
Societe Generale Johannesburg Branch

Pillar 3 Disclosures

30 June 2013

Introduction:

The table below illustrates the capital structure of the Bank at the reporting period end and related Capital ratios:

Details	30-Jun-13 ZAR '000
Paid up capital	295,599
Reserves	148,390
Regulatory adjustments	(14,595)
Total Tier 1 Capital	429,394
Total amount of Tier 2 capital before deduction of non qualifying amounts	-
Regulatory adjustments	-
Total Tier 2 Capital	-
Total Qualifying Capital and Reserves	429,394

Risk Weighted Assets (RWA)	30-Jun-13 ZAR '000
Credit risk	2,415,670
Counterparty credit risk	230,102
Operational risk	258,398
Market risk	8,803
Equity risk	-
Other risk	142,989
Total Risk Weighted Assets (RWA)	3,055,962

Capital Ratios	30-Jun-13
Tier 1 Capital Adequacy Ratio (CAR)	14.05%
Total Capital Adequacy Ratio (CAR)	14.05%

The following table presents the Branch's Governance structure.



The below table presents the minimum regulatory Credit Risk capital requirements, the related Risk Weighted Assets, and related exposures as at 30 June 2013, calculated in line with local statutory requirements for the Advanced IRB approach for the majority of the branch's exposures.

30 June 2013 (ZAR '000)				
Sector	Exposure at Default	Gross Credit Exposure	Risk Weighted Assets	Regulatory Capital Requirement
Banks	8,404,638	8,692,839	2,177,816	206,893
Corporate	704,681	2,518,030	313,402	29,773
Sovereign	527,675	527,675	64,624	6,139
Total AIRB approach:	9,636,994	11,738,544	2,555,842	242,805

The below table presents the minimum regulatory Credit Risk capital requirements, the related Risk Weighted Assets, and related exposures as at 30 June 2013, calculated in line with local statutory requirements for the Standardised Approach for certain of the branch's exposures.

30 June 2013 (ZAR '000)				
Sector	Exposure at Default	Gross Credit Exposure	Risk Weighted Assets	Regulatory Capital Requirement
Retail exposure - other (Unsecured lending <= R30,000)	182	182	273	26
Total Standardised approach:	182	182	273	26

The following table reflects the maturity analysis of Exposure at Default (EAD) by principal category of asset class for the AIRB approach as at 30 June 2013:

Maturity analysis of Exposure at Default (EAD) - 30 June 2013				
Asset class	ZAR '000	ZAR '000	ZAR '000	ZAR '000
	Less than 1 year	1-5 years	5-10 years	Total
Banks	7,175,371	1,229,267		8,404,638
Corporate	685,335		19,346	704,681
Sovereign	137,940	227,852	161,883	527,675
Total AIRB approach:	7,998,646	1,457,119	181,229	9,636,994

The following table reflects the maturity analysis of Exposure at Default (EAD) by principal category of asset class for the Standardised portfolio as at 30 June 2013:

Asset class	Maturity analysis of Exposure at Default (EAD) - 30 June 2013			
	ZAR '000	ZAR '000	ZAR '000	ZAR '000
	Less than 1 year	1-5 years	5-10 years	Total
Retail exposure - other			182	182
(Unsecured lending <= R30,000)				-
				-
Total Standardised approach:	-	-	182	182

The following table reflects Expected Loss (EL) by principal category of asset class for the AIRB portfolio as at 30 June 2013:

Asset class	30 June 2013	
	AIRB Approach	
	Analysis of Expected Loss and Specific Credit Impairments	
	ZAR '000	ZAR '000
	Expected Loss	Specific Credit Impairments
Banks	7,281	-
Corporate	3,435	-
Sovereign	65	-
Total:	10,781	-

The following table sets out the analysis of EAD by Internal Credit Grading and Basel II exposure (asset) class category as at 30 June 2013:

Asset class	EAD by Internal Credit Grade - 30 June 2013							
	ZAR '000	ZAR '000	ZAR '000	ZAR '000	ZAR '000	ZAR '000	ZAR '000	ZAR '000
	From 1 to 2-	From 3+ to 3-	From 4+ to 4-	From 5+ to 5-	From 6+ to 6-	From 7+ to 7-	From 8 to 10 (Default)	Total
Banks	254,606	1,275	8,054,714		94,043			8,404,638
Corporate		318,920	184,256	7,488	194,017			704,681
Sovereign		527,675						527,675
Total AIRB approach:	254,606	847,870	8,238,970	7,488	288,060	-	-	9,636,994

The following table sets out the analysis of Undrawn Commitments by Internal Credit Grading and Basel II exposure (asset) class category as at 30 June 2013:

Undrawn Commitments by Internal Credit Grade - 30 June 2013								
	ZAR '000	ZAR '000	ZAR '000	ZAR '000	ZAR '000	ZAR '000	ZAR '000	ZAR '000
Asset class	From 1 to 2-	From 3+ to 3-	From 4+ to 4-	From 5+ to 5-	From 6+ to 6-	From 7+ to 7-	From 8 to 10 (Default)	Total
Banks					144,754			144,754
Corporate			38,262					38,262
Sovereign								-
Total AIRB approach:	-	-	38,262	-	144,754	-	-	183,016

The following table sets out Exposure Weighted Average LGD as at 30 June 2013:

Exposure Weighted LGD (%) - 30 June 2013								
	%	%	%	%	%	%	%	%
Asset class	From 1 to 2-	From 3+ to 3-	From 4+ to 4-	From 5+ to 5-	From 6+ to 6-	From 7+ to 7-	From 8 to 10 (Default)	Total
Banks	20.00%	34.40%	35.00%	35.00%				34.55%
Corporate		20.05%	35.00%	35.00%	35.00%			28.24%
Sovereign		20.00%						20.00%
SME								0.00%
Total AIRB approach:	20.00%	20.03%	35.00%	35.00%	35.00%	0.00%	0.00%	33.29%

The following table sets out Risk Weighted EAD as at 30 June 2013:

Risk Weighted EAD (%) - 30 June 2013								
	%	%	%	%	%	%	%	%
Asset class	From 1 to 2-	From 3+ to 3-	From 4+ to 4-	From 5+ to 5-	From 6+ to 6-	From 7+ to 7-	From 8 to 10 (Default)	Total
Banks			24.28%		105.45%			41.96%
Corporate		6.17%	34.82%	96.62%	105.44%			25.21%
Sovereign		11.55%						11.55%
SME								0.00%
Total AIRB approach:	0.00%	9.52%	24.51%	96.62%	105.45%	0.00%	0.00%	25.69%

The following table provides the breakdown of Loans and Advances per Industry as at the end of 30 June 2013:

	30-Jun-13
Loans and Advances to customers	ZAR '000
<i>Consumer banking:</i>	
Mortgages	-
Credit Cards	-
Vehicle finance	-
Total - Consumer banking:	-
<i>Wholesale banking:</i>	
Agriculture, hunting, forestry and fishing	-
Mining and quarrying	-
Manufacturing	-
Electricity, gas and water supply	-
Construction	-
Wholesale and retail trade, repair of specified items, hotels and restaurants	-
Transport, storage and communication	-
Financial intermediation and insurance	2,639,004
Real estate	-
Business services	-
Community, social and personal services	-
Private households	182
Other	-
Total - Wholesale banking:	2,639,186
Total gross loans and advances to customers	2,639,186
Less:	
Specific allowance for impairment losses	-
Portfolio allowance for impairment losses	-
Loans and advances to customers net of allowances for impairment	2,639,186
<i>Of which:</i>	
Repayable on demand	739,569
Loans and advances with agreed maturity dates or periods of notice	1,899,617
Loans and advances to customers net of allowances for impairment	2,639,186

Impairment Losses

Currently the Bank does not have any portfolio of specific impairments on loans and advances to disclose.

Measurement of Market Risk

The branch uses the Standardised Approach to assess its regulatory and internal Capital Requirements for Market Risk. Under the Standardised Approach, a pre-determined beta is applied to the Risk Weighted Assets of all portfolios to determine the Market Risk capital requirement. The table below details the Market Risk capital requirement for the branch and the related Risk Weighted Equivalent (RWE) amount:

	30 June 2013	
	Standardised Approach	
	Regulatory Capital Requirement	Risk Weighted Assets
Market Risk requirements for the Banking Book	ZAR '000	ZAR '000
Foreign Exchange risk	836	8,803
Total:	836	8,803

Measurement of Operational Risk

The branch uses the Basic Indicator Approach (BIA) to assess its regulatory and internal capital requirements for Operational Risk. Under the Basic Indicator Approach (BIA), a pre-determined beta is applied to the average of the gross operating income for the previous three years to determine the Operational Risk capital requirement. The table below details the Operational Risk capital requirement for the branch as at 30 June 2013:

	30 June 2013	
	Basic Indicator Approach	
	Regulatory Capital Requirement	Risk Weighted Assets
Operational Risk requirements	ZAR '000	ZAR '000
Operational risk	24,548	258,398
Total:	24,548	258,398