,626	219,120	-24.5%	-21.9%
Total Assets	869,515	882,097	855,152	882,355	888,258	0.7%	0.7%
Deposits	470,619	479,956	457,691	472,443	490,731	2.2%	3.2%
<b>KPIs</b>							
Net LDR	38.4%	43.8%	44.4%	50.6%	51.6%		
Cost / Income	63.3%	71.5%	72.8%	81.6%	76.0%		
NIM	9.3%	9.7%	9.0%	8.6%	8.7%		
NPLs	7.7%	5.9%	7.2%	7.3%	6.3%		
ROAA	1.9%	0.6%	2.0%	1.5%	1.8%		
ROAE	9.2%	2.8%	9.3%	6.9%	8.2%		
Liquidity <sup>(4)</sup>	91.1%	85.7%	82.9%	73.8%	74.4%		

Notes: As of 30 September 2014

(1) Net interest income

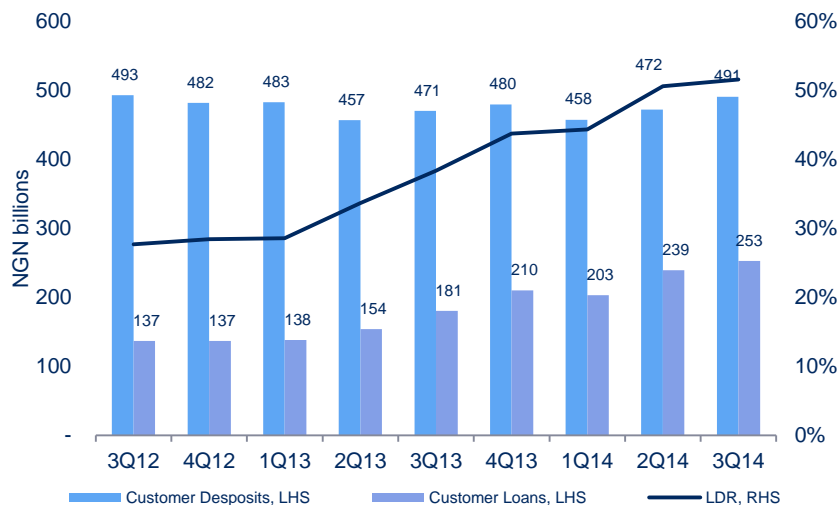
(2) Investment securities

(3) Balance sheet growth rates are YTD and income statement growth rates are YoY

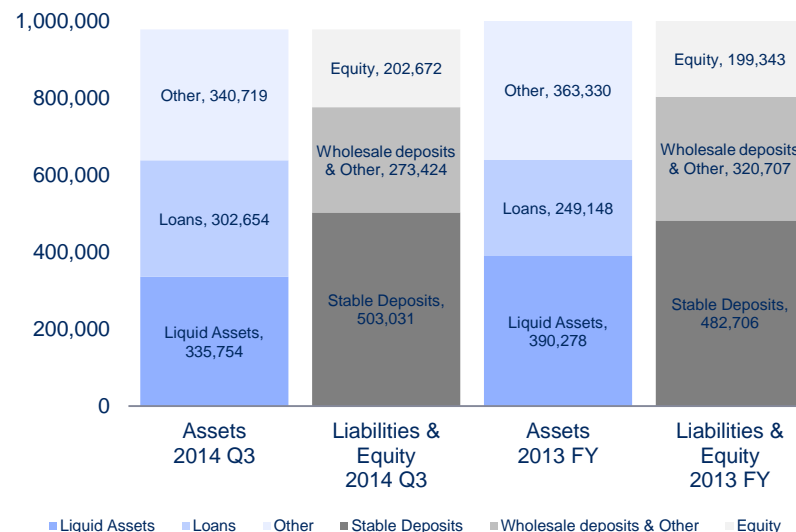
(4) Liquidity is defined as Total liquid assets/ Deposits

# Key Performance Indicators: LDR and Liquidity Management

## LOANS TO DEPOSITS (LDR), Q3 2014



## CAPITAL AND LIQUIDITY MANAGEMENT



## SELECTED COMMENTARY

- Deposits were up 4.3% to NGN 490.7bn from FY 2013.
- Gross loans increased 21.1% YoY, to NGN 279.4mn, driven by the strong pipeline available for the quarter
- Net LDR ended at 51.6% for Q3 2014, vs. 43.8% at FY 2013, indicative of better utilization of resources
- UBN's liquidity ratio ended at 44.5% in Q3 2014 (FY 2013: 48.2%), the decrease in deposits and increase in loans resulted in the drop in liquidity
- Balance sheet has shrunk in Q3 2014 relative to FY 2013 partially against a backdrop of strong growth in loans and modest growth in deposits. The contraction in liquid assets reflects the conversion of liquid assets to loans year-to-date

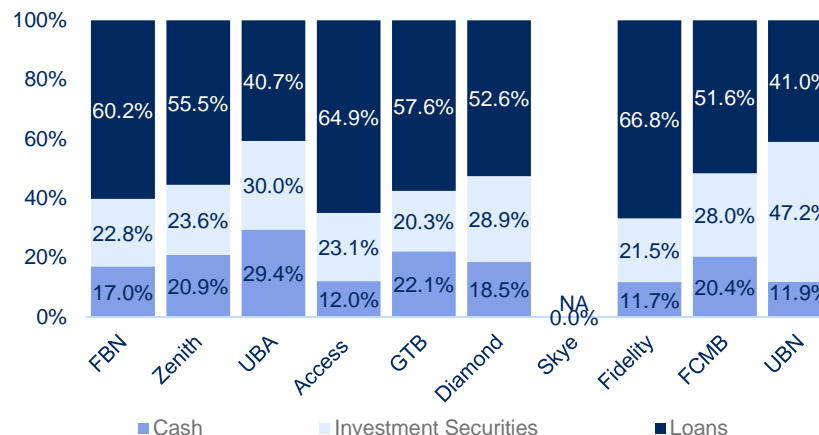
Source: UBN reported financials as of 30 September 2014

# Balance Sheet Analysis – Comparison to Peers

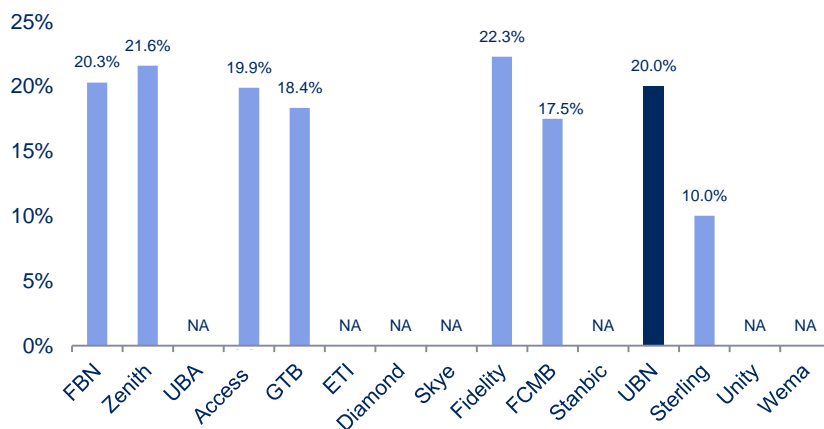
## SELECTED COMMENTARY

- Investment Securities: At Q3 2014, UBN had maintained the largest allocation to investment securities of its competitors, at 47.2% of RA, vs. GTB, who had only a 20.3% exposure
- Growth: UBN bank showed the largest loan book growth at 87.8% YTD and Fidelity had the largest QoQ increase in net income
- LDR: CBN regulated maximum is 80%. Weighted market average is 64.2%, with FCMB highest at 78.2% vs. UBA, lowest at 47.3%
- UBN's LDR ratio has increased over the last quarters, climbing steadily as it builds its risk asset base

## RISK ASSETS, Q3 2014 (1)



## CAPITAL ADEQUACY RATIO (CAR), Q3 2014(2)



## NET LOANS TO DEPOSITS (LDR), Q3 2014



Source: Company Reports

Notes: As of 30 September 2014

(1) Skye Bank results have been announced, but presentation and bank financials are not yet available

(2) Reporting of new Basle II/III compliant CAR in Nigeria to commence with the release of full year 2014 FS in Q1 2015

# UBN Current Initiatives: Ongoing Transformation Program

<b>Business Model</b>	<ul style="list-style-type: none"> <li>▪ Leveraging UBN’s rich heritage while modernizing brand and platform</li> <li>▪ Extending service offerings to next generation of customers while increasing wallet share of existing customers</li> <li>▪ Re-engaging corporate clients to deliver risk asset growth and a strong position in Nigeria’s emerging segments: Agriculture, Retail, Oil &amp; Gas, and Energy</li> <li>▪ Optimising retail branch network with focus on physical upgrades and efficiency improvements; expansion of branch-light models; implementing cutting-edge technology to optimise customer service</li> </ul>
<b>People &amp; Culture</b>	<ul style="list-style-type: none"> <li>▪ Embedding a new culture through performance management, training and development</li> <li>▪ Attracting, recruiting, rewarding and retaining the best talent in the market</li> </ul>
<b>Risk Management</b>	<ul style="list-style-type: none"> <li>▪ Building a best-in-class platform to enable early identification, assessment and management of risk</li> </ul>
<b>Finance &amp; Performance</b>	<ul style="list-style-type: none"> <li>▪ Enhancing the ability to track, analyze and monitor performance</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>▪ Driving efficiencies across products, systems, services, people, processes, and financial reporting</li> </ul>
<b>Information Technology</b>	<ul style="list-style-type: none"> <li>▪ Supporting strategic activities across the bank from integrated Risk &amp; Finance technology platforms that deliver scalable solutions to solutions that support business growth and future regulatory requirements; building scalable systems and a resilient infrastructure to meet future strategic objectives</li> </ul>



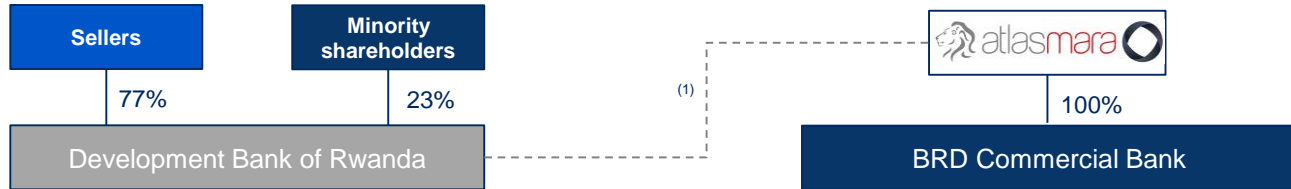


## Overview of BRD Commercial

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On 15 October 2014, Atlas Mara completed the acquisition of Development Bank of Rwanda's (BRD's) newly formed Commercial Bank which was formed after an internal reorganization and subsequent transfer of its existing commercial banking assets and liabilities into a newly incorporated Commercial Bank, which is expected to receive a full commercial banking license

## TRANSACTION STRUCTURE



## BRD will become 2 entities – A Development Bank and A Commercial Bank

	Development Bank	Commercial Bank
Description of new entity	<ul style="list-style-type: none"> <li>The Development Bank will remain a development finance institution dedicated to serving as the Government of Rwanda's investment arm that finances the nation's development objectives with a focus on the priority sectors of the economy</li> </ul>	<ul style="list-style-type: none"> <li>The new Commercial Bank will be a deposit-taking institution that is run as a commercial bank which can engage in transactions that a DFI institution would ordinarily be restricted from given its charter</li> </ul>
Key activities	<ul style="list-style-type: none"> <li>Financing priority sectors in Rwanda such as export related sectors, agriculture, services, energy, SMEs and housing</li> <li>Provide long-term financing, equity, and co-financing</li> </ul>	<ul style="list-style-type: none"> <li>Goal is to become the leading retail bank in Rwanda with technology led products and customer centric oriented model</li> <li>Commercial and retail banking products</li> </ul>

Note:

(1) Atlas Mara signed an MoU to assist the Development Bank with its funding and strategic plans

Objective	Description
<b>Vision and Mission</b>	<ul style="list-style-type: none"> <li>BRD Commercial will leverage BRD's strong historical brand and aims to be a positive, disruptive, regional player in retail banking solutions</li> <li>Mission is to provide affordable, sophisticated yet simple banking solutions, hinged on customer-centricity while growing shareholder value</li> </ul>
<b>Products</b>	<p><b>Mobile Banking</b></p> <ul style="list-style-type: none"> <li>Innovative mobile-enabled platform to increase financial inclusion</li> </ul> <p><b>Agricultural Finance</b></p> <ul style="list-style-type: none"> <li>Products/services for the key agricultural sector in Rwanda including financing, insurance, trade finance and warehouse receipt programs</li> </ul> <p><b>Consumer Finance</b></p> <ul style="list-style-type: none"> <li>Retail banking for consumers</li> <li>Includes mortgage, salary, auto and equipment loans</li> <li>Private student loan program in Rwanda in partnership with the Government of Rwanda</li> </ul> <p><b>SME and Emerging Corporate Lending</b></p> <ul style="list-style-type: none"> <li>Provide financing to SMEs and finance the value chain of large corporates</li> </ul> <p><b>Women's Banking</b></p> <ul style="list-style-type: none"> <li>Financial service products targeted at women-owned SMEs and consumers including SME loans and savings products</li> </ul>

Indicative Financial and Operational Metrics	
Metric	Amount
Assets	US\$77m
Loans	US\$58m
Deposits	US\$43m
Equity	US\$20m
Branches	1
NPLs	6%
Customers	10,000+
Portfolio Mix	50% retail / 50% corporate
CAR	27.6%

Consideration	
Description	Amount
Purchase price	c.US\$10.2m
Start-up equity capital	US\$7.3m

Source: Unaudited financial data as at September 30, 2014

# Overview of Rwanda and the Rwandan Banking Sector

## COUNTRY OVERVIEW

	2012	2013	2014E	2015E	2016E	2017E
Real GDP growth (%)	7.97	5.00	7.50	7.50	7.50	7.50
Population (m)	10.42	10.64	10.87	11.09	11.33	11.56
Inflation (%)	6.29	4.22	4.07	4.75	5.00	5.00
Exchange rate RwF:US\$	616.6	644.4	684.0	703.8	n.a.	n.a.








- Following the genocide and difficult rebuilding of the 90s, Rwanda has been one of the fastest growing economies in the World for the last 8 years:
  - GDP per capita grew from US\$300 in 2006 to US\$725 by 2012
  - Politically stable country with progressive leadership and sound governance
  - Country aims to reach Middle Income status and become East Africa's service hub by 2020
- With minimal natural resources, high focus on Services sector contributing to GDP:
  - Agriculture: 33%
  - Industry: 16%
  - Services: 45% (6% adjustment), driven by Banking sector
- In 2013, the World Bank Doing Business report referred to Rwanda as the 2<sup>nd</sup> easiest country to do business in Africa after Mauritius
- Fitch Rating of B

## BANKING SECTOR GROWTH

- The banking sector is comprised of 9 commercial banks, 4 primary microfinance banks, 1 development bank, 1 cooperative bank (all supervised under the Banking Law) and 496 microfinance institutions
- The Rwandan Financial sector has grown rapidly in terms of assets from US\$900m to US\$2.2bn in the last 5 years
- Financial system stability is underpinned by:
  - Government of Rwanda enforcement of international banking standards;
  - Implementation of the “Financial Sector Development Program”; and
  - Increase in the minimum capital requirement to RwF5bn, (c.US\$8m)
- Policy, strategy and incentives in place to develop capital markets

Banking Sector Key Indicators	2013
Solvency ratio	23.1%
NPL Ratio	7.0%
Provisions to NPLs	52.8%
Earning Assets to Total Assets	78.7%
Return on Average Assets	1.5%
Return on Average Equity	7.3%

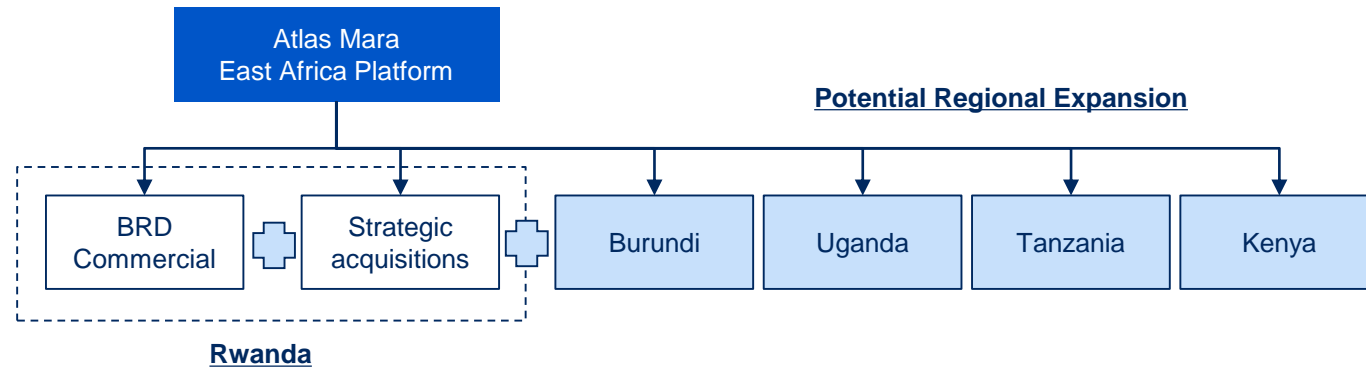
# Rwanda Banking Sector: Competitive Landscape

		 Bank of Kigali	 Commercial <sup>(1)</sup>	 BPR	 Cogebank	 I&M Bank	 Ecobank The Pan African Bank	 KCB Rwanda
USD million								
Balance Sheet	Assets	617	77	232	157	184	165	117
	Net Loans	291	58	137	92	66	109	70
	Deposits	403	43	186	108	138	129	91
	Equity	103	20	21	17	27	19	14
Profitability	PAT	22	n.m.	(9.2)	1.7	7	(0.9)	0.1
	ROE	21.0%	n.m.	n.m.	10.2%	24.1%	n.m.	0.8%
	CIR	48.4%	n.m.	117.4%	63.4%	62.0%	85.6%	97.6%

Source: Company reports and company website

Note:

(1) BRD Commercial are indicative, unaudited figures only



## RWANDA AS A BANKING HUB FOR EAST AFRICA COMMUNITY

- With the entry point in Rwanda through BRD Commercial, Atlas Mara will focus on organically growing the balance sheet, developing new products geared towards the under-served SME/retail market and deploying innovative technology to drive the business. Key highlights of the strategy:
  - Leverage clients in BRD Development Bank to mobilize deposits, commercial banking products; and also be the leading commercial bank to implement government's priority sector strategies in housing, education, agriculture, etc.
  - Explore alliances with BancABC such as with the Tanzania operations
  - Evaluate strategic acquisitions to add scale and profitability to operations in the region, focusing on reasonably priced assets with potential for upside from restructuring and integration

## MOBILE FINANCIAL SERVICES

- Analysis underway on mobile-based financial inclusion product that builds on the strength of an MPESA-like platform but also combines banking services to serve the unbanked and under-served, while providing a win-win situation for Telcos and Banks
- Evaluating opportunities for adaptive products in East Africa that can be replicated in other markets as part of the Atlas Mara pan-Africa integrated mobile strategy



## Summary Financials

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# Atlas Mara Unaudited Balance Sheet as at August 31, 2014



ASSETS	US\$'000	LIABILITIES	US\$'000
Cash and short term funds	371,170	Deposits	1,538,589
Investment Securities – Available for Sale	479,790	Derivative financial liabilities	3,667
Financial assets held for trading	195,210	Creditors and accruals	38,693
Financial assets designated at fair value	23,449	Deferred tax liability	1,995
Derivative financial assets	1,071	Borrowed funds	307,268
Other Intangible assets and Goodwill on acquisition	146,362	Non-current liabilities and disposal groups held for sale	1,361
Loans and advances	1,180,721	<b>TOTAL LIABILITIES</b>	<b>1,891,573</b>
Investment securities	7,345		
Prepayments and other receivables	28,997	<b>EQUITY</b>	<b>US\$'000</b>
Current tax assets	4,053	Founder Preference Shares	12,500
Investment in associates	84,819	Shareholders' Equity	765,606
Property and equipment	82,709	Reserves	(13,969)
Investment property	2,692	Retained earnings	(26,331)
Deferred tax assets	21,736	<b>TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS</b>	<b>737,806</b>
Non-current assets and disposal groups held for sale	10,176	Non-controlling interest	10,923
		<b>TOTAL EQUITY</b>	<b>748,729</b>
<b>TOTAL ASSETS</b>	<b>2,640,302</b>	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,640,302</b>

Note: The adjustments to goodwill, intangibles and fair valuation of assets and liabilities are initially recorded upon identification and are provisional in nature.





## Conclusions

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Objective	Rationale	Targets
<p>1</p> <p><b>Focus on Operational Improvement and Funding</b></p>	<ul style="list-style-type: none"> <li>Enhance existing BancABC and BRD market positions through both organic growth and bolt-on acquisitions to become a top 3-5 player in each market in which Atlas Mara currently operates</li> <li>Focus on attracting and retaining talent, branch expansion, product innovation, investment in technology, risk management, treasury, cost reduction opportunities and streamlining and strengthening policy, processes and corporate governance</li> <li>Continue engagement with DFI's to secure competitive funding to reduce average cost of funding</li> </ul>	<ul style="list-style-type: none"> <li>Top 3-5 in all existing markets</li> <li>Secure attractive long-term DFI funding</li> </ul>
<p>2</p> <p><b>Obtain Critical Mass in Nigeria</b></p>	<ul style="list-style-type: none"> <li>Work collaboratively with UBN shareholders and management to achieve a Tier 1 position over time in SSA's largest economy (US\$510bn in GDP and average real GDP growth rate in excess of 6.6%)(2)</li> </ul>	<ul style="list-style-type: none"> <li>Contribute to transformation</li> <li>Return to a Tier 1 market position</li> </ul>
<p>3</p> <p><b>Expand Geographic Footprint and Capabilities through Acquisitions</b></p>	<ul style="list-style-type: none"> <li>Execute a broader opportunistic strategy and secure a more expansive geographic footprint through large add-on acquisitions to drive growth, scale efforts, synergies and risk diversification</li> </ul>	<ul style="list-style-type: none"> <li>Top 5 SSA financial institution over time</li> </ul>

Notes:

- (1) 29.9% cumulative stake in UBN includes ADC's stake of 9.05% in UBN and the 20.89% acquired through exercise of option agreement with AMCON
- (2) Nigerian National Bureau of Statistics for the 2010 – 2013 Real GDP growth

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