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GRINDROD FINANCIAL HOLDINGS LIMITED  
BASEL PILLAR III DISCLOSURE REPORT  
30 SEPTEMBER 2020

# Capital management

## Template KM1: Key metrics - Grindrod Bank Limited

		a	b	c	d	e
		Sep-20	Jun-20	Mar-20	Dec-19	Sep-19
		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)	1 254 041	1 257 877	1 217 877	1 217 877	1 224 798
1a	Fully loaded ECL accounting model CET1	1 254 041	1 257 877	1 217 877	1 217 877	1 224 798
2	Tier 1	1 539 041	1 542 877	1 502 877	1 502 877	1 509 798
2a	Fully loaded ECL accounting model Tier 1	1 539 041	1 542 877	1 502 877	1 502 877	1 509 798
3	Total capital	1 562 990	1 566 826	1 525 006	1 525 006	1 539 439
3a	Fully loaded ECL accounting model total capital	1 562 990	1 566 826	1 525 006	1 525 006	1 539 439
<b>Risk-weighted assets (amounts)</b>						
4	Total risk-weighted assets (RWA)	10 936 358	11 232 361	9 787 049	9 457 107	10 253 170
<b>Risk-based capital ratios as a percentage of RWA</b>						
5	Common Equity Tier 1 ratio (%)	11,47%	11,20%	12,44%	12,88%	11,95%
5a	Fully loaded ECL accounting model Common Equity Tier 1 (%)	11,47%	11,20%	12,44%	12,88%	11,95%
6	Tier 1 ratio (%)	14,07%	13,74%	15,36%	15,89%	14,73%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	14,07%	13,74%	15,36%	15,89%	14,73%
7	Total capital ratio (%)	14,29%	13,95%	15,58%	16,13%	15,01%
7a	Fully loaded ECL accounting model total capital ratio (%)	14,29%	13,95%	15,58%	16,13%	15,01%
<b>Additional CET1 buffer requirements as a percentage of RWA</b>						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2,50%	2,50%	2,50%	2,50%	2,50%
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 (%) (row 8 + row 9 + row 10)	2,50%	2,50%	2,50%	2,50%	2,50%
12	CET1 available after meeting the bank's minimum capital requirements (%)	4,47%	4,20%	4,94%	5,38%	4,45%
<b>Basel III leverage ratio</b>						
13	Total Basel III leverage ratio exposure measure	13 164 521	12 807 851	13 381 397	14 175 828	13 648 295
14	Basel III leverage ratio (%) (row 2 / row 13)	11,69%	12,05%	11,23%	10,60%	11,06%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%)	11,69%	12,05%	11,23%	10,60%	11,06%
<b>Liquidity Coverage Ratio</b>						
15	Total high-quality liquid assets (HQLA)	1 101 321	987 732	2 632 243	2 687 739	1 399 206
16	Total net cash outflow	471 206	527 306	468 582	553 573	561 644
17	LCR (%)	234%	187%	562%	486%	249%
<b>Net Stable Funding Ratio</b>						
18	Total available stable funding	9 236 959	8 899 134	9 766 893	10 060 387	9 374 039
19	Total required stable funding	6 946 924	6 789 443	6 365 684	6 269 125	6 394 687
20	NSFR	133%	131%	153%	160%	147%

## Capital management

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

		a	b	c	d	e
		Sep-20	Jun-20	Mar-20	Dec-19	Sep-19
		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)	1 254 044	1 254 042	1 217 949	1 217 881	1 224 870
1a	Fully loaded ECL accounting model CET1	1 254 044	1 254 042	1 217 949	1 217 881	1 224 870
2	Tier 1	1 539 044	1 539 042	1 502 949	1 502 881	1 509 870
2a	Fully loaded ECL accounting model Tier 1	1 539 044	1 539 042	1 502 949	1 502 881	1 509 870
3	Total capital	1 562 993	1 562 991	1 525 078	1 525 010	1 539 511
3a	Fully loaded ECL accounting model total capital	1 562 993	1 562 991	1 525 078	1 525 010	1 539 511
<b>Risk-weighted assets (amounts)</b>						
4	Total risk-weighted assets (RWA)	10 936 358	18 223 548	16 965 165	16 437 508	10 460 883
<b>Risk-based capital ratios as a percentage of RWA</b>						
5	Common Equity Tier 1 ratio (%)	11,47%	6,88%	7,18%	7,41%	11,71%
5a	Fully loaded ECL accounting model Common Equity Tier 1 (%)	11,47%	6,88%	7,18%	7,41%	11,71%
6	Tier 1 ratio (%)	14,07%	8,45%	8,86%	9,14%	14,43%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	14,07%	8,45%	8,86%	9,14%	14,43%
7	Total capital ratio (%)	14,29%	8,58%	8,99%	9,28%	14,72%
7a	Fully loaded ECL accounting model total capital ratio (%)	14,29%	8,58%	8,99%	9,28%	14,72%
<b>Additional CET1 buffer requirements as a percentage of RWA</b>						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2,50%	2,50%	2,50%	2,50%	2,50%
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 (%) (row 8 + row 9 + row 10)	2,50%	2,50%	2,50%	2,50%	2,50%
12	CET1 available after meeting the bank's minimum capital requirements (%)	4,47%	-0,12%	-0,32%	-0,09%	4,21%
<b>Basel III leverage ratio</b>						
13	Total Basel III leverage ratio exposure measure	13 164 521	14 364 636	15 056 197	15 914 322	13 855 827
14	Basel III leverage ratio (%) (row 2 / row 13)	11,69%	10,71%	9,98%	9,44%	10,90%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%)	11,69%	10,71%	9,98%	9,44%	10,90%
<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
		Sep-20	Jun-20	Sep-20
		T	T-1	T
		R'000	R'000	R'000
1	Credit risk (excluding counterparty credit risk)	8 129 031	8 338 899	853 548
2	Of which: standardised approach	8 129 031	8 338 899	853 548
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)	7 031	7 493	738
7	Of which: standardised approach for counterparty credit risk	7 031	7 493	738
8	Of which: Internal Model Method (IMM)	-	-	0
9	Of which: other CCR	-	-	0
10	Credit valuation adjustment (CVA)	13 004	13 198	1 365
11	Equity positions under the simple risk weight approach and the internal model method	1 765 448	1 840 091	185 372
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	889 358	889 358	93 383
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
25	Floor adjustment	132 486	143 322	13 911
26	<b>Total (1 + 6 + 10 + 11 + 12 + 13 + 14 + 15 + 16 + 20 + 23 + 24 + 25)</b>	<b>10 936 358</b>	<b>11 232 361</b>	<b>1 148 318</b>

# Capital management

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

		a	b	c
		RWA		Minimum capital requirements
		Sep-20	Jun-20	Sep-20
		T	T-1	T
		R'000	R'000	R'000
1	Credit risk (excluding counterparty credit risk)	8 129 031	8 338 899	853 548
2	Of which: standardised approach	8 129 031	8 338 899	853 548
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)	7 031	7 493	738
7	Of which: standardised approach for counterparty credit risk	7 031	7 493	738
8	Of which: Internal Model Method (IMM)			
9	Of which: other CCR			
10	Credit valuation adjustment (CVA)	13 004	13 198	1 365
11	Equity positions under the simple risk weight approach and the internal model method	1 765 448	8 815 752	185 372
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	889 358	889 358	93 383
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
25	Floor adjustment	132 486	158 848	13 911
<b>26</b>	<b>Total (1 + 6 + 10 + 11 + 12 + 13 + 14 + 15 + 16 + 20 + 23 + 24 + 25)</b>	<b>10 936 358</b>	<b>18 223 548</b>	<b>1 148 318</b>

## Leverage ratio

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

		Sep-20
		R'000
1	Total consolidated assets as per published financial statements	12 506 341
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	7 031
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)	651 149
7	Other adjustments	-
<b>8</b>	<b>Leverage ratio exposure measure</b>	<b>13 164 521</b>

## Leverage ratio

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

		Sep-20
		R'000
1	Total consolidated assets as per published financial statements	12 506 341
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	7 031
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)	651 149
7	Other adjustments	-
<b>8</b>	<b>Leverage ratio exposure measure</b>	<b>13 164 521</b>

# Leverage ratio

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

		Sep-20	Jun-20
		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)	12 506 341	12 209 286
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)	12 506 341	12 209 286
<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)	-	-
5	Add-on amounts for potential future exposure (PFE) associated with <i>all</i> derivatives transactions	7 031	7 493
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>	7 031	7 493
<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	1 113 601	981 900
18	(Adjustments for conversion to credit equivalent amounts)	- 462 452	- 390 828
19	<b>Off-balance sheet items (sum of rows 17 and 18)</b>	651 149	591 073
<b>Capital and total exposures</b>			
20	<b>Tier 1 capital</b>	1 539 041	1 542 877
21	<b>Total exposures (sum of rows 3, 11, 16 and 19)</b>	13 164 521	12 807 851
<b>Leverage ratio</b>			
22	<b>Basel III leverage ratio</b>	11,69%	12,05%



# Leverage ratio

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

		Sep-20	Jun-20
		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)	12 506 341	13 766 071
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)	12 506 341	13 766 071
<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)	-	-
5	Add-on amounts for potential future exposure (PFE) associated with <i>all</i> derivatives transactions	7 031	7 493
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>	7 031	7 493
<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	1 113 601	981 900
18	(Adjustments for conversion to credit equivalent amounts)	- 462 452	- 390 828
19	<b>Off-balance sheet items (sum of rows 17 and 18)</b>	651 149	591 073
<b>Capital and total exposures</b>			
20	<b>Tier 1 capital</b>	1 539 042	1 539 042
21	<b>Total exposures (sum of rows 3, 11, 16 and 19)</b>	13 164 521	14 364 636
<b>Leverage ratio</b>			
22	<b>Basel III leverage ratio</b>	11,69%	10,71%

# Liquidity

## Template LIQ1: Liquidity Coverage Ratio (LCR)

		Sep-20	
		a	b
		Total unweighted value	Total weighted value
		(average)	(average)
		R'000	R'000
<b>High-quality liquid assets</b>			
1	Total HQLA		1 046 363
<b>Cash outflows</b>			
2	<b>Retail deposits and deposits from small business customers, of which:</b>		
3	Stable deposits	-	-
4	Less stable deposits	1 496 338	149 634
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)	5 724 100	1 821 569
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>	443 746	31 785
15	<b>Other contingent funding obligations</b>	178 412	7 965
16	<b>TOTAL CASH OUTFLOWS</b>		<b>2 010 953</b>
<b>Cash inflows</b>			
17	<b>Secured lending (eg reverse repos)</b>	-	-
18	<b>Inflows from fully performing exposures</b>	4 527 186	4 011 820
19	Other cash inflows	5 074	5 074
20	<b>TOTAL CASH INFLOWS</b>	<b>4 532 260</b>	<b>4 016 894</b>
		<b>Total adjusted value</b>	
21	<b>Total HQLA</b>		<b>1 046 363</b>
22	<b>Total net cash outflows</b>		<b>502 738</b>
23	<b>Liquidity Coverage Ratio (%)</b>		<b>208</b>

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

		Sep-20				
		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				1 569 970	1 569 970
3	Other capital instruments				58 151	58 151
4	Retail deposits and deposits from small business customers:					
5	Stable deposits		-	-	-	-
6	Less stable deposits		5 288 826	140 773	21 830	4 908 469
7	Wholesale funding:					
8	Operational deposits		-	-	-	-
9	Other wholesale funding		4 380 130	344 930	611 726	2 657 047
10	Liabilities with matching interdependent assets					
11	Other liabilities:					
12	NSFR derivative liabilities				883	
13	All other liabilities and equity not included in the above categories		-	-	43 322	43 322
14	<b>Total ASF</b>					9 236 959
<b>Required stable funding (RSF) item</b>						
15	Total NSFR high-quality liquid assets (HQLA)					44 868
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	-	2 557 491	-	-	383 624
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:	-	1 854 249	469 179	5 902 407	6 045 235
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		2 527	-	31 981	22 051
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities		607 614			303 807
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				-	-
30	NSFR derivative liabilities before deduction of variation margin posted				-	-
31	All other assets not included in the above categories				112 020	112 020
32	Off-balance sheet items				706 368	35 318
33	<b>Total RSF</b>					6 946 924
34	<b>Net Stable Funding Ratio (%)</b>					132,96



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