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GRINDROD FINANCIAL HOLDINGS LIMITED  
BASEL PILLAR III DISCLOSURE REPORT  
31 December 2020



# Grindrod Financial Holdings Limited

## Template Reference:

|    |  | Annual Financial Statements  | Integrated Report         |
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# Capital management

## Template KM1: Key metrics - Grindrod Bank Limited

|   |   | a          | b          | c          | d          | e          |
|---|---|------------|------------|------------|------------|------------|
|   |   | Dec-20     | Sep-20     | Jun-20     | Mar-20     | Dec-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)   | 1 243 933  | 1 254 041  | 1 257 877  | 1 217 877  | 1 217 877  |
| 1a  | Fully loaded ECL accounting model CET1  | 1 243 933  | 1 254 041  | 1 257 877  | 1 217 877  | 1 217 877  |
| 2   | Tier 1  | 1 528 933  | 1 539 041  | 1 542 877  | 1 502 877  | 1 502 877  |
| 2a  | Fully loaded ECL accounting model Tier 1  | 1 528 933  | 1 539 041  | 1 542 877  | 1 502 877  | 1 502 877  |
| 3   | Total capital   | 1 564 738  | 1 562 990  | 1 566 826  | 1 525 006  | 1 525 006  |
| 3a  | Fully loaded ECL accounting model total capital                                 | 1 564 738  | 1 562 990  | 1 566 826  | 1 525 006  | 1 525 006  |
| <b>Risk-weighted assets (amounts)</b>                             |   |            |            |            |            |            |
| 4   | Total risk-weighted assets (RWA)  | 10 674 397 | 10 936 358 | 11 232 361 | 9 787 049  | 9 457 107  |
| <b>Risk-based capital ratios as a percentage of RWA</b>           |   |            |            |            |            |            |
| 5   | Common Equity Tier 1 ratio (%)  | 11,65%     | 11,47%     | 11,20%     | 12,44%     | 12,88%     |
| 5a  | Fully loaded ECL accounting model Common Equity Tier 1 (%)                      | 11,65%     | 11,47%     | 11,20%     | 12,44%     | 12,88%     |
| 6   | Tier 1 ratio (%)  | 14,32%     | 14,07%     | 13,74%     | 15,36%     | 15,89%     |
| 6a  | Fully loaded ECL accounting model Tier 1 ratio (%)                              | 14,32%     | 14,07%     | 13,74%     | 15,36%     | 15,89%     |
| 7   | Total capital ratio (%)   | 14,66%     | 14,29%     | 13,95%     | 15,58%     | 16,13%     |
| 7a  | Fully loaded ECL accounting model total capital ratio (%)                       | 14,66%     | 14,29%     | 13,95%     | 15,58%     | 16,13%     |
| <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 (%)<br>(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 (%)        | 4,65%      | 4,47%      | 3,70%      | 4,94%      | 5,38%      |
| <b>Basel III leverage ratio</b>                                   |   |            |            |            |            |            |
| 13  | Total Basel III leverage ratio exposure measure                                 | 12 542 549 | 13 164 521 | 12 807 851 | 13 381 397 | 14 175 828 |
| 14  | Basel III leverage ratio (%) (row 2 / row 13)                                   | 12,19%     | 11,69%     | 12,05%     | 11,23%     | 10,60%     |
| 14a   | Fully loaded ECL accounting model Basel III leverage ratio (%)                  | 12,19%     | 11,69%     | 12,05%     | 11,23%     | 10,60%     |
| <b>Liquidity Coverage Ratio</b>                                   |   |            |            |            |            |            |
| 15  | Total high-quality liquid assets (HQLA)   | 2 056 973  | 1 101 321  | 987 732    | 2 632 243  | 2 687 739  |
| 16  | Total net cash outflow  | 454 060    | 471 206    | 527 306    | 468 582    | 553 573    |
| 17  | LCR (%)   | 453%       | 234%       | 187%       | 562%       | 486%       |
| <b>Net Stable Funding Ratio</b>                                   |   |            |            |            |            |            |
| 18  | Total available stable funding  | 8 882 417  | 9 236 959  | 8 899 134  | 9 766 893  | 10 060 387 |
| 19  | Total required stable funding   | 6 891 502  | 6 946 924  | 6 789 443  | 6 365 684  | 6 269 125  |
| 20  | NSFR  | 129%       | 133%       | 131%       | 153%       | 160%       |

## Capital management

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

|   |   | a          | b          | c          | d          | e          |
|---|---|------------|------------|------------|------------|------------|
|   |   | Dec-20     | Sep-20     | Jun-20     | Mar-20     | Dec-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)   | 1 243 934  | 1 254 044  | 1 254 042  | 1 217 949  | 1 217 881  |
| 1a  | Fully loaded ECL accounting model CET1  | 1 243 934  | 1 254 044  | 1 254 042  | 1 217 949  | 1 217 881  |
| 2   | Tier 1  | 1 528 934  | 1 539 044  | 1 539 042  | 1 502 949  | 1 502 881  |
| 2a  | Fully loaded ECL accounting model Tier 1  | 1 528 934  | 1 539 044  | 1 539 042  | 1 502 949  | 1 502 881  |
| 3   | Total capital   | 1 564 738  | 1 562 993  | 1 562 991  | 1 525 078  | 1 525 010  |
| 3a  | Fully loaded ECL accounting model total capital                                 | 1 564 738  | 1 562 993  | 1 562 991  | 1 525 078  | 1 525 010  |
| <b>Risk-weighted assets (amounts)</b>                             |   |            |            |            |            |            |
| 4   | Total risk-weighted assets (RWA)  | 10 674 397 | 10 936 358 | 18 223 548 | 16 965 165 | 16 437 508 |
| <b>Risk-based capital ratios as a percentage of RWA</b>           |   |            |            |            |            |            |
| 5   | Common Equity Tier 1 ratio (%)  | 11,65%     | 11,47%     | 6,88%      | 7,18%      | 7,41%      |
| 5a  | Fully loaded ECL accounting model Common Equity Tier 1 (%)                      | 11,65%     | 11,47%     | 6,88%      | 7,18%      | 7,41%      |
| 6   | Tier 1 ratio (%)  | 14,32%     | 14,07%     | 8,45%      | 8,86%      | 9,14%      |
| 6a  | Fully loaded ECL accounting model Tier 1 ratio (%)                              | 14,32%     | 14,07%     | 8,45%      | 8,86%      | 9,14%      |
| 7   | Total capital ratio (%)   | 14,66%     | 14,29%     | 8,58%      | 8,99%      | 9,28%      |
| 7a  | Fully loaded ECL accounting model total capital ratio (%)                       | 14,66%     | 14,29%     | 8,58%      | 8,99%      | 9,28%      |
| <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 (%)<br>(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 (%)        | 4,65%      | 4,47%      | -0,62%     | -0,32%     | -0,09%     |
| <b>Basel III leverage ratio</b>                                   |   |            |            |            |            |            |
| 13  | Total Basel III leverage ratio exposure measure                                 | 12 542 549 | 13 164 521 | 14 364 636 | 15 056 197 | 15 914 322 |
| 14  | Basel III leverage ratio (%) (row 2 / row 13)                                   | 12,19%     | 11,69%     | 10,71%     | 9,98%      | 9,44%      |
| 14a   | Fully loaded ECL accounting model Basel III leverage ratio (%)                  | 12,19%     | 11,69%     | 10,71%     | 9,98%      | 9,44%      |
| <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-20            | Sep-20            | Dec-20                       |
|    |   | T                 | T-1               | T                            |
|    |   | R'000             | R'000             | R'000                        |
| 1  | Credit risk (excluding counterparty credit risk)  | 7 864 900         | 8 129 031         | 825 815                      |
| 2  | Of which: standardised approach   | 7 864 900         | 8 129 031         | 825 815                      |
| 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)  | 6 991             | 7 031             | 734                          |
| 7  | Of which: standardised approach for counterparty credit risk  | 6 991             | 7 031             | 734                          |
| 8  | Of which: Internal Model Method (IMM)   | -                 | -                 | 0                            |
| 9  | Of which: other CCR   | -                 | -                 | 0                            |
| 10 | Credit valuation adjustment (CVA)   | 12 235            | 13 004            | 1 285                        |
| 11 | Equity positions under the simple risk weight approach and the internal model method                              | 1 728 685         | 1 765 448         | 181 512                      |
| 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  | 864 623           | 889 358           | 90 785                       |
| 24 | Amounts below the thresholds for deduction (subject to 250% risk weight)  | -                 | -                 | -                            |
| 25 | Floor adjustment  | 196 963           | 132 486           | 20 681                       |
| 26 | <b>Total (1 + 6 + 10 + 11 + 12 + 13 + 14 + 15 + 16 + 20 + 23 + 24 + 25)</b>                                       | <b>10 674 397</b> | <b>10 936 358</b> | <b>1 120 812</b>             |

# Capital management

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

|           |   | a                 | b                 | c                            |
|-----------|---|-------------------|-------------------|------------------------------|
|           |   | RWA               |                   | Minimum capital requirements |
|           |   | Dec-20            | Sep-20            | Dec-20                       |
|           |   | T                 | T-1               | T                            |
|           |   | R'000             | R'000             | R'000                        |
| 1         | Credit risk (excluding counterparty credit risk)  | 7 864 900         | 8 129 031         | 825 815                      |
| 2         | Of which: standardised approach   | 7 864 900         | 8 129 031         | 825 815                      |
| 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)  | 6 991             | 7 031             | 734                          |
| 7         | Of which: standardised approach for counterparty credit risk  | 6 991             | 7 031             | 734                          |
| 8         | Of which: Internal Model Method (IMM)   |                   |                   |                              |
| 9         | Of which: other CCR   |                   |                   |                              |
| 10        | Credit valuation adjustment (CVA)   | 12 235            | 13 004            | 1 285                        |
| 11        | Equity positions under the simple risk weight approach and the internal model method                              | 1 728 685         | 1 765 448         | 181 512                      |
| 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  | 864 623           | 889 358           | 90 785                       |
| 24        | Amounts below the thresholds for deduction (subject to 250% risk weight)  | -                 | -                 | -                            |
| 25        | Floor adjustment  | 196 963           | 132 486           | 20 681                       |
| <b>26</b> | <b>Total (1 + 6 + 10 + 11 + 12 + 13 + 14 + 15 + 16 + 20 + 23 + 24 + 25)</b>                                       | <b>10 674 397</b> | <b>10 936 358</b> | <b>1 120 812</b>             |

# Composition of Capital

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

|   |  | Dec-20           |
|---|--|------------------|
|   |  | 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                      | 348 579          |
| 2   | Retained earnings  | 912 510          |
| 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>1 261 089</b> |
| <b>Common Equity Tier 1 capital: regulatory adjustments</b>   |  |                  |
| 7   | Prudent valuation adjustments  | 11 946           |
| 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) | 5 210            |
| 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>17 156</b>    |
| 29 | <b>Common Equity Tier 1 capital (CET1)</b>  | <b>1 243 933</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>1 528 933</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>35 804</b>    |
| 51  | <b>Tier 2 capital before regulatory adjustments</b>   | <b>35 804</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>35 804</b>    |

|    |  |                   |
|----|--|-------------------|
| 59 | <b>Total regulatory capital (= Tier 1 + Tier2)</b>   | <b>1 564 738</b>  |
| 60 | <b>Total risk-weighted assets</b>  | <b>10 674 397</b> |
|    | <b>Capital adequacy ratios and buffers</b>   |                   |
| 61 | <b>Common Equity Tier 1 capital (as a percentage of risk-weighted assets)</b>  | <b>11,653%</b>    |
| 62 | <b>Tier 1 capital (as a percentage of risk-weighted assets)</b>  | <b>14,323%</b>    |
| 63 | <b>Total capital (as a percentage of risk-weighted assets)</b>   | <b>14,659%</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  | 2,500%            |
| 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>4,653%</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)   | 7,00%             |
| 70 | National minimum Tier 1 capital adequacy ratio (if different from Basel III minimum)   | 8,50%             |
| 71 | National minimum Total capital adequacy ratio (if different from Basel III minimum)  | 10,50%            |
|    | <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)  | 42 721            |
|    | <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)   | 35 804            |
| 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-20           |
|---|--|------------------|
|   |  | 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  | 380 278          |
| 2   | Retained earnings  | 880 812          |
| 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>1 261 090</b> |
| <b>Common Equity Tier 1 capital: regulatory adjustments</b>   |  |                  |
| 7   | Prudent valuation adjustments  | 11 946           |
| 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)   | 5 210            |
| 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>17 156</b>    |
| 29 | <b>Common Equity Tier 1 capital (CET1)</b>  | <b>1 243 934</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>1 528 934</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>35 804</b>     |
| 51  | <b>Tier 2 capital before regulatory adjustments</b>   | <b>35 804</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>35 804</b>     |
| 59  | <b>Total regulatory capital (= Tier 1 + Tier2)</b>  | <b>1 564 738</b>  |
| 60  | <b>Total risk-weighted assets</b>   | <b>10 674 397</b> |

| <b>Capital adequacy ratios and buffers</b>                                |  |                |
|---|--|----------------|
| 61  | <b>Common Equity Tier 1 capital (as a percentage of risk-weighted assets)</b>  | <b>11,653%</b> |
| 62  | <b>Tier 1 capital (as a percentage of risk-weighted assets)</b>  | <b>14,323%</b> |
| 63  | <b>Total capital (as a percentage of risk-weighted assets)</b>   | <b>14,659%</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  | 2,500%         |
| 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>4,653%</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)   | 7,00%          |
| 70  | National minimum Tier 1 capital adequacy ratio (if different from Basel III minimum)   | 8,50%          |
| 71  | National minimum Total capital adequacy ratio (if different from Basel III minimum)  | 10,50%         |
| <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)  | 42 721         |
| <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)   | 35 804         |
| 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-20   |   |           |
|--|--|---|-----------|
|  | a  | b                                       | c         |
|  | Balance sheet as in published financial statements | Under regulatory scope of consolidation | Reference |
|  | As at period-end                                   | As at period-end                        |           |
| Assets                                     | R'000  | R'000                                   |           |
| Property and equipment                     | 14 828   | 14 828                                  |           |
| Investment securities                      | 9 198  | 9 198                                   |           |
| Deferred taxation                          | 47 931   | 47 931                                  |           |
| Loans and advances                         | 8 167 160  | 8 167 160                               |           |
| Curren tax asset                           | 11 795   | 11 795                                  |           |
| Other assets                               | 75 332   | 75 332                                  |           |
| Negotiable securities                      | 2 469 396  | 2 469 396                               |           |
| Cash and short-term funds                  | 923 536  | 923 536                                 |           |
| <b>Total assets</b>                        | <b>11 719 176</b>                                  | <b>11 719 176</b>                       |           |
| <b>Liabilities</b>                         |  |   |           |
| Deposits and funding instruments           | 9 965 473  | 9 965 473                               |           |
| Derivative instruments                     | 73 046   | 73 046                                  |           |
| Provisions                                 | 14 990   | 14 990                                  |           |
| Other liabilities                          | 54 459   | 54 459                                  |           |
| <b>Total liabilities</b>                   | <b>10 107 968</b>                                  | <b>10 107 968</b>                       |           |
| <b>Shareholders' equity</b>                |  |   |           |
| Paid-in share capital                      | 633 579  | 633 579                                 |           |
| Of which: amount eligible for CET1 capital | 348 579  | 348 579                                 |           |
| Of which: amount eligible for AT1 capital  | 285 000  | 285 000                                 |           |
| Retained earnings                          | 977 629  | 977 629                                 |           |
| <b>Total shareholders' equity</b>          | <b>1 611 208</b>                                   | <b>1 611 208</b>                        |           |

# Composition of Capital

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

|  | Dec-20   |   |           |
|--|--|---|-----------|
|  | a  | b                                       | c         |
|  | Balance sheet as in published financial statements | Under regulatory scope of consolidation | Reference |
|  | As at period-end                                   | As at period-end                        |           |
| Assets                                     | R'000  | R'000                                   |           |
| Property and equipment                     | 14 828   | 14 828                                  |           |
| Investment securities                      | 9 198  | 9 198                                   |           |
| Deferred taxation                          | 47 931   | 47 931                                  |           |
| Loans and advances                         | 8 167 160  | 8 167 160                               |           |
| Curren tax asset                           | 11 795   | 11 795                                  |           |
| Other assets                               | 75 332   | 75 332                                  |           |
| Negotiable securities                      | 2 469 396  | 2 469 396                               |           |
| Cash and short-term funds                  | 923 536  | 923 536                                 |           |
| <b>Total assets</b>                        | <b>11 719 176</b>                                  | <b>11 719 176</b>                       |           |
| <b>Liabilities</b>                         |  |   |           |
| Deposits and funding instruments           | 9 965 473  | 9 965 473                               |           |
| Derivative instruments                     | 73 046   | 73 046                                  |           |
| Provisions                                 | 14 990   | 14 990                                  |           |
| Other liabilities                          | 54 460   | 54 460                                  |           |
| <b>Total liabilities</b>                   | <b>10 107 969</b>                                  | <b>10 107 969</b>                       |           |
| <b>Shareholders' equity</b>                |  |   |           |
| Paid-in share capital                      | 665 278  | 665 278                                 |           |
| Of which: amount eligible for CET1 capital | 380 278  | 380 278                                 |           |
| Of which: amount eligible for AT1 capital  | 285 000  | 285 000                                 |           |
| Retained earnings                          | 945 929  | 945 929                                 |           |
| <b>Total shareholders' equity</b>          | <b>1 611 207</b>                                   | <b>1 611 207</b>                        |           |

## 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 values        |
|   |                             |                          |                         |                            | 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                       | 983 041                  | 9 114 386               | 154 681                    | 118 877  | 35 804                                      | -  | 9 942 746         |
| 2 | Debt Securities             | -                        | -                       | -                          | -  | -   | -  | -                 |
| 3 | Off-balance sheet exposures | -                        | 1 359 330               | -                          | -  | -   | -  | 1 359 330         |
| 4 | <b>Total</b>                | <b>983 041</b>           | <b>10 473 716</b>       | <b>154 681</b>             | <b>118 877</b>                                       | <b>35 804</b>                               | <b>-</b>   | <b>11 302 076</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-20         |
|---|--|----------------|
|   |  | a              |
|   |  | R'000          |
| 1 | <b>Defaulted loans and debt securities at end of the previous reporting period</b> | <b>491 101</b> |
| 2 | Loans and debt securities that have defaulted since the last reporting period      | 557 852        |
| 3 | Returned to non-defaulted status   | -              |
| 4 | Amounts written off  | -              |
| 5 | Other changes  | - 65 912       |
| 6 | <b>Defaulted loans and debt securities at end of the reporting period</b>          | <b>983 041</b> |
|   | (1+2-3-4+5)  |                |

## Credit Risk

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

|   |                    | Dec-20                               |                         |                                 |   |   |
|---|--------------------|--------------------------------------|-------------------------|---------------------------------|---|---|
|   |                    | 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              | -                                    | 11 456 757              | 11 337 880                      | -   | -                                       |
| 2 | Debt securities    | -                                    | -                       | -                               | -   | -                                       |
| 3 | <b>Total</b>       | -                                    | <b>11 456 757</b>       | <b>11 337 880</b>               | -   | -                                       |
| 4 | Of which defaulted | -                                    | 983 041                 | 983 041                         | -   | -                                       |

## Credit Risk

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

|    |   | Dec-20                       |                          |                            |                          |                     |             |
|----|---|------------------------------|--------------------------|----------------------------|--------------------------|---------------------|-------------|
|    |   | 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            | 1 846 481                    | -                        | 1 846 481                  | -                        | -                   | -           |
| 2  | Non-central government public sector entities | -                            | -                        | -                          | -                        | -                   | -           |
| 3  | Multilateral development banks                | -                            | -                        | -                          | -                        | -                   | -           |
| 4  | Banks   | 810 550                      | -                        | 810 550                    | -                        | 167 703             | 2%          |
| 5  | Securities firms                              | -                            | -                        | -                          | -                        | -                   | 0%          |
| 6  | Corporates                                    | 6 407 762                    | 1 346 423                | 5 905 691                  | 409 712                  | 7 673 165           | 96%         |
| 7  | Regulatory retail portfolios                  | -                            | -                        | -                          | -                        | -                   | -           |
| 8  | Secured by residential property               | 49 593                       | 12 907                   | 49 593                     | 6 454                    | 31 023              | 0%          |
| 9  | Secured by commercial real estate             | -                            | -                        | -                          | -                        | -                   | -           |
| 10 | Equity  | -                            | -                        | -                          | -                        | -                   | -           |
| 11 | Past-due loans                                | 983 041                      | -                        | 983 041                    | -                        | -                   | -           |
| 12 | Higher-risk categories                        | -                            | -                        | -                          | -                        | -                   | -           |
| 13 | Other assets                                  | 371 300                      | -                        | 371 300                    | -                        | 90 160              | 1%          |
| 14 | <b>Total</b>                                  | <b>10 468 727</b>            | <b>1 359 330</b>         | <b>9 966 656</b>           | <b>416 166</b>           | <b>7 962 051</b>    | <b>100%</b> |

## Credit Risk

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

|                |   | Dec-20           |          |                |               |                |              |                  |               |          |   |
|----------------|---|------------------|----------|----------------|---------------|----------------|--------------|------------------|---------------|----------|---|
|                |   | 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            | 1 846 481        | -        | -              | -             | -              | -            | -                | -             | -        | 1 846 481   |
| 2              | Non-central government public sector entities | -                | -        | -              | -             | -              | -            | -                | -             | -        | -   |
| 3              | Multilateral development banks                | -                | -        | -              | -             | -              | -            | -                | -             | -        | -   |
| 4              | Banks   | -                | -        | 803 559        | -             | -              | -            | 6 991            | -             | -        | 810 550   |
| 5              | Securities firms                              | -                | -        | -              | -             | -              | -            | -                | -             | -        | -   |
| 6              | Corporates                                    | -                | -        | -              | -             | -              | -            | 6 759 689        | 18 263        | -        | 6 777 952   |
| 7              | Regulatory retail portfolios                  | -                | -        | -              | -             | -              | -            | -                | -             | -        | -   |
| 8              | Secured by residential property               | -                | -        | -              | 37 689        | -              | 1 182        | 17 729           | -             | -        | 56 600  |
| 9              | Secured by commercial real estate             | -                | -        | -              | -             | -              | -            | -                | -             | -        | -   |
| 10             | Equity  | -                | -        | -              | -             | -              | -            | -                | -             | -        | -   |
| 11             | Past-due loans                                | -                | -        | -              | 355           | 111 064        | -            | 795 048          | 76 574        | -        | 983 041   |
| 12             | Higher-risk categories                        | -                | -        | -              | -             | -              | -            | -                | -             | -        | -   |
| 13             | Other assets                                  | 281 140          | -        | -              | -             | -              | -            | 90 160           | -             | -        | 371 300   |
| 14             | <b>Total</b>                                  | <b>2 127 621</b> | <b>-</b> | <b>803 559</b> | <b>38 044</b> | <b>111 064</b> | <b>1 182</b> | <b>7 669 817</b> | <b>84 837</b> | <b>-</b> | <b>10 846 823</b>                                     |

## Credit Risk

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

|   |   | Dec-20           |                           |               |   |              |               |
|---|---|------------------|---------------------------|---------------|---|--------------|---------------|
|   |   | 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)  | -                | 6 991                     |               | 1,4                                     | 6 334        | 19 226        |
| 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>19 226</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-20       |               |
|---|--|--------------|---------------|
|   |  | 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      | 6 334        | 12 235        |
| 4 | <b>Total subject to the CVA capital charge</b>                     | <b>6 334</b> | <b>12 235</b> |

## Credit Risk

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

|   | Dec-20 |     |     |     |     |        |      |        |                       |
|---|--------|-----|-----|-----|-----|--------|------|--------|-----------------------|
|   | 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   |        |     |     |     |     | 19 226 |      |        | 19 226                |
| Securities firms                              |        |     |     |     |     |        |      |        | -                     |
| Corporates                                    |        |     |     |     |     |        |      |        | -                     |
| Regulatory retail portfolios                  |        |     |     |     |     |        |      |        | -                     |
| Other assets                                  |        |     |     |     |     |        |      |        | -                     |
| <b>Total</b>                                  | -      | -   | -   | -   | -   | 19 226 | -    | -      | 19 226                |

## 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 |  |              |                                 | 78 584        |                                   |                                 |
| Cash – other currencies  |  |              |                                 |               |                                   |                                 |
| Domestic sovereign debt  |  |              |                                 |               |                                   |                                 |
| Other sovereign debt     |  |              |                                 |               |                                   |                                 |
| Government agency debt   |  |              |                                 |               |                                   |                                 |
| Corporate bonds          |  |              |                                 |               |                                   |                                 |
| Equity securities        |  |              |                                 |               |                                   |                                 |
| Other collateral         |  |              |                                 |               |                                   |                                 |
| <b>Total</b>             | -  | -            | -                               | <b>78 584</b> | -                                 | -                               |

## Leverage ratio

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

|          |  | Dec-20            |
|----------|--|-------------------|
|          |  | R'000             |
| 1        | Total consolidated assets as per published financial statements  | 11 713 966        |
| 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   | 6 991             |
| 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)   | 821 592           |
| 7        | Other adjustments  | -                 |
| <b>8</b> | <b>Leverage ratio exposure measure</b>   | <b>12 542 549</b> |

## Leverage ratio

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

|          |  | Dec-20            |
|----------|--|-------------------|
|          |  | R'000             |
| 1        | Total consolidated assets as per published financial statements  | 11 713 966        |
| 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   | 6 991             |
| 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)   | 821 592           |
| 7        | Other adjustments  | -                 |
| <b>8</b> | <b>Leverage ratio exposure measure</b>   | <b>12 542 549</b> |

# Leverage ratio

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

|   |   | Dec-20      | Sep-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)                                   | 11 713 966  | 12 506 341  |
| 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)  | 11 713 966  | 12 506 341  |
| <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  | 6 991       | 7 031       |
| 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>   | 6 991       | 7 031       |
| <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   | 1 359 330   | 1 113 601   |
| 18  | (Adjustments for conversion to credit equivalent amounts)   | - 537 738   | - 462 452   |
| 19  | <b>Off-balance sheet items (sum of rows 17 and 18)</b>  | 821 592     | 651 149     |
| <b>Capital and total exposures</b>                |   |             |             |
| 20  | <b>Tier 1 capital</b>   | 1 528 933   | 1 539 041   |
| 21  | <b>Total exposures (sum of rows 3, 11, 16 and 19)</b>   | 12 542 549  | 13 164 521  |
| <b>Leverage ratio</b>                             |   |             |             |
| 22  | <b>Basel III leverage ratio</b>   | 12,19%      | 11,69%      |

# Leverage ratio

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

|   |   | Dec-20      | Sep-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)                                   | 11 713 966  | 12 506 341  |
| 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)  | 11 713 966  | 12 506 341  |
| <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  | 6 991       | 7 031       |
| 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>   | 6 991       | 7 031       |
| <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   | 1 359 330   | 1 113 601   |
| 18  | (Adjustments for conversion to credit equivalent amounts)   | - 537 738   | - 462 452   |
| 19  | <b>Off-balance sheet items (sum of rows 17 and 18)</b>  | 821 592     | 651 149     |
| <b>Capital and total exposures</b>                |   |             |             |
| 20  | <b>Tier 1 capital</b>   | 1 528 934   | 1 539 042   |
| 21  | <b>Total exposures (sum of rows 3, 11, 16 and 19)</b>   | 12 542 549  | 13 164 521  |
| <b>Leverage ratio</b>                             |   |             |             |
| 22  | <b>Basel III leverage ratio</b>   | 12,19%      | 11,69%      |

## 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-20  |                                  |   |   |                                      |  |              |
|---|---|----------------------------------|---|---|--------------------------------------|--|--------------|
|   | 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                  | 14 828  | 14 828                           | 14 828  | -                                       | -                                    | -  | -            |
| Investment securities                   | 9 198   | 9 198                            | 9 198   | -                                       | -                                    | -  | -            |
| Deferred taxation                       | 47 931  | 47 931                           | 42 721  | -                                       | -                                    | -  | 5 210        |
| Loans and advances                      | 8 167 160   | 8 167 160                        | 8 167 160                                     | -                                       | -                                    | -  | -            |
| Current tax assets                      | 11 795  | 11 795                           | 11 795  | -                                       | -                                    | -  | -            |
| Other assets                            | 75 332  | 75 332                           | 75 332  | -                                       | -                                    | -  | -            |
| Negotiable securities                   | 2 469 396   | 2 469 396                        | 2 469 396                                     | -                                       | -                                    | -  | -            |
| Cash and short-term funds               | 923 536   | 923 536                          | 923 536                                       | -                                       | -                                    | -  | -            |
| <b>Total assets</b>                     | <b>11 719 176</b>   | <b>11 719 176</b>                | <b>11 713 966</b>                             | -                                       | -                                    | -  | <b>5 210</b> |
| <b>Liabilities</b>                      |   |                                  |   |   |                                      |  |              |
| Deposits and funding instruments        | 9 965 473   | 9 965 473                        | -   | -                                       | -                                    | -  | -            |
| Derivative instruments                  | 73 046  | 73 046                           | -   | 73 046                                  | -                                    | -  | -            |
| Provisions                              | 14 990  | 14 990                           | -   | -                                       | -                                    | -  | -            |
| Other liabilities                       | 54 459  | 54 459                           | -   | -                                       | -                                    | -  | -            |
| <b>Total liabilities</b>                | <b>10 107 968</b>   | <b>10 107 968</b>                | -   | <b>73 046</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-20  |                                  |   |   |                                      |          |              |
|---|---|----------------------------------|---|---|--------------------------------------|----------|--------------|
|   | 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                  | 14 828  | 14 828                           | 14 828  | -                                       | -                                    | -        | -            |
| Investment securities                   | 9 198   | 9 198                            | 9 198   | -                                       | -                                    | -        | -            |
| Deferred taxation                       | 47 931  | 47 931                           | 42 721  | -                                       | -                                    | -        | 5 210        |
| Loans and advances                      | 8 167 160   | 8 167 160                        | 8 167 160                                     | -                                       | -                                    | -        | -            |
| Current tax asset                       | 11 795  | 11 795                           | 11 795  | -                                       | -                                    | -        | -            |
| Other assets                            | 75 332  | 75 332                           | 75 332  | -                                       | -                                    | -        | -            |
| Negotiable securities                   | 2 469 396   | 2 469 396                        | 2 469 396                                     | -                                       | -                                    | -        | -            |
| Cash and short-term funds               | 923 536   | 923 536                          | 923 536                                       | -                                       | -                                    | -        | -            |
| <b>Total assets</b>                     | <b>11 719 176</b>   | <b>11 719 176</b>                | <b>11 713 966</b>                             | <b>-</b>                                | <b>-</b>                             | <b>-</b> | <b>5 210</b> |
| <b>Liabilities</b>                      |   |                                  |   |   |                                      |          |              |
| Deposits and funding instruments        | 9 965 473   | 9 965 473                        | -   | -                                       | -                                    | -        | -            |
| Derivative instruments                  | 73 046  | 73 046                           | -   | 73 046                                  | -                                    | -        | -            |
| Provisions                              | 14 990  | 14 990                           | -   | -                                       | -                                    | -        | -            |
| Other liabilities                       | 54 460  | 54 460                           | -   | -                                       | -                                    | -        | -            |
| <b>Total liabilities</b>                | <b>10 107 969</b>   | <b>10 107 969</b>                | <b>-</b>                                      | <b>73 046</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-20            |                       |                          |                                    |                       |
|-----------|--|-------------------|-----------------------|--------------------------|------------------------------------|-----------------------|
|           |  | 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>11 719 176</b> | <b>11 713 966</b>     | -                        | -                                  | -                     |
| 2         | Liabilities carrying value amount under regulatory scope of consolidation (as per Template LI1)  | 10 107 968        | -                     | -                        | 73 046                             | -                     |
| 3         | Total net amount under regulatory scope of consolidation (Row 1 – Row 2)                         | 1 611 208         | 11 713 966            | -                        | 73 046                             | -                     |
| 4         | Off-balance sheet amounts  | 1 359 330         | 416 167               | -                        | -                                  |                       |
| 7         | <i>Differences due to consideration of provisions</i>  | 35 804            | 35 804                | -                        | -                                  |                       |
| <b>10</b> | <b>Exposure amounts considered for regulatory purposes</b>                                       | <b>13 114 310</b> | <b>12 165 937</b>     | -                        | <b>73 046</b>                      |                       |

## Capital management

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

|           |  | Dec-20            |                       |                          |                                    |                       |
|-----------|--|-------------------|-----------------------|--------------------------|------------------------------------|-----------------------|
|           |  | 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>11 719 176</b> | <b>11 713 966</b>     |                          |                                    |                       |
| 2         | Liabilities carrying value amount under regulatory scope of consolidation (as per Template LI1)  | 10 107 969        |                       |                          | 73 046                             |                       |
| 3         | Total net amount under regulatory scope of consolidation (Row 1 – Row 2)                         | 1 611 207         | 11 713 966            | -                        | 73 046                             | -                     |
| 4         | Off-balance sheet amounts  | 1 359 330         | 416 167               |                          |                                    |                       |
| 7         | <i>Differences due to consideration of provisions</i>  | 35 804            | 35 804                |                          |                                    |                       |
| <b>10</b> | <b>Exposure amounts considered for regulatory purposes</b>                                       | <b>13 114 310</b> | <b>12 165 937</b>     | <b>-</b>                 | <b>73 046</b>                      |                       |

## Capital management

### Template PV1: Prudent valuation adjustments (PVAs)

|    |                                 | Dec-20     |                |                  |               |             |               |                               |                               |
|----|---------------------------------|------------|----------------|------------------|---------------|-------------|---------------|-------------------------------|-------------------------------|
|    |                                 | a          | b              | c                | d             | e           | f             | g                             | h                             |
|    |                                 | Equity     | Interest rates | Foreign exchange | Credit        | Commodities | Total         | Of which: in the trading book | Of which: in the banking book |
| 1  | Closeout uncertainty, of which: | -          | -              | -                | -             | -           | -             | -                             | -                             |
| 2  | <i>Mid-market value</i>         | -          | 318            | -                | 247           | -           | 565           | -                             | 565                           |
| 3  | <i>Closeout cost</i>            | -          | 688            | -                | 2 126         | -           | 2 814         | -                             | 2 814                         |
| 4  | <i>Concentration</i>            | -          | -              | -                | -             | -           | -             | -                             | -                             |
| 5  | Early termination               | -          | -              | -                | -             | -           | -             | -                             | -                             |
| 6  | Model risk                      | 255        | -              | -                | 7 974         | -           | 8 229         | -                             | 8 229                         |
| 7  | Operational risk                | -          | -              | -                | 338           | -           | 338           | -                             | 338                           |
| 8  | Investing and funding costs     | -          | -              | -                | -             | -           | -             | -                             | -                             |
| 9  | Unearned credit spreads         | -          | -              | -                | -             | -           | -             | -                             | -                             |
| 10 | Future administrative costs     | -          | -              | -                | -             | -           | -             | -                             | -                             |
| 11 | Other                           | -          | -              | -                | -             | -           | -             | -                             | -                             |
| 12 | <b>Total adjustment</b>         | <b>255</b> | <b>1 006</b>   | <b>-</b>         | <b>10 685</b> | <b>-</b>    | <b>11 946</b> | <b>-</b>                      | <b>11 946</b>                 |

# Liquidity

## Template LIQ1: Liquidity Coverage Ratio (LCR)

|                                   |   | Dec-20                      |                      |
|-----------------------------------|---|-----------------------------|----------------------|
|                                   |   | a                           | b                    |
|                                   |   | Total unweighted value      | Total weighted value |
|                                   |   | (average)                   | (average)            |
|                                   |   | R'000                       | R'000                |
| <b>High-quality liquid assets</b> |   |                             |                      |
| 1                                 | Total HQLA  |                             | 1 704 749            |
| <b>Cash outflows</b>              |   |                             |                      |
| 2                                 | <b>Retail deposits and deposits from small business customers, of which:</b>            |                             |                      |
| 3                                 | Stable deposits   | -                           | -                    |
| 4                                 | Less stable deposits  | 1 512 823                   | 151 282              |
| 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)   | 6 080 605                   | 1 885 353            |
| 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              | 424                         | 424                  |
| 12                                | Outflows related to loss of funding on debt products                                    | -                           | -                    |
| 13                                | Credit and liquidity facilities   | -                           | -                    |
| 14                                | <b>Other contractual funding obligations</b>  | 554 819                     | 38 065               |
| 15                                | <b>Other contingent funding obligations</b>   | 173 927                     | 7 587                |
| 16                                | <b>TOTAL CASH OUTFLOWS</b>  |                             | <b>2 082 711</b>     |
| <b>Cash inflows</b>               |   |                             |                      |
| 17                                | <b>Secured lending (eg reverse repos)</b>   | -                           | -                    |
| 18                                | <b>Inflows from fully performing exposures</b>  | 3 523 058                   | 3 040 928            |
| 19                                | Other cash inflows  | 320                         | 320                  |
| 20                                | <b>TOTAL CASH INFLOWS</b>   | <b>3 523 378</b>            | <b>3 041 248</b>     |
|                                   |   | <b>Total adjusted value</b> |                      |
| 21                                | <b>Total HQLA</b>   |                             | <b>1 704 749</b>     |
| 22                                | <b>Total net cash outflows</b>  |                             | <b>520 678</b>       |
| 23                                | <b>Liquidity Coverage Ratio (%)</b>   |                             | <b>327</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

|  |   | Dec-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  |                                       |            |                      | 1 581 894 | 1 581 894 |
| 3  | Other capital instruments   |                                       |            |                      | 65 119    | 65 119    |
| 4  | Retail deposits and deposits from small business customers:   |                                       |            |                      |           |           |
| 5  | Stable deposits   |                                       | -          | -                    | -         | -         |
| 6  | Less stable deposits  |                                       | 5 255 872  | 161 924              | 20 931    | 4 896 947 |
| 7  | Wholesale funding:  |                                       |            |                      |           |           |
| 8  | Operational deposits  |                                       | -          | -                    | -         | -         |
| 9  | Other wholesale funding   |                                       | 3 007 689  | 1 055 710            | 463 344   | 2 269 005 |
| 10   | Liabilities with matching interdependent assets   |                                       |            |                      |           |           |
| 11   | Other liabilities:  |                                       |            |                      |           |           |
| 12   | NSFR derivative liabilities   |                                       |            |                      | 5 536     |           |
| 13   | All other liabilities and equity not included in the above categories   |                                       | -          | -                    | 69 452    | 69 452    |
| 14   | <b>Total ASF</b>  |                                       |            |                      |           | 8 882 417 |
| <b>Required stable funding (RSF) item</b>  |   |                                       |            |                      |           |           |
| 15   | Total NSFR high-quality liquid assets (HQLA)  |                                       |            |                      |           | 91 955    |
| 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                               | -                                     | 575 754    | -                    | -         | 86 363    |
| 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: | -                                     | 1 706 642  | 756 267              | 5 992 434 | 6 201 244 |
| 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  |                                       | 1 498      | -                    | 31 001    | 20 900    |
| 24   | Securities that are not in default and do not qualify as HQLA, including exchange-traded equities   |                                       | 607 237    |                      |           | 303 619   |
| 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   |                                       |            |                      | 142 610   | 142 610   |
| 32   | Off-balance sheet items   |                                       |            |                      | 896 229   | 44 811    |
| 33   | <b>Total RSF</b>  |                                       |            |                      |           | 6 891 502 |
| 34   | <b>Net Stable Funding Ratio (%)</b>   |                                       |            |                      |           | 128,89    |