

Atlas Mara Limited

Q1 2017 Results

Strong Start to 2017



April 27, 2017

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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 costs when acquiring new business and costs associated with corporate restructures and reorganisations 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

- Highest quarterly operating profit ever
- Credit quality improvement
- Growth in core metrics
- Cost savings taking hold
- All three business lines progressing very well
- **On course to deliver in 2017**

Results Overview

Revenue

USD 58.4m

2016 : USD 51.9m

Var:12.5% CC Var 17.5%

Loans and Advances

USD 1,304.0m

2016: USD 1,339.4m

Var (2.6%) CC Var (1.0%)

Total Assets

USD 2,771.4m

2016: USD 2,677.8m

Var 3.5% CC Var 11.2%

Credit impairments

USD 3.0m

2016 : (USD 8.5m)

Var 61.5% CC Var 64.7%

Deposits

USD 1,753.8m

2016: USD 1,628.8m

Var 7.7% CC Var 10.4%

ROE

3.7% (2017) **vs** (4.1%)
(2016)

Total expenses

USD 50m

2016 : USD 57.5m

Var 13.0% CC Var 10.6%

Total Equity

USD 547.7m

Dec 2016: USD 526.1m

Total Physical Locations: 407
(732 including UBN)

ATMs :357
(>1000 including UBN)

Net profit

USD 5.0m

2016 : (Loss of USD 6.7m)

Var >100% CC Var >100%

Book Value per share

USD 6.89

Dec 2016: USD 7.29

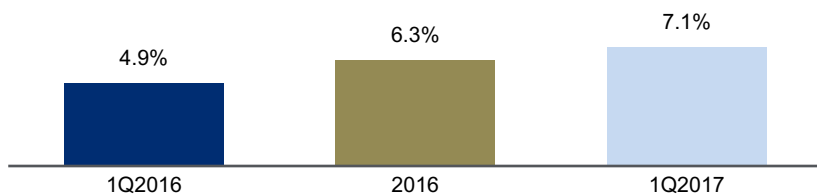
Countries of Operation: 7

Customers: 662k
(>3m including UBN)

Strong Start to 2017

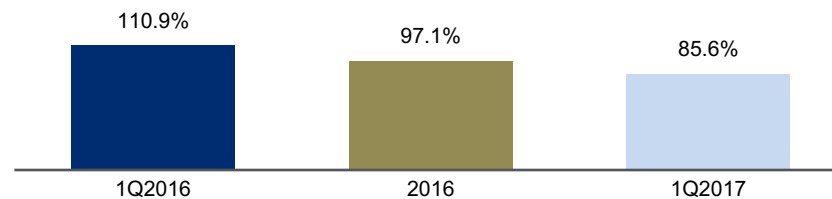
Stronger Margins...

Net Interest Margin⁽¹⁾



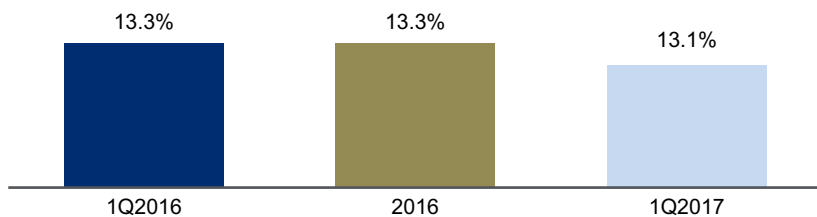
... Improving Operating Efficiency...

Cost / Income⁽²⁾

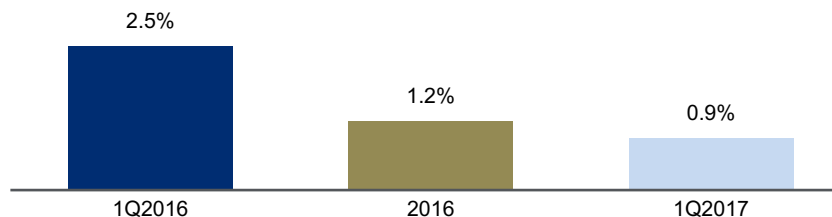


... Combined with Improving Asset Quality...

NPL Ratio

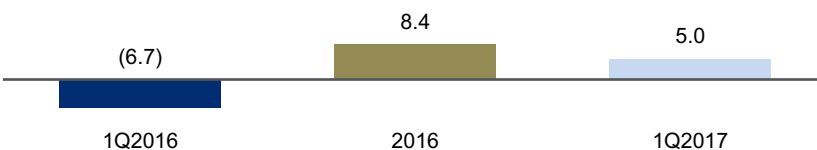


Credit Loss Ratio

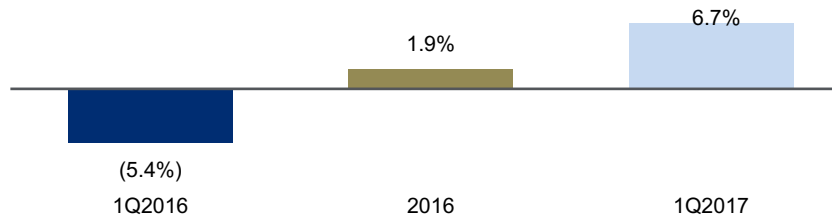


... Supporting Higher Bottom-Line Profitability

Net Income



RoATE⁽³⁾



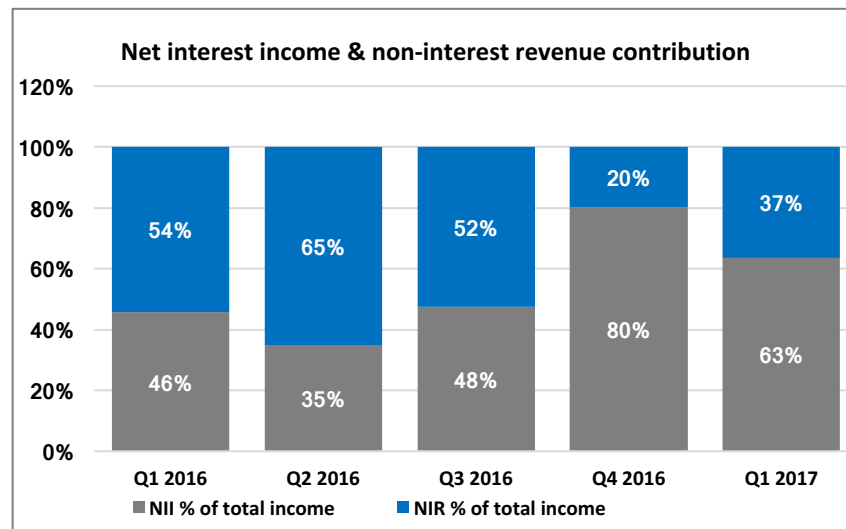
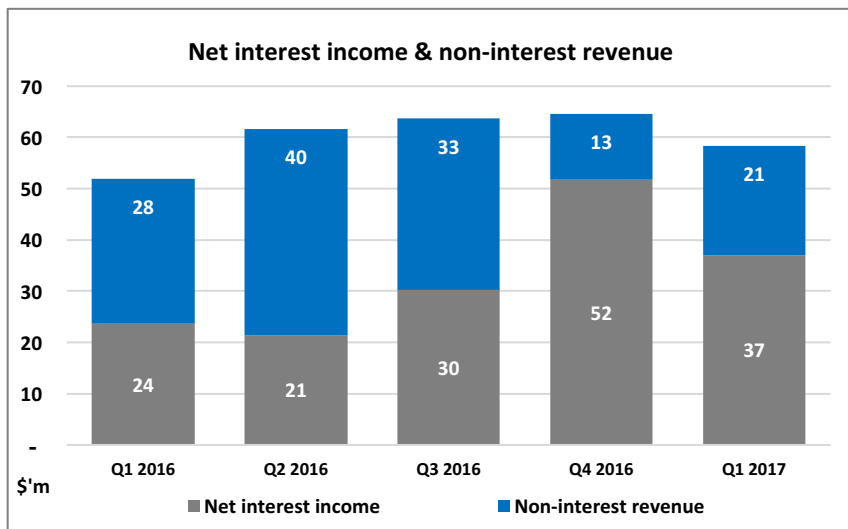
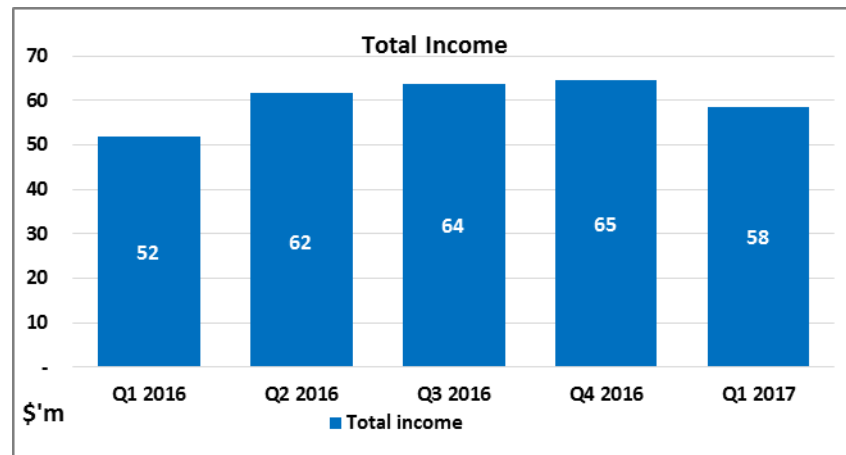
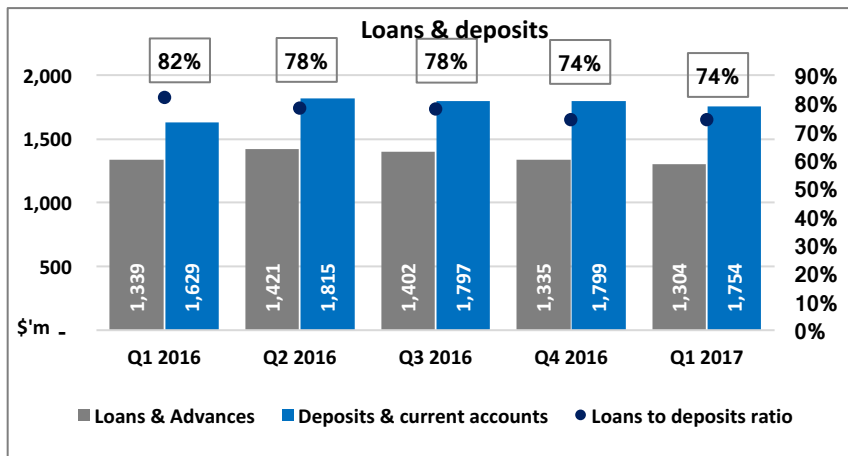
Adjusted Operating Profit

\$'m	Q1 2017	Q1 2106	Variance %	
	Actual	Actual	Total	CC
Total Income	58.4	51.9	12.5%	17.5%
Loan impairment charge	(3.0)	(8.5)	(64.7%)	61.5%
Total expenses (excluding one-off)	(49.8)	(51.7)	(3.6%)	(10.5%)
Income from associates	3.9	6.9	(43.5%)	(11.2%)
Adjusted profit before tax	9.5	(1.4)	n/a	n/a
Adjusted net profit	5.2	(2.0)	n/a	n/a
M&A transaction expenses	0.0	(6.0)		
Reorganising/restructuring costs	(0.2)	0.1		
Reported profit before tax	9.3	(7.2)		
Reported net profit	5.0	(6.7)		
Reported cost to income ratio	85.6%	110.9%		
Adjusted cost to income ratio	85.4%	99.7%		
Reported return on equity	3.7%	(4.1%)		
Adjusted return on equity	3.8%	(0.3%)		
Reported return on assets	0.7%	(1.0%)		
Adjusted return on assets	0.8%	(0.1%)		

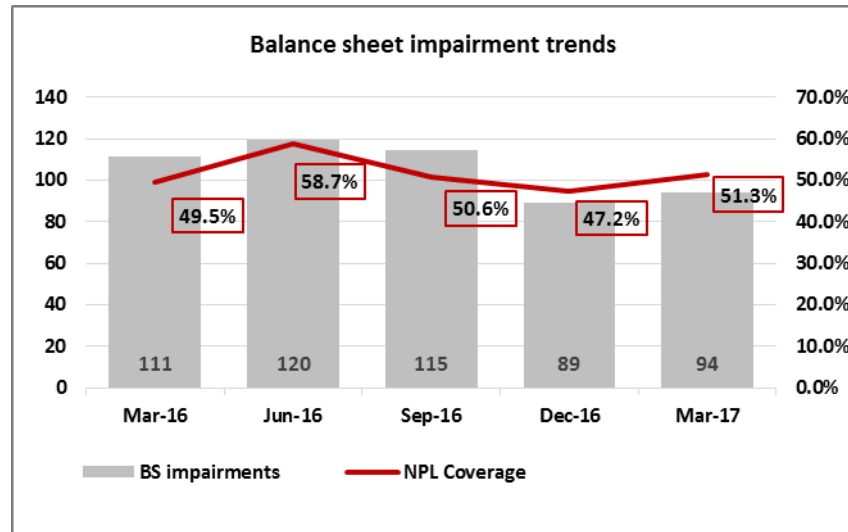
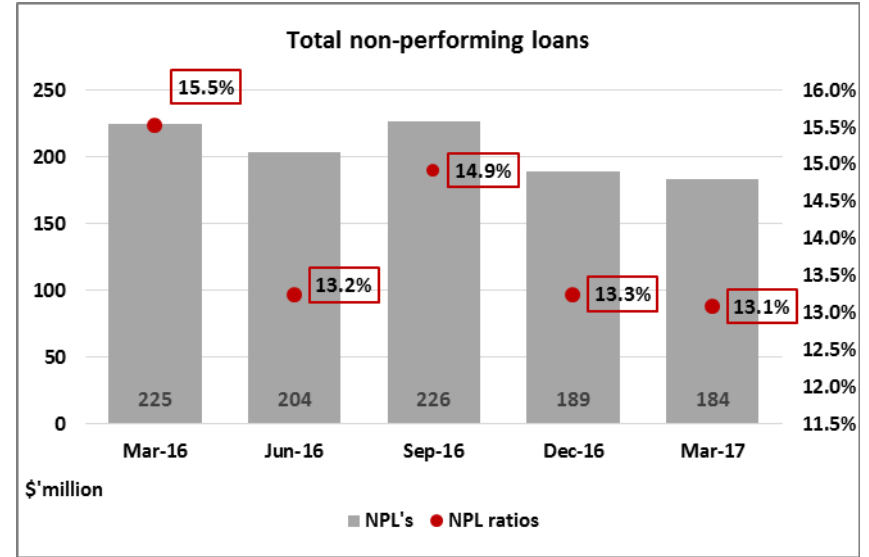
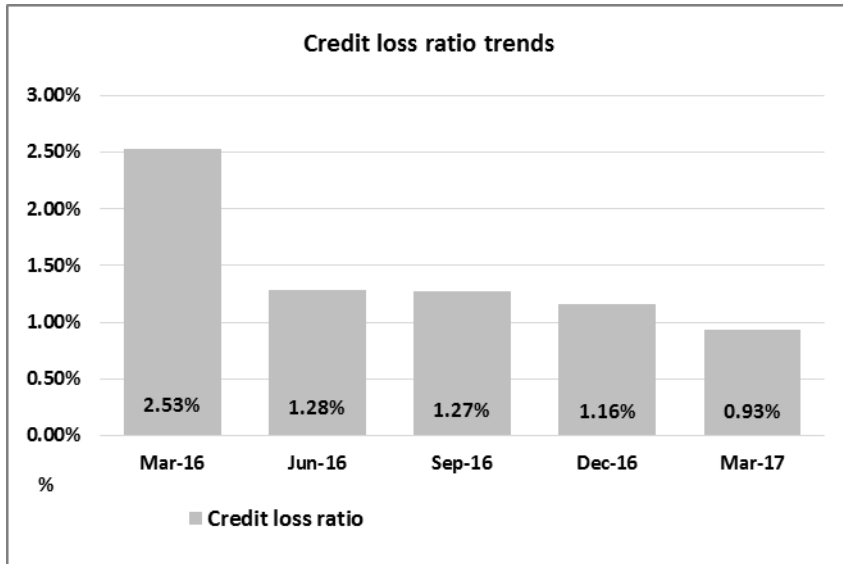
Balance Sheet Summary – Q1 2017

Q4 2016	Q1 2017	\$'million	2017	2016	Var %	CC Var %
406.3	422.4	Cash and investments	422.4	345.0	22.4%	25.8%
115.6	180.6	Financial assets held for trading	180.6	143.5	25.9%	26.1%
1 334.8	1 304.0	Loans & advances to customers	1 304.0	1 339.4	(2.6%)	(1.0%)
237.2	187.2	Investments	187.2	110.9	68.8%	72.0%
294.0	295.8	Investment in associates	295.8	422.1	(29.9%)	9.1%
168.2	155.3	Intangible asset	155.3	153.5	1.2%	5.6%
201.0	226.1	Other assets	226.1	163.4	38.4%	37.0%
2 757.1	2 771.4	Total assets	2 771.4	2 677.8	3.5%	11.2%
1 799.4	1 753.8	Customer deposits	1 753.8	1 628.8	7.7%	10.4%
322.6	367.3	Borrowed funds	367.3	298.3	23.1%	25.4%
109.0	102.6	Other liabilities	102.6	89.0	15.3%	(2.8%)
526.1	547.7	Capital and Reserves	547.7	661.7	(17.2%)	8.8%
2 757.1	2 771.4	Total equity and liabilities	2 771.4	2 677.8	3.5%	11.2%
74.2%	74.4%	Loan : Deposit ratio	74.4%	82.2%		
13.3%	13.1%	NPL ratio	13.1%	13.3%		

Balance Sheet and Revenue Trends

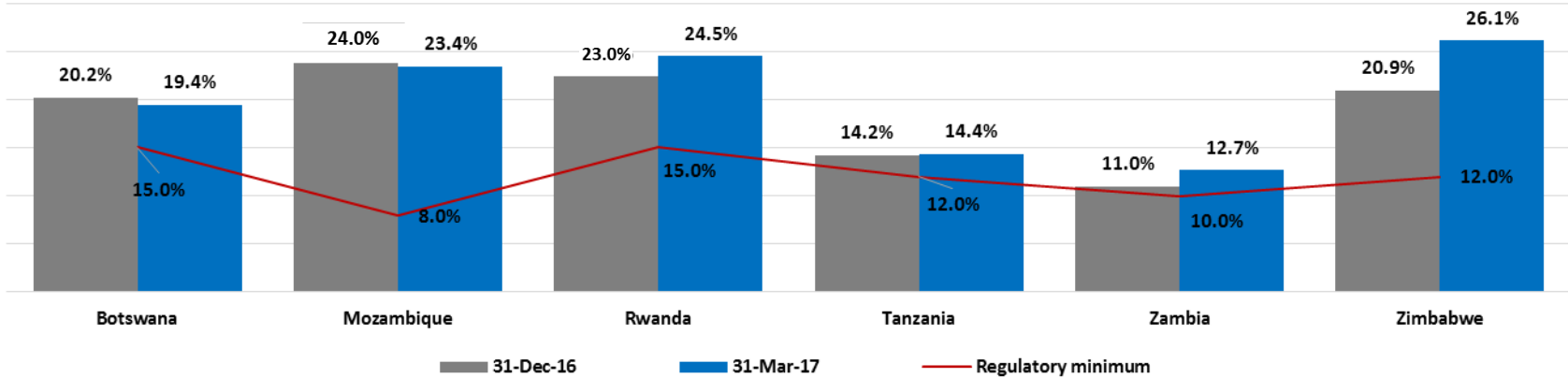


Positive Credit Quality Trend

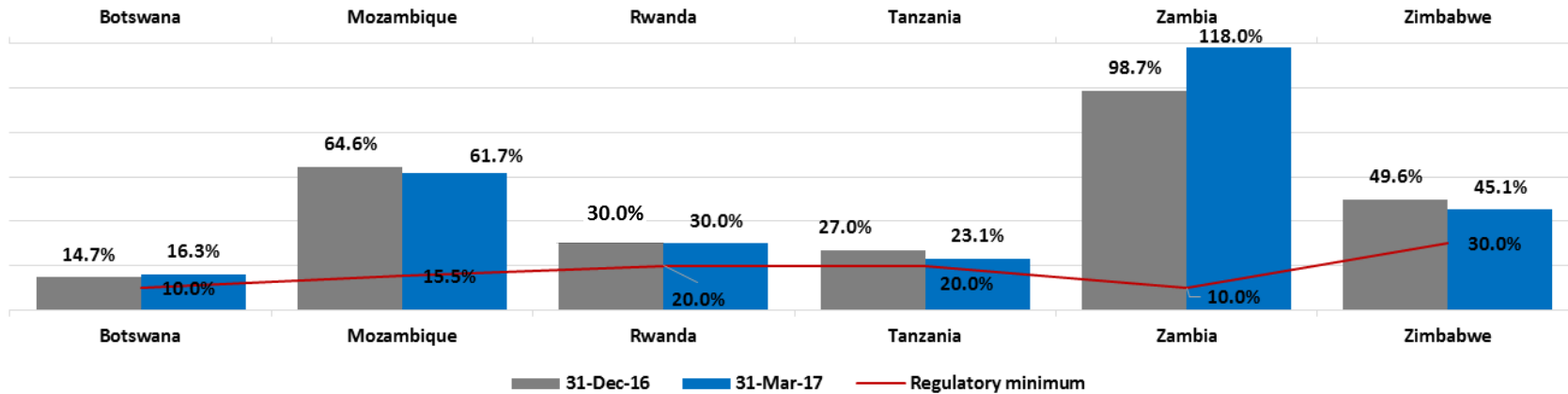


Regulatory Capital and Liquidity

Capital adequacy ratios



Liquid asset ratios



Retail & Commercial Banking – Key Q1 Operational Highlights

Botswana



- Won Botswana Government five year prepaid cards service contract
- New Trust account opened with Orange
- Mobile banking – improved uptime to 95%

Mozambique



- Rolled out 110 point-of-sale terminals and achieved MZN 62 million of transaction
- Increase of 12% on FX transactions versus last year
- Focus on growing SME portfolio – 82 new accounts opened

Rwanda



- Increased earnings YoY by 88% driven by growth in interest from placements, T-bill and Bonds
- Cost to income ratio reduced to 84%
- New Trust account opened with TIGO
- Debit card campaign increased utilisation by 70%

Tanzania



- New Tegate Branch opened by Minister of Finance
- Partnered with fuel retailer to provide agency banking across retailer's network
- Drove deposit campaign resulting in TZS 17 billion deposit growth
- Customer base growth – added 2,000 retail customers

Zambia



- Rolled out 37 new terminals and recorded ZMW1.9million revenue
- Banked two of the top three oil marketing companies
- On boarded major client with a \$70m facility with PTA bank to procure oil for the country
- Customer base growth – added 5,400 retail customers and 12,500 mobile users
- Won Airtel trust account

Zimbabwe



- Continued terminals roll out – more than trebled merchants to 187 and more than doubled devices to 463 in Q1 2017 compared to FY2016
- Concluded sale of \$28m worth of non-performing loans to Zamco – NPL ratio reduced to ca. 14%
- Cost to income reduced to 63% (129% in Q1 2017)

Fintech – Key Q1 Operational Highlights

Business and Strategy

- The combination of low levels of access to formal financial services and high levels of mobile telephony adoption across Sub-Saharan Africa presents a unique and compelling opportunity to deliver digital financial services offerings to a broader population that are unbanked and underbanked
- Atlas Mara's Digital / Fintech plans continue to progress, with the view to **Transform** traditional banking services and **Re-invent** the way traditional banking services are delivered in order to further enhance our competitiveness while providing access to previously unreachable segments and markets

Q1 2017 Key Achievements

- Executed an agreement with **Vodacom Mozambique** for the introduction of Mobile Savings and Micro Loans to over 1 million mPesa Mobile Money customers in Mozambique. This has also received the approval of Banco de Moçambique to enable the initiation of the project
- Executed an agreement with **Telecel Zimbabwe** for issuance of Companion Cards to over 500,000 Mobile Money customers across Zimbabwe
- Since launching our Merchant Acquiring initiative in Q4 2016, we have increased the number of terminals deployed by 81% from 384 in Q4 2016 to 700 in Q1 2017. Zimbabwe, Mozambique and Zambia are live while rest of the countries will go live by end of Q2

Business Impact

- Mozambique: 20% (+200,000 customers) penetration of the mPesa base in FY2017 and 50% (+600,000) in FY2018
- Zimbabwe: 100,000 plastic cards to be deployed in FY2017 and additional 250,000 cards in FY2018
- ABC Group: Average weekly Deposit Liability inflow from US\$1m in Q1 2017, on track to increase to US\$2m in Q2 2017

Markets & Treasury – Key Q1 Operational Highlights

Business Overview

- Treasury manages the balance sheet and surplus liquidity of the bank
- Markets deals with clients foreign exchange and hedging requirements
- The banks are active participants in the domestic money markets and domestic bonds and treasury bills
- Product set mainly includes spot foreign exchange, forwards and fixed income
- Clients are domestic and regional corporates, SME's and FI's
- Focus is on creating diversification in clients and more balanced revenue generation in all countries

2017 Q1 Highlights

- Client FX Business still facing severe headwinds due to macro economic situation, reflected in a 25% lower transaction volume (Q4 '16 vs Q1 '17)
- We continue to improve the way we work with and engage our clients in our ongoing efforts to become their preferred business partners. This effort is reflected in a 100% growth in client visits and a 25% increase in the number of client transactions (Q1 versus average monthly 2016)
- For Q2, additional detailed tactical global markets sales action plans been put in place to ensure we secure, diversify and continue to grow our client business in 2017
- Contribution from trading has increased mainly due to a strong performance from Zambia

2017 Q1 Key Metrics

Gross Markets Revenue

USD 10.8 m

2016: USD 8.1m

Number FX Transactions

Q4 '16 vs Q1 '17 up 25%

Number of client visits

100% growth

Fixed Income Revenue

\$2.4m

Markets & Treasury – Opportunity and Benefits

Business Opportunity		Key Synergies		Key Benefits to Local Markets	
Opportunity	<ul style="list-style-type: none"> Global banks exiting both the region and clients Regional banks ideally positioned to service this client set 	Size	<ul style="list-style-type: none"> Bigger tickets sizes can be executed by the onshore teams. Risk can be booked and hedged with Atlas Mara GMT back to back 	More flows and better market liquidity	<ul style="list-style-type: none"> Creation of offshore vehicles enables more flows into local markets Wider client base Increased local liquidity Increased revenue for the local subsidiaries
Actions	<ul style="list-style-type: none"> Offshore Markets entity set up in Dubai Dubai to be the link between offshore clients and local markets Experienced team in place to drive this opportunity 	Tenure	<ul style="list-style-type: none"> Enables execution of longer duration client trades Offshore GMT desk clients have longer duration appetite – used to enhance the tenor onshore 		Local market product development
		Complexity	<ul style="list-style-type: none"> Centralized risk management for more complex flows 		



...Barclays' new chief executive is planning to announce on Tuesday that the British bank has decided to exit its African operations in a bold move to refocus the bank on its core UK and US markets...After a review of the African business led by Jes Staley, the bank's board decided last week that in principle it made strategic sense to get out of the continent, according to people familiar with the matter....

26 February 2016



...Société Générale, Credit Agricole and BNP Paribas are either pulling out [from Africa] or making local subsidiaries stand on their own feet without group support...Large international banks are geared to doing high volume, vanilla transactions in and between developed markets...

9 December 2016



...In the Middle East and Africa -- where it has offices in the United Arab Emirates, Qatar and South Africa -- Royal Bank of Scotland (RBS) is gauging interest for the sale of its corporate debt and debt capital markets business, but will wind down the operations if buyers are not found...

16 March 2016



... Global investment banks have been cutting ties with smaller clients and scrambling to capture a greater share of business from the world's elite fund managers as new rules led the industry to rethink its traditional focus on revenue. Lenders from Citigroup Inc. to HSBC Holdings Plc are instituting strictly tiered client lists, lavishing attention on the handful of money managers at the top while reducing the time spent with the least active players...

19 December 2016

2017 Outlook

- **2014 – 2016**

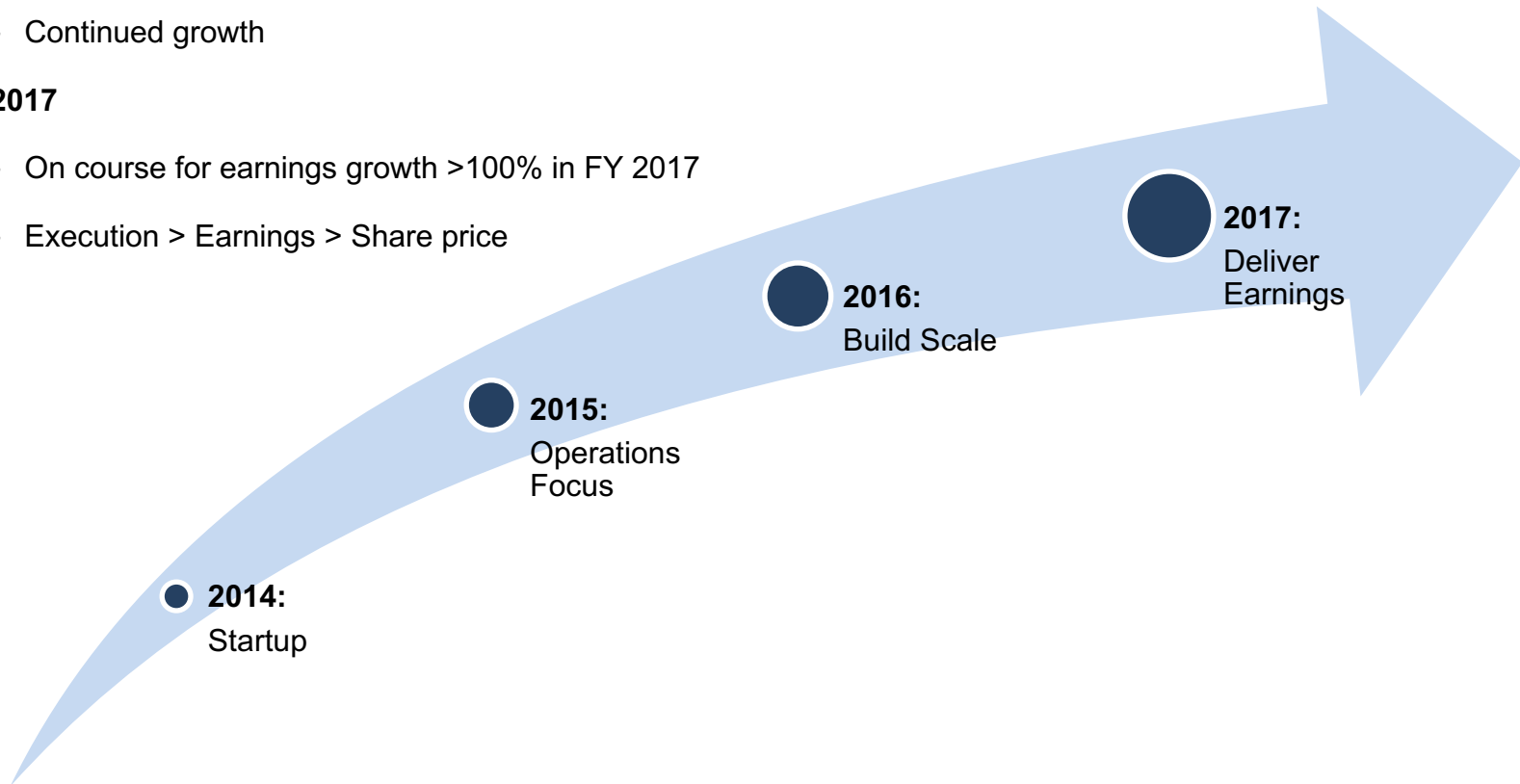
- Positive performance trend since founding
- Learned; adjusted when necessary

- **2017 Q1**

- Profitability
- Continued growth

- **2017**

- On course for earnings growth >100% in FY 2017
- Execution > Earnings > Share price



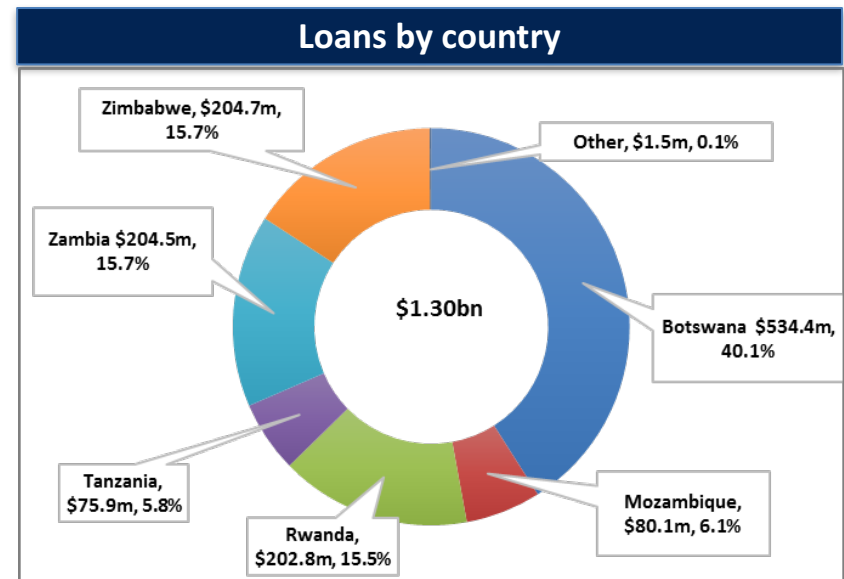
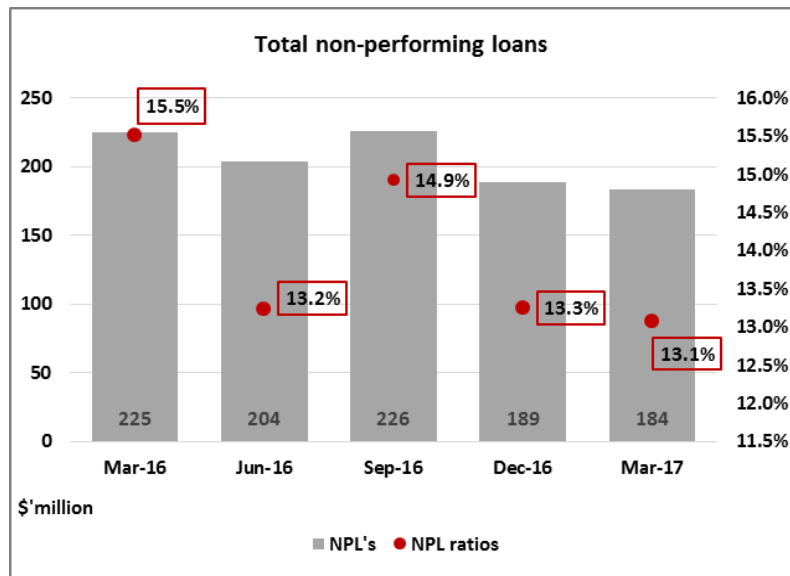
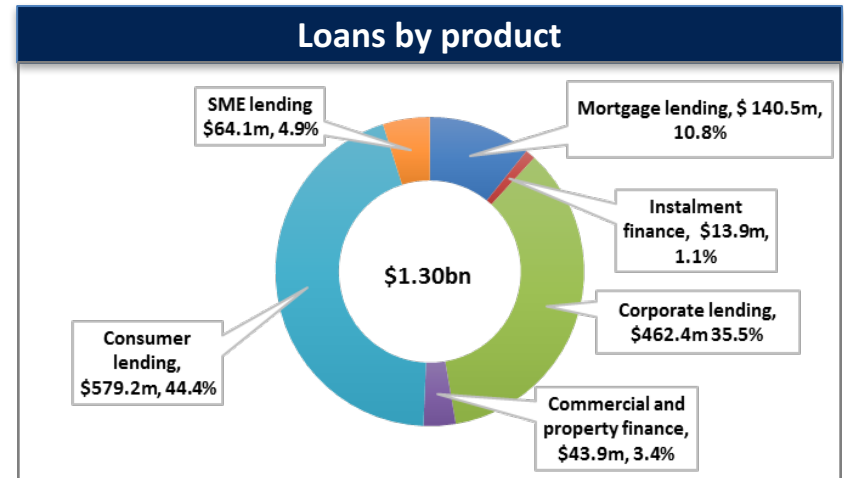
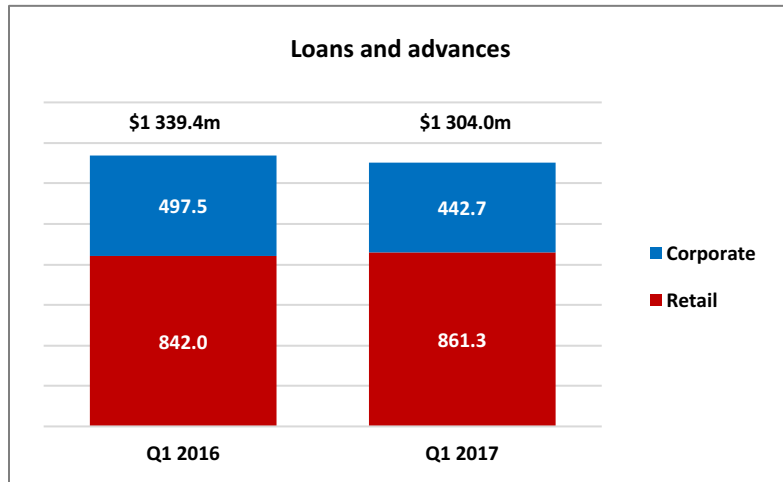
Appendix



Income Statement Summary – Q1 2017

Quarterly		\$'million	Year to date			
Q4 2016	Q1 2017		2017	2016	Var %	CC Var %
51.7	37.1	Net interest income	37.1	23.7	56.5%	64.9%
12.9	21.3	Non-interest income	21.3	28.2	(24.5%)	(21.7%)
64.6	58.4	Total income	58.4	51.9	12.5%	17.5%
(2.1)	(3.0)	Credit impairment	(3.0)	(8.5)	64.7%	61.5%
62.5	55.4	Operating income	55.4	43.4	27.6%	32.2%
(59.5)	(50.0)	Total expenses	(50.0)	(57.5)	13.0%	10.6%
3.0	5.4	Net operating income	5.4	(14.1)	>100%	>100%
2.3	3.9	Income from associates	3.9	6.9	(43.5%)	(11.2%)
5.3	9.3	Profit/(loss) before tax	9.3	(7.2)	>100%	>100%
(0.9)	(4.3)	Taxation and minority interest	(4.3)	0.5	>100%	>100%
4.4	5.0	Profit/(loss) after tax	5.0	(6.7)	>100%	>100%
9.9%	7.1%	Net interest margin on earning assets	7.1%	4.9%		
0.6%	0.9%	Credit loss ratio	0.9%	2.5%		
92.1%	85.6%	Cost to income ratio	85.6%	110.9%		
0.6%	0.7%	Return on assets	0.7%	(1.0%)		
3.3%	3.7%	Return on equity	3.7%	(4.1%)		

Loans and Advances



Segment Financial Summary – Q1 2017

\$'m	March 2017	Banking Operations			Other	
		Southern	East	West	Shared Services & Center	M&A, ADC & Consol
	Actual					
Total Income	58.4	46.9	12.5	-	2.1	(3.1)
Loan impairment charge	(3.0)	(2.0)	(1.0)	-	-	-
Operating expenses	(50.0)	(37.8)	(11.3)	-	(3.7)	2.8
Share of profits of associate	3.9	-	-	3.9	-	-
Profit / (loss) before tax	9.3	7.1	0.2	3.9	(1.6)	(0.3)
Profit / (loss) after tax and NCI	5.0	3.8	(0.2)	3.9	(1.6)	(0.9)
Loans and advances	1 304.0	1 022.1	278.7	-	-	3.2
Total assets	2 771.4	1 861.7	478.5	293.7	700.5	(563.0)
Total liabilities	2 223.7	1 762.6	413.5	-	66.8	(19.2)
Deposits	1 753.8	1 377.9	375.9	-	-	-
Net interest margin - total assets	5.4%	6.4%	7.8%			
Net interest margin - earnings assets	7.1%	7.2%	8.5%			
Cost to income ratio	85.6%	80.7%	90.2%			
Statutory Credit loss ratio	0.9%	0.2%	0.3%			
Return on equity	3.7%	15.2%	(1.3%)			
Return on assets	0.7%	0.8%	(0.2%)			
Loan to deposit ratio	74.4%	74.2%	74.1%			

Segment Financial Summary – Q1 2016

\$'m	March 2016 Actual	Banking Operations			Other	
		Southern	East *	West	Shared Services & Center	M&A, ADC & Consol
Total Income	51.9	32.9	13.0	-	3.7	2.3
Loan impairment charge	(8.5)	(7.3)	(0.8)	-	-	(0.4)
Operating expenses	(57.5)	(32.2)	(12.2)	-	(9.4)	(3.7)
Share of profits of associate	6.9	-	-	6.9	-	-
Profit / (loss) before tax	(7.2)	(6.6)	-	6.9	(5.7)	(1.8)
Profit / (loss) after tax and NCI	(6.7)	(6.3)	-	6.9	(5.7)	(1.6)
Loans and advances	1 339.4	1 050.0	290.3	-	-	(0.9)
Total assets	2 677.8	1 630.3	476.5	403.9	725.7	(558.6)
Total equity	661.7	109.3	70.0	403.9	655.4	(576.9)
Total liabilities	2 016.1	1 521.0	406.5	-	70.3	18.3
Deposits	1 628.8	1 260.6	367.20	-	-	1.0
		1 521.0				
Net interest margin - total assets	3.5%	4.4%	8.3%			
Net interest margin - earnings assets	4.9%	4.8%	9.0%			
Cost to income ratio	>100%	98.0%	93.6%			
Statutory Credit loss ratio	2.5%	2.8%	1.1%			
Return on equity	(4.1%)	(23.2%)	0.0%			
Return on assets	(1.0%)	(1.6%)	0.0%			
Loan to deposit ratio	82.2%	83.3%	79.1%			