



## AATIF Investment Updates

### Chobe Agrivision Company



Country (use of funds):	Zambia
Type of investment:	Wheat, maize and soy farm
Use of Proceeds:	Irrigation equipment, land and ancillary equipment
Outstanding AATIF investment:	USD 5.6m
Financial close:	October 2011
Tenor:	5 years + extended by additional 5 years

### Project Description

In October 2011, AATIF made an investment of USD 10m into the Zambian maize, wheat and soya bean farming operation Chobe Agrivision. AATIF's investment supports the operations of Chobe Agrivision by increasing its operational capacities thus enabling 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 7m USD. In October 2016, the loan was extended by an additional 5 years. The first tranche of the extended facility of USD 1.4m was repaid according to schedule in October 2017.

### Recent Developments

**Project Update:** Chobe Agrivision had a dry spell at Mkushi in the first few months of this year. At Somawhe the rains have been better and Agrivision was able to get a grip on the army worm attack on its maize crop. However, the soya crop yields of the coming season might be affected by a bacterial infection. The full impact will be seen during the harvest. On the milling side, the company has started some of the new higher margin product lines such as biscuit powder and maize grits as described in the previous quarterly report.

**Social & Environmental Oversight:** Also in Q1 2018, Agrivision Zambia could not yet fill the vacant position of the ESG Manager, and thus the search continues. The management team of Somawhe Farm had a meeting with the Chief, the District Commissioner and members of the community in mid-March 2018 to discuss the formal finalisation of the community's access to land within the Somawhe land lease. The Compliance Advisor completed the technical review of the Rapid Appraisal of Agrivision Zambia.

**Technical Assistance:** No material news.

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



Country:	Ghana
Type of investment:	Rice farm and mill
Use of Proceeds	Land, rice mill, tractors and equipment
Outstanding AATIF investment:	USD 1.3m
Financial close:	June 2012
Tenor:	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. Together with other co-lenders, AATIF accepted debt restructuring reducing the indebtedness of the company and allowing it a new start with a new management team. The farm consists of a nucleus which is surrounded by land used by smallholders to grow rice. Traditionally, rice production within Ghana suffered from the stigma of being considered low quality. Hence rice for retail use is imported. Since the take-over by the new management, GADCO developed its several brands under which rice from the nucleus farm and the community farmers is being sold in the local market. The benefit of the local mill being equipped with up-to-date equipment allowed the company to achieve off-take agreements subject to international quality standards. The local smallholder farmers have taken advantage of such agreement, to the benefit of all.



Rice Mill



Copa Connect Farmers

### Recent Developments

**Project Update:** GADCO made available their data from 2017 farming activities: From January to December, a total of 953 hectares were cultivated in the nucleus farm resulting in a harvest of approx. 1,600 metric tonnes of gross paddy. Production turned out to be above expectations given that in 2017 the farm was confronted with a shortage of functioning equipment (tractors) but remained below what was outlined in the business plan. 2017 was further the first year for the new farm manager who brought operations throughout the year back on track of a solid basis.

**Social & Environmental Oversight:** At the end of Q1 2018, GADCO submitted the company's Annual Narrative Social and Environmental Report, the Copa Connect Annual Report, and Compliance Certificates for the year 2017. The Compliance Advisor is following up on a few questions related to water quality and the limitation that herdsman face entering farm lands. The company's work with the Fievie community is undergoing change as evidenced by a smaller number of Fievie farmers (down to 58 from 74) who, however, farm a stable land size thus showing the ability of farmers to expand operations in individually allocated lands. The number of farmers participating in the Copa Connect Programme rose to 480 in the major season while declining in the minor season to 243.

**Technical Assistance:** The TA Facility continues to co-finance a senior workshop manager to decrease machinery downtime and repair costs.

## Wienco (Ghana) Ltd.



Country:	Ghana
Type of investment:	Intermediary input supplier
Outstanding AATIF investment:	EUR 9m and USD 6m
Financial close:	October 2013
Tenor:	3 years + extensions until 2019

### Project Description

In October 2013, AATIF disbursed a senior, secured 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 Update:** Within the first quarter of 2018 the environment in the cocoa sector in Ghana remains challenging. As of 22 February 2018 the national marketing agency, Cocobod, has purchased 625,111 tons of cocoa for the season compared with 640,075 tons for the same period in the previous crop. This puts the sector slightly behind its target to produce 850,000 tons for the current season. Main problems have been dry weather and persistent plant diseases. While London future contracts on cocoa in March stood at around 1,518 pounds (USD 2,121) per ton, Ghana has been paying farmers 7,600 cedis per ton (USD 1,700), which excludes buyers' fees, domestic and international freight costs and commissions. Cocobod reports losses of USD 600 on every ton they purchase which will challenge their ability to repay the USD 1.3bn bond Cocobod issued to finance this season's cocoa purchases. Cocobod remains to be in a critical situation trying to secure farmer incomes in the most important sector of the economy, but at the same time feeling the pressure to lower local cocoa prices to ensure economic viability of the sector.

**Social & Environmental Oversight:** Wienco developed a new template for the company's Annual Social and Environmental Report replacing the one formerly used including an update on the Social and Environmental Action Plan which it submitted at the end of Q1 2018. The Compliance Advisor is following up on challenges that Wienco encountered in 2017, that directly affected the smallholder farmers linked to both the cocoa and the maize/cotton association. Such challenges included delays in input delivery, resulting in lower yields and reduced income to smallholder farmers. Altogether, the maize/cotton scheme had 7'860 farmers in 2017 with a slight increase in numbers of cotton farmers as a consequence of additional sensitisation campaigns. The cocoa scheme had 9'157 farmers. In 2017, the farmers were registered with MTN Mobile or Ezwich for payments instead of letting cash flow through the collectors.

In addition to directly working with Wienco and its associations, the Compliance Advisor also undertook a technical revision (i) of the baseline reports for the cocoa and maize scheme as well as (ii) of the feasibility study for climate smart agricultural lending conducted on Wienco.

**Technical Assistance:** A draft baseline report for the WIENCO maize outgrower scheme was submitted in December 2017 and is currently under review. Also, a first draft of a feasibility study for the possible introduction of climate smart lending products to WIENCO outgrower farmers has been submitted for review and discussion. This study will be the basis for a decision to launch a concrete pilot project on climate smart lending operations.

### Cape Concentrate Ltd.



Country:	South Africa
Type of investment	Processing
Outstanding AATIF investment	USD 6.55m
Financial close	August 2014
Maturity	5 years

#### Project Description

Cape Concentrate is a South African company which was established in 2009 in the Eastern Cape province. The business plan proposed to process locally grown tomatoes into tomato paste for sale into the South African market as an import substitute. The loan from AATIF to Cape Concentrate is 100% provisioned subsequent to Cap Concentrate going through liquidation since December 2015. As secured creditor AATIF received in 2017 recoveries from the sale of the factory to Famous Brands. Famous Brands is a JSE listed South African company and Africa's largest branded food service franchisor. It continues the tomato paste production and sources tomato supply from local farmers, thereby creating employment in an economically distressed area.

#### Recent Developments

**Project Update:** No major updates available while the Investment Manager continues pursuing action to recover the invested capital.

**Social & Environmental Oversight:** No ongoing activities.

**Technical Assistance:** No ongoing activities.

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



Country:	Supranational
Type of investment:	financial institution
Outstanding AATIF investment:	USD 20m
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 Update:** TDB is currently assessing internally their funding need in the agricultural sector and will inform the Investment Manager about their need for an extension of the collaboration.

**Social & Environmental Oversight:** No material news.

**Technical Assistance:** No ongoing activities.

**BancABC Holdings Ltd.**

Country:	East Africa (Mozambique, Tanzania, Zambia, Zimbabwe & Botswana)
Type of investment:	Financial Institution
Outstanding AATIF investment:	USD 20m
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 Update:** In Q1 2018, BancABC published an excerpt of its year end 2017 financials. Results improved from a loss of USD1.4 million for the year ended 31 December 2016 to a profit of USD7.6 million for the year ended 31 December 2017. The Group stated that it advanced new loans over the period, however as a result of amortisation of the loan book and a sale of part of the non-performing loan book and low credit demand in certain countries, loans and advances remained constant over the period at USD1.1 billion. AATIF continued its due diligence and discussions on an extension in Q1 2018 which are expected to conclude in the course of the second quarter of the year.

**Social & Environmental Oversight:** In Q1 2018, the AATIF Compliance Advisor processed S&E data from 25 bank clients (collected in Q4 2017) to evaluate the effectiveness of the bank's upgraded Environmental and Social Management System. Analysis of the data is still on-going.

**Technical Assistance:** In Q1, the recently appointed BancABC Sustainability Officer undertook a first E&S monitoring visit in Zimbabwe with one of the Bank's agricultural client. This assignment was accompanied by an expert consultant who was financed by the TA facility. As a further development, the Sustainability Officer has now been appointed as a member of BancABC's credit committee and an additional employee of the Bank has been appointed as Deputy Sustainability Officer to further strengthen the Bank's E&S division and institutionalize Bank ABC's Environmental and Social Management.

**Export Trading Group ("ETG")**

Country:	Pan Africa
Type of investment:	Intermediary
Outstanding AATIF investment:	USD 30m
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 specializing 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 Update:** The sale of a minority stake in ETG to Japanese conglomerate Mitsui is currently ongoing and financial close is expected in Q2 2018. During Q1 2018, ETG used the proceeds of the AATIF loan for the export of cashews sourced in Mozambique, the import of fertilisers into Kenya and capital expenditures in Mozambique.

**Social & Environmental Oversight:** On 31 March 2018, the Sustainability Manager of ETG resigned. ETG allowed for a transition period by hiring the new Sustainability Manager, who is a well experience professional in his field, in March 2018. The new Sustainability Manager was undergoing induction trainings towards the end of March, and an introductory call with AATIF is planned for early April 2018. The Compliance Advisor and Technical Assistance Manager held a constructive call with IFC and discussed cross-fertilising the Rapid Appraisal that is scheduled to take off this year with monitoring activities of other lenders.

**Technical Assistance:** No ongoing activities.

### Guaranty Trust Bank ("GTB")



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

### Project Description

As part of a 7 year syndicated loan facility, AATIF granted a loan to GT Bank Nigeria for an amount of USD 20mn, which is earmarked for granting loans to Nigerian borrowers active in the agricultural value chain. GT Bank is Nigeria's fourth largest financial institution by total assets with a market share of around 8-10% while it is one of the most advanced lenders from a technology standpoint. It started its activities in 1990 and currently employs more than 3,000 staff across Nigeria.

### Recent Developments

**Project Update:** In March 2018, GT Bank released its audited financial results for the year ended in December 2017. The Bank's financial statements reveal a strong operating performance with net profit increasing by 27.16% to NGN161.3 billion, from NGN126.8 billion in 2016. At the same time, GT Bank continued to grow its balance sheet with total assets increasing to NGN2.825 trillion, from NGN2.613 trillion in 2016. Its financial position remained strong with equity to assets ratio rising to 20.69% from 18.25% in 2016. In addition, the Bank continued to strengthen its liquidity position with cash and cash equivalents soaring by 94.7% to NGN455 billion, from NGN233.8 billion for 2016.

**Social & Environmental Oversight:** The Compliance Advisor provided input to DEG that launched a portfolio social and environmental review in March 2018. Results are expected for June.

**Technical Assistance:** No ongoing activities.

### 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 concluded 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. This not only allowed MyBucks to increase its client base, but will also enable it to bridge the gap between the worlds of virtual and traditional banking by enabling MyBucks 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 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 in 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 Update:** The loan has not been disbursed.

**Social & Environmental Oversight:** No material news.

**Technical Assistance:** No ongoing activities.

### Coopers-K Brands Kenya Ltd. “CKL”)



Country:	Kenya
Type of investment:	Direct Investment Company
Purpose:	CAPEX financing for local production
Outstanding AATIF investment:	USD 583k
Financial close:	January 2018
Tenor:	7 years

### Project Description

AATIF concluded a USD 4m facility to enable Coopers-K Brands Kenya Ltd (“CKL”) finance a new plant for minerals and nutritional supplements for livestock, thereby increasing local value addition.

CKL is a leading animal health and agricultural inputs company in Eastern Africa, and is the franchise distributor of the ‘Coopers’ range of products. CKL has delivered high quality products and solutions for livestock farming in Kenya since 1906 and has recently ventured into crop protection products to expand its product offering to farmers as well as capture more value from the markets it already serves. The goal of the company is to contribute to the transformation of the agricultural sector in Africa by developing and delivering innovative and affordable animal health and crop protection products within easy reach of every farmer in the markets it has operations.

The key markets for CKL are Kenya, Uganda, Rwanda, Burundi and Tanzania with the company exploring to expand into other markets such as Ethiopia with time. Within Kenya, CKL has developed a sub-distributor model that ensures its products get to the end users i.e. farmers. This is done through a network of 13 Strategic Business Partners (regional distributors) who then wholesale the products to over 6,000 stockists that deliver products to farmers on a daily basis. The investment would be AATIF's first investment into animal health and veterinary products (CKL's core products) hence diversifying the existing portfolio and expanding the fund's profile with a company active in importation, production and distribution of the said products into the larger East African region. AATIF considers the investment in CKL as a strategic partnership in enabling the objective of the fund in fostering local value addition, increasing farmers' productivity and incomes which further contributes to reduction in poverty.

### Recent Developments

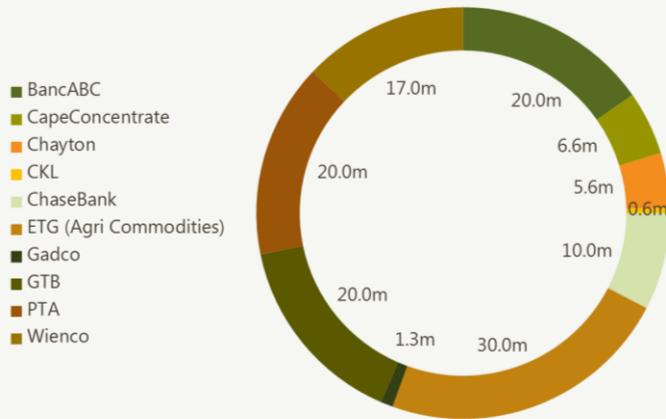
**Project Update:** CKL made its first drawdown of the loan facility in February 2018 after obtaining all required approvals to start construction of a new plant. The ground works have commenced with intention to complete the project in December 2018.

**Social & Environmental Oversight:** No material news.

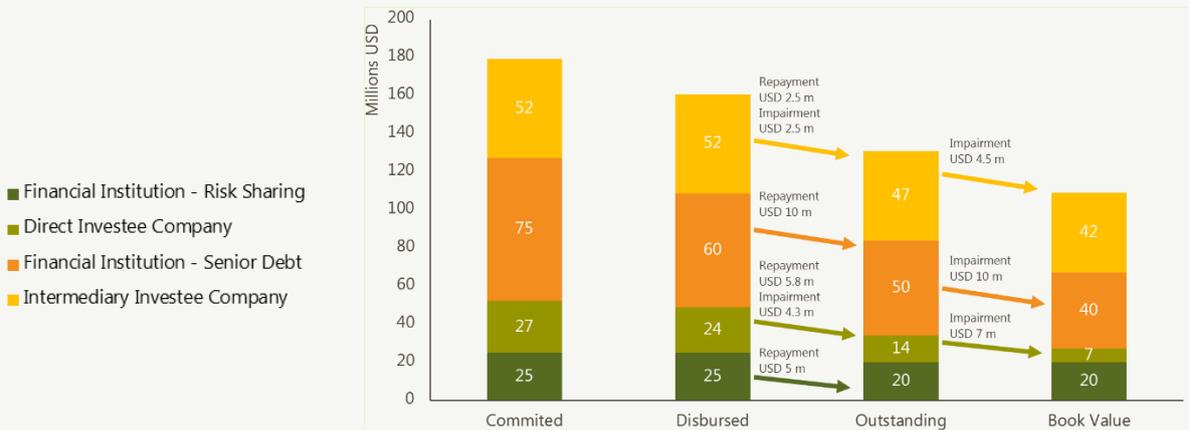
**Technical Assistance:** The TA Facility Manger is currently in discussion with CKL Management for possible TA Facility support.

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Portfolio Composition by Partner Institution (Outstanding)

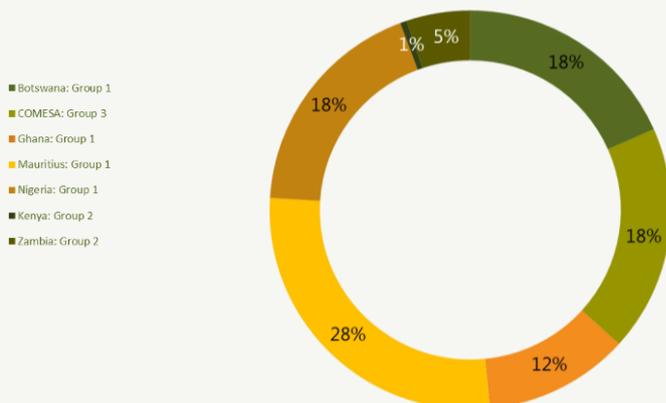


Portfolio Composition by Type of Partner Institution



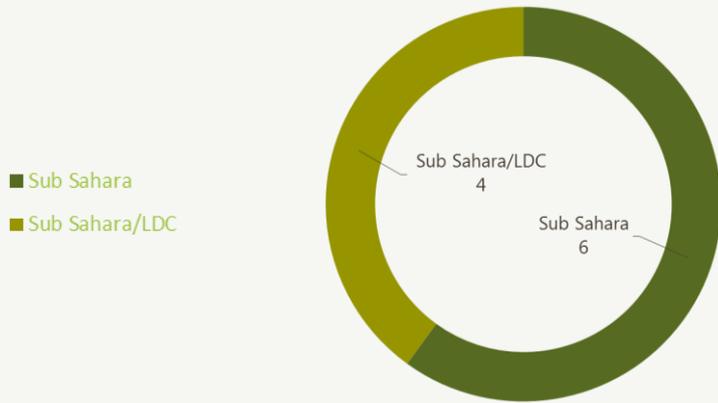
\* Balance of provision at the start of Q1 2018:  
 USD 21,935,134.10  
 Balance of provision at the end of Q1 2018:  
 USD 21,935,134.10  
 Movement during Q1 2018:  
 USD 0

Portfolio Composition by Country Groups (Outstanding)



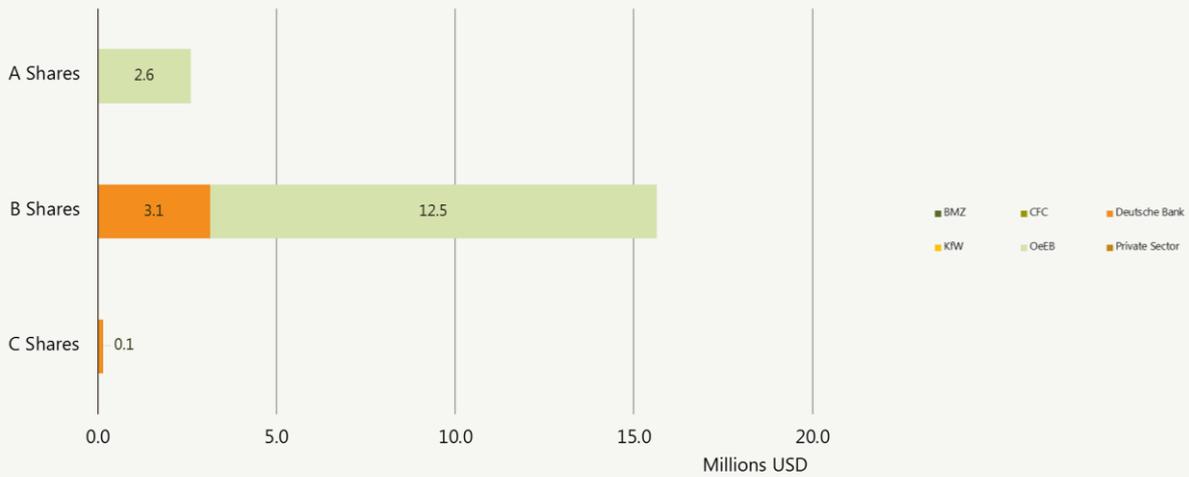
Group 1: Rating B/B1 or better  
 Group 2: Rating B-/B2 or worse  
 Group 3: Supranationals  
 The country allocation of the investment is linked to the place where the legal residency of the investee / the economic risk bearer is registered.

Portfolio Composition by LDC and Sub-Saharan Countries

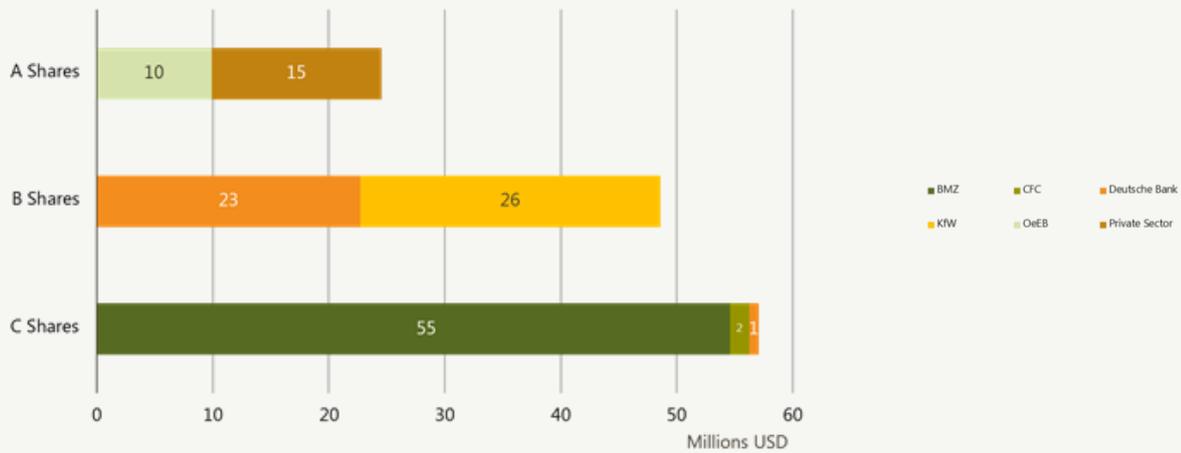


LDC: Least Developed Countries

Undrawn Commitments



NAV as at 31/03/2018



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## Collaboration Partners and Selected Investors

### Initiator:



### Implementation Partners:



### Investors:



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