

GRINDROD BANK LIMITED
QUARTERLY PUBLIC DISCLOSURE REQUIREMENTS IN TERMS OF REGULATION 43
30 September 2018

	Grindrod Bank Limited	
	R'000	
(A) Common Equity Tier 1 capital and reserve funds	1,014,797	
Additional Tier 1 capital and reserve funds	285,000	
Tier 1 capital and reserve funds	1,299,797	(a)
Tier 1 Capital Adequacy Ratio	%	13.78 (a) / ((c)/(b))
Tier 1 Capital - Minimum Required Ratio	%	9.81
(B) Total qualifying capital and reserve funds	1,338,386	(d)
Total Capital Adequacy Ratio	%	14.19 (d) / ((c)/(b))
Total Capital - Minimum Required Ratio	%	12.38 (b)
(C) Components of Capital		
Capital and reserve funds		
Ordinary share capital and premium	248,579	<i>Common Equity Tier 1 capital</i>
Preference share capital	285,000	<i>Additional Tier 1 capital</i>
Retained earnings (appropriated)	766,218	<i>Common Equity Tier 1 capital</i>
Retained earnings (unappropriated)	42,488	
Total Equity	1,342,285	
Less: Retained earnings (unappropriated)	-42,488	
Prescribed deductions against capital and reserve funds	-	
Total qualifying tier 1 capital and reserve funds	1,299,797	
Tier 2 capital and unimpaired reserve funds		
General allowance for credit impairment	38,589	<i>Tier 2 capital</i>
Total qualifying capital and reserve funds	1,338,386	
(D) Total required amount of capital and reserve funds	1,167,113	(c)
<i>(risk weighted assets (RWA) * total capital minimum required ratio (b))</i>		
Credit and counterparty credit risk	1,017,418	<i>Standardised approach</i>
<i>(including large exposure concentration risk requirement)</i>		
Operational	96,483	<i>Basic indicator approach</i>
Market	-	
Equity	-	<i>Standardised approach</i>
Other	53,212	
Surplus qualifying capital and reserve funds	171,273	
Qualifying vs required capital and reserve funds	1.15	
(E) Countercyclical buffer requirement	-	
(F) Risk exposure or other capital related items that are subject to rapid or material change		
No specific risk items that are subject to rapid or material change have been identified at this stage.		
The level of retail deposits fluctuates significantly depending on the timing of the retail pay cycle.		
The corresponding assets are either in the interbank market or in the SARB settlement account.		
From a capital perspective the assets are measured on average balances limiting volatility in capital adequacy.		



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Leverage	
Total exposures for the calculation of the leverage ratio	13,843,641 (e)
Total qualifying tier 1 capital and reserve funds	1,299,797 (a)
Leverage ratio at reporting date	% 9.39 (a) / (e)
Specified minimum leverage ratio	% 4.00 (f)
Maximum leveraged exposure	32,494,925 (a) / (f)

Material differences between the bank's total balance sheet assets, as reported in the Bank's financial statements (AFS), and the bank's on-balance sheet exposure measure.

The following are reported net in the AFS but split into assets and liabilities for regulatory reporting:

Deferred taxation

Derivatives

Portfolio credit impairments (deducted from advances in AFS but added back to exposure measure)

Key drivers of material changes

The level of retail deposits fluctuates significantly during a month, due to the timing of the retail pay cycle, impacting corresponding assets (interbank / SARB settlement account) and the leverage ratio denominator. The latter fluctuations are unlikely to result in a regulatory leverage ratio breach as the balance sheet size is significantly lower than the maximum leveraged exposure level possible based on current capital.

Additional disclosure

Additional disclosure can be found in the annual financial statements on the Bank's website, <https://www.grindrodbank.co.za>, under library.

