



GRINDROD FINANCIAL HOLDINGS LIMITED
BASEL PILLAR III DISCLOSURE REPORT
31 March 2021



Grindrod Financial Holdings Limited

Template Reference:

		Annual Financial Statements	Integrated Report
		Dec-20	Dec-20
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Capital management

Template KM1: Key metrics - Grindrod Bank Limited

		a	b	c	d	e
		Mar-21	Dec-20	Sep-20	Jun-20	Mar-20
		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)	1 243 914	1 243 933	1 254 041	1 257 877	1 217 877
1a	Fully loaded ECL accounting model CET1	1 243 914	1 243 933	1 254 041	1 257 877	1 217 877
2	Tier 1	1 528 914	1 528 933	1 539 041	1 542 877	1 502 877
2a	Fully loaded ECL accounting model Tier 1	1 528 914	1 528 933	1 539 041	1 542 877	1 502 877
3	Total capital	1 564 718	1 564 738	1 562 990	1 566 826	1 525 006
3a	Fully loaded ECL accounting model total capital	1 564 718	1 564 738	1 562 990	1 566 826	1 525 006
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	10 704 756	10 674 397	10 936 358	11 232 361	9 787 049
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	11,62%	11,65%	11,47%	11,20%	12,44%
5a	Fully loaded ECL accounting model Common Equity Tier 1 (%)	11,62%	11,65%	11,47%	11,20%	12,44%
6	Tier 1 ratio (%)	14,28%	14,32%	14,07%	13,74%	15,36%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	14,28%	14,32%	14,07%	13,74%	15,36%
7	Total capital ratio (%)	14,62%	14,66%	14,29%	13,95%	15,58%
7a	Fully loaded ECL accounting model total capital ratio (%)	14,62%	14,66%	14,29%	13,95%	15,58%
Additional CET1 buffer requirements as a percentage of RWA						
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 (%)	4,62%	4,65%	4,47%	3,70%	4,94%
Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	13 033 295	12 542 549	13 164 521	12 807 851	13 381 397
14	Basel III leverage ratio (%) (row 2 / row 13)	11,73%	12,19%	11,69%	12,05%	11,23%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%)	11,73%	12,19%	11,69%	12,05%	11,23%
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA)	2 547 140	2 056 973	1 101 321	987 732	2 632 243
16	Total net cash outflow	460 982	454 060	471 206	527 306	468 582
17	LCR (%)	553%	453%	234%	187%	562%
Net Stable Funding Ratio						
18	Total available stable funding	9 313 232	8 882 417	9 236 959	8 899 134	9 766 893
19	Total required stable funding	7 196 560	6 891 502	6 946 924	6 789 443	6 365 684
20	NSFR	129%	129%	133%	131%	153%

Capital management

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

		a	b	c	d	e
		Mar-21	Dec-20	Sep-20	Jun-20	Mar-20
		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)	1 243 913	1 243 934	1 254 044	1 254 042	1 217 949
1a	Fully loaded ECL accounting model CET1	1 243 913	1 243 934	1 254 044	1 254 042	1 217 949
2	Tier 1	1 528 913	1 528 934	1 539 044	1 539 042	1 502 949
2a	Fully loaded ECL accounting model Tier 1	1 528 913	1 528 934	1 539 044	1 539 042	1 502 949
3	Total capital	1 564 718	1 564 738	1 562 993	1 562 991	1 525 078
3a	Fully loaded ECL accounting model total capital	1 564 718	1 564 738	1 562 993	1 562 991	1 525 078
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	10 704 756	10 674 397	10 936 358	18 223 548	16 965 165
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	11,62%	11,65%	11,47%	6,88%	7,18%
5a	Fully loaded ECL accounting model Common Equity Tier 1 (%)	11,62%	11,65%	11,47%	6,88%	7,18%
6	Tier 1 ratio (%)	14,28%	14,32%	14,07%	8,45%	8,86%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	14,28%	14,32%	14,07%	8,45%	8,86%
7	Total capital ratio (%)	14,62%	14,66%	14,29%	8,58%	8,99%
7a	Fully loaded ECL accounting model total capital ratio (%)	14,62%	14,66%	14,29%	8,58%	8,99%
Additional CET1 buffer requirements as a percentage of RWA						
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 (%)	4,62%	4,65%	4,47%	-0,62%	-0,32%
Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	13 033 295	12 542 549	13 164 521	14 364 636	15 056 197
14	Basel III leverage ratio (%) (row 2 / row 13)	11,73%	12,19%	11,69%	10,71%	9,98%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%)	11,73%	12,19%	11,69%	10,71%	9,98%
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA)	-	-	-	-	-
16	Total net cash outflow	-	-	-	-	-
17	LCR (%)	0%	0%	0%	0%	0%
Net Stable Funding Ratio						
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
		Mar-21	Dec-20	Mar-21
		T	T-1	T
		R'000	R'000	R'000
1	Credit risk (excluding counterparty credit risk)	7 788 553	7 864 900	817 798
2	Of which: standardised approach	7 788 553	7 864 900	817 798
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)	8 297	6 991	871
7	Of which: standardised approach for counterparty credit risk	8 297	6 991	871
8	Of which: Internal Model Method (IMM)	-	-	0
9	Of which: other CCR	-	-	0
10	Credit valuation adjustment (CVA)	15 702	12 235	1 649
11	Equity positions under the simple risk weight approach and the internal model method	1 819 297	1 728 685	191 026
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	864 351	864 623	90 757
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
25	Floor adjustment	208 556	196 963	21 898
26	Total (1 + 6 + 10 + 11 + 12 + 13 + 14 + 15 + 16 + 20 + 23 + 24 + 25)	10 704 756	10 674 397	1 123 999

Capital management

Template OV1: Overview of RWA - Grindrod Financial Holdings Limited

		a	b	c
		RWA		Minimum capital requirements
		Mar-21	Dec-20	Mar-21
		T	T-1	T
		R'000	R'000	R'000
1	Credit risk (excluding counterparty credit risk)	7 788 553	7 864 900	817 798
2	Of which: standardised approach	7 788 553	7 864 900	817 798
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)	8 297	6 991	871
7	Of which: standardised approach for counterparty credit risk	8 297	6 991	871
8	Of which: Internal Model Method (IMM)		-	
9	Of which: other CCR		-	
10	Credit valuation adjustment (CVA)	15 702	12 235	1 649
11	Equity positions under the simple risk weight approach and the internal model method	1 819 297	1 728 685	191 026
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	864 351	864 623	90 757
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
25	Floor adjustment	208 556	196 963	21 898
26	Total (1 + 6 + 10 + 11 + 12 + 13 + 14 + 15 + 16 + 20 + 23 + 24 + 25)	10 704 756	10 674 397	1 123 999

Leverage ratio

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

		Mar-21
		R'000
1	Total consolidated assets as per published financial statements	12 366 800
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	5 926
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)	660 569
7	Other adjustments	-
8	Leverage ratio exposure measure	13 033 295

Leverage ratio

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

		Mar-21
		R'000
1	Total consolidated assets as per published financial statements	12 366 800
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	5 926
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)	660 569
7	Other adjustments	-
8	Leverage ratio exposure measure	13 033 295

Leverage ratio

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

		Mar-21	Dec-20
		T	T-1
		R'000	R'000
		Quarter-end	Quarter-end
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	12 366 800	11 713 966
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	-	-
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 and 2)	12 366 800	11 713 966
Derivative exposures			
4	Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	2 799	-
5	Add-on amounts for potential future exposure (PFE) associated with <i>all</i> derivatives transactions	3 128	6 991
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	Total derivative exposures (sum of rows 4 to 10)	5 926	6 991
Securities financing transaction exposures			
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	Total securities financing transaction exposures (sum of rows 12 to 15)	-	-
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	1 214 811	1 359 330
18	(Adjustments for conversion to credit equivalent amounts)	- 554 242	- 537 738
19	Off-balance sheet items (sum of rows 17 and 18)	660 569	821 592
Capital and total exposures			
20	Tier 1 capital	1 528 914	1 528 933
21	Total exposures (sum of rows 3, 11, 16 and 19)	13 033 295	12 542 549
Leverage ratio			
22	Basel III leverage ratio	11,73%	12,19%

Leverage ratio

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

		Mar-21	Dec-20
		T	T-1
		R'000	R'000
		Quarter-end	Quarter-end
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	12 366 800	11 713 966
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	-	-
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 and 2)	12 366 800	11 713 966
Derivative exposures			
4	Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	2 799	-
5	Add-on amounts for potential future exposure (PFE) associated with <i>all</i> derivatives transactions	3 128	6 991
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	Total derivative exposures (sum of rows 4 to 10)	5 926	6 991
Securities financing transaction exposures			
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	Total securities financing transaction exposures (sum of rows 12 to 15)	-	-
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	1 214 811	1 359 330
18	(Adjustments for conversion to credit equivalent amounts)	- 554 242	- 537 738
19	Off-balance sheet items (sum of rows 17 and 18)	660 569	821 592
Capital and total exposures			
20	Tier 1 capital	1 528 913	1 528 934
21	Total exposures (sum of rows 3, 11, 16 and 19)	13 033 295	12 542 549
Leverage ratio			
22	Basel III leverage ratio	11,73%	12,19%

Liquidity

Template LIQ1: Liquidity Coverage Ratio (LCR)

		Mar-21	
		a	b
		Total unweighted value	Total weighted value
		(average)	(average)
		R'000	R'000
High-quality liquid assets			
1	Total HQLA		2 227 410
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:		
3	Stable deposits	-	-
4	Less stable deposits	1 542 272	154 227
5	Unsecured wholesale funding, of which:		
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-
7	Non-operational deposits (all counterparties)	5 897 322	1 714 365
8	Unsecured debt		
9	Secured wholesale funding		-
10	Additional requirements, of which:		
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	Other contractual funding obligations	542 724	34 127
15	Other contingent funding obligations	169 727	7 286
16	TOTAL CASH OUTFLOWS		1 910 005
Cash inflows			
17	Secured lending (eg reverse repos)	-	-
18	Inflows from fully performing exposures	2 530 957	2 011 837
19	Other cash inflows	31	31
20	TOTAL CASH INFLOWS	2 530 988	2 011 868
		Total adjusted value	
21	Total HQLA		2 227 410
22	Total net cash outflows		477 501
23	Liquidity Coverage Ratio (%)		466

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

		Mar-21				
		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
Available stable funding (ASF) item						
1	Capital:					
2	Regulatory capital				1 581 830	1 581 830
3	Other capital instruments				119 625	119 625
4	Retail deposits and deposits from small business customers:					
5	Stable deposits		-	-	-	-
6	Less stable deposits		5 766 247	34 873	18 230	5 239 238
7	Wholesale funding:					
8	Operational deposits		-	-	-	-
9	Other wholesale funding		4 044 617	269 097	467 911	2 370 701
10	Liabilities with matching interdependent assets					
11	Other liabilities:					
12	NSFR derivative liabilities				1 724	
13	All other liabilities and equity not included in the above categories		55 327	615	1 531	1 839
14	Total ASF					9 313 232
Required stable funding (RSF) item						
15	Total NSFR high-quality liquid assets (HQLA)					115 340
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	-	693 568	-	-	104 035
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:	-	1 791 657	642 684	6 722 500	6 767 522
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		1 095	-	29 733	19 874
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities		-			-
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				146 288	146 288
32	Off-balance sheet items				870 003	43 500
33	Total RSF					7 196 560
34	Net Stable Funding Ratio (%)					129,41