



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

AGRICULTURAL BANK OF NAMIBIA

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

REPUBLIC OF NAMIBIA



TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY

I have the honor to submit herewith my report on the accounts of the Agricultural Bank of Namibia for the financial year ended 31 March 2023, in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honorable Minister of Finance in terms of Section 27(1) of the State Finance Act, 1991 (Act 31 of 1991) to be laid upon the Table of the National Assembly in terms of Section 27(4) of the Act.

WINDHOEK, September 2023

A handwritten signature in black ink, appearing to read 'Junias Etuna Kandjeke'.

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL
ON THE ACCOUNTS OF THE AGRICULTURAL BANK OF NAMIBIA
FOR THE YEAR ENDED 31 MARCH 2023**

1. UNQUALIFIED AUDIT OPINION

I have audited the financial statements of Agricultural Bank of Namibia for the financial year 31 March 2023. These financial statements comprise the Statement of comprehensive income and retained earnings, Statement of financial position, statement of changes in equity, statement of cash flows for the year then ended, and a summary of significant accounting policies.

In my opinion, the financial statements present fairly the financial position of Agricultural Bank of Namibia as at 31 March 2023 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner require by the Agricultural Bank Act, 2003 (Act No.5 of 2003).

2. BASIS FOR AUDIT OPINION

I conducted my audit in accordance with International Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the entity in accordance with the Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

3. KEY AUDIT MATTERS

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have nothing to report in this regard.

4. OTHER INFORMATION

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

5. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Agricultural Bank Act, 2003 (Act No.5 of 2003), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the entity's financial reporting process.

6. AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards on Auditing, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with the International Standards on Auditing, I exercise professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report.

However, future events or conditions may cause the Entity to cease to continue as a going concern.

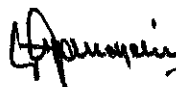
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
- I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. ACKNOWLEDGEMENT

The co-operation and assistance by the management and staff of the Agricultural Bank of Namibia during the audit is appreciated.

WINDHOEK, September 2023



JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

AGRICULTURAL BANK OF NAMIBIA
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
GENERAL INFORMATION

Country of incorporation and domicile	Namibia
Directors	J Mwatotele (Chairperson) E Motinga B Katjaerua D Nashandih P Hangula A Sikopo
Registered office	10 Post Street Mall Windhoek Namibia
Business address	10 Post Street Mall Windhoek Namibia
Postal address	Private Bag 13208 Windhoek Namibia
Establishment act	Agricultural Bank of Namibia Act 5 of 2003 (formerly the Land Bank Act)
Secretarial services Manager	Provided internally by Corporate Governance
Compiler of the financial statements	PricewaterhouseCoopers Registered Accountants and Auditors Chartered Accountants (Namibia)
Auditor	Auditor-General of the Republic of Namibia

**AGRICULTURAL BANK OF NAMIBIA
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
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The reports and statements set out below comprise the annual financial statements presented to the members:

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Approval of Annual financial statements

The annual financial statements, set out on pages 5 to 63 have been compiled from the books of the Bank and to the best of our knowledge and belief, are correct.

Raphael Kuruaihe
Chief Executive Officer

Louis du Toit
Chief Financial Officer

The annual financial statements, set out on pages 5 to 47 have been approved and authorised for issue by the Board of directors of Agricultural Bank of Namibia and are signed on its behalf by:

Josephat Mwatotele
Chairperson of the Board

Peyavali Hangula
Member Finance, Risk, Audit and
Compliance Committee

AGRICULTURAL BANK OF NAMIBIA
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
DIRECTOR'S REPORT

The directors have pleasure in submitting their report on the annual financial statements of Agricultural Bank of Namibia for the year ended 31 March 2023.

1. Main business activities

The main business activity of the Bank comprises the promotion of agriculture within Namibia through financing agricultural activities or activities related to such.

There have been no material changes to the main business activities of the Bank over the reporting period.

2. Directorate

The directors in office at the date of this report are as follows:

<i>Directors</i>	<i>Nationality</i>	<i>Changes</i>
J Mwatotele (Chairperson)	Namibian	Appointed 01 November 2022
E Motinga	Namibian	Appointed 01 November 2022
B Katjaerua	Namibian	Appointed 01 November 2022
D Nashandih	Namibian	Appointed 01 November 2022
P Hangula	Namibian	
A Sikopo	Namibian	
D Honsbein (Chairperson)	Namibian	Resigned 31 October 2022
Dr M Humavindu	Namibian	Resigned 31 October 2022
P Kaapama	Namibian	Resigned 31 October 2022

The following directors resigned during the year under review:

- D Honsbein (Chairperson) - (Namibian) - resigned 31 October 2022.
- Dr M Humavindu - (Namibian) - resigned 31 October 2022.
- P Kaapama - (Namibian) - resigned 31 October 2022.

3. Dividends

Agribank is not a company incorporated under the Companies Act 28 and it is not within its powers, under the Agricultural Bank of Namibia Act 5, to pay dividends.

4. Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Bank during the financial year or since the end of the financial year.

AGRICULTURAL BANK OF NAMIBIA
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
DIRECTOR'S REPORT (continued)

5. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report that would require adjustments to or disclosure in the annual financial statements.

6. Going concern

We draw attention to the annual financial statements, which indicates that the Bank incurred a net surplus of N\$ 49 500 000 during the year ended 31 March 2023 and, as of that date, the Bank's assets exceeded its liabilities by N\$ 2 811 542 000.

The directors believe that the Bank has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the Bank is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the Bank. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Bank.

AGRICULTURAL BANK OF NAMIBIA
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH

		2023	2022	2021
			Restated *	Restated *
	Notes	N\$ '000	N\$ '000	N\$ '000
Assets				
Cash and cash equivalents	3	405 009	429 683	377 678
Other receivables	4	626	602	571
Inventories	5	1 329	1 209	1 165
Loans and advances to customers	6	2 936 222	2 904 116	2 878 834
Retirement benefit asset	7	702	1 259	1 583
Investment property	8	45 425	41 730	44 502
Property plant and equipment	9	110 053	110 453	106 438
Intangible assets	10	-	1	3
Total Assets		3 499 366	3 489 053	3 410 774
Equity and Liabilities				
Due to banks	3	4 354	3 059	4 752
Creditors and other payables	11	11 242	10 342	9 503
Finance lease liabilities	12	3 370	2 253	1 068
Borrowed funds	13	392 226	518 170	531 396
Special purpose funds	14	101 624	104 000	101 344
Loan guarantee fund	15	134 781	126 317	121 459
Provisions	16	5 072	5 232	5 092
Deferred income	17	35 155	40 675	46 395
Total Liabilities		687 824	810 048	821 009
Equity				
Capital	18	1 811 506	1 721 506	1 631 506
Reserves		917 845	875 308	876 068
Funds and grants	19	82 191	82 191	82 191
Total Equity		2 811 542	2 679 005	2 589 765
Total Equity and Liabilities		3 499 366	3 489 053	3 410 774

AGRICULTURAL BANK OF NAMIBIA
STATEMENT OF COMPREHENSIVE INCOME AS AT 31 MARCH

ANNEXURE B

	Notes	2023 NS '000	2022 Restated * NS '000
Interest income	20	244 122	245 147
Interest expense	21	(45 455)	(43 017)
Net interest income		198 667	202 130
Other operating income	22	6 846	6 602
Other operating gains / (losses)	23	3 803	(4 783)
Credit impairment charges recovered (losses)	24	2 839	(46 579)
Personnel expenses	24	(104 933)	(103 470)
Depreciation expenses	24	(4 065)	(4 919)
General and administrative expenses	24	(48 914)	(49 754)
Net operating surplus / (loss) for the year		54 243	(773)
Other comprehensive income:			
Revaluation losses		(4 424)	-
Actuarial (loss) / gain		(319)	13
Total items that will not be reclassified to profit or loss		(4 743)	13
Other comprehensive (loss) / income for the year		(4 743)	13
Total comprehensive income / (loss) for the year		49 500	(760)

AGRICULTURAL BANK OF NAMIBIA
STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH

	Capital	Funds and grants	Reserves	Total equity
	N\$ '000	N\$ '000	N\$ '000	N\$ '000
Opening balance as previously reported	1 631 506	82 191	886 721	2 600 418
Prior period error *	-	-	(10 653)	(10 653)
Balance at 01 April 2021 as restated	1 631 506	82 191	876 068	2 589 765
Surplus for the year	-	-	(773)	(773)
Other comprehensive income	-	-	13	13
Total comprehensive loss for the year	-	-	(760)	(760)
Contributions	90 000	-	-	90 000
Total contributions	90 000	-	-	90 000
Opening balance as previously reported	1 721 506	82 191	893 882	2 697 579
Prior period error *	-	-	(18 574)	(18 574)
Balance at 01 April 2022 as restated	1 721 506	82 191	875 308	2 679 005
Surplus for the year	-	-	54 243	54 243
Other comprehensive income	-	-	(4 743)	(4 743)
Total comprehensive income for the year	-	-	49 500	49 500
Contributions	90 000	-	-	90 000
Revaluation losses	-	-	(6 963)	(6 963)
Total contributions	90 000	-	(6 963)	83 037
Balance at 31 March 2023	1 811 506	82 191	917 845	2 811 542
Note(s)	18	19		

AGRICULTURAL BANK OF NAMIBIA
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH

		2023	2022
	Notes	N\$ '000	Restated * N\$ '000
Cash flows from operating activities			
Surplus for the year		49 500	(760)
Adjustments for:			
Change in operating assets	25	(31 693)	(25 034)
Change in operating liabilities	25	740	980
Net gain from investing activities	25	4 686	9 700
Net gain from financing activities	25	870	1 876
Net cash from / (to) operating activities		24 103	(13 238)
Cash flows to investing activities			
Purchase of property plant and equipment	9	(11 532)	(9 819)
Proceeds from sale of property plant and equipment	9	108	162
Net cash to investing activities		(11 424)	(9 657)
Cash flows (to) / from financing activities			
Government contributions received	18	90 000	90 000
Repayment of loans	13	(125 944)	(13 226)
Movement in finance lease liabilities	12	(2 704)	(2 173)
Early terminations of leases and modifications		-	1 992
Net cash (to) / from financing activities		(38 648)	76 593
Total cash movement for the year		(25 969)	53 698
Cash at the beginning of the year		426 624	372 926
Total cash at end of the year	3	400 655	426 624

AGRICULTURAL BANK OF NAMIBIA
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2023

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB), and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act of Namibia.

The annual financial statements have been prepared on the historic cost basis, as modified by the revaluation of financial assets at fair value through profit and loss, financial assets at fair value through other comprehensive income and financial liabilities held at fair value through profit or loss, except for investment property and certain office properties (classified as property, plant and equipment). The annual financial statements are presented in Namibia Dollars, which is the Bank's functional currency, and all values are rounded to the nearest thousand dollars, except when otherwise indicated. Rounding does result in minor rounding differences which cannot be avoided, certain line items have been adjusted accordingly.

These accounting policies are consistent with the previous period, except for the changes in note 30.

Presentation of financial statements

The Bank presents its statement of financial position in order of liquidity based on the Bank's intention and perceived ability to recover/settle the majority of assets/liabilities of the corresponding financial statement line item. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in note 28.

Financial assets and financial liabilities are generally reported gross in the statement of financial position except when IFRS netting criteria are met.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

AGRICULTURAL BANK OF NAMIBIA
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2023 (continued)

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Key sources of estimation uncertainty

Impairment losses on financial assets

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement. These estimates are driven by several factors, changes in which can result in different levels of allowances.

The Bank's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Bank's own collection efforts and efforts aimed at securing collateral as well as legal processes to be followed and the consistency of application of these.
- The three stages classification model and whether this best reflects the indications of increases in credit risk.
- Development of ECL models, including the various formulas and the choice of inputs.
- Treatment of the whole loan book as a portfolio in the absence of collection of loss data, which might support modelling enhancements and segmentation improvements.
- The lack of industry comparative data to confirm results given the uniqueness of the agricultural loan book.

Provisions and contingent liabilities

The Bank operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings arising in the ordinary course of business.

When the Bank can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Bank records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. However, when the Bank is of the opinion that disclosing these estimates on a case-by-case basis would prejudice their outcome, then the Bank does not include detailed, case-specific disclosures in its financial statements.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Bank takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

AGRICULTURAL BANK OF NAMIBIA
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2023 (continued)

The provisions for post-retirement medical and severance benefits are based on actuarial valuation by independent actuaries. In determining the provision, assumptions are made regarding discount rates, mortality rates and health care inflation rates.

1.3 Financial instruments

Financial instruments held by the Bank are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the Bank, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatory at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income.

Financial assets which are debt instruments:

- Amortised cost; or
- Fair value through other comprehensive income; or
- Mandatory at fair value through profit or loss; or
- Designated at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or
- Mandatory at fair value through profit or loss; or
- Designated at fair value through profit or loss.

Note 2 Financial instruments and risk management presents the financial instruments held by the Bank based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Bank are presented below:

Date of recognition

Financial assets and liabilities, with the exception of loans and advances to customers and balances due to customers, are initially recognised on the trade date, i.e., the date on which the Bank becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognised when funds are transferred to the customers' accounts. The Bank recognises balances due to customers when funds are transferred to the Bank.

AGRICULTURAL BANK OF NAMIBIA
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2023 (continued)

1.3 Financial instruments (continued)

Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price.

Classification of subsequent measurement

The Bank classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either amortised cost or FVPL.

Relevant financial liabilities to the Bank comprise borrowed fund and balances due to Banks and are measured at amortised cost.

Derecognition of financial assets and liabilities

Derecognition due to substantial modification of terms and conditions

The Bank derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Bank records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition other than substantial modification

A financial asset is derecognised when the rights to receive cash flows from the financial asset have expired. The Bank also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

AGRICULTURAL BANK OF NAMIBIA
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2023 (continued)

1.3 Financial instruments (continued)

Impairment of financial assets Overview of ECL principles

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. Loans to customers are assessed on a collective basis, whilst other financial assets on an individual basis.

The Bank performs an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above the Bank has assessed that the most appropriate grouping of loan stages as described below:

- Stage 1: When loans are first recognised, the Bank recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
- Stage 2: The Bank has determined that due to the nature of its loan book and exclusive focus on the agricultural lending with exposure to varying production cycles that 180 days in arrears is a good indicator a significant increase in credit risk since origination. The Bank records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3: Stage 3 loans are considered credit impaired once they reach the stage of being overdue in excess of 1 year. The Bank records an allowance for the LTECLs.

For financial assets for which the Bank has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

AGRICULTURAL BANK OF NAMIBIA
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2023 (continued)

1.3 Financial instruments (continued)

Calculation of ECL's

The Bank calculates ECLs the expected cash shortfalls, discounted at an approximation to the EIR. The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- PD: The Probability of Default is an estimate of the likelihood of default over a given time horizon.
- EAD: The Exposure at Default refers to the total value that the Bank is exposed to at the time of default.
- LGD: The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. The Bank calculates LGD on historic loss data.

When estimating ECL's the Bank considers various scenarios and also considers the rebuttable loan classification stages as set out under IFRS 9.

Forward looking information

The Bank considers forward looking information when determining ECLs, where there is sufficient correlation between these factors as supported by loss history and default trends. A correlation coefficient of 75% or higher is deemed to be sufficient correlation, for purposes hereof.

Collateral valuation

To mitigate its credit risks on financial assets, the Bank seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements.

Write offs

Financial assets are written off either partially or in their entirety only when the Bank has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

Financial instruments

Initial recognition and measurement

Financial instruments are recognised initially when the Bank becomes a party to the contractual provisions of the instruments.

AGRICULTURAL BANK OF NAMIBIA
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2023 (continued)

1.3 Financial instruments (continued)

The Bank classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available for sale financial assets.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Impairment of financial assets

At each statement of financial position date, the Bank assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available for sale.

Fair value through profit or loss

This category has two sub-categories: financial assets held for trading and those designated at fair value through profit and loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management.

Offsetting a financial asset and a financial liabilities

A financial asset and a financial liability shall be offset and the net amount presented in the statement of financial position when the entity has a legally enforceable right to set off the recognised amounts: and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

AGRICULTURAL BANK OF NAMIBIA
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2023 (continued)

1.3 Financial instruments (continued)

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value and subsequently at amortised cost.

Borrowings

Borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Bank's accounting policy for borrowing costs.

1.4 Property, plant and equipment

Property, plant and equipment are initially recorded at cost. Owner-occupied properties are carried at valuation, determined by valuations by external independent professional valuers, less subsequent depreciation and provision for impairment. Other property, plant and equipment are carried at cost less accumulated depreciation and impairment losses.

Increases in the carrying amount arising on revaluation are credited to revaluation and other reserves. Decreases that offset previous increases on the same asset are charged against the revaluation reserve, and all other decreases are charged to the statement of comprehensive income.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately in the statement of comprehensive income to its recoverable amount.

All property, plant and equipment, other than land and owner occupied properties, are depreciated on the straight-line basis over its expected economic lives. The rates used to depreciate assets are as follows:

<i>Item</i>	<i>Average useful life</i>
Freehold land and buildings	50 years
Furniture and fittings	5 years
Motor vehicles	5 years
Computer and office equipment	4 years
Leasehold assets	5 years

AGRICULTURAL BANK OF NAMIBIA
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2023 (continued)

1.4 Property, plant and equipment (continued)

Depreciation is not provided for on land as it is deemed to have an indefinite life.

The residual value and the useful life of each asset are reviewed at each financial period-end.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operational profit. On disposal of revalued assets, amounts in revaluation and other reserves relating to that asset are taken to OCI.

1.5 Properties in possession

Farms or other properties in possession acquired are stated at the amount of debt outstanding at the date of repossession. Provision is made against amounts considered to be irrecoverable.

Unsold properties in possession are stated at the lower of the net outstanding amount at date of acquisition and net realisable value.

1.6 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

1.7 Revenue from contracts with customers

The company recognises revenue from the following major sources:

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

AGRICULTURAL BANK OF NAMIBIA
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2023 (continued)

1.8 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and any accumulated impairment losses. They are amortised over their estimated useful lives (not exceeding ten years) using the straight-line method. The following rate is used for the amortisation of intangible assets:

Item	Useful life
Software	3 years

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised accordingly to reflect the new expectations.

1.9 Impairment of non-financial assets

At each reporting date, the Bank assesses whether there is any indication that any asset (property, plant and equipment and intangible assets) may be impaired. If there is an indication of possible impairment, the recoverable amount of the affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.10 Leases

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Bank. The determination of whether an arrangement is, or contains, a lease is based on the substance of the agreement on the inception date.

Assets and liabilities arising from a lease are initially measured on a net present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- payments of penalties for terminating the lease, if the lease term reflects the Bank exercising that option;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable under residual value guarantees;
- the exercise price of a purchase option if the Bank is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Bank exercising that option.

AGRICULTURAL BANK OF NAMIBIA
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2023 (continued)

1.10 Leases (continued)

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Bank:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Right-of-use assets are generally depreciated over the lease term on a straight-line basis.

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in profit or loss.

1.11 Inventories

Inventories are stated at the lower of cost and selling price less costs to complete and sell (net realisable value). Cost is calculated using the first-in, first-out (FIFO) method.

AGRICULTURAL BANK OF NAMIBIA
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2023 (continued)

1.12 Other receivables

At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

1.13 Trade and other payables

Trade and other payables are obligations on the basis of normal credit terms and do not bear interest.

1.14 Provisions and contingencies

Provisions are recognised when the Bank has an obligation at the reporting date as a result of a past event; it is probable that the Bank will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably. Provisions are not recognised for future operating losses. Contingent assets and contingent liabilities are not recognised.

1.15 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Defined contribution plans

The Bank provides defined contribution pension fund plans for employees. Payments to the pension fund are charged as an expense as incurred.

Defined benefit plans

The Bank provides post-retirement medical benefits by way of 100% contribution of medical aid. Benefits are not available to some employees. Payments to the post-retirement medical benefit plan are recognised as an expense when employees have rendered service entitling them to the contributions.

The Bank's net obligation in respect of post-retirement medical benefits obligation is determined using the projected unit credit method with actuarial valuation being carried out at the end of each annual reporting period. Remeasurements, comprising actuarial gains and losses, the effect of changes in asset ceiling (if applicable) and return on plan assets (excluding interest), is reflected immediately on the statement of changes in financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit and loss. Past service costs are recognised in the profit or loss in the period of plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs recognised are as follows:

AGRICULTURAL BANK OF NAMIBIA
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2023(continued)

1.15 Employee Benefits (continued)

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurements.

The post-retirement medical benefit obligation recognised in the statement of financial position represents the deficit on the Bank's defined benefit plans. Any surplus resulting from the calculation is limited to the present value of the economic benefits available in the form of refunds from the plan or reduction in future contributions to the plan.

A liability for termination benefits is recognised at the earlier of when the Bank no longer offers the termination benefit and when the Bank recognises the restructuring costs.

1.16 Reserve fund

The net surplus, after certain special provisions have been made, is credited to the Reserve Fund and applied to make good any loss or deficit which may occur in any transaction of the Bank. Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

1.17 Government grants

Government grants are recognised when there is reasonable assurance that:

- 1.17.1 the Bank will comply with the conditions attaching to them; and
- 1.17.2 the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Grants related to income are presented as a credit in the profit or loss (separately).

Where a loan is received from the Government at below market interest or at no interest rate, the difference between the fair value of the loan and the amount received is recognised as a Government grant.

AGRICULTURAL BANK OF NAMIBIA
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2023 (continued)

2. Financial instruments and risk management

The Bank is exposed to credit risk, liquidity risk and market risk through financial instruments. It is also subject to climatic risk, country risk and various operating and business risks.

The Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has established a Finance, Risk and Compliance Committee (FRACC), that has responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The FRACC also monitors the overall risk processes and monitoring the levels of risk within the Bank.

The risk management function is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The function works closely with and reports to the FRACC to ensure that procedures are compliant with the overall framework.

The Bank's treasury function is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Bank. Treasury function reports into an Assets and Liability Committee (ALCO), who has been established by policy of the Board to manage risk exposures to financial instruments. The internal audit unit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the FRACC.

The Bank has assessed its exposure to risks arising from financial instruments as follows:

- Credit risk: High
- Liquidity risk: Medium
- Market risk: Low

Excessive concentrations of risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Bank's strategies, policies and procedures provide guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Financial risk management

Credit risk

Credit risk is the risk that the Bank will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Bank manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and type of agricultural activity, by monitoring exposures in relation to such limits.

The Board of Directors has delegated responsibility for the oversight of credit risk to its Credit and Investment Committee (CIC). A separate credit department, reporting to the Group Credit Committee, is responsible for managing the Group's credit risk relating to its customers, including the following:

AGRICULTURAL BANK OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

2. Financial instruments and risk management (continued)

- Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.
- Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to business units. Larger facilities require approval by the Management Credit Committee (MCC), the CIC or the Board of Directors, as appropriate.
- Managing a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. The credit quality review process aims to allow the Bank to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

Counterparty credit risk falls within the responsibility of the ALCO who also reports into the CIC. Counterparty credit risk is minimised through the application of selection and grading criteria at the stage of initial evaluation and thereafter by annual reviews of the financial position of counterparties.

The following diagram summarises the impairment requirements under IFRS 9:

Changes in credit quality since initial recognition		
Stage 1	Stage 2	Stage 3
(Initial recognition)	(Significant increase in credit risk since initial recognition)	(Credit-impaired assets)
12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

The Bank's credit risk exposure at the end of the year is provided in the table below:

	2023	2022	2021
	N\$ '000	Restated *N\$ '000	Restated * N\$ '000
Assets with credit risk exposure			
Cash and cash equivalents (i)	405 009	429 683	377 678
Other receivables (ii)	626	602	571
Loans and advances to customers (iii)	2 936 222	2 904 116	2 878 834
	3 341 857	3 334 401	3 257 083
Combined assets with no credit risk exposure	157 509	154 652	153 691
	3 499 366	3 489 053	3 054 366

AGRICULTURAL BANK OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

2. Financial instruments and risk management (continued)

(i) Cash and cash equivalents

Cash and cash equivalents comprise amounts held or invested with reputable and regulated financial institutions within the Republic of Namibia. Counterparty credit risk is therefore assessed as low.

(ii) Other receivables

Past trends indicate that payment has been received timeously and that fair values post year-end fairly reflect the amounts received and credit risk is assessed as low.

(ii) Loans and advances to customers

Loans and advances are granted mainly on the basis of collateral. The main types and in order of collateral strength being mortgage bonds, surety bonds cession over fixed deposits and investments, cession over insurance policies and personal suretyships.

(iii) Impairment assessment

This section should be read in conjunction with the accounting policies with regard to stages of loan classification and explanations as to the terminology.

<i>Principle ECL modelling outputs and assumptions</i>	2023	2022 <i>(Restated)</i>	2021 <i>(Restated)</i>
Average remaining loan term	13.34 years	12.59 years	12.98 years
Probability of default (one year)	9.44 %	10.35 %	9.48 %
LTECL	16.04 %	15.50 %	12.35 %
12mECL	0.21 %	0.23 %	0.15 %
LGD	2.37 %	2.57 %	1.96 %
Discount rate	8.81 %	8.79 %	8.57 %

Sensitivity analysis on modelling results:

	Increase	Decrease
2023		
1% change in PD	1 791	(2 005)
1% change in LGD	150 419	(150 419)
2022		
1% change in PD	2 109	(2 425)
1% change in LGD	137 718	(137 718)
2021 as restated		
1% change in PD	2 103	(2 508)
1% change in LGD	162 348	(162 348)

AGRICULTURAL BANK OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

2. Financial instruments and risk management (continued)

<i>Loan book analysed per classification stage:</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Classification basis				
-Loans subject to annual instalment	0 to 180 days	up to 365 days	> 365 days	
-Loans subject to monthly instalments	0 to 30 days	up to 90 days	> 90 days	
2023				
Closing balance	37.12 %	8.32 %	54.56 %	100.00 %
Opening balance	39.52 %	10.16 %	50.32 %	100.00 %
	-	-	-	-
2022 as restated				
Closing balance	39.52 %	10.16 %	50.32 %	100.00 %
Opening balance (as restated)	35.10 %	12.23 %	52.67 %	100.00 %
2021 as restated				
Closing balance	35.10 %	12.23 %	52.67 %	100.00 %
Opening balance (as restated)	40.95 %	9.77 %	49.28 %	100.00 %

Forward looking assumptions are considered by the Bank only where there is sufficient correlation to economic and/or climatic factors to support the influences of these factors on historic loss and default trends. As set out in the accounting policies, a correlation coefficient of greater than 75% is considered to be sufficient correlation. In support of this the bank has correlated its data to both rainfall trends and Gross Domestic Product and found that there is not sufficient correlation to support the application of forward looking data in this financial period.

For the current year the Bank has assessed that the economy as a whole would likely be showing a marginal improvement however this is offset by the adversity of climatic conditions. The Bank is actively encouraging farmers to diversify and adopt drought resilience strategies and the results of these efforts would only be seen in the long term. The rigor in collection efforts are improving and this is counterbalanced from a loss perspective by the capturing of collateral where the Bank sees significant increases in credit risk. The Bank therefore has taken forward looking factors into account but has elected not to apply these.

AGRICULTURAL BANK OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

2. Financial instruments and risk management (continued)

Liquidity risk

The liquidity risk is that the Bank will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Bank's Board of Directors sets the Bank's strategy for managing liquidity risk and delegates responsibility for oversight of the implementation of this policy to ALCO. The treasury function manages the Bank's liquidity position on a day-to-day basis and reviews daily reports covering the liquidity position.

The Bank's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they are due. The Bank is not a deposit taking institution and therefore does not stress test liquidity scenarios. The Bank ensure that it has sufficient liquid assets to meet three months operational requirements and manages its disbursements of funds to match its collection targets.

The table below summarises the maturity profile of the undiscounted cash flows of the Bank's financial assets and liabilities:

2023

	Within 12 months	Between 1 and 5 years	More than 5 years	Total
	NS'000	NS'000	NS'000	NS'000
Financial assets				
Cash and cash equivalents	405 009	-	-	405 009
Loans and advances to customers	902 700	365 920	1 667 602	2 936 222
Other receivables	626	-	-	626
Total financial assets	1 308 335	365 920	1 667 602	3 341 857
Financial liabilities				
Due to banks	4 354	-	-	4 354
Borrowed funds	157 977	234 249	-	392 226
Creditors and other payables	11 242	-	-	11 242
Finance lease liabilities	2 156	1 214	-	3 370
Total financial liabilities	175 729	235 463	-	411 192
Net undiscounted financial assets	1 132 606	130 457	1 667 602	2 930 665

AGRICULTURAL BANK OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

2. Financial instruments and risk management (continued)

2022 as restated

	Within 12 months	Between 1 and 5 years	More than 5 years	Total
	NS'000	NS'000	NS'000	NS'000
Financial assets				
Cash and cash equivalents	429 683	-	-	429 683
Loans and advances to customers	899 355	503 310	1 501 451	2 904 116
Other receivables	602	-	-	602
Total financial assets	1 329 640	503 310	1 501 451	3 334 401
Financial liabilities				
Due to banks	3 059	-	-	3 059
Borrowed funds	13 892	442 800	61 478	518 170
Creditors and other payables	10 342	-	-	10 342
Finance lease liabilities	2 049	204	-	2 253
Total financial liabilities	29 342	443 004	61 478	533 824
Net undiscounted financial assets	1 300 298	60 306	1 439 973	2 800 577

2021 as restated

	Within 12 months	Between 1 and 5 years	More than 5years	Total
	NS'000	NS'000	NS'000	NS'000
Financial assets				
Cash and cash equivalents	377 678	-	-	377 678
Loans and advances to customers	784 455	513 147	1 581 232	2 878 834
Other receivables	571	-	-	571
Total financial assets	1 162 704	513 147	1 581 232	3 257 083
Financial liabilities				
Due to banks	4 752	-	-	4 752
Borrowed funds	12 090	433 865	85 441	531 396
Creditors and other payables	9 503	-	-	9 503
Finance lease liabilities	722	346	-	1 068
Total financial liabilities	27 067	434 211	85 441	546 719
Net undiscounted financial assets	1 135 637	78 936	1 495 791	2 710 364

AGRICULTURAL BANK OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

2. Financial instruments and risk management (continued)

With the exception of Komsberg as disclosed in note 3, no other financial assets are encumbered. The carrying value of Komsberg reflected in loans and advances, in the between 1 and 5 year category, is N\$ 73 752 967 for both financial periods. As this is the only item no additional disclosure unencumbered maturities is presented as required under IFRS 7.

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

The Bank does not have a trading portfolio and consequently only discloses information for its non-trading portfolio, i.e. its Banking book. The Bank's risk management strategy for its Banking book is different for each of the following categories of market risk, where applicable and is set out in the subsequent subsections of these financial statements, as follows:

- Interest rate risk - set out below.
- Prepayment risk - this risk is insignificant to the Bank's operating model.
- Currency risk - the Bank has no foreign currency exposures.
- Equity price - the Bank is not exposed to this risk.

Interest rate risk

The Bank's primary business model is to collect contractual repayments and use these funds to provide loans to its customers. Interest rate risk is the impact that changes in interest rates could have on the Bank's margins, profit or loss, and equity. Interest risk arises from the mismatch of interest payable on the Bank's liabilities and the interest earned on its assets.

The Bank's asset-liability profile of its Banking book is such that:

- Interest rates on advances are predominantly floating, except for specific schemes, for which money was advanced by the Government or Ministries as appropriate for the Bank to manage.
- Interest payable on its loan with the Government is fixed.
- Interest on all other borrowed funds is variable.

The table below summarised the Bank's exposure to interest rate risks.

AGRICULTURAL BANK OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

		2023	2022	2021
			Restated	Restated *
		N\$ '000	N\$ '000	N\$ '000
2. Financial instruments and risk management (continued)				
Financial assets	Interest rate			
Cash and cash equivalents	Floating	405 009	429 683	377 678
Loans and advances to customers				65 428
- Specific schemes				
	Fixed	53 920	66 336	
- Other	Floating	2 882 302	2 837 780	2 813 406
Other receivables	Non-interest bearing	626	602	571
Financial liabilities				
Due to banks	Floating	4 354	3 059	4 752
Borrowed funds				-
- Government loan	Fixed	92 226	96 969	101 311
- Bank loan	Floating	-	71 201	80 085
Special purpose funds	Fixed and Floating	101 799	104 000	101 344
Loan guarantee fund	Floating	134 781	126 317	121 459
Creditors and other payables	Non-interest bearing	11 242	9 591	9 504

Financial assets are classified consistently on an amortised cost basis. There are no liabilities that are classified as fair value through profit and loss.

Cash flow sensitivity analysis for interest-bearing instruments:

100 bps increase in rates on net floating financial assets	30 466	29 615	28 978
100 bps decrease in rates on net floating financial assets	(30 466)	(29 615)	(28 978)

Capital risk management

The Bank recognizes the critical role that effective capital management plays in maintaining the ongoing sustainability and growth of the organization. Our capital management approach is underpinned by the objectives of becoming more self-sustainable, supporting business growth, and ensuring that there are sufficient funds to meet short-term cash flow requirements.

Capital management is integral to our broader risk management framework. By maintaining robust capital levels, we ensure that the Bank can absorb unexpected losses and continue to operate effectively. A dedicated ALCO (Assets and Liabilities Committee) oversees the capital management strategy, setting policies and limits, and ensuring alignment with our overall risk appetite. Through a dynamic and responsive approach to capital management, we continue to support the financial stability, growth, and value creation. Default events for financial assets are as follows:

AGRICULTURAL BANK OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

2. Financial instruments and risk management (continued)

Cash and cash equivalents: A default is considered to have occurred in relation to cash and cash equivalents held with a financial institution when one or more of the following occurs:

Capital Adequacy Deterioration: There is a notable deterioration in the capital adequacy of the institution, as evidenced by a decline in its Tier 1 and Tier 2 capital ratios.

External Rating Decline: Where external ratings are available, a multi-notch downgrade by a recognized credit rating agency within a short timeframe might indicate a potential default event.

Financial Ratios: Significant deterioration in key financial ratios of the institution beyond internally set thresholds.

Repayment Commitment Breach: The financial institution fails to honor a repayment commitment, whether principal or interest, on the stipulated date.

Loans and advances to customers: The determination of default events for loans and advances to customers is primarily based on the "days past due" criteria. Detailed definitions, including the specific days past due thresholds and related ECL modeling outputs and assumptions, are comprehensively discussed in the dedicated section of this note pertaining to Principle ECL Modelling outputs and assumptions.

Other receivables: A default is considered to have occurred with respect to other receivables when:

Payment Default: The obligor fails to make a payment within the number of days past the due date as stipulated by the specific terms and conditions of the financial instrument.

Indicators of Unlikelihood to Pay: There is evidence of significant financial difficulty or distressed restructuring.

The capital structure and gearing ratio of the company at the reporting date was as follows:

		2023 NS '000	2022 NS '000	2021 NS '000
Borrowed funds	13	392 226	518 170	531 396
Finance lease liabilities	12	3 370	2 253	1 068
Creditors and other payables	11	11 253	10 336	9 504
Loan guarantee fund	15	134 781	126 317	121 459
Total borrowings		541 630	657 076	663 427
Cash and cash equivalents	3	(400 655)	(426 624)	(372 926)
Net borrowings		140 975	230 452	290 501
Equity		2 811 533	2 679 008	2 589 765
Gearing ratio		5 %	4 %	11 %

AGRICULTURAL BANK OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

	2023	2022	2021
	N\$ '000	Restated * N\$ '000	Restated * N\$ '000
3. Cash and cash equivalents			
Cash and cash equivalents consist of:			
Cash on hand	35	35	32
Bank balances	28 609	17 326	37 465
Notice deposits	397 654	433 611	359 286
Provision for impairment	(21 289)	(21 289)	(19 105)
Due to other banks	(4 354)	(3 059)	(4 752)
	400 655	426 624	372 926

Included in the cash and cash equivalents is N\$ 25 402 000 invested with SME Bank which was placed into liquidation on 11 July 2017. The provision for impairment reflects the irrecoverable amount on this investment.

The amounts due to other banks represents various minor bank overdrafts. Interest is payable at a rate of 7.75% (2022: 7.75%) (2021: 7.00%).

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither pastdue nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

	2023	2022	2021
	N\$ '000	N\$ '000	N\$ '000
Credit rating			
Standard Bank Namibia Limited	B	A1+	Ba3
Stanlib Namibia	AA+	AA+	AA+
Bank Windhoek Limited	A1+	A1+	A1+
First National Bank of Namibia Limited	A1+	A1+	A1+
Small and Medium Enterprises Bank of Namibia	Unrated	Unrated	Unrated
Nedbank Namibia Limited	B	BB-	BB-
Namibia Post Limited	Unrated	Unrated	Unrated
Old Mutual Namibia	A-1	A-1	A-1

Rating obtained from GCR Ratings Credit Reports are based on current Namibian economy and environment these assets are still deemed to have a low credit risk rating. Fair value of cash and cash equivalents. The fair value of cash and cash equivalents approximates their carrying amounts, given their short term nature. Refer to note 2 for IFRS 9 recognition and classification of cash and cash equivalents.

AGRICULTURAL BANK OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

	2023	2022	2021
	NS '000	Restated * NS '000	Restated *NS '000
4. Other receivables			
Financial other receivables	626	602	571
Clearing, settlement and internal account			
5. Inventories			
Office consumables	1 329	1 209	1 165
6. Loans and advances to customers			
Loan capital	2 341 794	2 331 862	2 383 779
Arrears	900 720	881 154	770 202
Impairment allowance	(306 292)	(308 900)	(275 147)
	2 936 222	2 904 116	2 878 834
Split between non-current and current portions			
Non-current assets	2 033 522	2 004 761	2 094 379
Current assets	902 700	899 355	784 455
	2 936 222	2 904 116	2 878 834

Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial

Instruments: At amortised cost	2 936 222	2 912 037	2 895
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Exposure to credit risk

Loans and advances to customers inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

In order to mitigate the risk of financial loss stemming from defaults, the bank meticulously assesses the creditworthiness of its clients, in accordance with the guidelines set forth in our credit policy and procedures. This assessment supports the overarching policy of engaging only with reputable customers who demonstrate consistent payment histories.

The bank obtains sufficient collateral or guarantees as additional security against potential defaults in terms of the credit policy and product sold. Each customer is subject to a rigorous, individualized analysis of their creditworthiness as well as their ability to repay the loans provided to customers.

AGRICULTURAL BANK OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

6. Loans and advances to customers (continued)

Our bank employs a credit scoring model to evaluate customers. These models utilize both the information provided by the customers and external bureau data, where available, to create a well-rounded perspective on credit risk.

Furthermore, our bank continuously monitors exposure to credit risk and the creditworthiness of customers by leveraging real-time data and analytics. This ongoing vigilance enables us to detect potential risks early and take appropriate preventive measures, thereby reinforcing the integrity of our credit portfolio.

For the nearly 50% the bank holds collateral which is mostly the underlying farmland. Recoverability is assessed and considered.

The bank's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for loans and advances to customers:

	2023	2022	2021
		Restated	Restated *
	N\$ '000	N\$ '000	N\$ '000
Balance at the beginning of the year	(308 900)	(275 147)	(253 110)
Remeasurement of loss allowance - comparative	2 608	(33 753)	(22 037)
Closing balance	(306 292)	(308 900)	(275 147)

Fair value of loans and advances to customers

The fair value of loans and advances to customers approximates their carrying amounts.

The impairment allowance reflects ECL for the following loan stages:

ECL - stage 1	2 707	3 824	9 157
ECL - stage 2	29 899	39 353	37 593
ECL - stage 3	273 686	265 723	228 397
	306 292	308 900	275 147

AGRICULTURAL BANK OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

6. Loans and advances to customers (continued)

Credit rating framework

For purposes of determining the credit loss allowances, management determine the credit rating grades of each loans and advances to customers at the end of the reporting period. These ratings are determined either externally through ratings agencies or internally where external ratings are not available.

The table below sets out the internal credit rating framework which is applied by management for loans and advances to customers for which external ratings are not available. The abbreviation "12m" and "ECL" are used to depict "12 months" and "expected credit losses, respectively."

Internal credit grade	Description	Basis for recognising expected credit losses
Performing	Low risk of default and no amounts are past due	12m ECL
Non-performing	Either 30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL (not credit impaired)
In default	Either 90 days past due or there is evidence that the asset is credit impaired	Lifetime ECL (credit impaired)
Write-off	There is evidence indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery	Amount is written off

AGRICULTURAL BANK OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

7. Retirement benefit asset

Pension scheme

The majority of the employees are members of the Agricultural Bank of Namibia Pension Fund, a defined contribution plan, which has been registered in Namibia in accordance with the requirements of the Pension Funds Act. The Fund is governed by the Pension Funds Act of 1956.

Post-employment benefits are classified as non-current liabilities.

The Agricultural Bank of Namibia currently contributes 16% (2022: 16%) (2021: 16%) of basic salary to the Fund whilst the members contribute 7% (2022: 7%) (2021: 7%).

	2023	2022	2021
	N\$ '000	Restated *	Restated *
	N\$ '000	N\$ '000	N\$ '000
Bank contribution	8 285	7 855	7 843
Employee contribution	3 550	3 366	3 361
	11 835	11 221	11 204

Retirement benefit obligation

The Bank has recognized provisions for obligations concerning post-retirement medical benefits and severance benefits, both of which are payable in compliance with the Namibian Labour Act. The provision for the post-retirement medical benefit obligation is fully funded. Presented below is an analysis of net assets and liabilities balances attributable to these two obligations for the reporting year:

	2023	2022	2021
	N\$ '000	Restated *	Restated *
	N\$ '000	N\$ '000	N\$ '000
Present value of medical benefit obligation	1 357	1 895	2 248
Present value of severance benefit obligation	(655)	(636)	(665)
	702	1 259	1 583

AGRICULTURAL BANK OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

7. Retirement benefit asset (continued)

Medical benefit obligation

The Bank contributes to the medical aid scheme for retired employees. The liability in respect of future contributions to the scheme in respect of members is valued annually.

The latest actuarial valuation for the post-retirement medical benefit was carried out in May 2023. The valuation method used was the projected unit credit method.

Movement in the net medical plan asset

Balance at the beginning of the year	2 034	2 198	1 677
Return on asset less interest expense	(653)	(214)	(139)
Benefits paid	-	-	(682)
Actuarial remeasurement (loss) / gain	(341)	(67)	450
Annuity purchase contribution	63	117	892
	1 103	2 034	2 198

The principal assumptions used were:

Discount rate	11.38 %	10.70 %	10.98 %
Health care cost inflation	8.47 %	8.67 %	9.02 %
Average retirement age (in years)	58	58	58

Amount recognised in the statement of comprehensive income as follows:

Return on asset less interest expense	653	214	139
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Remeasurement of the defined benefit obligation:

Actuarial (loss) / gain recognised through other comprehensive income	(319)	13	(501)
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The following sensitivity of the overall liability to changes in principal assumption is:

Medical aid inflation 1% lower per annum	(771)	(752)	(741)
Medical aid inflation 1% higher per annum	882	860	850
	111	108	109

AGRICULTURAL BANK OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

7. Retirement benefit asset (continued)

	2023	2022	2021
		Restated *	Restated *
	N\$	N\$	N\$
	'000	'000	'000
<i>Severance benefit obligation</i>			
Mortality rate decrease 20% lower per annum	899	932	887
Mortality rate decrease 20% higher per annum	(721)	(732)	(697)
	178	200	190

The liability is exposed to various risks such as investment risk, interest rate risk, inflation risk, and longevity risk. The risks are managed by outsourcing the Liability to Old Mutual Life Assurance Company Namibia Limited and also the annual performance of actuarial liability to determine whether the liability is adequately funded.

Though the management of the assets has been outsourced Agribank maintains the responsibility to top up any shortfalls that might arise. As of the reporting date, the Bank does not anticipate any top-up contributions for the ensuing financial year.

With effect from 31 July 2023, there has been a change of Medical Scheme from Bankmed to Namibia Medical Care (NMC). This could potentially impact the liability and the funding thereof. Currently there are 2 staff members eligible for the benefit and 20 pensioners currently receiving the benefit. Although this change could potentially lead to an increase in liability, it is trusted that the current surplus of the outsourced liability, as highlighted above, is sufficient to cover any additional liability that may arise.

No maturity analysis is performed on the post-retirement liability as it is outsourced and is fully funded. The Bank's obligations are managed in line with the regulations and investment policies stipulated by the outsourced entity.

Severance benefit obligation

Movement in severance benefit obligation

Balance at the beginning of the year	(636)	(665)	(569)
Current service costs	(66)	(65)	(60)
Interest expense	(64)	(61)	(62)
Benefits paid	89	75	77
Actuarial gain / (loss) recognised through other comprehensive income	22	80	(51)
	(655)	(636)	(665)

The major risks associated with the severance benefit obligation are outlined below:

- **Legal and Regulatory Risk:** Changes in labor laws and regulations may impact the obligations related to severance benefits.

AGRICULTURAL BANK OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

7. Retirement benefit asset (continued)

Interest Rate Risk: Fluctuations in interest rates may affect the present value of the future severance benefit obligations.

Retrenchment or restructuring risk: The risk that retrenchments or material restructuring could create unexpected obligations that can impact the severance benefit obligation.

Risk Management related to the Labour Act for Employees Remaining in Service Past Age 65 Agribank's policy sets the retirement age at 60, thus managing the risk arising from the Labour Act concerning employees remaining in service past the age of 65.

Due to the relatively immaterial nature of the severance benefit obligation, the obligation is not fully funded. However, Agribank has maintained sufficient reserves to meet the funding obligations should such arise.

8. Investment property

	2023			2022		
	Valuation	Accumulated Depreciation	Carrying value	Valuation	Accumulated Depreciation	Carrying value
Investment property	45 425	-	45 425	41 730	-	41 730

	2021		
	Valuation	Accumulated depreciation	Carrying value
Investment property	44 502	-	44 502

Reconciliation of investment property - 2023

	Opening balance	Fair value adjustments	Total
Investment property	41 730	3 695	45 425

Reconciliation of investment property - 2022

	Opening balance	Fair value adjustments	Total
Investment property	44 502	(2 772)	41 730

AGRICULTURAL BANK OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

8. Investment property continued

Reconciliation of investment property - 2021

	Opening balance	Fair value adjustments	Total
Investment property	50 089	(5 587)	44 502
	2023	2022 Restated *	2021 Restated *
	NS '000	NS '000	NS '000
Comprises the following properties			
Witvlei properties			
Portion 38 of Farm Okatjirute No 155	31 746	28 860	30 800
Extension of Farm Okatjirute No 155	2 420	2 200	2 500
Erf Prn 18, Witvlei	5 016	4 560	4 900
Erf Prn 34, Witvlei	781	710	830
Erf Prn 117, Witvlei	110	100	125
Erf Prn 203, Witvlei	222	202	217
Erf Prn 204, Witvlei	176	160	170
Erf Prn 292, Witvlei	176	160	172
Erf Prn 294, Witvlei	130	130	140
Owner occupied properties			
Portion of Erf 1235, Rundu	4 648	4 648	4 648
	45 425	41 730	44 502

The investment properties consist of farmland with improvements measuring 11,9335 hectares, situated in the Omaheke Region, more commonly known as the Witvlei abattoir, together with associated properties as well as owner occupied properties. The fair value of the abattoir, together with associated properties were determined by an independent sworn appraiser during March 2022.

There has been no tenant in place for a number of years on the abattoir, the Rundu & Otjiwarongo offices were subject to renovations and available space is not yet filled with tenants and they were revalued to the current market value.

AGRICULTURAL BANK OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

9. Property, plant and equipment

	2023			2022		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Freehold land and buildings	101 392	(2 036)	99 356	102 729	(2 036)	100 693
Furniture and fittings	12 133	(11 169)	964	12 109	(11 152)	957
Motor vehicles	6 862	(6 239)	623	6 953	(6 497)	456
Office equipment	2 548	(2 014)	534	2 097	(1 953)	144
Computers	10 076	(6 754)	3 322	9 426	(6 216)	3 210
Leasehold assets	3 729	(1 654)	2 075	3 729	(979)	2 750
Right-of-use asset	5 566	(2 387)	3 179	5 167	(2 924)	2 243
Total	142 306	(32 253)	110 053	142 210	(31 757)	110 453

	2021		
	Cost or revaluation on	Accumulated depreciation	Carrying value
Freehold land and buildings	99 963	(2 036)	97 927
Furniture and fittings	12 110	(10 578)	1 532
Motor vehicles	6 953	(5 785)	1 168
Office equipment	2 004	(1 874)	130
Computers	8 356	(5 925)	2 431
Leasehold assets	2 123	(474)	1 649
Right-of-use asset	5 531	(3 930)	1 601
Total	137 040	(30 602)	106 438

Reconciliation of property, plant and equipment – 2023

	Opening balance	Additions	Disposals	Revaluation	Depreciation	Total
Freehold land and buildings	100 693	10 050	-	(11 387)	-	99 356
Furniture and fittings	957	24	-	-	(17)	964
Motor vehicles	456	382	-	-	(215)	623
Office equipment	144	451	-	-	(61)	534
Computers	3 210	650	(20)	-	(518)	3 322
Leasehold assets	2 750	-	(6)	-	(669)	2 075
Right-of-use asset	2 243	3 520	-	-	(2 584)	3 179
Total	110 453	15 077	(26)	(11 387)	(4 064)	110 053

AGRICULTURAL BANK OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

9. Property, plant and equipment-(continued)

Reconciliation of property, plant and equipment – 2022

	Opening balance	Additions	Disposals	Revaluations	Depreciation	Total
Freehold land and buildings	97 927	4 870	-	(2 104)	-	100 693
Furniture and fittings	1 532	-	-	-	(575)	957
Motor vehicles	1 168	-	-	-	(712)	456
Office equipment	130	93	-	-	(79)	144
Computers	2 431	1 140	(70)	-	(291)	3 210
Leasehold assets	1 649	1 606	-	-	(505)	2 750
Right-of-use asset	1 601	3 396	-	-	(2 754)	2 243
	106 438	11 105	(70)	(2 104)	(4 916)	110 453

*Reconciliation of property, plant and equipment -
2021*

	Opening balance	Additions	Depreciation	Total
Freehold land and buildings	99 963	-	(2 036)	97 927
Furniture and fittings	1 454	921)	(843)	1 532
Motor vehicles	2 015	476)	(1323)	1 168
Office equipment	181	39)	(90)	130
Computers	2 236	436)	(241)	2 431
Leasehold improvements	-	1 738)	(89)	1 649
Right-of-use asset	1 585	1 022)	(1 006)	1 601
	107 434	4 632)	(5 628)	106 438

2023	2022	2021
N\$ '000	Restated * N\$ '000	Restated * N\$ '000

The balance sheet shows the following amounts relating to leases:

Medium-term leases	2 729	2 243	1 063
Short-term leases	450	-	538
	3 179	2 243	1 601

AGRICULTURAL BANK OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

9. Property, plant and equipment-(continued)

Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

Medium-term leases	2 542	1 999	1 048
Short-term leases	343	119	113
	2 885	2 118	1 161

Lease liabilities

Current	2 240	2 049	722
Non-current	1 389	204	346
	3 629	2 253	1 068

ANNEXURE E

AGRICULTURAL BANK OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

	2023	2022	2021
	NS '000	Restated * NS '000	Restated * NS '000
9. Property, plant and equipment (continued)			
<i>Depreciation charge of right-of-use assets</i>			
Medium-term leases	2 262	2 635	901
Short-term leases	322	118	105
	2 584	2 753	1 006
Interest expense (included in finance cost)	302	82	154
The total cash outflow for leases in the current year was N\$ 2 704 (2022: N\$ 251).			
<i>Minimum lease payments due</i>			
within one year	2 240	2 008	754
in second to fifth year inclusive	1 389	655	374
Subtotal	(259)	(410)	(60)
Less: future finance charges			
Total	3 370	2 253	1 068
Historical cost base buildings subject to revaluation	65 061	66 479	67 896

Freehold land and buildings comprise of the following properties, which were independently valued by independent valuers. The surplus and loss on revaluation has been credited and debited respectively to revaluation reserves.

Erf 5479, Windhoek	78 777	79 100	84 374
Erf 995, Otjiwarongo	6 820	9 246	4 650
Erven 870 and 871 Mariental	170	170	170
Erf 1235, Rundu	3 824	2 392	932
Erf 1591, Oshakati	1 814	1 814	1 814
Unit 4, Romemoer, Otjiwarongo	1 293	1 293	1 345
Erf 2195, Otjimuis Extension 4, Section 7, Raili Court	1 434	1 434	1 434
Erf 1968, Hochlandpark	1 258	1 258	1 258
Erf 1588, Oshakati Extension 7	3 986	3 986	3 986
	99 376	100 693	99 963

AGRICULTURAL BANK OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

9. Property, plant and equipment (continued)

Erf 5479, Windhoek is registered in the name of Land and Landbou Bank of South West Africa (predecessor of Agricultural Bank of Namibia). Erf 5479, Windhoek was valued with an effective date of 31 March 2022.

Erf 5479 (Windhoek), Erf 995 (Otjiwarongo) and Erf 1235 (Rundu) are encumbered as detailed in note 13 of these financial statements. Erf 995, Otjiwarongo was valued with an effective date of 28 April 2022.

Erf 1968, Hochlandpark's details regarding the fixed properties are available to shareholders at the registered office of the company. All property, plant and equipment are owned by the company. The net carrying value of the building as at 31 March 2023 N\$ 91 957 (2022:N\$ 91 957) (2021:N\$ 102 846).

Included in freehold land and buildings is land to the value of N\$5 970 (2022 and 2021: N\$ 5 970).

Details regarding the fixed properties as required in terms of Schedule 4 of the Companies Act of Namibia are available to shareholders at the registered office of the company. This information will be open for inspection in terms of the provisions of section 120 of the Companies Act of Namibia, 2004. The useful lives of the assets were reviewed during March 2022 and no changes were made during the current financial year.

10. Intangible assets

	2023			2022		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Software	28 691	(28 691)	-	28 691	(28 690)	1
	2021					
	Cost	Accumulated amortisation	Carrying value			
Software	28 691	(28 688)	3			

Reconciliation of intangible assets - 2023

	Opening balance	Amortisation	Total
Software	1	(1)	-

Reconciliation of intangible assets - 2022

	Opening balance	Amortisation	Total
Software	3	(2)	1

AGRICULTURAL BANK OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

10. Intangible assets (continued)

Reconciliation of intangible assets - 2021

	Opening balance	Amortisation	Total
Software	10	(7)	3

Intangible assets are held by the bank, and are classified as non-current assets. No assets were encumbered at 31 March 2023, nor 31 March 2022 and 31 March 2021.

	2023	2022	2021
	N\$ '000	Restated*	Restated*
	N\$ '000	N\$ '000	N\$ '000

11. Creditors and other payables

Creditors	11 132	10 232	9 393
Grants and bursaries	110	110	110
	11 242	10 342	9 503

Categories of trade and other payables

Trade and other payables are categorised as follows in accordance with IFRS 9: Financial Instruments:

Amortised cost	11 242	10 342	9 504
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Split between non-current and current portions

Current liabilities	11 242	10 342	9 504
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12. Finance lease liabilities

Minimum lease payments due

- within one year	2 240	2 008	754
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Present value of minimum lease payments due

- within one year	2 156	2 049	722
- in second to fifth year inclusive	1 214	204	346
	3 370	2 253	1 068

Amounts recognised in profit or loss

Interest received on lease liabilities	-	38	-
Interest paid on lease liabilities	302	-	154
	302	38	154

AGRICULTURAL BANK OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

	2023	2022	2021
	N\$ '000	Restated * N\$ '000	Restated *N\$ '000

12. Finance lease liabilities (continued)

Amounts recognised in statement of cash flows

Movement in lease liabilities	1 117	1 223	(744)
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13. Borrowed funds

Held at amortised cost Secured

Government loan	92 226	96 969	101 311
Bank Windhoek loan	-	71 201	80 085
GIPF - 3 year term instrument	150 000	150 000	150 000
GIPF - 5 year term instrument	-	50 000	50 000
SSC - 5 year term instrument	150 000	150 000	150 000
	392 226	518 170	531 396

Government loan

The Government of the Republic of Namibia settled the Bank's outstanding line of credit balances with the African Development Bank. The total historical amount settled was N\$218 139 076 (2022 and 2021: N\$218 139 076). The loan attracts interest at 2% (2022 and 2021: 2%) per annum and is repayable in equal instalments of N\$12 823 255 (2022 and 2021: N\$12 823 255). The balance disclosed represents the fair value of the loan as at the end of the financial period.

Bank Windhoek loan

The loan has been settled during the financial year. Historically it attracted interest at rates linked to prime (2022: 8.13%) (2021: 7.65%) and was payable in 19 semi-annual instalments spread over 10 years.

The loan was historically secured as follows:

- First covering mortgage Bond for N\$ 88 million over Erf No. 5478, Windhoek.
- First covering mortgage Bond for N\$ 5.58 million over Erf No. 1235, Rundu.
- First covering mortgage Bond for N\$ 4.65 million over Erf No. 995, Otjiwarongo.
- Registered cession of fire insurance policy over the above-listed properties.
- Registered cession over cash cover of N\$ 100 million held at the Bank.

AGRICULTURAL BANK OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

13. Borrowed funds (continued)

GIPF - 3 year term instrument

The N\$150 000 000 GIPF 3 year instrument attracted a fixed interest at a rate of 5.85% (2022: 5.85% & 2021: 5.85%). The instrument is a promissory note subject to bi-annual payments of interest and full and final settlement on 13 November 2023. The instrument is backed by a Government Guarantee.

GIPF - 5 year term instrument

The N\$50 000 000 GIPF 5 year instrument attracted a floating interest rate of 6 month Jibar + 2.74% (2022: 10.25% and 2021: 7.14%). The instrument is a promissory note subject to bi-annual payments of interest. The instrument was settled during the financial year. The instrument was backed by a Government Guarantee.

SSC - 5 year term instrument

The N\$150 000 000 SSC 5 year instrument attracted a fixed interest at a rate of 6.00% (2022: 6.00% and 2021: 6.00%). The instrument is a promissory note subject to bi-annual payments of interest and full and final settlement on 31 July 2025. The instrument is backed by a Government Guarantee.

2023	2022	2021
N\$ '000	Restated *	Restated *
N\$ '000	N\$ '000	NS '000

14. Special purpose funds

Ministry of Lands and Resettlement (Post-resettlement)
 Staff savings scheme
 Government ministries agricultural boards and unions
 Government Institutions Pension Fund (Severance)
 Drought relief scheme fund

77 575	76 865	76 356
173	190	88
17 819	19 509	18 004
3 318	4 697	4 157
2 739	2 739	2 739
101 624	104 000	101 344

The Bank acts as an agent for the management of these funds on behalf of third parties.

15. Loan guarantee fund

Loan guarantee fund

134 781	126 317	121 459
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AGRICULTURAL BANK OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

15. Loan guarantee fund (continued)

The loan guarantee fund attracts interest at the rate equivalent to the average rate of inflation of 3.6% (2022 and 2021: 2.4%). The Bank has borrowed N\$89 million from the loan guarantee fund repayable over 5 years. As at 31 March 2023 the Bank owed N\$71.2 million (2022 and 2021: N\$89 million) to the loan guarantee.

16. Provisions

	Opening balance	Income statement	Released from the income statement	Total
<i>Reconciliation of provisions - 2023</i>				
Leave pay	5 232	7 161	(7 321)	5 072
<i>Reconciliation of provisions - 2022</i>				
Leave pay	5 092	7 218	(7 078)	5 232
<i>Reconciliation of provisions - 2021</i>				
Leave pay	3 592	7 115	(5 615)	5 092

17. Deferred income

The deferred income arose from the Government loan (referred to in note 13) attracting interest at 2% (2022 and 2021: 2%) per annum, which is below market rates. Interest-free loans and loans at below market interest rates are recognised as a form of government assistance. The benefit is the difference between the initial carrying amount of the loan, discounted at similar loan rates, and the actual proceeds received from the government. The interest rate used is 9.25% (2022 and 2021: 9.25%) per annum.

	2023 N\$ '000	2022 Restated * N\$ '000	2021 Restated *N\$ '000
Opening balance	40 675	46 395	52 285
Amortised to the statement of comprehensive income	(5 520)	(5 720)	(5 890)
	35 155	40 675	46 395

AGRICULTURAL BANK OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

	2023	2022	2021
		Restated *	Restated *
	N\$ '000	N\$ '000	N\$ '000
18. Capital			
<i>Issued</i>			
Opening balance	721 506	1 631 506	1 541 506
Contribution during the year	90 000	90 000	90 000
	1 811 506	1 721 506	1 631 506

The capital fund comprises the reserves of the Bank at the date it was established under the Agricultural Bank of Namibia Act (No 5 of 2003) as well as any contributions designated as such by the Government of Namibia.

The Bank is not regulated by the Bank of Namibia as it is not a deposit taking institution. Consequently, it does not have externally imposed capital requirements. Internally the Bank maintains a three-month buffer for operational cash flows, meeting its borrowing repayment commitments as well as any capital expenditure it may have. The Bank has complied with its internal requirements throughout the period.

It is the Bank's longer-term strategy to maintain a Capital Adequacy Ratio of up to 10%, however this is dependent on a sufficient level of Government funding to meet the development needs of the agricultural sector.

19. Funds and grants

European fund account	11 528	11 528	11 528
Government scheme	36 102	36 102	36 102
Agribank - NACP contribution	34 561	34 561	34 561
	82 191	82 191	82 191

20. Interest income

Advances granted	220 663	230 331
Bank and money market investments	23 761	14 778
Interest (paid) recovered on finance lease liabilities	(302)	38
	244 122	245 147

21. Interest expense

Government loan	8 080	8 482
Fund accounts and borrowings	37 375	34 535
	45 455	43 017

AGRICULTURAL BANK OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

	2023 N\$ '000	2022 N\$ '000
22. Other operating income		
Rental income	-	202
Other income	1 326	680
Government grants	5 520	5 720
	6 846	6 602
23. Other operating gains (losses)		
<i>Gains (losses) on disposals</i>		
Property plant and equipment	9 108	92
<i>Fair value gains (losses)</i>		
Investment property	8 3 695	(2 771)
Revaluation of property and equipment	9 (11 387)	(2 104)
	(7 692)	(4 875)
Total other operating gains (losses)	(7 584)	(4 783)
24. Operating profit (loss)		
Operating profit (loss) for the year is stated after charging (crediting) the following amongst others:		
<i>Auditor's remuneration - external</i>		
Audit fees	593	540
<i>Remuneration other than to employees</i>		
Professional fees	13 639	12 378
<i>Personnel expenses</i>		
Salaries and wages	92 818	91 972
Social security costs	280	277
Pension costs	11 835	11 221
Total personnel expenses	104 933	103 470
<i>Depreciation and amortisation expense</i>		
Depreciation of property plant and equipment	4 064	4 916
Amortisation of intangible assets	1	3
Total depreciation and amortisation	4 065	4 919

AGRICULTURAL BANK OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

	2023 N\$ '000	2022 N\$ '000
24. Operating profit (loss) (continued)		
<i>Credit impairment losses</i>		
<i>Movement in credit impairment losses</i>		
Impairment charge for the year	(2 608)	33 753
Net (losses) / gains on derecognition of financial assets measured at amortised cost	(231)	12 826
	<u>(2 839)</u>	<u>46 579</u>

The table below shows the ECL charges on financial instruments for the year recorded in the income statement:

<i>2023 in N\$'000</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Loans and advances to customers	<u>(1 116)</u>	<u>(9 455)</u>	<u>7 963</u>	<u>(2 608)</u>
<i>2022 in N\$'000</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Loans and advances to customers	<u>(5 333)</u>	<u>1 760</u>	<u>37 326</u>	<u>33 753</u>
Impairment charge for the year		<u>(2 608)</u>	<u>33 753</u>	<u>22 035</u>

Impairment charges reflect the movement in provisions as per the IFRS 9 models.

Subsequent recoveries of amounts previously written off are credited to the credit impairment losses line item.

Financial assets are only written off if there is no reasonable expectation at that time to recover the debt, however, recoveries are recorded when money is received back from clients when their circumstances change, as the written off amount was debited in full to the statement of comprehensive income.

AGRICULTURAL BANK OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

	2023 N\$ '000	2022 N\$ '000
24. Operating profit (loss) (continued)		
<i>Expenses by nature</i>		
Auditor's remuneration	593	540
Advertising and marketing	4 112	3 786
Bank charges	415	415
Computer expenses	6 904	5 793
Directors expenses	284	255
General expenses	1 629	1 462
Insurance	717	616
Legal expenses	1 038	895
Maintenance and security	1 345	1 697
Municipal charges	2 718	2 779
Printing and stationery	1 036	900
Professional fees	13 639	12 378
Rent paid	392	796
Subscriptions and memberships	2 791	3 655
Telephone	1 358	1 088
Training	1 901	1 343
Travelling and accommodation	3 514	5 343
VAT apportionment expenses	3 069	5 030
Vehicle expenses	1 399	983
	48 854	49 754
25. Additional cash flow information		
<i>Change in operating assets</i>		
Net change in other receivables	(24)	(31)
Net change in inventories	(120)	(44)
Net change in loans and advances to customers	(32 106)	(25 283)
Net change in retirement benefit obligations	557	324
	(31 693)	(25 034)
<i>Change in operating liabilities</i>		
Net change in creditors & other payables	900	837
Net change in provisions	(160)	143
	740	980

AGRICULTURAL BANK OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

	2023 N\$ '000	2022 N\$ '000
25. Additional cash flow information (continued)		
<i>Net gain / (loss) from investing activities</i>		
Depreciation and amortisation expense	4 065	4 916
Profit on disposal of property, plant and equipment	(108)	(92)
Revaluation of property, plant and equipment	4 424	2 104
Revaluation of investment property	(3 695)	2 772
	4 686	9 700
<i>Net gain / (loss) from financing activities</i>		
Interest paid	-	-
Interest paid on leasing liabilities	302	82
Movement in special purpose funds	(2 376)	2 656
Movement in loan guarantee fund	8 464	4 858
Net change in deferred income	(5 520)	(5 720)
	870	1 876
26. Commitments		
<i>Authorised capital expenditure</i>		
Authorised capital expenditure	15 250	26 385

This committed capital expenditure relates to the acquisition of property, plant and equipment and intangible assets (software) and will be funded by both borrowings and own funds.

27. Contingent liabilities*Litigation*

There are currently two active labour matters. The first matter relates to an unfair retrenchment exercise. Despite both the Labour Commissioner and the High Court ruling in favour of Agribank, the applicant filed another new application in the High Court challenging all judgments passed pertaining to her case, citing that the initial matter was defended without a resolution/authority passed by Agribank's board to defend the matter. Agribank opposed the new application and the matter is postponed to 5 October for delivery of judgement

AGRICULTURAL BANK OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

27. Contingent liabilities (continued)

The second matter pertains to an unfair dismissal case as lodged with the Labour Commissioner, with judgment granted against Agribank. The Labour Commissioner ordered Agribank to reinstate the applicant and reimburse her for the period she was not in Agribank's employment from the date of her dismissal. Agribank lodged an appeal with the Labour Court, challenging both the reinstatement and monetary award. The appeal hearing date is yet to be provided by the Labour Court after furnishing the arbitration record/transcript. An interlocutory application was filed by Agribank requesting the court to extend the period within which the record ought to be filed at court. The operation of the Labour Commissioner's award is suspended until the finalization of the appeal process however, Agribank was ordered to pay the ex-employee a monthly salary pending the appeal outcome.

No possible outflow is expected from the first matter. The possible outflow which could result from the second litigation matter is estimated to be around N\$ 3.7 million.

28. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Trading assets and liabilities have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the Bank uses the same basis of expected repayment behaviour that was used for estimating the effective interest rate (EIR).

*As 31 March 2023 in N\$ thousand***Assets**

	<i>Within 12 months</i>	<i>After 12 months</i>	<i>Total</i>
Cash and cash equivalents	405 009	-	405 009
Other receivables	626	-	626
Inventories	1 329	-	1 329
Loans and advances to customers	902 700	2 033 522	2 936 222
Retirement benefit asset	-	702	702
Investment property	-	45 425	45 425
Property, plant and equipment	-	110 053	110 053
	1 309 664	2 189 702	3 499 366

*As 31 March 2023 in N\$ thousand***Liabilities**

	<i>Within 12 months</i>	<i>After 12 months</i>	<i>Total</i>
Due to banks	4 354	-	4 354
Creditors and other payables	11 242	-	11 242
Finance lease liabilities	2 156	1 214	3 370
Borrowed funds	-	392 226	392 226
Special purpose funds	101 624	-	101 624
Loan guarantee fund	-	134 781	134 781
Provisions	-	5 072	5 072
Deferred income	-	35 155	35 155
	119 376	568 448	687 824

AGRICULTURAL BANK OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

28. Maturity analysis of assets and liabilities (continued)

<i>As 31 March 2022 in N\$ thousand</i>	<i>Within 12 months</i>	<i>After 12 months</i>	<i>Total</i>
Assets			
Cash and cash equivalents	429 683	-	429 683
Other receivables	602	-	602
Inventories	1 209	-	1 209
Loans and advances to customers	899 355	2 004 761	2 904 116
Retirement benefit asset	-	1 259	1 259
Investment property	-	41 730	41 730
Property, plant and equipment	-	110 453	110 453
Intangible assets	-	1	1
	1 330 849	2 158 204	3 489 053
As 31 March 2022 in N\$ thousand			
Liabilities			
Due to banks	3 059	-	3 059
Creditors and other payables	10 342	-	10 342
Finance lease liabilities	2 049	204	2 253
Borrowed funds	-	518 170	518 170
Special purpose funds	104 000	-	104 000
Loan guarantee fund	-	126 317	126 317
Provisions	-	5 232	5 232
Deferred income	-	40 675	40 675
	119 450	690 598	810 048
As 01 April 2021 restated in N\$ thousand			
Assets			
Cash and cash equivalents	377 678	-	377 678
Other receivables	571	-	571
Inventories	1 165	-	1 165
Loans and advances to customers	784 455	2 094 379	2 878 834
Retirement benefit asset	-	1 583	1 583
Investment property	-	44 502	44 502
Property, plant and equipment	-	106 438	106 438
Intangible assets	-	3	3
	1 163 869	2 246 905	3 410 774

AGRICULTURAL BANK OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

28. Maturity analysis of assets and liabilities (continued)

As 01 April 2021 restated in N\$ thousand

<i>Liabilities</i>	<i>Within 12 months</i>	<i>After 12 months</i>	<i>Total</i>
Due to banks	4 752	-	4 752
Creditors and other payables	9 503	-	9 503
Finance lease liabilities	1 068	-	1 068
Borrowed funds	28 184	503 212	531 396
Special purpose funds	101 344	-	101 344
Loan guarantee fund	-	121 459	121 459
Provisions	-	5 092	5 092
Deferred income	-	46 395	46 395
	144 851	676 158	821 009

29. Fair value information

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the Bank can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Levels of fair value

measurements

2023	2022	2021
NS '000	Restated	Restated *
	*N\$	N\$ '000
	'000	

Recurring fair value measurements

Liabilities

Financial liabilities at fair value through profit (loss)

Bank loan	-	(71 201)	(80 085)
Government loan	(92 226)	(96 969)	(101 311)
Total financial liabilities at fair value through profit (loss)	(92 226)	(168 170)	(181 396)

AGRICULTURAL BANK OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

	2023	2022	2021
	N\$ '000	Restated *	Restated *
	N\$ '000	N\$ '000	N\$ '000
29. Fair value information (continued)			
<i>Non recurring fair value measurements</i>			
<i>Investment property</i>			
Owner occupied properties	4 648	4 648	4 648
<i>Property plant equipment</i>			
Land	5 970	5 970	5 970
Buildings Leasehold property	93 386	94 723	91 957
Total property plant and equipment	99 356	100 693	97 927
Total	104 004	105 341	102 575

Land and Buildings are measured periodically in line with the valuation policy.

Level 3*Non recurring fair value**measurements Investment property*

Witvlei abattoir	31 746	28 860	30 800
Witvlei cattle pen	2 420	2 200	2 500
Witvlei land & erven	6 611	6 022	6 554
Total investment property	40 777	37 082	39 854
Total	40 777	37 082	39 854

The investment properties comprise the Witvlei abattoir and related land in the Witvlei area. There is no mechanism to establish a fair market value due to the specialist nature of the abattoir and the location of the other properties in Witvlei town and area due to the frequency of sales. Refer to note 8 for details regarding investment property.

30. Prior period adjustment

Historically, the In Duplum rule was applied case-by-case within our loan portfolio, especially for large long overdue clients, driven by the necessity to provide legally defensible figures for clients in legal actions. However, this financial year marked a comprehensive review and quantification of the rule for the entire loan book, revealing a prior period error. During February of this year, we initiated integrating In Duplum calculations into our SAP system, enhancing accuracy and consistency

We have restated financial statements to address previously unrecognized In Duplum impacts, aligning with accounting standards. Management is dedicated to rectifying this error and ensuring future financial reporting accurately reflects In-Duplum application within our loan portfolio.

Opening retained earnings as at 1 April 2021 as previously stated amounted to N\$886.7 million and the error so identified amounted to N\$10.7m.

AGRICULTURAL BANK OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

30. Prior period adjustment (continued)

	2022	2021
	Restated *	Restated *
	N\$ '000	N\$ '000
<i>The prior period error resulted in the following adjustments:</i>		
Statement of Financial Position		
Decrease in loans and other receivables	(18 574)	(10 653)
Decrease in retained earnings	10 653	10 653
	(7 921)	-
<i>Statement of Comprehensive Income</i>		
Decrease interest income	(7 921)	-
<i>Statement of Cash Flows</i>		
Cash flow from operating activities		
Decrease in loans and receivables	7 921	-

31. New Standards and Interpretations

31.1. Standards and interpretations effective and adopted in the current year

At the date of authorisation of the financial statements of the Agricultural Bank of Namibia for the year ended 31 March 2023, the following applicable new or revised financial reporting standards, amendments and interpretations of those standards were in issue but not yet effective. On review of these amendments and interpretations, the impact (if any) has not yet been estimated, nor is it expected to have a material impact on the Bank's financial statements.

<i>Standard/ Interpretation:</i>	<i>Effective date: Years beginning on or after</i>	<i>Expected impact:</i>
• Annual improvements cycle to IFRS 1, IFRS 9, IFRS 16 and IFRS 13	01 January 2022	Unlikely there will be a material impact
• Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use	01 January 2022	Unlikely there will be a material impact
• Amendments to IAS 37 Onerous Contracts—Cost of Fulfilling a Contract	01 January 2022	Unlikely there will be a material impact

AGRICULTURAL BANK OF NAMIBIA
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH (continued)

31. New Standards and Interpretations (continued)

31.1 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 April 2023 or later periods:

<i>Standard/ Interpretation:</i>	<i>Effective date: Years beginning on or after</i>	<i>Expected impact:</i>
<ul style="list-style-type: none"> IFRS 17, 'Insurance contracts' (effective 1 January 2023 or when apply IFRS 15 and IFRS 9) 	01 January 2023	Expected impact is insignificant
<ul style="list-style-type: none"> Amendments to IAS 1, Presentation of financial statements' on classification of liabilities 	01 January 2023	Expected impact is insignificant
<ul style="list-style-type: none"> Narrow scope amendments to IAS 1 'Presentation of Financial Statements', Practice statement 2 and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' 	01 January 2023	Unlikely there will be a material impact