



GRINDROD BANK LIMITED
BASEL PILLAR III DISCLOSURE REPORT
30 SEPTEMBER 2023



Grindrod Bank Limited

Template Reference:

		Annual Financial Statements
		Sep-23
	Template	Page Reference
1	OVA - Bank Risk Management Approach	80 - 90
2	LIQA - Liquidity Risk Management	82 - 84
3	CRA - General information about credit risk	80 - 82
4	CRB - Credit quality of assets	35 - 42, 55 - 61, 80 - 82
5	CRC - Credit risk mitigation techniques	35 - 42, 81
6	CRD - Use of external credit ratings under the standardised approach	35 - 42
7	CCRA - Qualitative disclosures related to CCR	82
8	REMA - Remuneration Policy	90 - 92
9	REM1 - Remuneration awarded during the financial year	71 - 73, 90 - 92
10	REM2 - Special Payments	71 - 73, 90 - 92

Grindrod bank has not prepared an integrated report since acquisition by African Bank in November 2022. The references to the integrated report sections can be found on the African Bank Pillar III disclosures, as Grindrod bank is consolidated into the group information presented.

Capital management

Template KM1: Key metrics - Grindrod Bank Limited

		a	b	c	d	e
		Sep-23	Jun-23	Mar-23	Dec-22	Sep-22
		T	T	T-1	T-2	T-3
	Available capital (amounts)	R'000	R'000	R'000	R'000	R'000
1	Common Equity Tier 1 (CET1)	1,527,192	1,470,081	1,470,081	1,345,073	1,343,172
1a	Fully loaded ECL accounting model CET1	1,527,192	1,470,081	1,470,081	1,345,073	1,343,172
2	Tier 1	1,812,192	1,755,081	1,755,081	1,630,073	1,628,172
2a	Fully loaded ECL accounting model Tier 1	1,812,192	1,755,081	1,755,081	1,630,073	1,628,172
3	Total capital	1,837,932	1,774,255	1,766,254	1,639,317	1,673,582
3a	Fully loaded ECL accounting model total capital	1,837,932	1,774,255	1,766,254	1,639,317	1,673,582
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	12,173,745	10,979,512	10,340,309	10,402,761	9,797,917
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	12.55%	13.39%	14.22%	12.93%	13.71%
5a	Fully loaded ECL accounting model Common Equity Tier 1 (%)	12.55%	13.39%	14.22%	12.93%	13.71%
6	Tier 1 ratio (%)	14.89%	15.99%	16.97%	15.67%	16.62%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	14.89%	15.99%	16.97%	15.67%	16.62%
7	Total capital ratio (%)	15.10%	16.16%	17.08%	15.76%	17.08%
7a	Fully loaded ECL accounting model total capital ratio (%)	15.10%	16.16%	17.08%	15.76%	17.08%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement (%)	0.00%	0.00%	0.00%	0.00%	0.00%
10	Bank G-SIB and/or D-SIB additional requirements (%)	0.00%	0.00%	0.00%	0.00%	0.00%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.50%	2.50%	2.50%	2.50%	2.50%
12	CET1 available after meeting the bank's minimum capital requirements (%)	5.05%	5.89%	6.72%	5.43%	6.21%
Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	16,114,910	16,274,600	14,952,061	14,970,525	15,307,058
14	Basel III leverage ratio (%) (row 2 / row 13)	11.25%	10.78%	11.74%	10.89%	10.64%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%)	11.25%	10.78%	11.74%	10.89%	10.64%
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA)	4,923,787	4,528,963	4,368,351	4,684,883	5,107,787
16	Total net cash outflow	1,488,654	919,643	1,049,363	1,150,365	613,451
17	LCR (%)	331%	492%	416%	407%	833%
Net Stable Funding Ratio						
18	Total available stable funding	11,586,715	11,146,652	11,031,172	11,123,230	11,397,895
19	Total required stable funding	8,242,917	7,749,482	7,291,104	7,106,221	6,893,367
20	NSFR	141%	144%	151%	157%	165%

Capital management

Template OV1: Overview of RWA - Grindrod Bank Limited

		a	b	c
		RWA		Minimum capital requirements
		Sep-23	Jun-23	Sep-23
		T	T-1	T
		R'000	R'000	R'000
1	Credit risk (excluding counterparty credit risk)	9,581,465	8,432,194	1,101,868
2	Of which: standardised approach	9,581,465	8,432,194	1,101,868
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)	4,494	3,795	517
7	Of which: standardised approach for counterparty credit risk	4,494	3,795	517
8	Of which: Internal Model Method (IMM)	-	-	-
9	Of which: other CCR	-	-	-
10	Credit valuation adjustment (CVA)	4,607	4,042	530
11	Equity positions under the simple risk weight approach and the internal model method	1,233,620	1,289,809	141,866
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	1,868	1,885	215
21	Of which: standardised approach	1,868	1,885	215
22	Of which: internal models approach (IMA)	-	-	-
23	Operational risk	1,066,759	949,159	122,677
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	140,172	148,468	16,120
25	Floor adjustment	140,760	150,159	16,187
26	Total (1 + 6 + 10 + 11 + 12 + 13 + 14 + 15 + 16 + 20 + 23 + 24 + 25)	12,173,745	10,979,512	1,399,981

Composition of Capital

Template CC1 – Composition of regulatory capital - Grindrod Bank Limited

		Sep-23
		Amounts
Common Equity Tier 1 capital: instruments and reserves		R'000
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	348,579
2	Retained earnings	1,197,509
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	Common Equity Tier 1 capital before regulatory adjustments	1,546,088
Common Equity Tier 1 capital: regulatory adjustments		
7	Prudent valuation adjustments	10,984
8	Goodwill (net of related tax liability)	-
9	Other intangibles other than mortgage servicing rights (MSR) (net of related tax liability)	8,075
10	Deferred tax assets (DTA) that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	-
11	Cash flow hedge reserve	-
12	Shortfall of provisions to expected losses	-
13	Securitisation gain on sale (as set out in [CAP30.14])	-
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-163
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	Total regulatory adjustments to Common Equity Tier 1 capital	18,896
29	Common Equity Tier 1 capital (CET1)	1,527,192
	Additional Tier 1 capital: instruments	
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	Additional Tier 1 capital before regulatory adjustments	285,000
	Additional Tier 1 capital: regulatory adjustments	
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	Total regulatory adjustments to additional Tier 1 capital	-
44	Additional Tier 1 capital (AT1)	285,000
45	Tier 1 capital (T1 = CET1 + AT1)	1,812,192
	Tier 2 capital: instruments and provisions	
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	25,740
51	Tier 2 capital before regulatory adjustments	25,740
	Tier 2 capital: regulatory adjustments	
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	Total regulatory adjustments to Tier 2 capital	-
58	Tier 2 capital	25,740

59	Total regulatory capital (= Tier 1 + Tier2)	1,837,932
60	Total risk-weighted assets	12,173,745
	Capital adequacy ratios and buffers	
61	Common Equity Tier 1 capital (as a percentage of risk-weighted assets)	12.55%
62	Tier 1 capital (as a percentage of risk-weighted assets)	14.89%
63	Total capital (as a percentage of risk-weighted assets)	15.10%
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)	
65	Of which: capital conservation buffer requirement	2.50%
66	Of which: bank-specific countercyclical buffer requirement	0%
67	Of which: higher loss absorbency requirement	0%
68	Common Equity Tier 1 capital (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements	5.05%
	National minima (if different from Basel III)	
69	National minimum Common Equity Tier 1 capital adequacy ratio (if different from Basel III minimum)	7.50%
70	National minimum Tier 1 capital adequacy ratio (if different from Basel III minimum)	9.25%
71	National minimum Total capital adequacy ratio (if different from Basel III minimum)	11.50%
	Amounts below the thresholds for deduction (before risk-weighting)	
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)	56,069
	Applicable caps on the inclusion of provisions in Tier 2 capital	
76	Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to standardised approach (prior to application of cap)	25,740
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	-
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)		
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

	Sep-23		
	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	11,327	11,327	
Intangible assets	8,075	8,075	
Investment securities	3,020	3,020	
Deferred taxation	56,069	56,069	
Loans and advances	9,773,282	9,773,282	
Derivative instruments	4,080	4,080	
Other assets	129,933	129,933	
Liquid assets and short-term negotiable securities	3,693,641	3,693,641	
Cash and short-term funds	1,494,259	1,494,258	
Total assets	15,173,685	15,173,685	
Liabilities			
Deposits and funding instruments	13,176,461	13,176,461	
Provisions	41,588	41,588	
Other liabilities	43,592	43,592	
Taxation	3,272	3,272	
Total liabilities	13,264,913	13,264,913	
Shareholders' equity			
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	1,275,193	1,275,193	
Total shareholders' equity	1,908,772	1,908,772	

Credit Risk

Template CR1: Credit quality of assets - Grindrod Bank Limited

		a	b	c	d	e	f	g	
		Gross carrying values of		Allowances/ impairments	Of which ECL accounting provisions for credit losses on standardised approach exposures	Allocated in regulatory category of Specific	Allocated in regulatory category of General	Of which ECL accounting provisions for credit losses on IRB exposures	Net values (a+b-c)
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
1	Loans	1,029,709	8,048,706	279,501	257,193	22,308	-	-	8,798,914
2	Debt Securities	-	3,694,293	652	-	652	-	-	3,693,641
3	Off-balance sheet exposures	10,137	1,524,544	-	-	-	-	-	1,534,681
4	Total	1,039,846	13,267,543	280,153	257,193	22,960	-	-	14,027,236

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.

Debt securities includes the bank's investment in treasury bills and government bonds.

Credit Risk

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

		Sep-23
		a
		R'000
1	Defaulted loans and debt securities at end of the previous reporting period	252,465
2	Loans and debt securities that have defaulted since the last reporting period	803,506
3	Returned to non-defaulted status	10,344
4	Amounts written off	-
5	Other changes	(15,918)
6	Defaulted loans and debt securities at end of the reporting period	1,029,709
	(1+2-3-4+5)	

Credit Risk

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

		Sep-23				
		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	298,102	10,314,994	10,032,895	24,906	-
2	Debt securities	3,694,293	-	-	-	-
3	Total	3,992,395	10,314,994	10,032,895	24,906	-
4	Of which defaulted	-	1,039,846	833,405	-	-

Unsecured loans includes the bank's placement of surplus cash in the interbank market.

Debt securities includes the bank's investment in treasury bills and government bonds.

Credit Risk

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

		Sep-23					
		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	3,694,293	-	3,694,293	-	-	-
2	Non-central government public sector entities	-	-	-	-	-	-
3	Multilateral development banks	-	-	-	-	-	-
4	Banks	298,102	-	298,102	-	63,216	1%
5	Securities firms	-	-	-	-	-	0%
6	Corporates	7,699,756	1,488,457	7,674,850	678,069	8,194,767	84%
7	Regulatory retail portfolios	-	-	-	-	-	-
8	Secured by residential property	50,848	36,087	50,848	20,878	32,425	0.0
9	Secured by commercial real estate	-	-	-	-	-	-
10	Equity	-	-	-	-	-	-
11	Past-due loans	1,029,709	10,137	1,029,709	5,069	1,295,552	13%
12	Higher-risk categories	-	-	-	-	-	-
13	Other assets	1,380,455	-	1,380,455	-	140,760	1%
14	Total	14,153,163	1,534,681	14,128,257	704,016	9,726,720	100%

Credit Risk

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

		Sep-23									
		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	3,694,293	-	-	-	-	-	-	-	-	3,694,293
2	Non-central government public sector entities	-	-	-	-	-	-	-	-	-	-
3	Multilateral development banks	-	-	-	-	-	-	-	-	-	-
4	Banks	-	-	293,608	-	-	-	4,494	-	-	298,102
5	Securities firms	-	-	-	-	-	-	-	-	-	-
6	Corporates	-	-	-	-	-	-	8,339,211	7,202	-	8,346,413
7	Regulatory retail portfolios	-	-	-	-	-	-	-	-	-	-
8	Secured by residential property	-	-	-	57,547	-	7,580	18,175	-	-	83,301
9	Secured by commercial real estate	-	-	-	-	-	-	-	-	-	-
10	Equity	-	-	-	-	-	-	-	-	-	-
11	Past-due loans	-	-	-	-	223,094	-	59,833	746,782	-	1,029,709
12	Higher-risk categories	-	-	-	-	-	-	-	-	-	-
13	Other assets	1,239,695	-	-	-	-	-	140,760	-	-	1,380,455
14	Total	4,933,988	-	293,608	57,547	223,094	7,580	8,582,473	753,984	-	14,832,273

Credit Risk

Template CCR1: Analysis of CCR exposures by approach - Grindrod Bank Limited

		Sep-23					
		a	b	c	d	e	f
		Replacement cost	Potential future exposure	Effective EPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR (for derivatives)	2,599	611		1.4	4,239	9,101
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	Total	2,599	611	-	1.4	4,239	9,101

The Bank's exposure to counterparty credit risk is in respect of over the counter interest rate swaps entered into to hedge against exposure to market risk.

The Bank 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

		Sep-23	
		a	b
		EAD post-CRM	RWA
	Total portfolios subject to the Advanced CVA capital charge	-	-
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	4,239	4,607
4	Total subject to the CVA capital charge	4,239	4,607

Credit Risk

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

Risk weight****→	Sep-23								
	a	b	c	d	e	f	g	h	i
	0%	10%	20%	50%	75%	100%	150%	Others	Total credit exposure
Regulatory portfolio*!									
Sovereigns									-
Non-central government public sector entities									-
Multilateral development banks									-
Banks						4,494			4,494
Securities firms									-
Corporates									-
Regulatory retail portfolios									-
Other assets									-
Total	-	-	-	-	-	4,494	-	-	4,494

Credit Risk

Template CCR5: Composition of collateral for CCR exposure - Grindrod Bank 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		2,228		-		
Cash – other currencies						
Domestic sovereign debt						
Other sovereign debt						
Government agency debt						
Corporate bonds						
Equity securities						
Other collateral						
Total	-	2,228	-	-	-	-

Leverage ratio

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

		Sep-23
		R'000
1	Total consolidated assets as per published financial statements	15,161,529
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	3,210
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)	950,170
7	Other adjustments	-
8	Leverage ratio exposure measure	16,114,909

Leverage ratio

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

		Sep-23	Jun-23
		T	T
		R'000	R'000
		Quarter-end	Quarter-end
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	15,161,529	15,607,395
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	-	-
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 and 2)	15,161,529	15,607,395
Derivative exposures			
4	Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	2,599	1,742
5	Add-on amounts for potential future exposure (PFE) associated with <i>all</i> derivatives transactions	611	969
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-	-
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	-
8	(Exempted central counterparty, or CCP, leg of client-cleared trade exposures)	-	-
9	Adjusted effective notional amount of written credit derivatives	-	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
11	Total derivative exposures (sum of rows 4 to 10)	3,210	2,711
Securities financing transaction exposures			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-	-
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
14	Counterparty credit risk exposure for SFT assets	-	-
15	Agent transaction exposures	-	-
16	Total securities financing transaction exposures (sum of rows 12 to 15)	-	-
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	1,534,678	1,323,346
18	(Adjustments for conversion to credit equivalent amounts)	(584,508)	(658,851)
19	Off-balance sheet items (sum of rows 17 and 18)	950,170	664,495
Capital and total exposures			
20	Tier 1 capital	1,812,192	1,755,081
21	Total exposures (sum of rows 3, 11, 16 and 19)	16,114,909	16,274,600
Leverage ratio			
22	Basel III leverage ratio	11.25%	10.78%

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

	Sep-23						
	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	11,327	11,327	11,327	-	-	-	-
Intangible assets	8,075	8,075	-	-	-	-	8,075
Investment securities	3,020	3,020	3,020	-	-	-	-
Deferred taxation	56,069	56,069	56,069	-	-	-	-
Loans and advances	9,773,282	9,773,282	9,773,282	-	-	-	-
Derivative instruments	4,080	4,080	-	4,080	-	-	-
Other assets	129,933	129,933	129,933	-	-	-	-
Negotiable securities	3,693,641	3,693,641	3,693,641	-	-	-	-
Cash and short-term funds	1,494,259	1,494,259	1,494,259	-	-	-	-
Total assets	15,173,685	15,173,685	15,161,530	4,080	-	-	8,075
Liabilities							
Deposits and funding instruments	13,176,461	13,176,461	-	-	-	-	-
Provisions	41,588	41,588	-	-	-	-	-
Other liabilities	43,592	43,592	-	-	-	-	-
Taxation	3,272	3,272	-	-	-	-	-
Total liabilities	13,264,913	13,264,913	-	-	-	-	-

Capital management

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

		Sep-23				
		a	b	c	d	e
		Total	Items subject to:			
			Credit risk framework	Securitisation framework	Counterparty credit risk framework	Market risk framework
1	Asset carrying value amount under scope of regulatory consolidation (as per Template LI1)	15,165,610	15,161,530	-	4,080	-
2	Liabilities carrying value amount under regulatory scope of consolidation (as per Template LI1)	13,264,913	-	-	-	-
3	Total net amount under regulatory scope of consolidation (Row 1 – Row 2)	1,900,697	15,161,530	-	4,080	-
4	Off-balance sheet amounts	1,534,681	704,016	-	-	
7	<i>Differences due to consideration of provisions</i>	25,740	25,740	-	-	
10	Exposure amounts considered for regulatory purposes	16,726,031	15,891,286	-	4,080	

Capital management

Template PV1: Prudent valuation adjustments (PVAs)

		Sep-23							
		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>	-	7	-	16	-	23	-	23
3	<i>Closeout cost</i>	-	275	-	3,249	-	3,524	-	3,524
4	<i>Concentration</i>	-	-	-	-	-	-	-	-
5	Early termination	-	-	-	-	-	-	-	-
6	Model risk	1	-	-	7,082	-	7,083	-	7,083
7	Operational risk	-	-	-	355	-	355	-	355
8	Investing and funding costs	-	-	-	-	-	-	-	-
9	Unearned credit spreads	-	-	-	-	-	-	-	-
10	Future administrative costs	-	-	-	-	-	-	-	-
11	Other	-	-	-	-	-	-	-	-
12	Total adjustment	1	282	-	10,702	-	10,985	-	10,985

Liquidity

Template LIQ1: Liquidity Coverage Ratio (LCR)

		Sep-23	
		a	b
		Total unweighted value	Total weighted value
		(average)	(average)
		R'000	R'000
High-quality liquid assets			
1	Total HQLA	5,211,615	5,211,615
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:		
3	Stable deposits	-	-
4	Less stable deposits	2,538,816	253,882
5	Unsecured wholesale funding, of which:		
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-
7	Non-operational deposits (all counterparties)	6,998,794	1,697,825
8	Unsecured debt		
9	Secured wholesale funding	411,299	-
10	Additional requirements, of which:		
11	Outflows related to derivative exposures and other collateral requirements	-	-
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	-	-
14	Other contractual funding obligations	448,168	27,289
15	Other contingent funding obligations	355,250	17,094
16	TOTAL CASH OUTFLOWS	10,752,327	1,996,090
Cash inflows			
17	Secured lending (e.g. reverse repos)	425,527	-
18	Inflows from fully performing exposures	589,059	483,182
19	Other cash inflows	59,812	59,812
20	TOTAL CASH INFLOWS	1,074,398	542,994
		Total adjusted value	
21	Total HQLA		5,211,615
22	Total net cash outflows		1,453,096
23	Liquidity Coverage Ratio (%)		359

To manage liquidity risk, the Bank 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 Bank manages funding requirements by assessing the liquidity impact under normal (business as usual) and stressed scenarios.

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

Liquidity

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

		Sep-23				
		a	b	c	d	e
		Unweighted value by residual maturity				Weighted
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	value
		R'000	R'000	R'000	R'000	R'000
Available stable funding (ASF) item						
1	Capital:					
2	Regulatory capital				1,856,828	1,856,828
3	Other capital instruments				77,684	77,684
4	Retail deposits and deposits from small business customers:					
5	Stable deposits		-	-	-	-
6	Less stable deposits		8,142,319	43,454	22,026	7,389,222
7	Wholesale funding:					
8	Operational deposits		-	-	-	-
9	Other wholesale funding		4,694,901	247,698	23,836	2,259,159
10	Liabilities with matching interdependent assets					
11	Other liabilities:					
12	NSFR derivative liabilities					-
13	All other liabilities and equity not included in the above categories		83,544	2,172	2,736	3,822
14	Total ASF					11,586,715
Required stable funding (RSF) item						
15	Total NSFR high-quality liquid assets (HQLA)					184,354
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	-	255,525	-	-	38,329
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:	-	1,739,045	913,711	8,094,329	7,727,975
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			5,601	33,550	24,608
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities		0			0
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				1,852	1,852
30	NSFR derivative liabilities before deduction of variation margin posted					-
31	All other assets not included in the above categories				200,874	200,874
32	Off-balance sheet items				1,298,518	64,926
33	Total RSF					8,242,917
34	Net Stable Funding Ratio (%)					140.57