



AATIF Investment Updates

Chobe Agrivision Company



Country:	Zambia
Type of investment:	wheat and soy farm
Outstanding AATIF investment:	USD 7mn
Financial close:	October 2011
Maturity:	5 years + extended by additional 5 years

Project Description

In October 2011, AATIF made an investment of USD 10mn into the Zambian maize, wheat and soya bean farming operation Chobe Agrivision. AATIF's investment will support the operations of Chobe Agrivision by increasing its operational capacities and thus enable it to contribute to regional food security. On October 26 2015, Chobe Agrivision repaid a first Tranche of the AATIF loan of 3 m USD reducing the AATIF exposure to 7 m USD.

Recent Developments

Project: Over the past months Agrivision has struggled with very tough economic conditions in the agricultural sector in Zambia. The prices of all three major commodities Agrivision trades in – soya, wheat and maize – showed a significant drop. The main reason for price decreases was the bumper harvest realized across the three crops in Southern Africa. Agrivision generates the predominant part of its revenues from selling soy, wheat and maize locally in Zambia and surrounding countries like Congo or Angola. Agrivision does not export into the international world market and respectively does not benefit from higher prices in international markets. Agrivision believes the situation to be temporary and expects the prices will recover towards year end.

S&E: No material news.

TA: No material news.

Global Agri-Development Company (Ghana) Ltd. (“GADCO”)



Country:	Ghana
Type of investment:	rice farm
Outstanding AATIF investment:	USD 1.3mn
Financial close:	June 2012
Maturity:	5 years

Project Description

In June 2012, AATIF provided a loan to GADCO, a Ghanaian rice producer. AATIF financed a rice mill as a first step for GADCO to develop an integrated value chain. GADCO however faced severe operational issues and was completely restructured in 2014/2015.

Recent Developments

Project: During Q3, 344 ha of land have been planted and 240 ha have been harvested, obtaining approx. 460t of gross paddy. A watchdog weather station has been installed which documents real-time weather conditions that enables the monitoring of the relative humidity, temperature, wind speed, solar radiation and rain.

S&E: In September 2017, GADCO finalized its Emergency Action Plan, which outlines the actions taken by the company and staff in the event of workplace emergencies, in order to avoid any potential harm to workers, nearby communities, environment, and property.

TA: The TA Facility Manager is currently preparing a Rapid Appraisal to evaluate the impact of AATIF’s investment into GADCO.

Wienco (Ghana) Ltd.



Country:	Ghana
Type of investment:	intermediary input supplier
Outstanding AATIF investment:	EUR 9mn and USD 6mn
Financial close:	October 2013
Maturity:	3 years + extension until 2019

Project Description

In October 2013, AATIF disbursed a senior debt loan to Wienco (Ghana) Ltd. (“WGL”), a Ghanaian agribusiness intermediary company. Wienco provides fertilizer and agro-chemicals as well as training in input application methods and business skills to smallholder farmers via three smallholder associations. These include the Cocoa Abrabopa scheme, the Masara N’Arziki maize smallholders association and Wienco’s own smallholder cotton growing scheme. AATIF’s financial commitment allows Wienco to significantly expand the scope of its smallholder operations.

Recent Developments

Project: The operational environment of Wienco in Ghana continues to remain challenging. Worldwide cocoa prices have reached a historic low. The Ghanaian government, which sets national cocoa prices in Ghana, faces a budget shortfall as it has not adjusted the national cocoa prices in Ghana and will therefore lose roughly USD 336 per ton it buys from the farmers and selling in international markets. In total the Ghana Cocoa Board will face a gap of roughly USD 285m to finance the purchase of the forecasted 850,000 tonnes for the new cocoa season. Subsequent to the already existing funding deficit inherited from an alleged misuse of funds by the previous presidential administration, developments throughout Q3 2017 have not led to an improvement of the local business environment given cocoa is one of the most important economic activities in Ghana. Liquidity in the market remains being very tight and companies in the sector are struggling to access required financing and face high uncertainties for the coming cocoa season. Wienco is in delay with its financial obligations towards AATIF which allowed the company to continue operating. The Investment Manager pursues this strategy to support maintaining the value of the company and securing its future. The Investment Manager believes this to be the right strategy also to the benefit of local farmers and employees.

S&E: Wienco has made progress in the implementation of its Social and Environmental Action Plan by adopting Occupational Safety and Health Guidelines that describe roles and responsibilities towards health and safety. The company set out a new timeline for closing the remaining gaps, which include drafting waste management and biodiversity policies.

TA: A first draft report of the comprehensive impact evaluation for WIENCO’s cocoa outgrower scheme has been submitted in June 2017 and is currently undergoing revision and finalization. A draft report for the maize outgrower scheme is expected in October. A consolidated final baseline report (for both cocoa and maize outgrower schemes) will be available by end 2017.

A contract has been concluded with an expert consulting firm in September 2017 to undertake a study to assess the feasibility of introducing climate smart lending products to WIENCO outgrower farmers. The results, which will form the basis for a decision to launch a pilot project on climate smart lending operations, are expected for Q4.

In parallel to the introduction of two new softwares for WIENCO, the TA Facility financed pertaining user training modules for WIENCO staff. The new softwares will allow for a more efficient financial reporting and internal document management.

Cape Concentrate Ltd.



Country:	South Africa
Type of investment:	tomato processing
Outstanding AATIF investment:	USD 8mn
Financial close:	August 2014
Maturity:	5 years

Project Description

Cape Concentrate has been a South African company which was established in 2009 in the Eastern Cape province. The business plan entailed to process locally grown tomatoes into tomato paste for sale into the South African market as an import substitute. In 2013, pre-AATIF engagement, the company was placed under Business Rescue in terms of Chapter 6 of the Companies Act 71 when key requirements to be successful were not met, including (i) sufficient and reliable tomato supply from local farmers to utilize the plant's large capacity, (ii) reliable financing for community and emerging farmers, and (iii) integrated experienced management of marketing, farming and processing operations. A business rescue plan provided for a restructuring of the business and the company's finances and led to an investment of USD 8m by AATIF in August 2014. AATIF's objective i.a. was to assist the company in implementing its business rescue plan under new management and to act as catalyst to attract additional finance to realize the development potential of the company's business model. The AATIF investment allowed Cape Concentrate to resume its operations in the 2014/2015 season. Cape Concentrate produced high quality tomato which was sold to well-known local companies, illustrating the validity of the company's business model operations and distribution channels. Nevertheless for the reasons highlighted above, the business rescue was not successful. The company applied for provisional liquidation in December 2015 which was made final in March 2016. In Q3 2016 the plant for the production of tomato paste was sold to Famous Brands. Famous Brands is a JSE listed South African company and Africa's largest branded food service franchisor. It intends continuing the tomato paste production and sourcing tomato supply from local farmers, thereby creating employment in an economically distressed area.

Recent Developments

Project: No major updates available while the Investment Manager continues pursuing legal options to generate further recoveries for AATIF.

S&E: No ongoing activities.

TA: No ongoing activities.

Trade & Development Bank ("TDB", formerly know as PTA Bank)



Country:	Supranational
Type of investment:	financial institution
Outstanding AATIF investment:	USD 30mn
Financial close:	September 2012
Maturity:	5 years

Project Description

In September 2012, AATIF and PTA Bank signed a USD 30mn facility agreement. PTA Bank is a multilateral financial institution, owned by eighteen East African member states, the People's Republic of China and the African Development Bank. The funding is being used by PTA Bank to expand its agricultural lending activities.

Recent Developments

Project: No material news.

S&E: No material news.

TA: No material news.

Chase Bank (Kenya) Limited (“Chase Bank”)



Country:	Kenya
Type of investment:	financial institution
Outstanding AATIF investment:	USD 10mn
Financial close:	October 2012
Maturity:	5 years

Project Description

In October 2012, Chase Bank, a privately owned Kenyan bank, received funding under a five year senior loan facility in two tranches, totaling USD 10mn. On-lending activities of Chase Bank target investments along the entire agricultural value chain including input providers, farmers and off-takers, with contract farming schemes receiving special attention. Following a bank run by depositors of Chase Bank, on 07 April 2016, the Central Bank of Kenya (CBK) placed Chase Bank under receivership. The Kenya Deposit Insurance Corporation (KDIC) currently acts as receiver for Chase Bank. KDIC appointed KCB Bank Kenya Ltd (KCB) as manager to ensure operational continuity of Chase Bank. The initial receivership period was extended until October 7, 2017 - subject to a court hearing on November 14, 2017. This measure was necessary as no bidder had shown an interest to acquire Chase Bank Kenya under a going concern assumption.

Recent Developments

Project: On October 6, 2017, CBK/KDIC publicly presented a non-binding offer by the State Bank of Mauritius (“SBM”) for the purchase of selected assets and liabilities (against depositors only) of Chase Bank Kenya under a good bank – bad bank resolution concept. A binding offer from SBM was announced to be expected November 17, 2017, though no assurance can be given that the timeline will be met. CBK/KDIC stated that any resultant transaction with SBM is expected to be completed by December 31, 2017. AATIF is collaborating closely with the lenders to Chase Bank Kenya, SBM and local authorities in Kenya to protect the interests of AATIF’s stakeholders.

S&E: No ongoing activities.

TA: No ongoing activities

BancABC



Country:	East Africa (Mozambique, Tanzania, Zambia, Zimbabwe & Botswana)
Type of investment:	financial institution
Outstanding AATIF investment:	USD 25mn
Financial close:	December 2013
Maturity:	5 years

Project Description

In December 2013, AATIF signed a USD 25mn risk sharing agreement with BancABC, a financial institution with its holding company based in Botswana and subsidiaries operating out of Zimbabwe, Zambia, Mozambique, Botswana and Tanzania. Originally, BancABC focused exclusively on wholesale banking. In 2008, the bank started to expand gradually into retail banking, including SME and consumer lending products. The AATIF facility will allow BancABC to increasingly step into transactions along the entire agricultural value chain and extend their maturities.

Recent Developments

Project: In August 2017, Atlas Mara, the parent company of BancABC group, closed a strategic financing agreement with Fairfax Africa Holdings Corporation (“Fairfax Africa”). Fairfax Africa (TSX: FAH.U) is an investment holding company listed on the Toronto Stock Exchange whose objective is to achieve long term capital appreciation by investing in public and private equity securities and debt instruments of African businesses. The strategic investment will be used to support Atlas Mara’s growth initiatives and anchored by \$200 million of new capital from Fairfax Africa and existing shareholders of Atlas Mara for the acquisition of additional equity interests in Union Bank of Nigeria (“UBN”) and to scale Atlas Mara’s Markets and Treasury and Fintech business lines. For AATIF, the additional capital and liquidity is a positive signal such that the parent company would be able to support BancABC with liquidity and capital in case needed.

S&E: In Q3 2017, the Compliance Advisor continued working with BancABC to launch a S&E study with the purpose of evaluating the effectiveness of the bank’s upgraded Environmental and Social Management System. The consultant who will undertake the data collection was recruited at the end of September.

TA: In Q3 the TA Facility Manager signed the contract with an expert consultant to provide on the job coaching to the BancABC Sustainability Officer for duration of 12 months.

Export Trading Group (“ETG”)



Country:	Pan Africa
Type of investment:	Intermediary
Outstanding AATIF investment:	USD 30mn
Financial close:	November 2015
Maturity:	5 years

Project Description

In November 2015, AATIF entered into a USD 30mn facility agreement with Export Trading Group (“ETG”), a Pan-African integrated trading and processing company specialized in end-to-end agricultural supply chain management and headquartered in Mauritius. The objective of the facility is to support the development of the smallholder agriculture sector in Sub-Saharan Africa. ETG has offices across 40 countries in the world with significant presence across 26 African countries, buying crops from thousands of smallholder farmers without intermediaries and connecting them to global commodity markets, thereby contributing to sustainable employment and income security for local farmers as well as global food security. In addition, ETG provides smallholder farmers with training, agricultural expertise, farming equipment and farming inputs. The proceeds of AATIF’s facility will be used by ETG as long-term working capital for the export of crops and import of fertilizers as well as the financing of capital expenditures related to processing plants and warehouses.

Recent Developments

Project: No material news.

S&E: No material news.

TA: No ongoing activities.

Guaranty Trust Bank (“GTB”)



Country:	Nigeria
Type of investment:	financial institution
Outstanding AATIF investment:	USD 20 mn
Financial close:	December 2016
Maturity:	7 years

Project Description

AATIF participated in a 7 year syndicated loan facility led by DEG and granted a loan equal to USD 20mn. GTB warrants that it will finance Nigerian companies that are active in the agricultural value chain in an amount equal to the capital received from AATIF. By total assets, GT Bank is Nigeria’s fourth largest financial institution with a market share of around 8-10%. GT Bank is further the most advanced lender from a technology standpoint and employs 3,000 employees across Nigeria. Nigeria still imports about USD 3 to 5 bn worth of food annually, especially wheat, rice, fish and sundry items, including fresh fruits. Wastage levels remain high in production areas, reducing the feedstock to processing factories, requiring them to keep importing supplies. It remains a key priority of Nigerian government to overcome the challenges and return Nigeria to a status of self-sufficient production and independence from imports. The loan to GT Bank is fully compatible with this national priority.

Recent Developments

Project: GT Bank has reported its unaudited financial statements for Q3 2017. Despite non-recurrence of FX revaluation gains during the previous financial year’s reporting period, net profit increased by 9% compared to Q3 2016.

S&E: In Q3 2017, GTB continued working to implement the S&E action plan agreed with the lenders. As part of this process, the bank has agreed to revise the repository of laws, against which relationship managers verify compliance with national law, to incorporate relevant social laws (e.g. Labour Act, Factories Act).

TA: No ongoing TA projects.

Mybucks International



Country for Use of Proceeds:	Uganda and Mozambique
Type of Investment:	Financial Institution
Outstanding AATIF investment:	USD 0
Outstanding AATIF commitment:	USD 5m
Financial Close:	not yet disbursed
Tenor:	2 years

Project Description

AATIF concludes a USD 5m facility to support the agricultural lending activities of the MyBucks subsidiaries in Uganda and Mozambique. MyBucks is a financial technology (“fintech”) services conglomerate that primarily delivers innovative and technology-driven solutions to unbanked and underbanked low and lower-middle income clients, predominantly in Sub-Saharan Africa.

In November 2015 MyBucks partnered with the international non-governmental organisation Opportunity International (“OI”) and took over six Opportunity International Subsidiaries in Africa. While on the one hand this allowed MyBucks to increase its client base, it shall also allow MyBucks to bridge the gap between the worlds of virtual and traditional banking by being able to provide financial services to the most rural clients in a faster, more efficient and also less expensive manner.

AATIF funding provided to MyBucks shall be used to finance the agricultural lending activities of the recently acquired OI subsidiaries in Uganda and Mozambique, as the majority of their clients are active in the agricultural sector. This partnership will enable smallholder farmers to have access to technology-enhanced financial services delivery to improve their livelihoods. It shall also give them a participatory stake in the technology development story similar to the innovation seen in other industries in the region. Furthermore, the USD 5 million senior lending facility will be supplemented with a robust technical assistance package. The package shall assist the company developing and implementing a social and environmental management system. It shall further support measuring the transformational impact on smallholder farmers of MyBucks’ activity.

Recent Developments

Project: The loan has not yet been disbursed as closing conditions are not yet fully met.

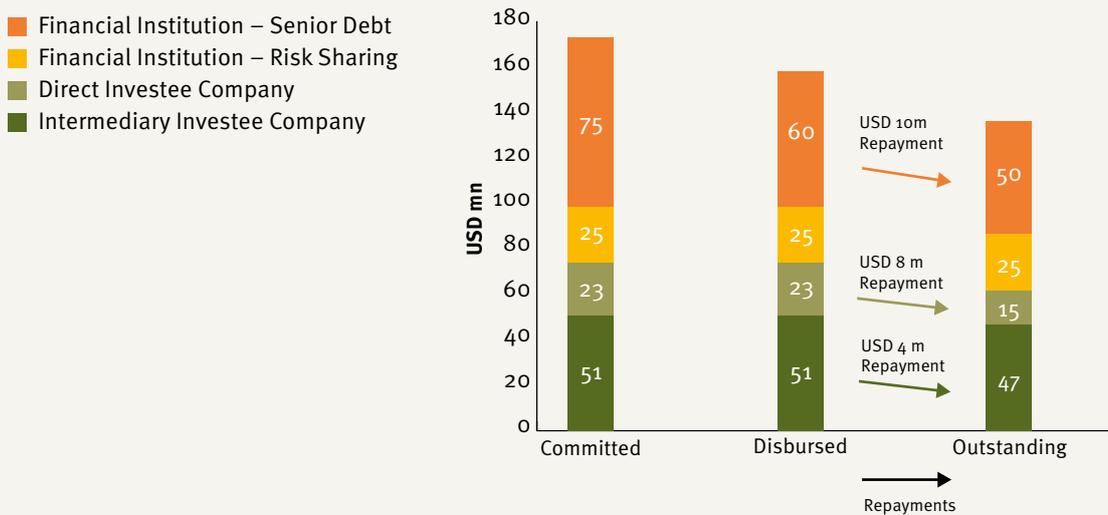
S&E: No material news

TA: No ongoing TA projects.

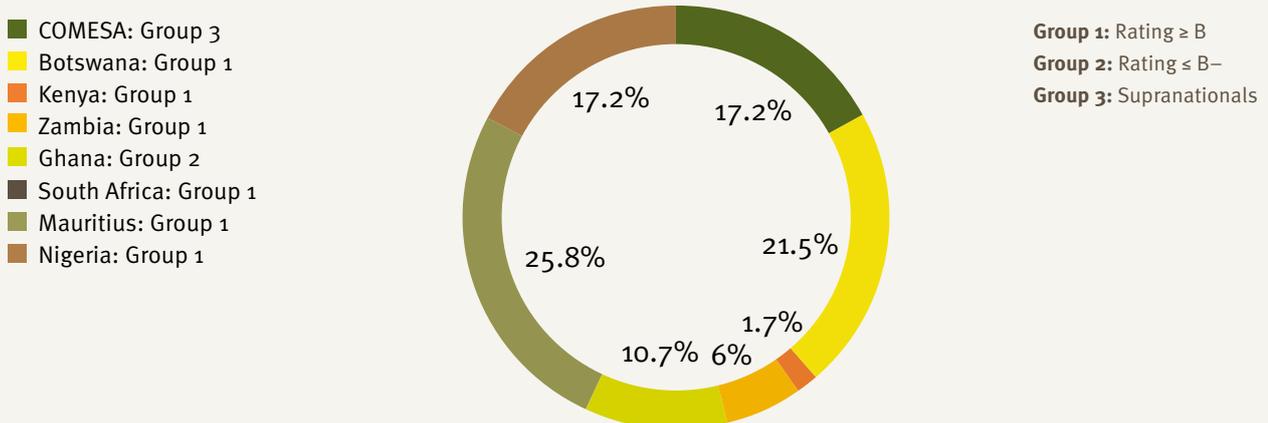
Portfolio Composition by Partner Institution (Outstanding)



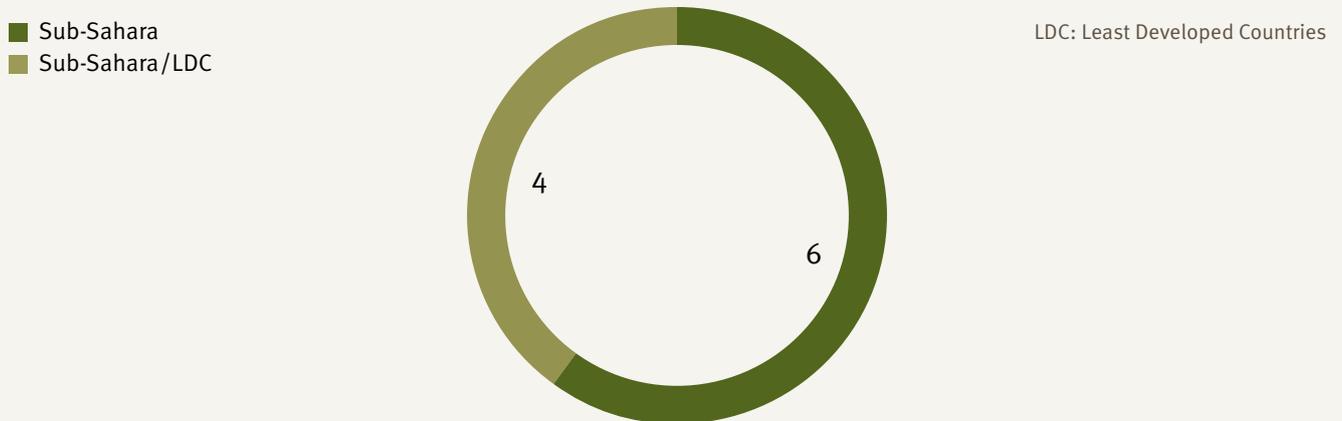
Portfolio Composition by type of Partner Institution



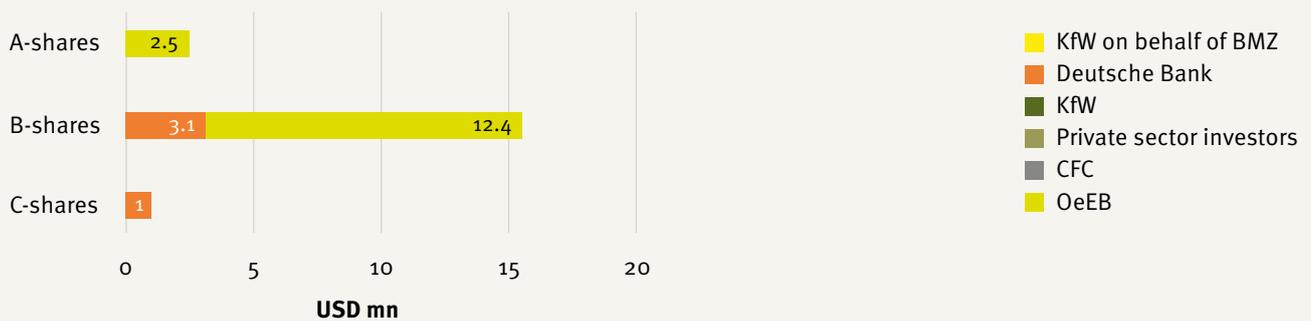
Portfolio Composition by Country Groups (Outstanding)



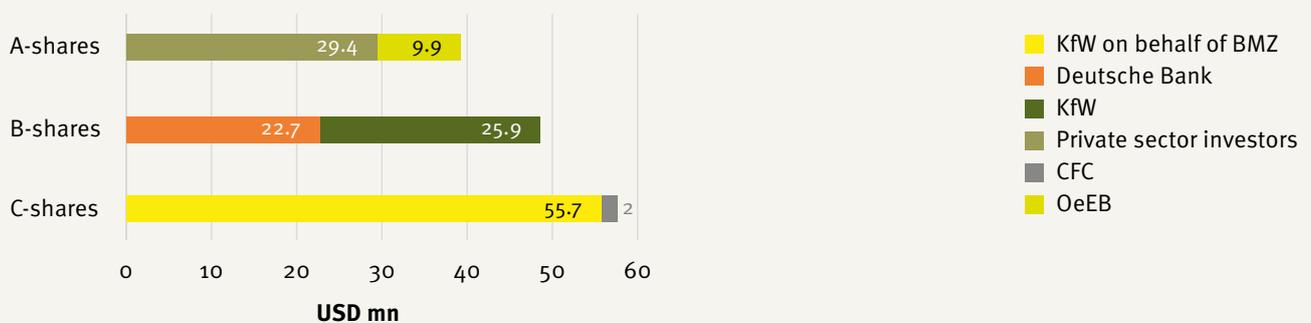
Portfolio Composition by LDC and Sub-Saharan Countries



Undrawn commitments



NAV as at 30/09/2017



Partners and Key Investors



Implemented by:



Disclaimer

All statistics presented in this report, unless otherwise specified, are based on non-audited figures of the financial model and reporting tool of the Africa Agriculture and Trade Investment Fund. Care has been taken in preparing the financial model and the statistics presented in this report but no representation, warranty or undertaking (express or implied) is given or will be made and no responsibility or liability is or will be accepted by the Africa Agriculture and Trade Investment Fund or any of their respective officers, directors, employees, servants or agents in relation to or concerning the content, completeness or accuracy of any information, opinion or other matter contained in this report.

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