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GRINDROD FINANCIAL HOLDINGS LIMITED  
BASEL PILLAR III DISCLOSURE REPORT  
31 December 2018

# Capital management

## Template KM1: Key metrics - Grindrod Bank Limited

|   |   | a          | b          | c          | d          | e          |
|---|---|------------|------------|------------|------------|------------|
|   |   | Dec-18     | Sep-18     | Jun-18     | Mar-18     | Dec-17     |
|   |   | T          | T-1        | T-2        | T-3        | T-4        |
|   | Available capital (amounts)   | R'000      | R'000      | R'000      | R'000      | R'000      |
| 1   | Common Equity Tier 1 (CET1)   | 1 074 799  | 1 014 797  | 1 003 940  | 948 930    | 913 930    |
| 1a  | Fully loaded ECL accounting model CET1  | 1 074 799  | 1 014 797  | 1 003 940  | 948 930    | -          |
| 2   | Tier 1  | 1 359 799  | 1 299 797  | 1 288 940  | 1 233 930  | 1 198 930  |
| 2a  | Fully loaded ECL accounting model Tier 1  | 1 359 799  | 1 299 797  | 1 288 940  | 1 233 930  | -          |
| 3   | Total capital   | 1 389 440  | 1 338 386  | 1 322 821  | 1 264 470  | 1 229 470  |
| 3a  | Fully loaded ECL accounting model total capital                                 | 1 389 440  | 1 338 386  | 1 322 821  | 1 264 470  | -          |
| <b>Risk-weighted assets (amounts)</b>                             |   |            |            |            |            |            |
| 4   | Total risk-weighted assets (RWA)  | 11 234 270 | 9 431 216  | 9 484 661  | 9 171 122  | 9 932 514  |
| <b>Risk-based capital ratios as a percentage of RWA</b>           |   |            |            |            |            |            |
| 5   | Common Equity Tier 1 ratio (%)  | 9,57%      | 10,76%     | 10,58%     | 10,35%     | 9,20%      |
| 5a  | Fully loaded ECL accounting model Common Equity Tier 1 (%)                      | 9,57%      | 10,76%     | 10,58%     | 10,35%     | 0,00%      |
| 6   | Tier 1 ratio (%)  | 12,10%     | 13,78%     | 13,59%     | 13,45%     | 12,07%     |
| 6a  | Fully loaded ECL accounting model Tier 1 ratio (%)                              | 12,10%     | 13,78%     | 13,59%     | 13,45%     | 0,00%      |
| 7   | Total capital ratio (%)   | 12,37%     | 14,19%     | 13,95%     | 13,79%     | 12,38%     |
| 7a  | Fully loaded ECL accounting model total capital ratio (%)                       | 12,37%     | 14,19%     | 13,95%     | 13,79%     | 0,00%      |
| <b>Additional CET1 buffer requirements as a percentage of RWA</b> |   |            |            |            |            |            |
| 8   | Capital conservation buffer requirement (2.5% from 2019) (%)                    | 1,88%      | 1,88%      | 1,88%      | 1,88%      | 1,25%      |
| 9   | Countercyclical buffer requirement (%)  | 0,00%      | 0,00%      | 0,00%      | 0,00%      | 0,00%      |
| 10  | Bank G-SIB and/or D-SIB additional requirements (%)                             | 0,00%      | 0,00%      | 0,00%      | 0,00%      | 0,00%      |
| 11  | Total of bank CET1 specific buffer requirements (%)<br>(row 8 + row 9 + row 10) | 1,88%      | 1,88%      | 1,88%      | 1,88%      | 1,25%      |
| 12  | CET1 available after meeting the bank's minimum capital requirements (%)        | 2,19%      | 3,38%      | 3,21%      | 2,97%      | 1,95%      |
| <b>Basel III leverage ratio</b>                                   |   |            |            |            |            |            |
| 13  | Total Basel III leverage ratio exposure measure                                 | 13 338 106 | 13 843 641 | 19 665 814 | 18 480 264 | 17 240 918 |
| 14  | Basel III leverage ratio (%) (row 2 / row 13)                                   | 10,19%     | 9,39%      | 6,55%      | 6,68%      | 6,95%      |
| 14a   | Fully loaded ECL accounting model Basel III leverage ratio (%)                  | 10,19%     | 9,39%      | 6,55%      | 6,68%      | 6,95%      |
| <b>Liquidity Coverage Ratio</b>                                   |   |            |            |            |            |            |
| 15  | Total high-quality liquid assets (HQLA)   | 1 375 608  | 3 892 605  | 9 475 522  | 5 955 996  | 4 761 096  |
| 16  | Total net cash outflow  | 516 119    | 585 742    | 558 174    | 537 283    | 477 843    |
| 17  | LCR (%)   | 267%       | 665%       | 1698%      | 1109%      | 996%       |
| <b>Net Stable Funding Ratio</b>                                   |   |            |            |            |            |            |
| 18  | Total available stable funding  | 9 583 086  | 8 676 266  | 10 863 397 | 10 265 832 | 9 310 117  |
| 19  | Total required stable funding   | 6 982 668  | 6 360 860  | 6 436 641  | 6 500 920  | 6 353 662  |
| 20  | NSFR  | 137%       | 136%       | 169%       | 158%       | 147%       |

## Capital management

### Template KM1: Key metrics at consolidated level - Grindrod Financial Holdings Limited

|   |   | a          | b          | c          | d          | e          |
|---|---|------------|------------|------------|------------|------------|
|   |   | Dec-18     | Sep-18     | Jun-18     | Mar-18     | Dec-17     |
|   |   | T          | T-1        | T-2        | T-3        | T-4        |
|   | Available capital (amounts)   | R'000      | R'000      | R'000      | R'000      | R'000      |
| 1   | Common Equity Tier 1 (CET1)   | 1 074 871  | 1 014 869  | 1 004 012  | 949 002    | 914 002    |
| 1a  | Fully loaded ECL accounting model CET1  | 1 074 871  | 1 014 869  | 1 004 012  | 949 002    | -          |
| 2   | Tier 1  | 1 359 871  | 1 299 869  | 1 289 012  | 1 234 002  | 1 199 002  |
| 2a  | Fully loaded ECL accounting model Tier 1  | 1 359 871  | 1 299 869  | 1 289 012  | 1 234 002  | -          |
| 3   | Total capital   | 1 389 512  | 1 338 458  | 1 322 893  | 1 264 542  | 1 229 542  |
| 3a  | Fully loaded ECL accounting model total capital                                 | 1 389 512  | 1 338 458  | 1 322 893  | 1 264 542  | -          |
| <b>Risk-weighted assets (amounts)</b>                             |   |            |            |            |            |            |
| 4   | Total risk-weighted assets (RWA)  | 17 215 923 | 9 431 939  | 9 485 384  | 9 172 205  | 16 213 890 |
| <b>Risk-based capital ratios as a percentage of RWA</b>           |   |            |            |            |            |            |
| 5   | Common Equity Tier 1 ratio (%)  | 6,24%      | 10,76%     | 10,58%     | 10,35%     | 5,64%      |
| 5a  | Fully loaded ECL accounting model Common Equity Tier 1 (%)                      | 6,24%      | 10,76%     | 10,58%     | 10,35%     | 0,00%      |
| 6   | Tier 1 ratio (%)  | 7,90%      | 13,78%     | 13,59%     | 13,45%     | 7,39%      |
| 6a  | Fully loaded ECL accounting model Tier 1 ratio (%)                              | 7,90%      | 13,78%     | 13,59%     | 13,45%     | 0,00%      |
| 7   | Total capital ratio (%)   | 8,07%      | 14,19%     | 13,95%     | 13,79%     | 7,58%      |
| 7a  | Fully loaded ECL accounting model total capital ratio (%)                       | 8,07%      | 14,19%     | 13,95%     | 13,79%     | 0,00%      |
| <b>Additional CET1 buffer requirements as a percentage of RWA</b> |   |            |            |            |            |            |
| 8   | Capital conservation buffer requirement (2.5% from 2019) (%)                    | 1,88%      | 1,88%      | 1,88%      | 1,88%      | 1,25%      |
| 9   | Countercyclical buffer requirement (%)  | 0,00%      | 0,00%      | 0,00%      | 0,00%      | 0,00%      |
| 10  | Bank G-SIB and/or D-SIB additional requirements (%)                             | 0,00%      | 0,00%      | 0,00%      | 0,00%      | 0,00%      |
| 11  | Total of bank CET1 specific buffer requirements (%)<br>(row 8 + row 9 + row 10) | 1,88%      | 1,88%      | 1,88%      | 1,88%      | 1,25%      |
| 12  | CET1 available after meeting the bank's minimum capital requirements (%)        | -1,13%     | 3,38%      | 3,21%      | 2,97%      | -1,61%     |
| <b>Basel III leverage ratio</b>                                   |   |            |            |            |            |            |
| 13  | Total Basel III leverage ratio exposure measure                                 | 14 728 772 | 13 843 645 | 19 665 818 | 18 480 268 | 18 918 264 |
| 14  | Basel III leverage ratio (%) (row 2 / row 13)                                   | 9,23%      | 9,39%      | 6,55%      | 6,68%      | 6,34%      |
| 14a   | Fully loaded ECL accounting model Basel III leverage ratio (%)                  | 9,23%      | 9,39%      | 6,55%      | 6,68%      | 6,34%      |
| <b>Liquidity Coverage Ratio</b>                                   |   |            |            |            |            |            |
| 15  | Total high-quality liquid assets (HQLA)   | -          | -          | -          | -          | -          |
| 16  | Total net cash outflow  | -          | -          | -          | -          | -          |
| 17  | LCR (%)   | 0%         | 0%         | 0%         | 0%         | 0%         |
| <b>Net Stable Funding Ratio</b>                                   |   |            |            |            |            |            |
| 18  | Total available stable funding  | -          | -          | -          | -          | -          |
| 19  | Total required stable funding   | -          | -          | -          | -          | -          |
| 20  | NSFR  | 0%         | 0%         | 0%         | 0%         | 0%         |

# Capital management

## Template OV1: Overview of RWA - Grindrod Bank Limited

|    |   | a                 | b                | c                            |
|----|---|-------------------|------------------|------------------------------|
|    |   | RWA               |                  | Minimum capital requirements |
|    |   | Dec-18            | Sep-18           | Dec-18                       |
|    |   | T                 | T-1              | T                            |
|    |   | R'000             | R'000            | R'000                        |
| 1  | Credit risk (excluding counterparty credit risk)  | 8 369 850         | 8 166 567        | 931 146                      |
| 2  | Of which: standardised approach   | 8 369 850         | 8 166 567        | 931 146                      |
| 3  | Of which: foundation internal ratings-based (F-IRB) approach  | -                 | -                | -                            |
| 4  | Of which: supervisory slotting approach   | -                 | -                | -                            |
| 5  | Of which: advanced internal ratings-based (A-IRB) approach  | -                 | -                | -                            |
| 6  | Counterparty credit risk (CCR)  | 10 158            | 2 893            | 1 130                        |
| 7  | Of which: standardised approach for counterparty credit risk  | 10 158            | 2 893            | 1 130                        |
| 8  | Of which: Internal Model Method (IMM)   | -                 | -                | 0                            |
| 9  | Of which: other CCR   | -                 | -                | 0                            |
| 10 | Credit valuation adjustment (CVA)   | 20 577            | 52 094           | 2 289                        |
| 11 | Equity positions under the simple risk weight approach and the internal model method                              | 1 590 163         | -                | 176 906                      |
| 12 | Equity investments in funds – look-through approach   | -                 | -                | -                            |
| 13 | Equity investments in funds – mandate-based approach  | -                 | -                | -                            |
| 14 | Equity investments in funds – fall-back approach  | -                 | -                | -                            |
| 15 | Settlement risk   | -                 | -                | -                            |
| 16 | Securitisation exposures in banking book  | -                 | -                | -                            |
| 17 | Of which: securitisation internal ratings-based approach (SEC-IRBA)   | -                 | -                | -                            |
|    |   | -                 | -                | -                            |
| 18 | Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA) | -                 | -                | -                            |
|    |   | -                 | -                | -                            |
| 19 | Of which: securitisation standardised approach (SEC-SA)   | -                 | -                | -                            |
| 20 | Market risk   | -                 | -                | -                            |
| 21 | Of which: standardised approach   | -                 | -                | -                            |
| 22 | Of which: internal models approach (IMA)  | -                 | -                | -                            |
| 23 | Operational risk  | 902 788           | 779 664          | 100 435                      |
| 24 | Amounts below the thresholds for deduction (subject to 250% risk weight)  | -                 | 95 585           | -                            |
| 25 | Floor adjustment  | 340 734           | 334 413          | 37 907                       |
| 26 | <b>Total (1 + 6 + 10 + 11 + 12 + 13 + 14 + 15 + 16 + 20 + 23 + 24 + 25)</b>                                       | <b>11 234 270</b> | <b>9 431 216</b> | <b>1 249 812</b>             |

# Capital management

## Template OV1: Overview of RWA - Grindrod Financial Holdings Limited

|           |   | a                 | b                | c                            |
|-----------|---|-------------------|------------------|------------------------------|
|           |   | RWA               |                  | Minimum capital requirements |
|           |   | Dec-18            | Sep-18           | Dec-18                       |
|           |   | T                 | T-1              | T                            |
|           |   | R'000             | R'000            | R'000                        |
| 1         | Credit risk (excluding counterparty credit risk)  | 8 022 159         | 8 167 290        | 892 465                      |
| 2         | Of which: standardised approach   | 8 022 159         | 8 167 290        | 892 465                      |
| 3         | Of which: foundation internal ratings-based (F-IRB) approach  |                   |                  |                              |
| 4         | Of which: supervisory slotting approach   |                   |                  |                              |
| 5         | Of which: advanced internal ratings-based (A-IRB) approach  |                   |                  |                              |
| 6         | Counterparty credit risk (CCR)  | 10 158            | 2 893            | 1 130                        |
| 7         | Of which: standardised approach for counterparty credit risk  | 10 158            | 2 893            | 1 130                        |
| 8         | Of which: Internal Model Method (IMM)   |                   |                  |                              |
| 9         | Of which: other CCR   |                   |                  |                              |
| 10        | Credit valuation adjustment (CVA)   | 20 577            | 52 094           | 2 289                        |
| 11        | Equity positions under the simple risk weight approach and the internal model method                              | 7 928 547         | -                | 882 051                      |
| 12        | Equity investments in funds – look-through approach   |                   |                  |                              |
| 13        | Equity investments in funds – mandate-based approach  |                   |                  |                              |
| 14        | Equity investments in funds – fall-back approach  |                   |                  |                              |
| 15        | Settlement risk   |                   |                  |                              |
| 16        | Securitisation exposures in banking book  |                   |                  |                              |
| 17        | Of which: securitisation internal ratings-based approach (SEC-IRBA)   |                   |                  |                              |
| 18        | Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA) |                   |                  |                              |
| 19        | Of which: securitisation standardised approach (SEC-SA)   |                   |                  |                              |
| 20        | Market risk   |                   |                  |                              |
| 21        | Of which: standardised approach   |                   |                  |                              |
| 22        | Of which: internal models approach (IMA)  |                   |                  |                              |
| 23        | Operational risk  | 902 788           | 779 664          | 100 435                      |
| 24        | Amounts below the thresholds for deduction (subject to 250% risk weight)  | -                 | 95 585           | -                            |
| 25        | Floor adjustment  | 331 694           | 334 413          | 36 901                       |
| <b>26</b> | <b>Total (1 + 6 + 10 + 11 + 12 + 13 + 14 + 15 + 16 + 20 + 23 + 24 + 25)</b>                                       | <b>17 215 923</b> | <b>9 431 939</b> | <b>1 915 271</b>             |

# Composition of Capital

## Template CC1 – Composition of regulatory capital - Grindrod Bank Limited

|   |  | Dec-18           |
|---|--|------------------|
|   |  | Amounts          |
| <b>Common Equity Tier 1 capital: instruments and reserves</b> |  | <b>R'000</b>     |
| 1   | Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus                      | 248 579          |
| 2   | Retained earnings  | 826 220          |
| 3   | Accumulated other comprehensive income (and other reserves)  | -                |
| 4   | <i>Directly issued capital subject to phase-out from CET1 capital (only applicable to non-joint stock companies)</i>                           | -                |
| 5   | Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1 capital)                                   | -                |
| 6   | <b>Common Equity Tier 1 capital before regulatory adjustments</b>  | <b>1 074 799</b> |
| <b>Common Equity Tier 1 capital: regulatory adjustments</b>   |  |                  |
| 7   | Prudent valuation adjustments  | -                |
| 8   | Goodwill (net of related tax liability)  | -                |
| 9   | Other intangibles other than mortgage servicing rights (MSR) (net of related tax liability)  | -                |
| 10  | Deferred tax assets (DTA) that rely on future profitability, excluding those arising from temporary differences (net of related tax liability) | -                |
| 11  | Cash flow hedge reserve  | -                |
| 12  | Shortfall of provisions to expected losses   | -                |
| 13  | Securitisation gain on sale (as set out in [CAP30.14])   | -                |
| 14  | Gains and losses due to changes in own credit risk on fair valued liabilities  | -                |
| 15  | Defined benefit pension fund net assets  | -                |
| 16  | Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)   | -                |
| 17  | Reciprocal cross-holdings in common equity   | -                |

|    |   |                  |
|----|---|------------------|
| 18 | Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)                      | -                |
| 19 | Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)  | -                |
| 20 | MSR (amount above 10% threshold)  | -                |
| 21 | DTA arising from temporary differences (amount above 10% threshold, net of related tax liability)   | -                |
| 22 | Amount exceeding the 15% threshold  | -                |
| 23 | Of which: significant investments in the common stock of financials   | -                |
| 24 | Of which: MSR   | -                |
| 25 | Of which: DTA arising from temporary differences  | -                |
| 26 | National specific regulatory adjustments  | -                |
| 27 | Regulatory adjustments applied to Common Equity Tier 1 capital due to insufficient Additional Tier 1 and Tier 2 capital to cover deductions   | -                |
| 28 | <b>Total regulatory adjustments to Common Equity Tier 1 capital</b>   | -                |
| 29 | <b>Common Equity Tier 1 capital (CET1)</b>  | <b>1 074 799</b> |
|    | <b>Additional Tier 1 capital: instruments</b>   |                  |
| 30 | Directly issued qualifying additional Tier 1 instruments plus related stock surplus   | 285 000          |
| 31 | Of which: classified as equity under applicable accounting standards  | 285 000          |
| 32 | Of which: classified as liabilities under applicable accounting standards   | -                |
| 33 | <i>Directly issued capital instruments subject to phase-out from additional Tier 1 capital</i>  | -                |
| 34 | Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group additional Tier 1 capital)   | -                |
| 35 | <i>Of which: instruments issued by subsidiaries subject to phase-out</i>  | -                |
| 36 | <b>Additional Tier 1 capital before regulatory adjustments</b>  | <b>285 000</b>   |
|    | <b>Additional Tier 1 capital: regulatory adjustments</b>  |                  |
| 37 | Investments in own additional Tier 1 instruments  | -                |
| 38 | Reciprocal cross-holdings in additional Tier 1 instruments  | -                |
| 39 | Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold) | -                |

|     |   |                  |
|-----|---|------------------|
| 40  | Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation  | -                |
| 41  | National specific regulatory adjustments  | -                |
| 42  | Regulatory adjustments applied to additional Tier 1 capital due to insufficient Tier 2 capital to cover deductions  | -                |
| 43  | <b>Total regulatory adjustments to additional Tier 1 capital</b>  | <b>-</b>         |
| 44  | <b>Additional Tier 1 capital (AT1)</b>  | <b>285 000</b>   |
| 45  | <b>Tier 1 capital (T1 = CET1 + AT1)</b>   | <b>1 359 799</b> |
|     | <b>Tier 2 capital: instruments and provisions</b>   |                  |
| 46  | Directly issued qualifying Tier 2 instruments plus related stock surplus  | -                |
| 47  | <i>Directly issued capital instruments subject to phase-out from Tier 2 capital</i>   | -                |
| 48  | Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)  | -                |
| 49  | <i>Of which: instruments issued by subsidiaries subject to phase-out</i>  | -                |
| 50  | Provisions  | <b>29 641</b>    |
| 51  | <b>Tier 2 capital before regulatory adjustments</b>   | <b>29 641</b>    |
|     | <b>Tier 2 capital: regulatory adjustments</b>   |                  |
| 52  | Investments in own Tier 2 instruments   | -                |
| 53  | Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities  | -                |
| 54  | Investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)  | -                |
| 54a | Investments in the other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5% threshold but that no longer meets the conditions (for G-SIBs only) | -                |
| 55  | Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)   | -                |
| 56  | National specific regulatory adjustments  | -                |
| 57  | <b>Total regulatory adjustments to Tier 2 capital</b>   | <b>-</b>         |
| 58  | <b>Tier 2 capital</b>   | <b>29 641</b>    |



|    |  |                   |
|----|--|-------------------|
| 59 | <b>Total regulatory capital (= Tier 1 + Tier2)</b>   | <b>1 389 440</b>  |
| 60 | <b>Total risk-weighted assets</b>  | <b>11 234 270</b> |
|    | <b>Capital adequacy ratios and buffers</b>   |                   |
| 61 | <b>Common Equity Tier 1 capital (as a percentage of risk-weighted assets)</b>  | <b>9,567%</b>     |
| 62 | <b>Tier 1 capital (as a percentage of risk-weighted assets)</b>  | <b>12,104%</b>    |
| 63 | <b>Total capital (as a percentage of risk-weighted assets)</b>   | <b>12,368%</b>    |
| 64 | <b>Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)</b> |                   |
| 65 | Of which: capital conservation buffer requirement  | 1,875%            |
| 66 | Of which: bank-specific countercyclical buffer requirement   | 0%                |
| 67 | Of which: higher loss absorbency requirement   | 0%                |
| 68 | <b>Common Equity Tier 1 capital (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements</b>  | <b>2,192%</b>     |
|    | <b>National minima (if different from Basel III)</b>   |                   |
| 69 | National minimum Common Equity Tier 1 capital adequacy ratio (if different from Basel III minimum)   | 7,38%             |
| 70 | National minimum Tier 1 capital adequacy ratio (if different from Basel III minimum)   | 8,88%             |
| 71 | National minimum Total capital adequacy ratio (if different from Basel III minimum)  | 11,13%            |
|    | <b>Amounts below the thresholds for deduction (before risk-weighting)</b>  |                   |
| 72 | Non-significant investments in the capital and other TLAC liabilities of other financial entities  | -                 |
| 73 | Significant investments in the common stock of financial entities  | -                 |
| 74 | MSR (net of related tax liability)   | -                 |
| 75 | DTA arising from temporary differences (net of related tax liability)  | -                 |
|    | <b>Applicable caps on the inclusion of provisions in Tier 2 capital</b>  |                   |
| 76 | Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to standardised approach (prior to application of cap)   | 29 641            |
| 77 | Cap on inclusion of provisions in Tier 2 capital under standardised approach   | -                 |
| 78 | Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to internal ratings-based approach (prior to application of cap)   | -                 |

|  |  |   |
|--|--|---|
| 79   | Cap for inclusion of provisions in Tier 2 capital under internal ratings-based approach                  | - |
| <b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)</b> |  |   |
| 80   | <i>Current cap on CET1 instruments subject to phase-out arrangements</i>                                 | - |
| 81   | <i>Amount excluded from CET1 capital due to cap (excess over cap after redemptions and maturities)</i>   | - |
| 82   | <i>Current cap on AT1 instruments subject to phase-out arrangements</i>                                  | - |
| 83   | <i>Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)</i>    | - |
| 84   | <i>Current cap on Tier 2 instruments subject to phase-out arrangements</i>                               | - |
| 85   | <i>Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)</i> | - |

# Composition of Capital

## Template CC1 – Composition of regulatory capital - Grindrod Financial Holdings Limited

|   |  | Dec-18           |
|---|--|------------------|
|   |  | Amounts          |
| <b>Common Equity Tier 1 capital: instruments and reserves</b> |  | <b>R'000</b>     |
| 1   | Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus  | 280 278          |
| 2   | Retained earnings  | 794 593          |
| 3   | Accumulated other comprehensive income (and other reserves)  | -                |
| 4   | <i>Directly issued capital subject to phase-out from CET1 capital (only applicable to non-joint stock companies)</i>   | -                |
| 5   | Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1 capital)   | -                |
| 6   | <b>Common Equity Tier 1 capital before regulatory adjustments</b>  | <b>1 074 871</b> |
| <b>Common Equity Tier 1 capital: regulatory adjustments</b>   |  |                  |
| 7   | Prudent valuation adjustments  | -                |
| 8   | Goodwill (net of related tax liability)  | -                |
| 9   | Other intangibles other than mortgage servicing rights (MSR) (net of related tax liability)  | -                |
| 10  | Deferred tax assets (DTA) that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)   | -                |
| 11  | Cash flow hedge reserve  | -                |
| 12  | Shortfall of provisions to expected losses   | -                |
| 13  | Securitisation gain on sale (as set out in [CAP30.14])   | -                |
| 14  | Gains and losses due to changes in own credit risk on fair valued liabilities  | -                |
| 15  | Defined benefit pension fund net assets  | -                |
| 16  | Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)   | -                |
| 17  | Reciprocal cross-holdings in common equity   | -                |
| 18  | Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold) | -                |

|    |   |                  |
|----|---|------------------|
| 19 | Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)  | -                |
| 20 | MSR (amount above 10% threshold)  | -                |
| 21 | DTA arising from temporary differences (amount above 10% threshold, net of related tax liability)   | -                |
| 22 | Amount exceeding the 15% threshold  | -                |
| 23 | Of which: significant investments in the common stock of financials   | -                |
| 24 | Of which: MSR   | -                |
| 25 | Of which: DTA arising from temporary differences  | -                |
| 26 | National specific regulatory adjustments  | -                |
| 27 | Regulatory adjustments applied to Common Equity Tier 1 capital due to insufficient Additional Tier 1 and Tier 2 capital to cover deductions   | -                |
| 28 | <b>Total regulatory adjustments to Common Equity Tier 1 capital</b>   | <b>-</b>         |
| 29 | <b>Common Equity Tier 1 capital (CET1)</b>  | <b>1 074 871</b> |
|    | <b>Additional Tier 1 capital: instruments</b>   |                  |
| 30 | Directly issued qualifying additional Tier 1 instruments plus related stock surplus   | 285 000          |
| 31 | Of which: classified as equity under applicable accounting standards  | 285 000          |
| 32 | Of which: classified as liabilities under applicable accounting standards   | -                |
| 33 | <i>Directly issued capital instruments subject to phase-out from additional Tier 1 capital</i>  | -                |
| 34 | Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group additional Tier 1 capital)   | -                |
| 35 | <i>Of which: instruments issued by subsidiaries subject to phase-out</i>  | -                |
| 36 | <b>Additional Tier 1 capital before regulatory adjustments</b>  | <b>285 000</b>   |
|    | <b>Additional Tier 1 capital: regulatory adjustments</b>  |                  |
| 37 | Investments in own additional Tier 1 instruments  | -                |
| 38 | Reciprocal cross-holdings in additional Tier 1 instruments  | -                |
| 39 | Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold) | -                |
| 40 | Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation  | -                |

|     |   |                   |
|-----|---|-------------------|
| 41  | National specific regulatory adjustments  | -                 |
| 42  | Regulatory adjustments applied to additional Tier 1 capital due to insufficient Tier 2 capital to cover deductions  | -                 |
| 43  | <b>Total regulatory adjustments to additional Tier 1 capital</b>  | <b>-</b>          |
| 44  | <b>Additional Tier 1 capital (AT1)</b>  | <b>285 000</b>    |
| 45  | <b>Tier 1 capital (T1 = CET1 + AT1)</b>   | <b>1 359 871</b>  |
|     | <b>Tier 2 capital: instruments and provisions</b>   |                   |
| 46  | Directly issued qualifying Tier 2 instruments plus related stock surplus  | -                 |
| 47  | <i>Directly issued capital instruments subject to phase-out from Tier 2 capital</i>   | -                 |
| 48  | Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)  | -                 |
| 49  | <i>Of which: instruments issued by subsidiaries subject to phase-out</i>  | -                 |
| 50  | Provisions  | <b>29 641</b>     |
| 51  | <b>Tier 2 capital before regulatory adjustments</b>   | <b>29 641</b>     |
|     | <b>Tier 2 capital: regulatory adjustments</b>   |                   |
| 52  | Investments in own Tier 2 instruments   | -                 |
| 53  | Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities  | -                 |
| 54  | Investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)  | -                 |
| 54a | Investments in the other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5% threshold but that no longer meets the conditions (for G-SIBs only) | -                 |
| 55  | Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)   | -                 |
| 56  | National specific regulatory adjustments  | -                 |
| 57  | <b>Total regulatory adjustments to Tier 2 capital</b>   | <b>-</b>          |
| 58  | <b>Tier 2 capital</b>   | <b>29 641</b>     |
| 59  | <b>Total regulatory capital (= Tier 1 + Tier2)</b>  | <b>1 389 512</b>  |
| 60  | <b>Total risk-weighted assets</b>   | <b>17 215 923</b> |

|    |  |                |
|----|--|----------------|
|    | <b>Capital adequacy ratios and buffers</b>   |                |
| 61 | <b>Common Equity Tier 1 capital (as a percentage of risk-weighted assets)</b>  | <b>6,243%</b>  |
| 62 | <b>Tier 1 capital (as a percentage of risk-weighted assets)</b>  | <b>7,899%</b>  |
| 63 | <b>Total capital (as a percentage of risk-weighted assets)</b>   | <b>8,071%</b>  |
| 64 | <b>Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)</b> |                |
| 65 | Of which: capital conservation buffer requirement  | 1,875%         |
| 66 | Of which: bank-specific countercyclical buffer requirement   | 0%             |
| 67 | Of which: higher loss absorbency requirement   | 0%             |
| 68 | <b>Common Equity Tier 1 capital (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements</b>  | <b>-1,132%</b> |
|    | <b>National minima (if different from Basel III)</b>   |                |
| 69 | National minimum Common Equity Tier 1 capital adequacy ratio (if different from Basel III minimum)   | 7,38%          |
| 70 | National minimum Tier 1 capital adequacy ratio (if different from Basel III minimum)   | 8,88%          |
| 71 | National minimum Total capital adequacy ratio (if different from Basel III minimum)  | 11,13%         |
|    | <b>Amounts below the thresholds for deduction (before risk-weighting)</b>  |                |
| 72 | Non-significant investments in the capital and other TLAC liabilities of other financial entities  | -              |
| 73 | Significant investments in the common stock of financial entities  | -              |
| 74 | MSR (net of related tax liability)   | -              |
| 75 | DTA arising from temporary differences (net of related tax liability)  | -              |
|    | <b>Applicable caps on the inclusion of provisions in Tier 2 capital</b>  |                |
| 76 | Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to standardised approach (prior to application of cap)   | 29 641         |
| 77 | Cap on inclusion of provisions in Tier 2 capital under standardised approach   | -              |
| 78 | Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to internal ratings-based approach (prior to application of cap)   | -              |
| 79 | Cap for inclusion of provisions in Tier 2 capital under internal ratings-based approach  | -              |

| <b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)</b> |  |   |
|--|--|---|
| 80   | <i>Current cap on CET1 instruments subject to phase-out arrangements</i>                                 | - |
| 81   | <i>Amount excluded from CET1 capital due to cap (excess over cap after redemptions and maturities)</i>   | - |
| 82   | <i>Current cap on AT1 instruments subject to phase-out arrangements</i>                                  | - |
| 83   | <i>Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)</i>    | - |
| 84   | <i>Current cap on Tier 2 instruments subject to phase-out arrangements</i>                               | - |
| 85   | <i>Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)</i> | - |

# Composition of Capital

## Template CC2 – Reconciliation of regulatory capital to balance sheet - Grindrod Bank Limited

|   | Dec-18   |   |           |
|---|--|---|-----------|
|   | a  | b                                       | c         |
|   | Balance sheet as in published financial statements | Under regulatory scope of consolidation | Reference |
|   | As at period-end                                   | As at period-end                        |           |
| <b>Assets</b>   | <b>R'000</b>                                       | <b>R'000</b>                            |           |
| Property and equipment  | 6 513  | 6 513                                   |           |
| Investment securities   | -  | -                                       |           |
| Deferred taxation   | -  | -                                       |           |
| Loans and advances  | 7 220 113  | 7 220 113                               |           |
| Preference shares - linked to trust participatory contributions | -  | -                                       |           |
| Other assets  | 175 058  | 175 058                                 |           |
| Liquid assets and short-term negotiable securities              | 2 903 491  | 2 903 491                               |           |
| Cash and short-term funds                                       | 2 238 791  | 2 238 791                               |           |
| <b>Total assets</b>   | <b>12 543 966</b>                                  | <b>12 543 966</b>                       |           |
| <b>Liabilities</b>  |  |   |           |
| Deposits and funding instruments                                | 11 027 182   | 11 027 182                              |           |
| Derivative instruments  | 7 911  | 7 911                                   |           |
| Provisions  | 71 130   | 71 130                                  |           |
| Other liabilities   | 51 394   | 51 394                                  |           |
| Trust participatory contributions                               | -  | -                                       |           |
| Taxation  | -  | -                                       |           |
| Deferred taxation   | 4 938  | 4 938                                   |           |
| <b>Total liabilities</b>  | <b>11 162 555</b>                                  | <b>11 162 555</b>                       |           |
| <b>Shareholders' equity</b>                                     |  |   |           |
| Paid-in share capital   | 533 579  | 533 579                                 |           |
| Of which: amount eligible for CET1 capital                      | 248 579  | 248 579                                 |           |
| Of which: amount eligible for AT1 capital                       | 285 000  | 285 000                                 |           |
| Retained earnings   | 847 832  | 847 832                                 |           |
| <b>Total shareholders' equity</b>                               | <b>1 381 411</b>                                   | <b>1 381 411</b>                        |           |



# Composition of Capital

## Template CC2 – Reconciliation of regulatory capital to balance sheet - Grindrod Financial Holdings Limited

|   | Dec-18   |   |           |
|---|--|---|-----------|
|   | a  | b                                       | c         |
|   | Balance sheet as in published financial statements | Under regulatory scope of consolidation | Reference |
|   | As at period-end                                   | As at period-end                        |           |
| <b>Assets</b>   | <b>R'000</b>                                       | <b>R'000</b>                            |           |
| Property and equipment  | 6 513  | 6 513                                   |           |
| Investment securities   | -  | -                                       |           |
| Deferred taxation   | -  | -                                       |           |
| Loans and advances  | 7 666 062  | 7 666 062                               |           |
| Preference shares - linked to trust participatory contributions | 1 391 000  | 1 391 000                               |           |
| Other assets  | 154 371  | 154 371                                 |           |
| Liquid assets and short-term negotiable securities              | 2 825 285  | 2 825 285                               |           |
| Cash and short-term funds                                       | 2 238 791  | 2 238 791                               |           |
| <b>Total assets</b>   | <b>14 282 022</b>                                  | <b>14 282 022</b>                       |           |
| <b>Liabilities</b>  |  |   |           |
| Deposits and funding instruments                                | 11 020 486   | 11 020 486                              |           |
| Derivative instruments  | 7 911  | 7 911                                   |           |
| Provisions  | 71 130   | 71 130                                  |           |
| Other liabilities   | 82 023   | 82 023                                  |           |
| Trust participatory contributions                               | 1 714 124  | 1 714 124                               |           |
| Taxation  | -  | -                                       |           |
| Deferred taxation   | 4 938  | 4 938                                   |           |
| <b>Total liabilities</b>  | <b>12 900 612</b>                                  | <b>12 900 612</b>                       |           |
| <b>Shareholders' equity</b>                                     |  |   |           |
| Paid-in share capital   | 565 278  | 565 278                                 |           |
| Of which: amount eligible for CET1 capital                      | 280 278  | 280 278                                 |           |
| Of which: amount eligible for AT1 capital                       | 285 000  | 285 000                                 |           |
| Retained earnings   | 816 132  | 816 132                                 |           |
| <b>Total shareholders' equity</b>                               | <b>1 381 410</b>                                   | <b>1 381 410</b>                        |           |

## Credit Risk

### Template CCR1: Analysis of CCR exposures by approach - Grindrod Bank Limited and Grindrod Financial Holdings Limited

|   |   | Dec-18           |                           |               |   |              |               |
|---|---|------------------|---------------------------|---------------|---|--------------|---------------|
|   |   | a                | b                         | c             | d                                       | e            | f             |
|   |   | Replacement cost | Potential future exposure | Effective EPE | Alpha used for computing regulatory EAD | EAD post-CRM | RWA           |
| 1 | SA-CCR (for derivatives)  | 2 514            | 7 644                     |               | 1,4                                     | 9 040        | 30 735        |
| 2 | Internal models method (for derivatives and securities financing transactions, or SFTs) |                  |                           | -             | -                                       | -            | -             |
| 3 | Simple Approach for credit risk mitigation (for SFTs)                                   |                  |                           |               |   | -            | -             |
| 4 | Comprehensive Approach for credit risk mitigation (for SFTs)                            |                  |                           |               |   | -            | -             |
| 5 | Value-at-risk (VaR) for SFTs  |                  |                           |               |   | -            | -             |
| 6 | <b>Total</b>  |                  |                           |               |   |              | <b>30 735</b> |

The Group's exposure to counterparty credit risk is in respect of over the counter interest rate swaps entered into on behalf of clients for the purpose of hedging exposures to market risk.

The Group currently does not engage in transactions that would give rise to wrong-way risk (where default risk and credit exposure increase together).

## Credit Risk

### Template CCR2: Credit valuation adjustment (CVA) capital charge - Grindrod Bank Limited and Grindrod Financial Holdings Limited

|          |  | Dec-18       |               |
|----------|--|--------------|---------------|
|          |  | a            | b             |
|          |  | EAD post-CRM | RWA           |
|          | <b>Total portfolios subject to the Advanced CVA capital charge</b> | -            | -             |
| 1        | (i) VaR component (including the 3×multiplier)                     | -            | -             |
| 2        | (ii) Stressed VaR component (including the 3×multiplier)           | -            | -             |
| 3        | All portfolios subject to the Standardised CVA capital charge      | 9 040        | 20 577        |
| <b>4</b> | <b>Total subject to the CVA capital charge</b>                     | <b>9 040</b> | <b>20 577</b> |

## Credit Risk

### Template CCR3: Standardised approach – CCR exposures by regulatory portfolio and risk weights - Grindrod Bank Limited and Grindrod Financial Holdings Limited

|   | Dec-18 |     |     |     |     |        |      |        |                       |
|---|--------|-----|-----|-----|-----|--------|------|--------|-----------------------|
|   | a      | b   | c   | d   | e   | f      | g    | h      | i                     |
| Risk weight****→                              | 0%     | 10% | 20% | 50% | 75% | 100%   | 150% | Others | Total credit exposure |
| <b>Regulatory portfolio*!</b>                 |        |     |     |     |     |        |      |        |                       |
| Sovereigns                                    |        |     |     |     |     |        |      |        | -                     |
| Non-central government public sector entities |        |     |     |     |     |        |      |        | -                     |
| Multilateral development banks                |        |     |     |     |     |        |      |        | -                     |
| Banks   |        |     |     |     |     | 30 735 |      |        | 30 735                |
| Securities firms                              |        |     |     |     |     |        |      |        | -                     |
| Corporates                                    |        |     |     |     |     |        |      |        | -                     |
| Regulatory retail portfolios                  |        |     |     |     |     |        |      |        | -                     |
| Other assets                                  |        |     |     |     |     |        |      |        | -                     |
| <b>Total</b>                                  | -      | -   | -   | -   | -   | 30 735 | -    | -      | 30 735                |

## Credit Risk

### Template CCR5: Composition of collateral for CCR exposure - Grindrod Bank Limited and Grindrod Financial Holdings Limited

|                          | a  | b            | c                               | d            | e                                 | f                               |
|--------------------------|--|--------------|---------------------------------|--------------|-----------------------------------|---------------------------------|
|                          | Collateral used in derivative transactions |              |                                 |              | Collateral used in SFTs           |                                 |
|                          | Fair value of collateral received          |              | Fair value of posted collateral |              | Fair value of collateral received | Fair value of posted collateral |
|                          | Segregated                                 | Unsegregated | Segregated                      | Unsegregated |                                   |                                 |
| Cash – domestic currency |  |              |                                 | 7 781        |                                   |                                 |
| Cash – other currencies  |  |              |                                 |              |                                   |                                 |
| Domestic sovereign debt  |  |              |                                 |              |                                   |                                 |
| Other sovereign debt     |  |              |                                 |              |                                   |                                 |
| Government agency debt   |  |              |                                 |              |                                   |                                 |
| Corporate bonds          |  |              |                                 |              |                                   |                                 |
| Equity securities        |  |              |                                 |              |                                   |                                 |
| Other collateral         |  |              |                                 |              |                                   |                                 |
| <b>Total</b>             | -  | -            | -                               | 7 781        | -                                 | -                               |

## Credit Risk

### Template CR1: Credit quality of assets - Grindrod Bank Limited

|   |                             | a                        | b                       | c                          | d  | e   | f  | g                 |
|---|-----------------------------|--------------------------|-------------------------|----------------------------|--|---|--|-------------------|
|   |                             | Gross carrying values of |                         | Allowances/<br>impairments | Of which ECL accounting provisions for credit losses |   | Of which ECL accounting provisions for credit losses | Net               |
|   |                             |                          |                         |                            | on standardised approach exposures                   |   | on IRB exposures                                     |                   |
|   |                             | Defaulted exposures      | Non-defaulted exposures |                            | Allocated in regulatory category of Specific         | Allocated in regulatory category of General |  | (a+b-c)           |
|   |                             | R'000                    | R'000                   | R'000                      | R'000  | R'000                                       | R'000  | R'000             |
| 1 | Loans                       | 46 424                   | 10 016 748              | 41 670                     | 12 029   | 29 641                                      | -  | 10 021 502        |
| 2 | Debt Securities             | -                        | -                       | -                          | -  | -   | -  | -                 |
| 3 | Off-balance sheet exposures | -                        | 1 218 053               | -                          | -  | -   | -  | 1 218 053         |
| 4 | <b>Total</b>                | <b>46 424</b>            | <b>11 234 801</b>       | <b>41 670</b>              | <b>12 029</b>  | <b>29 641</b>                               | <b>-</b>   | <b>11 239 555</b> |

Exposures more than 90 days past due but not impaired were sufficiently collateralised.

Restructured exposures are classified as such when the Bank has granted a concession to the client to vary material terms of the original agreement.

## Credit Risk

### Template CR2: Changes in stock of defaulted loans and debt securities - Grindrod Bank Limited

|   |  | Dec-18  |
|---|--|---------|
|   |  | a       |
|   |  | R'000   |
| 1 | <b>Defaulted loans and debt securities at end of the previous reporting period</b> | 101 922 |
| 2 | Loans and debt securities that have defaulted since the last reporting period      | -       |
| 3 | Returned to non-defaulted status   | 55 498  |
| 4 | Amounts written off  | -       |
| 5 | Other changes  | -       |
| 6 | <b>Defaulted loans and debt securities at end of the reporting period</b>          | 46 424  |
|   | (1+2-3-4+5)  |         |

# Credit Risk

## Template CR3: Credit risk mitigation techniques – overview - Grindrod Bank Limited

|   |                    | Dec-18                               |                         |                                 |   |   |
|---|--------------------|--------------------------------------|-------------------------|---------------------------------|---|---|
|   |                    | a                                    | b                       | c                               | d   | e                                       |
|   |                    | Exposures unsecured: carrying amount | Exposures to be secured | Exposures secured by collateral | Exposures secured by financial guarantees | Exposures secured by credit derivatives |
|   |                    | R'000                                | R'000                   | R'000                           | R'000                                     | R'000                                   |
| 1 | Loans              | -                                    | 11 281 225              | 11 269 196                      | -   | -                                       |
| 2 | Debt securities    | -                                    | -                       | -                               | -   | -                                       |
| 3 | <b>Total</b>       | -                                    | <b>11 281 225</b>       | <b>11 269 196</b>               | -   | -                                       |
| 4 | Of which defaulted | -                                    | 46 424                  | 46 424                          | -   | -                                       |



## Credit Risk

### Template CR4: Standardised approach – Credit risk exposure and credit risk mitigation effects (CRM) - Grindrod Bank Limited

|    |   | Dec-18                       |                          |                            |                          |                     |             |
|----|---|------------------------------|--------------------------|----------------------------|--------------------------|---------------------|-------------|
|    |   | a                            | b                        | c                          | d                        | e                   | f           |
|    |   | Exposures before CCF and CRM |                          | Exposures post-CCF and CRM |                          | RWA and RWA density |             |
|    |   | On-balance sheet amount      | Off-balance sheet amount | On-balance sheet amount    | Off-balance sheet amount | RWA                 | RWA density |
|    | Asset classes                                 | R'000                        | R'000                    | R'000                      | R'000                    | R'000               | R'000       |
| 1  | Sovereigns and their central banks            | 1 111 248                    | -                        | 1 111 248                  | -                        | -                   | -           |
| 2  | Non-central government public sector entities | -                            | -                        | -                          | -                        | -                   | -           |
| 3  | Multilateral development banks                | -                            | -                        | -                          | -                        | -                   | -           |
| 4  | Banks   | 1 373 497                    | -                        | 1 373 497                  | -                        | 282 825             | 3%          |
| 5  | Securities firms                              | -                            | -                        | -                          | -                        | -                   | 0%          |
| 6  | Corporates                                    | 7 484 236                    | 1 211 392                | 7 484 236                  | 745 059                  | 8 064 167           | 92%         |
| 7  | Regulatory retail portfolios                  | -                            | -                        | -                          | -                        | -                   | -           |
| 8  | Secured by residential property               | 47 767                       | 6 661                    | 47 767                     | 4 131                    | 33 016              | 0%          |
| 9  | Secured by commercial real estate             | -                            | -                        | -                          | -                        | -                   | -           |
| 10 | Equity  | -                            | -                        | -                          | -                        | -                   | -           |
| 11 | Past-due loans                                | 46 424                       | -                        | 46 424                     | -                        | -                   | -           |
| 12 | Higher-risk categories                        | -                            | -                        | -                          | -                        | -                   | -           |
| 13 | Other assets                                  | 925 083                      | -                        | 925 083                    | -                        | 340 734             | 4%          |
| 14 | <b>Total</b>                                  | <b>10 988 255</b>            | <b>1 218 053</b>         | <b>10 988 255</b>          | <b>749 190</b>           | <b>8 720 742</b>    | <b>100%</b> |

## Credit Risk

### Template CR5: Standardised approach – exposures by asset classes and risk weights

|                |   | Dec-18           |          |                  |               |          |          |                  |               |          |   |
|----------------|---|------------------|----------|------------------|---------------|----------|----------|------------------|---------------|----------|---|
|                |   | a                | b        | c                | d             | e        | f        | g                | h             | i        | j   |
| Risk weight* → |   | 0%               | 10%      | 20%              | 35%           | 50%      | 75%      | 100%             | 150%          | Others   | Total credit exposures amount (post CCF and post-CRM) |
| Asset classes: |   | R'000            | R'000    | R'000            | R'000         | R'000    | R'000    | R'000            | R'000         | R'000    | R'000   |
| 1              | Sovereigns and their central banks            | 1 111 248        | -        | -                | -             | -        | -        | -                | -             | -        | 1 111 248   |
| 2              | Non-central government public sector entities | -                | -        | -                | -             | -        | -        | -                | -             | -        | -   |
| 3              | Multilateral development banks                | -                | -        | -                | -             | -        | -        | -                | -             | -        | -   |
| 4              | Banks   | -                | -        | 1 363 339        | -             | -        | -        | 10 158           | -             | -        | 1 373 497   |
| 5              | Securities firms                              | -                | -        | -                | -             | -        | -        | -                | -             | -        | -   |
| 6              | Corporates                                    | -                | -        | -                | -             | -        | -        | 7 988 842        | -             | -        | 7 988 842   |
| 7              | Regulatory retail portfolios                  | -                | -        | -                | -             | -        | -        | -                | -             | -        | -   |
| 8              | Secured by residential property               | -                | -        | -                | 29 049        | -        | -        | 22 849           | -             | -        | 51 898  |
| 9              | Secured by commercial real estate             | -                | -        | -                | -             | -        | -        | -                | -             | -        | -   |
| 10             | Equity  | -                | -        | -                | -             | -        | -        | -                | -             | -        | -   |
| 11             | Past-due loans                                | -                | -        | -                | -             | -        | -        | 1 712            | 44 712        | -        | 46 424  |
| 12             | Higher-risk categories                        | -                | -        | -                | -             | -        | -        | -                | -             | -        | -   |
| 13             | Other assets                                  | 584 349          | -        | -                | -             | -        | -        | 340 734          | -             | -        | 925 083   |
| 14             | <b>Total</b>                                  | <b>1 885 597</b> | <b>-</b> | <b>1 383 339</b> | <b>29 049</b> | <b>-</b> | <b>-</b> | <b>8 384 286</b> | <b>44 712</b> | <b>-</b> | <b>11 486 992</b>                                     |

## Leverage ratio

### Template LR1 – Summary comparison of accounting assets vs leverage ratio exposure measure - Grindrod Bank Limited

|          |  | Dec-18            |
|----------|--|-------------------|
|          |  | R'000             |
| 1        | Total consolidated assets as per published financial statements  | 12 543 970        |
| 2        | Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation | -                 |
| 3        | Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure               | -                 |
| 4        | Adjustments for derivative financial instruments   | 10 158            |
| 5        | Adjustment for securities financing transactions (ie repos and similar secured lending)  | -                 |
| 6        | Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)   | 783 978           |
| 7        | Other adjustments  | -                 |
| <b>8</b> | <b>Leverage ratio exposure measure</b>   | <b>13 338 106</b> |

## Leverage ratio

### Template LR1 – Summary comparison of accounting assets vs leverage ratio exposure measure - Grindrod Financial Holdings Limited

|          |  | Dec-18            |
|----------|--|-------------------|
|          |  | R'000             |
| 1        | Total consolidated assets as per published financial statements  | 14 282 328        |
| 2        | Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation | -                 |
| 3        | Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure               | -                 |
| 4        | Adjustments for derivative financial instruments   | 10 158            |
| 5        | Adjustment for securities financing transactions (ie repos and similar secured lending)  | -                 |
| 6        | Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)   | 783 978           |
| 7        | Other adjustments  | - 347 692         |
| <b>8</b> | <b>Leverage ratio exposure measure</b>   | <b>14 728 772</b> |

# Leverage ratio

## Template LR2: Leverage ratio common disclosure template - Grindrod Bank

|   |   | Dec-18      | Sep-18      |
|---|---|-------------|-------------|
|   |   | T           | T-1         |
|   |   | R'000       | R'000       |
|   |   | Quarter-end | Quarter-end |
| <b>On-balance sheet exposures</b>                 |   |             |             |
| 1   | On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)                                   | 12 543 970  | 13 680 749  |
| 2   | (Asset amounts deducted in determining Basel III Tier 1 capital)  | -           | -           |
| 3   | <b>Total on-balance sheet exposures</b> (excluding derivatives and SFTs) (sum of rows 1 and 2)  | 12 543 970  | 13 680 749  |
| <b>Derivative exposures</b>                       |   |             |             |
| 4   | Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting) | 2 514       | 6 797       |
| 5   | Add-on amounts for potential future exposure (PFE) associated with <i>all</i> derivatives transactions  | 7 644       | 7 670       |
| 6   | Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework                    | -           | -           |
| 7   | (Deductions of receivables assets for cash variation margin provided in derivatives transactions)   | -           | -           |
| 8   | (Exempted central counterparty, or CCP, leg of client-cleared trade exposures)  | -           | -           |
| 9   | Adjusted effective notional amount of written credit derivatives  | -           | -           |
| 10  | (Adjusted effective notional offsets and add-on deductions for written credit derivatives)  | -           | -           |
| 11  | <b>Total derivative exposures (sum of rows 4 to 10)</b>   | 10 158      | 14 467      |
| <b>Securities financing transaction exposures</b> |   |             |             |
| 12  | Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions   | -           | -           |
| 13  | (Netted amounts of cash payables and cash receivables of gross SFT assets)  | -           | -           |
| 14  | Counterparty credit risk exposure for SFT assets  | -           | -           |
| 15  | Agent transaction exposures   | -           | -           |
| 16  | <b>Total securities financing transaction exposures (sum of rows 12 to 15)</b>  | -           | -           |
| <b>Other off-balance sheet exposures</b>          |   |             |             |
| 17  | Off-balance sheet exposure at gross notional amount   | 1 218 053   | 579 175     |
| 18  | (Adjustments for conversion to credit equivalent amounts)   | - 434 075   | - 430 750   |
| 19  | <b>Off-balance sheet items (sum of rows 17 and 18)</b>  | 783 978     | 148 425     |
| <b>Capital and total exposures</b>                |   |             |             |
| 20  | <b>Tier 1 capital</b>   | 1 359 799   | 1 299 797   |
| 21  | <b>Total exposures (sum of rows 3, 11, 16 and 19)</b>   | 13 338 106  | 13 843 641  |
| <b>Leverage ratio</b>                             |   |             |             |
| 22  | <b>Basel III leverage ratio</b>   | 10,19%      | 9,39%       |

# Leverage ratio

## Template LR2: Leverage ratio common disclosure template - Grindrod Financial Holdings Limited

|   |   | Dec-18      | Sep-18      |
|---|---|-------------|-------------|
|   |   | T           | T-1         |
|   |   | R'000       | R'000       |
|   |   | Quarter-end | Quarter-end |
| <b>On-balance sheet exposures</b>                 |   |             |             |
| 1   | On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)                                   | 14 282 328  | 13 680 753  |
| 2   | (Asset amounts deducted in determining Basel III Tier 1 capital)  | -           | -           |
| 3   | <b>Total on-balance sheet exposures</b> (excluding derivatives and SFTs) (sum of rows 1 and 2)  | 14 282 328  | 13 680 753  |
| <b>Derivative exposures</b>                       |   |             |             |
| 4   | Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting) | 2 514       | 6 797       |
| 5   | Add-on amounts for potential future exposure (PFE) associated with <i>all</i> derivatives transactions  | 7 644       | 7 670       |
| 6   | Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework                    | -           | -           |
| 7   | (Deductions of receivables assets for cash variation margin provided in derivatives transactions)   | -           | -           |
| 8   | (Exempted central counterparty, or CCP, leg of client-cleared trade exposures)  | -           | -           |
| 9   | Adjusted effective notional amount of written credit derivatives  | -           | -           |
| 10  | (Adjusted effective notional offsets and add-on deductions for written credit derivatives)  | -           | -           |
| 11  | <b>Total derivative exposures (sum of rows 4 to 10)</b>   | 10 158      | 14 467      |
| <b>Securities financing transaction exposures</b> |   |             |             |
| 12  | Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions   | -           | -           |
| 13  | (Netted amounts of cash payables and cash receivables of gross SFT assets)  | -           | -           |
| 14  | Counterparty credit risk exposure for SFT assets  | -           | -           |
| 15  | Agent transaction exposures   | -           | -           |
| 16  | <b>Total securities financing transaction exposures (sum of rows 12 to 15)</b>  | -           | -           |
| <b>Other off-balance sheet exposures</b>          |   |             |             |
| 17  | Off-balance sheet exposure at gross notional amount   | 870 361     | 579 175     |
| 18  | (Adjustments for conversion to credit equivalent amounts)   | - 434 075   | - 430 750   |
| 19  | <b>Off-balance sheet items (sum of rows 17 and 18)</b>  | 436 286     | 148 425     |
| <b>Capital and total exposures</b>                |   |             |             |
| 20  | <b>Tier 1 capital</b>   | 1 359 871   | 1 299 869   |
| 21  | <b>Total exposures (sum of rows 3, 11, 16 and 19)</b>   | 14 728 772  | 13 843 645  |
| <b>Leverage ratio</b>                             |   |             |             |
| 22  | <b>Basel III leverage ratio</b>   | 9,23%       | 9,39%       |

## Capital management

### Template LI1: Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories - Grindrod Bank Limited

|   | Dec-18  |                                  |   |   |                                      |  |          |
|---|---|----------------------------------|---|---|--------------------------------------|--|----------|
|   | a   | b                                | c   | d                                       | e                                    | f  | g        |
|   | Carrying values as reported in published financial statements | Carrying values                  |   |   |                                      |  |          |
| under scope of regulatory consolidation                         |   | Subject to credit risk framework | Subject to counterparty credit risk framework | Subject to the securitisation framework | Subject to the market risk framework | Not subject to capital requirements or subject to deduction from capital |          |
| Assets  | R'000   | R'000                            | R'000   | R'000                                   | R'000                                | R'000  | R'000    |
| Property and equipment  | 6 513   | 6 513                            | 6 513   | -                                       | -                                    | -  | -        |
| Investment securities   | -   | -                                | -   | -                                       | -                                    | -  | -        |
| Deferred taxation   | -   | -                                | -   | -                                       | -                                    | -  | -        |
| Loans and advances  | 7 220 113   | 7 220 113                        | 7 220 113                                     | -                                       | -                                    | -  | -        |
| Preference shares - linked to trust participatory contributions | -   | -                                | -   | -                                       | -                                    | -  | -        |
| Other assets  | 175 058   | 175 058                          | 175 058                                       | -                                       | -                                    | -  | -        |
| Liquid assets and short-term negotiable securities              | 2 903 491   | 2 903 491                        | 2 903 491                                     | -                                       | -                                    | -  | -        |
| Cash and short-term funds                                       | 2 238 791   | 2 238 791                        | 2 238 791                                     | -                                       | -                                    | -  | -        |
| <b>Total assets</b>   | <b>12 543 966</b>   | <b>12 543 966</b>                | <b>12 543 966</b>                             | <b>-</b>                                | <b>-</b>                             | <b>-</b>   | <b>-</b> |
| <b>Liabilities</b>  |   |                                  |   |   |                                      |  |          |
| Deposits and funding instruments                                | 11 027 182  | 11 027 182                       | -   | -                                       | -                                    | -  | -        |
| Derivative instruments  | 7 911   | 7 911                            | -   | 7 911                                   | -                                    | -  | -        |
| Provisions  | 71 130  | 71 130                           | -   | -                                       | -                                    | -  | -        |
| Other liabilities   | 51 394  | 51 394                           | -   | -                                       | -                                    | -  | -        |
| Trust participatory contributions                               | -   | -                                | -   | -                                       | -                                    | -  | -        |
| Taxation  | -   | -                                | -   | -                                       | -                                    | -  | -        |
| Deferred taxation   | 4 938   | 4 938                            | -   | -                                       | -                                    | -  | -        |
| <b>Total liabilities</b>  | <b>11 162 555</b>   | <b>11 162 555</b>                | <b>-</b>                                      | <b>7 911</b>                            | <b>-</b>                             | <b>-</b>   | <b>-</b> |

## Capital management

### Template LI1: Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories - Grindrod Financial Holdings Limited

|   | Dec-18  |                                  |   |   |                                      |          |          |
|---|---|----------------------------------|---|---|--------------------------------------|----------|----------|
|   | a   | b                                | c   | d                                       | e                                    | f        | g        |
|   | Carrying values as reported in published financial statements | Carrying values                  |   |   |                                      |          |          |
| under scope of regulatory consolidation                         |   | Subject to credit risk framework | Subject to counterparty credit risk framework | Subject to the securitisation framework | Subject to the market risk framework |          |          |
| Assets  | R'000   | R'000                            | R'000   | R'000                                   | R'000                                | R'000    | R'000    |
| Property and equipment  | 6 513   | 6 513                            | 6 513   | -                                       | -                                    | -        | -        |
| Investment securities   | -   | -                                | -   | -                                       | -                                    | -        | -        |
| Deferred taxation   | -   | -                                | -   | -                                       | -                                    | -        | -        |
| Loans and advances  | 7 666 062   | 7 666 062                        | 7 666 062                                     | -                                       | -                                    | -        | -        |
| Preference shares - linked to trust participatory contributions | 1 391 000   | 1 391 000                        | 1 391 000                                     | -                                       | -                                    | -        | -        |
| Other assets  | 154 371   | 154 371                          | 154 371                                       | -                                       | -                                    | -        | -        |
| Liquid assets and short-term negotiable securities              | 2 825 285   | 2 825 285                        | 2 825 285                                     | -                                       | -                                    | -        | -        |
| Cash and short-term funds                                       | 2 238 791   | 2 238 791                        | 2 238 791                                     | -                                       | -                                    | -        | -        |
| <b>Total assets</b>   | <b>14 282 022</b>   | <b>14 282 022</b>                | <b>14 282 022</b>                             | <b>-</b>                                | <b>-</b>                             | <b>-</b> | <b>-</b> |
| <b>Liabilities</b>  |   |                                  |   |   |                                      |          |          |
| Deposits and funding instruments                                | 11 020 486  | 11 020 486                       | -   | -                                       | -                                    | -        | -        |
| Derivative instruments  | 7 911   | 7 911                            | -   | 7 911                                   | -                                    | -        | -        |
| Provisions  | 71 130  | 71 130                           | -   | -                                       | -                                    | -        | -        |
| Other liabilities   | 82 023  | 82 023                           | -   | -                                       | -                                    | -        | -        |
| Trust participatory contributions                               | 1 714 124   | 1 714 124                        | -   | -                                       | -                                    | -        | -        |
| Taxation  | -   | -                                | -   | -                                       | -                                    | -        | -        |
| Deferred taxation   | 4 938   | 4 938                            | -   | -                                       | -                                    | -        | -        |
| <b>Total liabilities</b>  | <b>12 900 612</b>   | <b>12 900 612</b>                | <b>-</b>                                      | <b>7 911</b>                            | <b>-</b>                             | <b>-</b> | <b>-</b> |



## Capital management

### Template LI2: Main sources of differences between regulatory exposure amounts and carrying values in financial statements - Grindrod Bank Limited

|           |  | Dec-18            |                       |                          |                                    |                       |
|-----------|--|-------------------|-----------------------|--------------------------|------------------------------------|-----------------------|
|           |  | a                 | b                     | c                        | d                                  | e                     |
|           |  | Total             | Items subject to:     |                          |                                    |                       |
|           |  |                   | Credit risk framework | Securitisation framework | Counterparty credit risk framework | Market risk framework |
| <b>1</b>  | <b>Asset carrying value amount under scope of regulatory consolidation (as per Template LI1)</b> | <b>12 543 966</b> | <b>12 543 966</b>     | -                        | -                                  | -                     |
| 2         | Liabilities carrying value amount under regulatory scope of consolidation (as per Template LI1)  | 11 162 555        | -                     | -                        | 7 911                              | -                     |
| 3         | Total net amount under regulatory scope of consolidation (Row 1 – Row 2)                         | 1 381 411         | 12 543 966            | -                        | 7 911                              | -                     |
| 4         | Off-balance sheet amounts  | 1 218 053         | 749 190               | -                        | -                                  |                       |
| 7         | <i>Differences due to consideration of provisions</i>  | 29 641            | 29 641                | -                        | -                                  |                       |
| <b>10</b> | <b>Exposure amounts considered for regulatory purposes</b>                                       | <b>13 791 660</b> | <b>13 322 797</b>     | -                        | <b>7 911</b>                       |                       |

## Capital management

### Template LI2: Main sources of differences between regulatory exposure amounts and carrying values in financial statements - Grindrod Financial Holdings Limited

|    |   | Dec-18            |                       |                          |                                    |                       |
|----|---|-------------------|-----------------------|--------------------------|------------------------------------|-----------------------|
|    |   | a                 | b                     | c                        | d                                  | e                     |
|    |   | Total             | Items subject to:     |                          |                                    |                       |
|    |   |                   | Credit risk framework | Securitisation framework | Counterparty credit risk framework | Market risk framework |
| 1  | Asset carrying value amount under scope of regulatory consolidation (as per Template LI1)       | 14 282 022        | 14 282 022            |                          |                                    |                       |
| 2  | Liabilities carrying value amount under regulatory scope of consolidation (as per Template LI1) | 12 900 612        |                       |                          | 7 911                              |                       |
| 3  | Total net amount under regulatory scope of consolidation (Row 1 – Row 2)                        | 1 381 410         | 14 282 022            | -                        | 7 911                              | -                     |
| 4  | Off-balance sheet amounts   | 1 218 053         | 749 190               |                          |                                    |                       |
| 7  | <i>Differences due to consideration of provisions</i>   | 29 641            | 29 641                |                          |                                    |                       |
| 10 | <b>Exposure amounts considered for regulatory purposes</b>                                      | <b>15 529 716</b> | <b>15 060 853</b>     | -                        | <b>7 911</b>                       |                       |

# Liquidity

## Template LIQ1: Liquidity Coverage Ratio (LCR)

|                                   |   | Dec-18                      |                      |
|-----------------------------------|---|-----------------------------|----------------------|
|                                   |   | a                           | b                    |
|                                   |   | Total unweighted value      | Total weighted value |
|                                   |   | (average)                   | (average)            |
|                                   |   | R'000 *                     | R'000 *              |
| <b>High-quality liquid assets</b> |   |                             |                      |
| 1                                 | Total HQLA  |                             | 1 375 608            |
| <b>Cash outflows</b>              |   |                             |                      |
| 2                                 | <b>Retail deposits and deposits from small business customers, of which:</b>            |                             |                      |
| 3                                 | Stable deposits   | -                           | -                    |
| 4                                 | Less stable deposits  | 1 908 493                   | 190 849              |
| 5                                 | <b>Unsecured wholesale funding, of which:</b>   |                             |                      |
| 6                                 | Operational deposits (all counterparties) and deposits in networks of cooperative banks | -                           | -                    |
| 7                                 | Non-operational deposits (all counterparties)   | 5 132 969                   | 1 806 283            |
| 8                                 | Unsecured debt  |                             |                      |
| 9                                 | <b>Secured wholesale funding</b>  |                             | -                    |
| 10                                | <b>Additional requirements, of which:</b>   |                             |                      |
| 11                                | Outflows related to derivative exposures and other collateral requirements              | -                           | -                    |
| 12                                | Outflows related to loss of funding on debt products                                    | -                           | -                    |
| 13                                | Credit and liquidity facilities   | -                           | -                    |
| 14                                | <b>Other contractual funding obligations</b>  | 870 178                     | 51 045               |
| 15                                | <b>Other contingent funding obligations</b>   | 347 875                     | 16 294               |
| 16                                | <b>TOTAL CASH OUTFLOWS</b>  |                             | <b>2 064 471</b>     |
| <b>Cash inflows</b>               |   |                             |                      |
| 17                                | <b>Secured lending (eg reverse repos)</b>   | -                           | -                    |
| 18                                | <b>Inflows from fully performing exposures</b>  | 4 285 580                   | 3 949 362            |
| 19                                | Other cash inflows  | 878                         | 878                  |
| 20                                | <b>TOTAL CASH INFLOWS</b>   | <b>4 286 458</b>            | <b>3 950 240</b>     |
|                                   |   | <b>Total adjusted value</b> |                      |
| 21                                | <b>Total HQLA</b>   |                             | <b>1 375 608</b>     |
| 22                                | <b>Total net cash outflows</b>  |                             | <b>516 118</b>       |
| 23                                | <b>Liquidity Coverage Ratio (%)</b>   |                             | <b>267</b>           |

\* month end reporting balances

To manage liquidity risk, the Group performs, among others, the following:

- Contractual maturity mismatch analysis
- Monitoring maintenance of high quality liquid assets in excess of statutory requirements
- Monitoring diversification of the funding base

Diversification of funding is monitored with respect to term, product and counterparty to ensure a varied overall funding mix.

A liquidity buffer is maintained in the form of unencumbered cash, government securities (typically eligible for repurchase with the central bank), and near cash well in excess of the regulatory requirements.

The Group manages funding requirements by assessing the liquidity impact under normal (business as usual) and stressed scenarios.

-The Group maintains contingency funding plans which detail the course of actions that can be taken in the event of a liquidity stress which details processes to be followed in the event of a stress situation.

# Liquidity

## Template LIQ2: Net Stable Funding Ratio (NSFR) - Grindrod Bank Limited

|  |   | Dec-18                                |            |                      |           |           |
|--|---|---------------------------------------|------------|----------------------|-----------|-----------|
|  |   | a                                     | b          | c                    | d         | e         |
|  |   | Unweighted value by residual maturity |            |                      |           | Weighted  |
|  |   | No maturity                           | < 6 months | 6 months to < 1 year | ≥ 1 year  | value     |
|  |   | R'000                                 | R'000      | R'000                | R'000     | R'000     |
| <b>Available stable funding (ASF) item</b> |   |                                       |            |                      |           |           |
| 1  | Capital:  |                                       |            |                      |           |           |
| 2  | Regulatory capital  |                                       |            |                      | 1 389 442 | 1 389 442 |
| 3  | Other capital instruments   |                                       |            |                      | 31 545    | 31 545    |
| 4  | Retail deposits and deposits from small business customers:   |                                       |            |                      |           |           |
| 5  | Stable deposits   |                                       | -          | -                    | -         | -         |
| 6  | Less stable deposits  |                                       | 5 001 003  | 151 141              | 35 884    | 4 672 814 |
| 7  | Wholesale funding:  |                                       |            |                      |           |           |
| 8  | Operational deposits  |                                       | -          | -                    | -         | -         |
| 9  | Other wholesale funding   |                                       | 4 140 440  | 928 826              | 304 275   | 2 554 275 |
| 10   | Liabilities with matching interdependent assets   |                                       |            |                      |           |           |
| 11   | Other liabilities:  |                                       |            |                      |           |           |
| 12   | NSFR derivative liabilities   |                                       |            |                      | 2 645     |           |
| 13   | All other liabilities and equity not included in the above categories   |                                       | -          | -                    | 935 010   | 935 010   |
| 14   | <b>Total ASF</b>  |                                       |            |                      |           | 9 583 086 |
| <b>Required stable funding (RSF) item</b>  |   |                                       |            |                      |           |           |
| 15   | Total NSFR high-quality liquid assets (HQLA)  |                                       |            |                      |           | 55 562    |
| 16   | Deposits held at other financial institutions for operational purposes  |                                       |            |                      |           |           |
| 17   | Performing loans and securities:  |                                       |            |                      |           |           |
| 18   | Performing loans to financial institutions secured by Level 1 HQLA  |                                       |            |                      |           |           |
| 19   | Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions                               |                                       | 1 654 442  |                      |           | 248 166   |
| 20   | Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which: |                                       | 2 583 674  | 719 453              | 4 727 214 | 5 390 739 |
| 21   | With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk  |                                       |            |                      |           |           |
| 22   | Performing residential mortgages, of which:   |                                       |            |                      |           |           |
| 23   | With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk  |                                       | -          | 954                  | 25 564    | 17 094    |
| 24   | Securities that are not in default and do not qualify as HQLA, including exchange-traded equities   |                                       | 1 714 037  |                      |           | 857 019   |
| 25   | Assets with matching interdependent liabilities   |                                       |            |                      |           |           |
| 26   | Other assets:   |                                       |            |                      |           |           |
| 27   | Physical traded commodities, including gold   |                                       |            |                      |           |           |
| 28   | Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties   |                                       |            |                      | -         | -         |
| 29   | NSFR derivative assets  |                                       |            |                      | 2 514     | 2 514     |
| 30   | NSFR derivative liabilities before deduction of variation margin posted   |                                       |            |                      | -         | -         |
| 31   | All other assets not included in the above categories   |                                       |            |                      | 381 111   | 381 111   |
| 32   | Off-balance sheet items   |                                       |            |                      | 609 263   | 30 463    |
| 33   | <b>Total RSF</b>  |                                       |            |                      |           | 6 982 668 |
| 34   | <b>Net Stable Funding Ratio (%)</b>   |                                       |            |                      |           | 137,24    |