



PILLAR 3 DISCLOSURE
DECEMBER 2020

grobank



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1. Introduction

The purpose of this document is to disclose both qualitative and quantitative information regarding the Bank's capital adequacy position, risk profile and risk management practices in terms of the Basel III requirements under Regulation 43 of the regulations relating to banks.

In terms of Regulation 43(1) (e) (iii) of regulations relating to banks, minimum disclosure on capital adequacy of the bank is required on a quarterly basis. This announcement meets the on-going report requirement for quarterly disclosure in terms of Pillar 3 of the Basel III capital accord.

The Pillar 3 report is produced and published quarterly. This report is verified and approved internally in line with the Bank's disclosure policy.

The Pillar 3 report has not been audited by the Bank's external auditors.

Business Profile

Grobank was established in 1947 (formerly known as South African Bank of Athens Limited) and is a 99,93% subsidiary GroCapital Holdings Limited. The parent company's commitment to and close involvement with the Bank provides a solid foundation and supports the bank's strategy of being a niche bank in the food and agriculture value chain.

Restrictions on transfer of funds or regulatory capital

There are currently restrictions or other major impediments in place on the transfer of funds or capital within the Bank due the low current levels of capital as stipulated by the bank regulations.



2. Capital Management

The Bank is subject to minimum capital requirements as defined in the Banks Act and Regulations pertaining to Banks.

The Risk Management Committee considers the various risks faced by the Bank and analyses the need to hold capital against these risks whilst taking account of the regulatory requirements. In addition, the level of capital required to support the Bank's targeted business growth is taken into consideration.

The objective of the Bank's capital management approach is to ensure the maintenance of sound capital ratios, taking all the above requirements into account, whilst producing appropriate returns to shareholders. The Bank's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- To comply with the capital requirements set by the regulators of the banking industry in which the Bank operates;
- To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

The capital of the Bank consists of Tier 1 capital and Tier 2 in the form of IFRS general provision.

Capital adequacy and the use of regulatory capital are monitored by ALCCO, employing techniques based on the guidelines developed by the Basel Committee, as implemented by the South African Reserve Bank (SARB), for supervisory purposes. The required information is filed with the SARB on a monthly basis.

The Bank maintains a ratio of total regulatory capital to its risk-weighted assets above a minimum level agreed with the SARB which takes into account the risk profile of the Bank.

Grobank did not meet the minimum required capital adequacy ratio requirement as at the 31 December 2020 with a total capital adequacy of 4.76% and a Tier 1 capital adequacy of 4.18%, thus falling below the minimum regulatory requirements.

The regulatory capital requirements are strictly observed when managing economic capital. The Bank's regulatory capital comprises two tiers:

- Tier 1 capital: share capital and share premium, less accumulated losses. The book value of intangible assets is deducted in arriving at Tier 1 capital; and
- Tier 2 capital: IFRS 9 general provisions

Regulatory Capital and Risk weighted assets – Table 2.1		R'000
		31-Dec-20
Ordinary Share Capital		91 482
Share Premium		734 838
Revaluation Reserves		
Total common equity tier 1 capital and unimpaired reserve funds		826 320
Retained Earnings/(Loss)		(650 675)
Regulatory deductions against primary capital		(87 066)
Total common equity tier 1 capital after regulatory adjustments		88 580
Tier 2 capital		
Portfolio impairment		12 424
Total qualifying capital and reserve funds		101 004
Risk Weighted Assets		2 120 873
Total Capital adequacy ratio		4,7624%
Tier 1 Capital adequacy ratio		4,1766%

Required capital adequacy ratios and amounts - Table 2.2		31-Dec-20	
		Percentages	Rand amounts (R'000)
		Common Equity Tier 1	Common Equity Tier 1
Base minimum (2)		4,5000%	95 439
Add-on: systemic risk add-on (Pillar 2A)		0,0000%	-
Add-on: countercyclical buffer (5)		0,0000%	-
Add-on: conservation buffer (6)		2,5000%	53 022
		7,0000%	148 461

Composition of risk weighted assets and required regulatory capital- Table 2.3		
	Composition of Risk Weighted Assets	Base Minimum Required Regulatory Capital
31-Dec-20	R'000	R'000
Risk weighted exposure		
Credit Risk *	1 732 821	138 626
Counter party risk****	78 284	6 263
Operational Risk **	254 483	20 359
Market Risk ***	3 373	270
Other Assets	51 896	4 152
Equity Risk	15	1
Total	2 120 873	169 670

* RWA and required regulatory capital in terms of **credit risk** are measured using the standardised approach.

** RWA and required regulatory capital in terms of **operational risk** are measured using the standardised approach.

*** RWA and required regulatory capital in terms of **market risk** are measured using the standardised approach.

**** RWA and required regulatory capital in terms of **counterparty risk** are measured using the current exposure method under the standardised approach.



Capital Structure

The Bank has one class of ordinary shares which carry no right to fixed income. The unissued shares are under the control of the directors subject to notification to and specific approval by GroCapital Holdings, until the next Annual General Meeting.

Capital Structure – Table 2.4		Dec-20
		R'000
Authorised		
1 000 000 000 ordinary shares of R1 each (par value)		1 000 000
Issued		
Ordinary Share Capital		91 482
Share Premium		
Share Premium		734 838

COMPOSITION OF CAPITAL DISCLOSURE TEMPLATE			
ANNEXURE A			
Name of bank/ controlling company GROBANK LIMITED			
Six months ended 2020-12-31			
TEMPLATE CC1: COMPOSITION OF REGULATORY CAPITAL			
Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from 1 June 2013 to 1 January 2018)		a	b
Common Equity Tier 1 capital: instruments and reserves		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	826 320	(h)
2	Retained earnings		
3	Accumulated other comprehensive income (and other reserves) (BA700 line 31 column 1)	-	
6	Common Equity Tier 1 capital before regulatory adjustments (BA700 line 41 column 1)	826 320	
Common Equity Tier 1 capital: regulatory adjustments			
9	Other intangibles other than mortgage-servicing rights (net related tax liability)	71 923	(b) minus (e)
28	Total regulatory adjustments to Common equity Tier 1 (BA700 lines 42+55+57+58+59+61+63 column 1)	737 740	
29	Common Equity Tier 1 (CET1) (BA700 line 64 column 1)	88 580	
44	Additional Tier 1 capital (AT1) (BA700 line 76 column 1)	-	
45	Tier 1 capital (T1 = CET1 + AT1) (BA700 line 77 column 1)	88 580	
Tier 2 capital and provisions			
50	Provisions (BA700 line 84 column 1)	12 424	
51	Tier 2 capital before regulatory adjustments (BA700 line 78 column 1)	12 424	
Tier 2 capital: regulatory adjustments			
57	Total regulatory adjustments to Tier 2 capital (BA700 line 86 column 1)	-	
58	Tier 2 capital (T2) (BA700 line 87 column 1)	12 424	
59	Total capital (TC = T1 + T2) (BA700 line 88 column 1)	101 004	
60	Total risk weighted assets (BA700 line 6 column 7)	2 120 873	
Capital ratios			
61	Common Equity Tier 1 (as a percentage of risk weighted assets) (BA700 line 18 column 1)	4,18	
62	Tier 1 (as a percentage of risk weighted assets) (BA700 line 18 column 2)	4,18	
63	Total capital (as a percentage of risk weighted assets) (BA700 line 18 column 3)	4,76	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	-	
National Minima (if different from Basel 3)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel 3 minimum) (BA700 Column 1 (lines 9 + 14 + 15)) Excluding ICR and DSIB	4,50	
70	National Tier 1 minimum ratio (if different from Basel 3 minimum) (BA700 Column 2 (lines 9 + 14 + 15)) Excluding ICR and DSIB	6,00	
71	National total capital minimum ratio (if different from Basel 3 minimum) (BA700 Column 3 (lines 9 + 14 + 15)) Excluding ICR and DSIB	8,00	
Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	22 433	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	12 424	

COMPOSITION OF CAPITAL DISCLOSURE TEMPLATE			
ANNEXURE A			
Name of bank/ controlling company GROBANK LIMITED			
Six months ended 2020-12-31			
TEMPLATE CC2: RECONCILIATION OF REGULATORY CAPITAL TO BALANCE SHEET			in 000's
	a	b	c
	Balance sheet as in audited financial statements	Under regulatory scope of consolidation	Reference
	As @ end of period	As @ end of period	
Assets			
Cash and balances at central banks	84 814		
Items in the course of collection from other banks			
Trading portfolio assets			
Financial assets designated at fair value			
Derivative financial instruments	52 643		
Loans and advances to banks	534 698		
Loans and advances to customers	1 943 652		
Reverse repurchase agreements and other similar secured lending			
Current and deferred tax assets			
Prepayments, accrued income and othe assets	34 199		
Investments in associates and joint ventures			
Other Investments held to maturity	199 605		
Goodwill and intangible assets	71 923		
Of which: goodwill			(a)
Of which: other intangibles (excluding MSRs)	71 923		(b)
Of which: MSRs			(c)
Property, plant and equipment	17 697		
Total assets	2 939 231		
Deposits from banks	35 732		
Items in the course of collection due to other banks			
Customer accounts	2 422 659		
Repurchase agreements and other similar secured borrowing			
Trading portfolio liabilities			
Financial liabilities designated at fair value			
Derivative financial instruments	56 722		
Debt securities in issue			
Accruals, deferred income and other liabilities	98 472		
Current and deferred tax liabilities			
Of which: DTLs related to goodwill			(d)
Of which: DTLs related to intangible assets			(e)
Of which: DTLs related to MSRs			(f)
Term debt	150 000		
Provisions			
Retirement benefit liabilities			
Total liabilities	2 763 586		
Shareholder's Equity			
Paid-in share capital	826 320		
Of which: amount eligible for CET1	826 320		(h)
Of which: amount eligible for AT1			(i)
Retained earnings	-650 675		
Accumulated and other comprehensive income	-		
Total shareholder's equity	175 645		

MAIN FEATURES DISCLOSURE TEMPLATE	
ANNEXURE B	
Name of bank/ controlling company	GROBANK LIMITED
Six months ended	2020-12-31
TABLE CCA: MAIN FEATURES OF REGULATORY CAPITAL INSTRUMENTS	
Disclosure template for main features of regulatory capital instruments	Ordinary Share Capital (Including Share Premium)
1 Issuer	GROBANK
2 Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	Not Applicable
3 Governing law(s) of the instrument	South African Banks Act 1990
Regulatory treatment	
4 Transitional Basel III rules	CET1
5 Post-transitional Basel III rules	CET1
6 Eligible at solo.group/group & solo	Solo
7 instrument type (types to be specified by each jurisdiction)	Ordinary Share Capital and Share Premium
8 Amount recognised in regulatory capital (Currency in mil, as of most recent report)	ZAR 826million
9 Par value of instrument	ZAR 1
10 Accounting classification	Equity attributable to ordinary shares
11 Original date of issuance	Ongoing
12 Perpetual or dated	Perpetual
13 Original maturity date	N/A
14 Issuer call subject to prior supervisory approval	No
15 Optional call date, contingent call dates and redemption amount	N/A
16 Subsequent call date, if applicable	N/A
Coupons / dividends	
17 Fixed or floating dividend / coupon	N/A
18 Coupon rate and any related index	N/A
19 Existence of a dividend stopper	No
20 Fully discretionary, partially discretionary or mandatory	Full Discretionary
21 Existence of step up or other incentive to redeem	No
22 Noncumulative or cumulative	Non-cumulative
23 Convertible or non-convertible	Non-convertible
24 If convertible, conversion trigger (s)	N/A
25 If convertible, fully or partially	N/A
26 If convertible, conversion rate	N/A
27 If convertible, mandatory or optional conversion	N/A
28 If convertible, specify instrument type convertible into	N/A
29 If convertible, specify issuer of instrument it converts into	N/A
30 Write-down feature	N/A
31 If write-down, write-down trigger (s)	N/A
32 If write-down, full or partial	N/A
33 If write-down, permanent or temporary	N/A
34 If temporary write-down, description of write-up mechanism	N/A
35 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Basel III Compliant
36 Non-compliant transitioned features	No
37 If yes,specify non-compliant features	N/A

OVERVIEW OF RISK WEIGHTED ASSETS (OV1) DISCLOSURE TEMPLATE							
ANNEXURE A							
Name of bank/ controlling company GROBANK							
Period ended 2020-12-31							
		T	T - 90	T - 180	T - 270	T - 360	f
		a	b	c	d	e	
		RWA					Minimum capital requirements = 8%
		Dec-20	Sep-20	Jun-20	Mar-20	Dec-19	Dec-20
1	Credit risk (excluding counterparty credit risk)	1 784 733	1 901 949	1 940 234	1 880 846	1 837 857	142 779
2	Of which: standardised approach (SA)	1 784 733	1 901 949	1 940 234	1 880 846	1 837 857	142 779
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)	78 284	63 098	94 821	181 771	57 258	6 263
7	Of which: standardised approach for counterparty credit risk	78 284	63 098	94 821	181 771	57 258	6 263
8	Of which: Internal Model Method (IMM)						
9	Of which: other CCR						
10	Credit valuation adjustment (CVA)						
11	Equity positions under the simple risk weight approach						
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	0	0	0	0	0	0
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	3 373	28 835	2 219	9 637	1 095	270
21	Of which: standardised approach (SA)	3 373	28 835	2 219	9 637	1 095	270
22	Of which: internal model approaches (IMA)						
23	Capital charge for switch between trading book and banking book						
24	Operational risk	254 483	239 703	239 703	242 991	242 991	20 359
25	Amounts below the thresholds for deduction (subject to 250% risk weight)						
26	Floor adjustment						
27	Total (1 + 6 + 10 + 11 + 12 + 13 + 14 + 15 + 16 + 20 + 23 + 24 + 25 + 26)	2 120 873	2 233 584	2 276 977	2 315 245	2 139 201	169 670

* LCR UNWEIGHTED VALUE BASED ON 90DAYS AVERAGE

- ❖ Minimum Regulatory requirement for Liquidity Coverage ratio = 80.00% (COVID)
- ❖ Minimum Regulatory requirement for Leverage ratio = 4.00%
- ❖ Minimum Regulatory requirement for Net stable funding ratio = 100.00%

KEY METRICS DISCLOSURE TEMPLATE

ANNEXURE A - KM1

Name of bank/ controlling companyGROBANK

Period ended 2020-12-31

	a	b	c	d	e	
	T	T-1	T-2	T-3	T-4	
	Dec-20	Sep-20	Jun-20	Mar-20	Dec-19	
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	88 580	261 795	336 426	355 761	308 513
1a	Fully loaded ECL accounting model					
2	Tier 1	88 580	261 795	336 426	355 761	308 513
2a	Fully loaded ECL accounting model Tier 1					
3	Total capital	101 004	277 128	351 615	366 871	324 571
3a	Fully loaded ECL accounting model total capital					
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	2 120 873	2 233 584	2 276 977	2 315 245	2 139 201
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	4,18%	11,72%	14,78%	15,37%	14,42%
5a	Fully loaded ECL accounting model Common Equity Tier 1 (%)					
6	Tier 1 ratio (%)	4,18%	11,72%	14,78%	15,37%	14,42%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)					
7	Total capital ratio (%)	4,76%	12,41%	15,44%	15,85%	15,17%
7a	Fully loaded ECL accounting model total capital ratio (%)					
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2,500%	2,500%	2,500%	2,500%	2,500%
9	Countercyclical buffer requirement (%)	0,00%	0,0000%	0%	0%	0%
10	Bank G-SIB and/or D-SIB additional requirements (%)					
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2,500%	2,500%	2,500%	2,500%	2,500%
12	CET1 available after meeting the bank's minimum capital requirements (%)	0,00%	3,97%	7,03%	7,12%	6,17%
Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	3 019 529	3 155 720	3 040 384	3 192 856	3 333 652
14	Basel III leverage ratio (%) (row 2 / row 13)	2,93%	8,30%	11,07%	11,14%	9,25%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a / row13)					
Liquidity Coverage Ratio						
15	Total HQLA	247 231	267 429	295 535	456 400	390 020
16	Total net cash outflow	153 371	149 741	174 999	140 718	142 765
17	LCR ratio (%)	161,20%	178,59%	168,88%	324,34%	273,19%
Net Stable Funding Ratio						
18	Total available stable funding	2 656 471	2 631 904	2 434 137	2 428 867	2 423 810
19	Total required stable funding	2 391 929	2 334 439	2 255 926	2 200 297	2 137 281
20	NSFR ratio	111,06%	112,74%	107,90%	110,39%	113,41%

LEVERAGE RATIO DISCLOSURE TEMPLATE	
ANNEXURE A	
Name of bank/ controlling company	GROBANK
Period ended	2020-12-31

Annexure A - LR1

Table

1

Summary comparison of accounting assets vs leverage ratio exposure measure		Dec-20	Sep-20
	Item	R'000	R'000
1	Total consolidated assets as per published financial statements	2 939 231	3 052 863
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	11 282	18 542
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)	140 938	193 011
7	Other adjustments	(71 923)	(108 697)
8	Leverage ratio exposure	3 019 528	3 155 720

Table 2

Leverage ratio common disclosure template - LR2		Leverage ratio framework	
		Dec-20	Sep-20
Item		R'000	R'000
On-balance sheet exposures			
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	2 886 587	3 017 267
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	-71 923	-108 697
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	2 814 665	2 908 570
Derivative exposures			
4	Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	52 643	35 596
5	Add-on amounts for PFE associated with all derivatives transactions	11 282	18 542
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting		
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)		
8	(Exempted 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 lines 4 to 10)	63 925	54 138
Securities financing transaction exposures			
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions		
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)		
14	CCR exposure for SFT assets		
15	Agent transaction exposures		
16	Total securities financing transaction exposures (sum of lines 12 to 15)	-	-
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	354 211	392 348
18	(Adjustments for conversion to credit equivalent amounts)	-213 272	-199 336
19	Off-balance sheet items (sum of lines 17 and 18)	140 939	193 011
Capital and total exposures			
20	Tier 1 capital	88 580	261 795
21	Total exposures (sum of lines 3, 11, 16 and 19)	3 019 529	3 155 720
Leverage ratio			
22	Basel III leverage ratio	2,93%	8,30%

* Minimum Regulatory requirement for Leverage ratio = 4.00%

3. CREDIT RISK

CREDIT QUALITY OF ASSETS DISCLOSURE TEMPLATE								
ANNEXURE A - CR1								
Name of bank/ controlling company Grobank Limited								
Period ended 2020-12-31								
		a	b	c	d	e	f	g
		Gross carrying values of		Allowances/ impairments	Of which ECL accounting provisions for credit losses on SA exposures		Of which ECL accounting provisions for credit losses on IRB exposures	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		Allocated in regulatory category of Specific	Allocated in regulatory category of General		
1	Loans	222 002	1 836 386	114 736	102 312	12 424		1 943 652
2	Debt Securities		199 750	160				199 590
3	Off-balance sheet exposures		367 130					367 130
4	Total	222 002	2 403 267	114 897	102 312	12 424	-	2 510 372

CREDIT QUALITY OF ASSETS DISCLOSURE TEMPLATE		
ANNEXURE B - CR2		
Name of bank/ controlling companyGrobank Limited		
Period ended 2020-12-31		
		Dec-20
1	Defaulted loans and debt securities at end of the previous reporting period	151 325
2	Loans and debt securities that have defaulted since the last reporting period	79 858
3	Returned to non-defaulted status	-
4	Amounts written off	-
5	Other changes (Settlement of loans and advances)	9 181
6	Defaulted loans and debt securities at end of the reporting period	222 002



CREDIT MITIGATION DISCLOSURE TEMPLATE
ANNEXURE C - CR3
Name of bank/ controlling company GROBANK
Period ended 2020-12-31

		Exposures unsecured: carrying amount	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
1	Loans	125 837	2 058 388	2 058 388				
2	Debt securities							
3	Total	125 837	2 058 388	2 058 388	-	-	-	-
4	Of which defaulted	102 311	119 691	119 691				



STANDARDISED APPROACH : CREDIT RISK EXPOSURE AND CREDIT RISK MITIGATION (CRM) - DISCLOSURE TEMPLATE							
ANNEXURE D - CR4							
Name of bank/ controlling company GROBANK							
Period ended 2020-12-31							
		a	b	c	d	e	f
		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
No.	Asset classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount ²	Off-balance sheet amount ³	RWA	RWA density
1	Sovereigns and their central banks	199 750		199 750		-	0,00%
2	Non-central government public sector entities						
3	Multilateral development banks						
4	Banks	534 698		604 107		121 010	20,03%
5	Securities firms						
6	Corporates	23 503	40 507	22 650	29 979	52 629	100,00%
7	Regulatory retail portfolios	268 231	135 720	255 132	7 141	257 183	98,06%
8	Secured by residential property	644 865	53 975	670 341	-	236 357	35,26%
9	Secured by commercial real estate	899 788	136 929	940 224	6 286	946 510	100,00%
10	Equity						
11	Past-due loans	222 007		119 695		119 412	99,76%
12	Higher-risk categories						
13	Other assets						
14	Total	2 792 841	367 130	2 811 900	43 405	1 733 101	60,70%

STANDARDISED APPROACH: EXPOSURE BY ASSET CLASSES AND RISK WEIGHTS - DISCLOSURE TEMPLATE

ANNEXURE E - CR5

Name of bank/ controlling company **GROBANK**

Period ended **2020-12-31**

		Risk weight									Total credit exposures amount (post CCF and post-CRM)
		0%	10%	20%	35%	50%	75%	100%	150%	Others	
Asset classes											
1	Sovereigns and their central banks	199 750									199 750
2	Non-central government public sector entities (PSEs)										
3	Multilateral development banks (MDBs)										
4	Banks		603 478		630		-	-			604 107
5	Securities firms										
6	Corporates						52 629				52 629
7	Regulatory retail portfolios					21 444	240 829				262 273
8	Secured by residential property			603 931	65 252	1 158					670 341
9	Secured by commercial real estate					946 510					946 510
10	Equity										
11	Past-due loans				33 873	52 533	33 290				119 695
12	Higher-risk categories										
13	Other assets										-
14	Total	199 750	-	603 478	603 931	34 502	86 696	1 293 658	33 290	-	2 855 305

4. Liquidity risk

The purpose of this document is to disclose both qualitative and quantitative information regarding the Bank's Liquidity position, in specific the Liquidity Coverage Ratio in terms of the Basel III requirements under Regulation 43 of the regulations relating to banks.

In terms of Regulation 43(1)(e)(iii)(F) of regulations relating to banks, minimum disclosure on the Liquidity Coverage Ratio of the bank is required on a quarterly basis. This announcement meets the on-going report requirement for quarterly disclosure in terms of Pillar 3 of the Basel III capital accord.

The Pillar 3 report is produced and published quarterly. This report is verified and approved internally in line with the Bank's disclosure policy.

The Pillar 3 report has not been audited by the Bank's external auditors.

Liquidity risk is defined as the risk of not being able to generate sufficient cash to meet the Bank's commitment to lenders, depositors and other creditors at any point in time. The management of liquidity is primarily designed to ensure that depositors' funding requirements can be met and that the Bank has sufficient funding in place to ensure payment of daily transactions.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Bank's short-, medium- and long-term funding and liquidity management requirements. The Bank manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Liquidity risk management is essentially inseparable from the core banking activities of advances growth and profitability management. Liquidity risk management form an integral part of proactive asset and liability management, which is managed by the Bank's Asset, Liability and Capital Committee (ALCCO).

stress scenarios and testing have been undertaken thereby allowing the Bank to identify and be prepared for such eventualities. These scenarios have ensured that the Bank is well prepared to manage any liquidity risks that may occur.

The Liquidity Ratios, i.e. Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR), introduced by Basel III are monitored and managed by the Bank's Asset, Liability and Capital Committee (ALCCO). The Liquidity Coverage Ratio has been fully implemented from 01 January 2015 and the minimum requirement is set at 80% for December 2020 under the COVID pandemic for the LCR .

Liquidity Coverage Ratio – Table 2.1

	R'000
	30-Dec-20
High Quality Liquid Assets	254 317
Net Cash Outflows	154 617
Minimum Required Liquidity Coverage Ratio	100%
Actual Liquidity Coverage Ratio	164,48%

* Minimum Regulatory requirement for Liquidity Coverage ratio = 80.00%

*LCR UNWEIGHTED VALUE BASED ON 90DAYS AVERAGE BEFORE RUN-OFF FACTOR

LIQUIDITY COVERAGE RATIO (LCR) DISCLOSURE TEMPLATE			
ANNEXURE A - LIQ1			
Name of bank/ controlling company GROBANK			
Period ended 2020-12-31			
		a	b
		Total unweighted value (average)	Total weighted value (average)
High-quality liquid assets			
1	Total HQLA	247 231	247 231
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:		
3	Stable deposits		
4	Less stable deposits	983 046	98 305
5	Unsecured wholesale funding, of which:		
6	Operational deposits (all counter-parties) and deposits		
7	Non-operational deposits (all counter-parties)	772 400	457 059
8	Unsecured debt		
9	Secured wholesale funding		
10	Additional requirements, of which:		
11	Outflows related to derivative exposures and other	24 426	24 426
12	Outflows related to loss of funding on debt products		
13	Credit and liquidity facilities	298 813	28 258
14	Other contractual funding obligations	-	-
15	Other contingent funding obligations	108 758	5 438
16	TOTAL CASH OUTFLOWS	2 187 443	613 486
17	Secured lending (eg. reverse repos)		
18	Inflows from fully performing exposures	827 634	683 470
19	Other cash inflows	27 836	2 784
20	TOTAL CASH INFLOWS	855 470	686 253
			Total adjusted
21	Total HQLA		247 231
22	Total net cash outflows		153 371
23	Liquidity Coverage Ratio (%)		161,20%

NET STABLE FUNDING RATIO (NSFR) DISCLOSURE TEMPLATE

ANNEXURE B - LIQ2

Name of bank/ controlling company GROBANK

Period ended 2020-12-31

	(In currency amount)	Unweighted value by residential maturity			Weighted value
		< 6 months	≥ 6 months to < 1 year	≥ 1 year	
	Available stable funding (ASF) item				
1	Capital:				
2	Regulatory capital			838 744	838 744
3	Other capital instruments				
4	Retail deposits and deposits from small business customers				
5	Stable deposits				
6	Less stable deposits	1 252 354	33 764	6 124	1 163 630
7	Wholesale funding:				
8	Operational deposits				
9	Other wholesale funding	892 545	308 604	115 000	654 096
10	Liabilities with matching interdependent assets				
11	Other liabilities				
12	NSFR derivative liabilities			56 722	-
13	All other liabilities and equity not included in the above categories	98 472	-	-	-
14	TOTAL ASF				2 656 471

	(In currency amount)	Unweighted value by residential maturity			Weighted value
		< 6 months	≥ 6 months to <1 year	≥1 year	
	Required stable funding (RSF) item				
15	Total NSFR High-quality liquid assets (HQLA)	284 404			12 706
16	Deposits held with other financial institutions for operational purposes				
17	Performing loans and securities:	688 318	107 943	1 370 744	1 254 776
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	534 698			80 205
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:	134 618	88 858	764 033	761 165
21	With a risk weight of less than or equal to 35% under Basel II standardised approach for credit risk				
22	Performing residential mortgages, of which:	19 002	19 085	606 711	413 406
23	With a risk weight of less than or equal to 35% under Basel II standardised approach for credit risk	19 002	19 085	606 711	413 406
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities				
25	Assets with matching interdependent liabilities				
26	Other assets:	-	-	1 207 644	1 103 950
27	Physical traded commodities, including gold				
28	Assets posted as initial margin for derivative contracts and distribution to default funds of CCPs				
29	NSFR derivative assets			109 366	5 672
30	NSFR derivative liabilities before deduction of variation margin posted				
31	All other assets not included in above categories			1 098 278	1 098 278
32	Off-balance sheet items				20 497
33	TOTAL RSF				2 391 929
34	NET STABLE FUNDING RATIO %				111,06%

*Minimum Regulatory Requirement for Net Stable Funding Ratio = 100%

5. Remuneration

The Bank has published information related to remuneration as part of its Integrated Annual 2020 report under the heading “Remuneration Review” on pages 40 to 42 of the report.