

Quarterly Reporting Q4 2013

AATIF Highlights (2013)

AATIF signs USD 25m funding and risk sharing agreement with BancABC (Botswana)

AATIF commits a USD 1m trade finance line to Balmed Holdings Ltd. (Sierra Leone)

AATIF Investment Highlights (Q4 2013)

BancABC; closed Dec 2013

On December 17 2013, AATIF signed a USD 25m 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, a strategy which was revised in 2008, when the bank commenced to expand gradually into the retail banking space, developing a comprehensive set of retail services including SME and

consumer lending products. The AATIF risk sharing will allow BancABC to increasingly step into transactions along the entire agricultural value chain, ideally with longer term funding and fair collateral packages. The 45 % AATIF pari passu risk participation will initially cover an incremental agricultural lending portfolio of up to USD 11m, with the remainder being extended as senior loan. This risk participation limit may be raised going forward, subject to a successful roll out of the program.

Balmed (Cocoa Trader Sierra Leone); closed Dec 2013

On December 24 2013, AATIF entered into a USD 1m revolving trade finance agreement with Balmed Ltd, a Sierra Leonean cocoa and coffee trading company. A first tranche of USD 250,000 has been disbursed with signing of the agreement.

Balmed started out as a trader of cocoa and coffee in 2004, eventually moving upstream by establishing a blockfarming model to secure future supply of quality cocoa in Sierra Leone in 2011. While the blockfarming is supported financially and technically by GIZ as well as numerous NGOs and foundations, the trading business has been lacking necessary funding. AATIF has stepped in to help Balmed strengthen its trading business, which is

crucial for securing cocoa farmer's market access and to successfully establish a financially sustainable blockfarming model. The AATIF transaction is closing the loop between a grant funded project on one side and a privately funded business on the other side. If successful, AATIF will have built the bridge to market access and subsequent sustainable business growth with resources sourced from the private sector.

Technical Assistance Facility:

A cocoa trading expert commenced his AATIF assignment to assist Balmed with trading operations and overall financial management in late October.

Wienco (Input provider Ghana); closed Oct 2013

On October 17, as previously announced in the Q3 AATIF reporting, AATIF disbursed a USD 20m senior debt loan to Wienco (Ghana) Ltd. (“WGL”), a Ghanaian intermediary company that provides fertilizer and agro-chemicals, training in input application methods, as well as in business skills to 50,000 smallholder farmers via three smallholder associations. These include the Cocoa Abrabopa scheme, the Masara N’Arziki maize smallholders association and WGL’s own smallholder cotton growing scheme. AATIF’s financial commitment will allow WGL to significantly expand the scope of its smallholder operations over the next five years. It is the aspiration of WGL and AATIF to help substantially increase the smallholders’ productivity, improve the farmers’ livelihoods and contribute to regional food security at the same time.



Cocoa Abrabopa farmers and the AATIF team



Cotton scheme at Wienco (Ghana) Ltd.



Cocoa Trees at Wienco (Ghana) Ltd.



Cocoa Tree at Wienco (Ghana) Ltd.

Chobe Agrivision: (Wheat and Soy farm Zambia); closed Oct 2011

Chobe Agrivision achieved a further milestone in its path of creating an integrated agricultural business across the Zambian cereal value chain. In Q4 2013, Chobe acquired the milling operation Mpongwe-Milling, to mill its produced maize and wheat. For maize and wheat there are three produces each, i. e. (1) wheat bread flour, (2) wheat cake flour and (3) wheat bran and (1) maize breakfast meal, (2) maize roller meal and (3) maize bran. With 1/3 of

the milled produce targeted to non-commercial clients being sold into DRC, Chobe is also at the forefront of tackling food security in a country where about 70 percent of the population lacks access to adequate food, while one out of every four children is malnourished (WFP 2012 / Food Security Portal). The wheat harvest of Q3/Q4 2013 (albeit being put under stress by restricted irrigation due to severe power cuts) reached targeted yield levels.

GADCO: (Rice farm Ghana); closed June 2012**Compliance Advisor:**

A Ghanaian HR mentor was selected and put in contact with GADCO to train the selected GADCO staff into becoming the company's HR Manager. In addition, the Compliance Advisor liaised on potential synergies with respect to the GADCO impact evaluation with the researcher managing the World Bank study.

Technical Assistance Facility:

A rice agronomy expert undertook his first field visit to GADCO and made relevant and valuable suggestions on how to adjust the current farming system in order to achieve sustainable high yields for the benefit of the company and the surrounding communities.

Preferential Trade Area Bank (PTA); closed Sep 2012

PTA continued to build its agricultural portfolio: As of 31 December 2013, PTA has on-lent USD 22.5m of the AATIF facility. Lending facilities include funding towards the sugar and tea sectors.

Technical Assistance Facility:

The AATIF TA Facility co-financed the salary of an on-staff agricultural expert who is now tasked to develop an agricultural sector strategy for PTA and establish the agri-finance unit. The expert took his position on 3 November 2013.

Chase Bank (Kenya) Ltd; closed Oct 2012

As of 31 December 2013, Chase Bank has, through repeated seasonal financing, on-lent more than USD 6m worth of loans to the food processing, tea, dairy, sugar and maize sectors with an additional focus on horticulture. The expansion in this sector has been supported by the AATIF Technical Assistance Facility.

Compliance Advisor:

The Compliance Advisor and the Chase Bank S&E Coordinator agreed on establishing a single threshold regardless of sectoral activity. The threshold was set at USD 100,000. All Chase sub-loans below the threshold will have to follow a facilitated S&E procedure raising the "no assessment" bar originally proposed by Chase Bank. Loans above the threshold will undergo more elaborated S&E assessment.

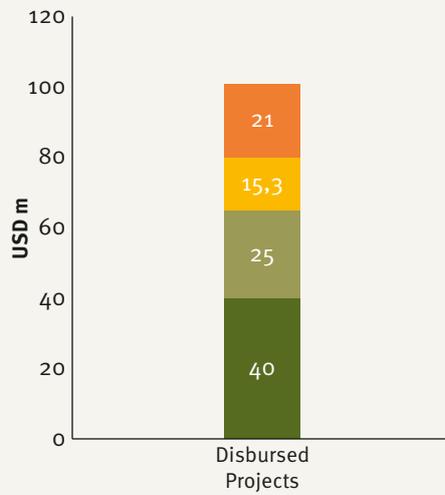
The Compliance Advisor, in collaboration with DEG, finalized the facilitated S&E procedure for loans below USD 100,000 and proposed an S&E check list for loans above USD 100,000. The Chase Bank S&E Coordinator validated all modifications and initiated their submission for the Bank's Board approval.

Technical Assistance Facility:

Short term consultancy on horticulture value chain analysis and assessment of market potential in Kenya has been completed in November 2013.

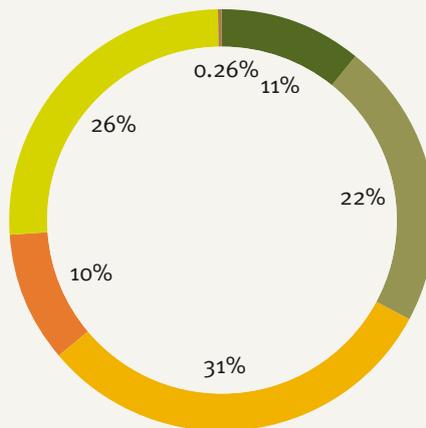
Portfolio composition by Partner Institution

- Intermediary Investee Company
- Direct Investee Company
- Financial Institution – Risk Sharing
- Financial Institution – Senior Debt



Portfolio Composition by Country Groups

- Zambia: Group 1
- Ghana: Group 1
- COMESA/PTA: Group 3
- Kenya: Group 1
- Botswana: Group 1
- Sierra Leone: Group 2*



Group 1 (20% Limit):
Target Countries that have an external rating of “B” or better

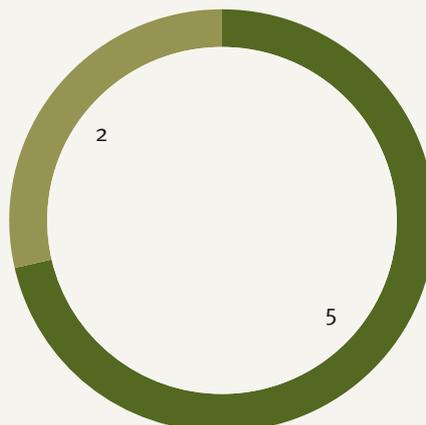
Group 2 (10% Limit):
Target Countries that have an external rating of “B-” or worse

Group 3: Supranationals

* not rated

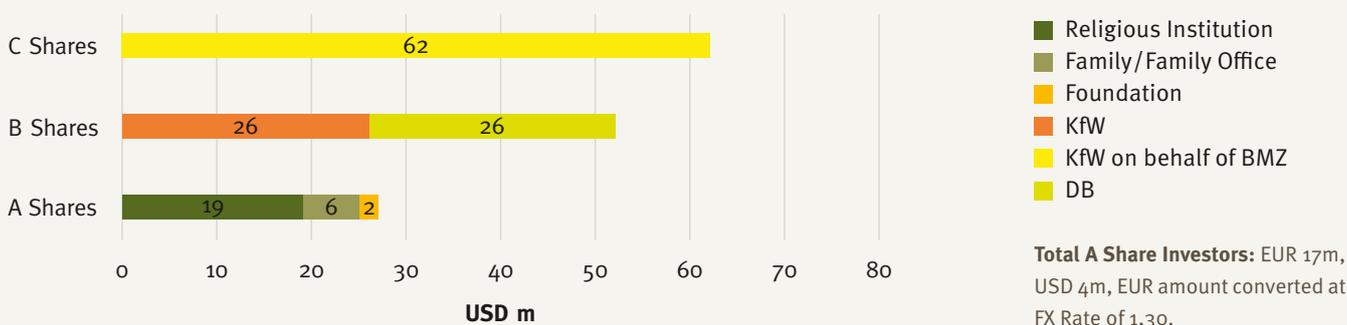
Portfolio Composition by LDC and Sub-Saharan Country

- Sub-Saharan
- Sub-Saharan / LDC

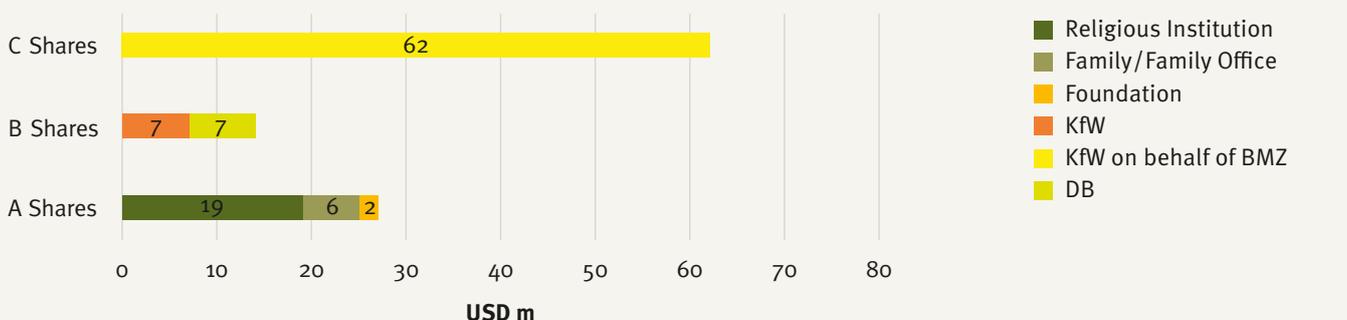


LDC: Least Developed Country as defined by the United Nations

Commitments



Subscriptions



Partners and Investors



Implemented by:



Disclaimer

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Africa Agriculture and Trade Investment Fund
 31 Z.A. Bourmicht
 L-8070 Bertrange
 Grand Duchy of Luxembourg
 www.aatif.lu
 info@aatif.lu