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Societe Generale Johannesburg Branch

Pillar 3 Disclosures

30 June 2014

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## Introduction:

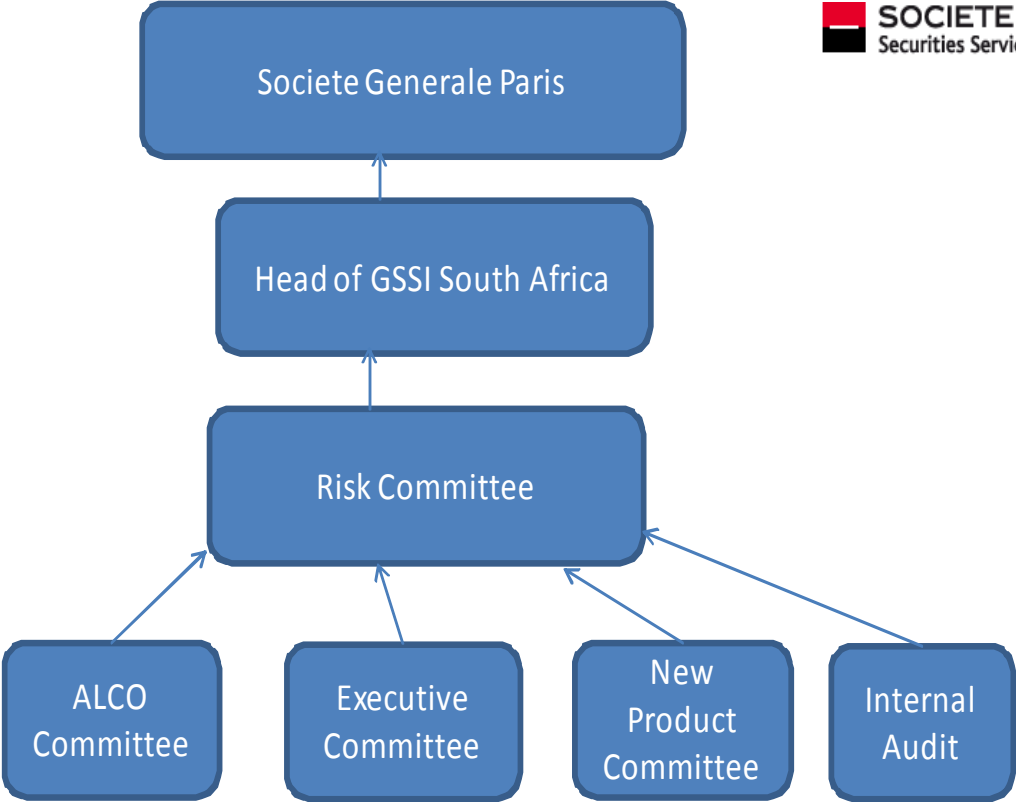
The table below illustrates the capital structure of the Bank at the reporting period end and related Capital ratios:

Details	30-Jun-14 ZAR '000
Paid up capital	355,599
Reserves	202,614
Regulatory adjustments	(17,236)
<b>Total Tier 1 Capital</b>	<b>540,977</b>
Total amount of Tier 2 capital before deduction of non qualifying amounts	-
Regulatory adjustments	-
<b>Total Tier 2 Capital</b>	<b>-</b>
<b>Total Qualifying Capital and Reserves</b>	<b>540,977</b>

Risk Weighted Assets (RWA)	30-Jun-14 ZAR '000
Credit risk	3,813,960
Counterparty credit risk	299,023
Operational risk	249,210
Market risk	3,944
Equity risk	-
Other risk	133,631
<b>Total Risk Weighted Assets (RWA)</b>	<b>4,499,768</b>

Capital Ratios	30-Jun-14
Tier 1 Capital Adequacy Ratio (CAR)	12.02%
Total Capital Adequacy Ratio (CAR)	12.02%

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 2014, calculated in line with local statutory requirements for the Advanced IRB approach for the majority of the branch's exposures.

30 June 2014 (ZAR '000)				
Sector	Exposure at Default	Gross Credit Exposure	Risk Weighted Assets	Regulatory Capital Requirement
Banks	7,635,748	8,337,044	3,662,200	366,220
Corporate	372,651	3,133,365	255,003	25,500
Sovereign	1,768,697	1,768,697	146,973	14,697
<b>Total AIRB approach:</b>	<b>9,777,096</b>	<b>13,239,106</b>	<b>4,064,176</b>	<b>406,418</b>

The below table presents the minimum regulatory Credit Risk capital requirements, the related Risk Weighted Assets, and related exposures as at 30 June 2014, calculated in line with local statutory requirements for the Standardised Approach for certain of the branch's exposures.

30 June 2014 (ZAR '000)				
Sector	Exposure at Default	Gross Credit Exposure	Risk Weighted Assets	Regulatory Capital Requirement
Retail exposure - other (Unsecured lending <= R30,000)	47	47	71	7
<b>Total Standardised approach:</b>	<b>47</b>	<b>47</b>	<b>71</b>	<b>7</b>

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 2014:

Maturity analysis of Exposure at Default (EAD) - 30 June 2014				
Asset class	ZAR '000	ZAR '000	ZAR '000	ZAR '000
	Less than 1 year	1-5 years	5-10 years	Total
Banks	6,727,532	908,215		<b>7,635,747</b>
Corporate	372,651			<b>372,651</b>
Sovereign	1,404,505	172,787	191,406	<b>1,768,698</b>
<b>Total AIRB approach:</b>	<b>8,504,688</b>	<b>1,081,002</b>	<b>191,406</b>	<b>9,777,096</b>

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 2014:

Asset class	Maturity analysis of Exposure at Default (EAD) - 30 June 2014			
	ZAR '000	ZAR '000	ZAR '000	ZAR '000
	Less than 1 year	1-5 years	5-10 years	Total
Retail exposure - other			47	47
(Unsecured lending <= R30,000)				-
				-
<b>Total Standardised approach:</b>	-	-	47	47

The following table reflects Expected Loss (EL) by principal category of asset class for the AIRB portfolio as at 30 June 2014:

Asset class	30 June 2014	
	AIRB Approach	
	Analysis of Expected Loss and Specific Credit Impairments	
	ZAR '000	ZAR '000
Expected Loss	Specific Credit Impairments	
Banks	10,187	-
Corporate	2,187	-
Sovereign	217	-
<b>Total:</b>	<b>12,591</b>	<b>-</b>

The following table sets out the analysis of EAD by Internal Credit Grading and Basel II exposure (asset) class category as at 30 June 2014:

Asset class	EAD by Internal Credit Grade - 30 June 2014							
	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	131,652	95	6,868,506	532,611	102,884			7,635,748
Corporate		89,875	129,674	10,674	142,428			372,651
Sovereign		1,768,697						1,768,697
<b>Total AIRB approach:</b>	<b>131,652</b>	<b>1,858,667</b>	<b>6,998,180</b>	<b>543,285</b>	<b>245,312</b>	<b>-</b>	<b>-</b>	<b>9,777,096</b>

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 2014:

Undrawn Commitments by Internal Credit Grade - 30 June 2014								
	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					157,200			157,200
Corporate								-
Sovereign								-
<b>Total AIRB approach:</b>	-	-	-	-	157,200	-	-	157,200

The following table sets out Exposure Weighted Average LGD as at 30 June 2014:

Exposure Weighted LGD (%) - 30 June 2014								
	%	%	%	%	%	%	%	%
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	22.68%	20.00%	35.00%	35.00%	38.07%			34.83%
Corporate		20.00%	35.00%	35.00%	35.00%			31.38%
Sovereign		20.00%						20.00%
SME								0.00%
<b>Total AIRB approach:</b>	22.68%	20.00%	35.00%	35.00%	36.29%	0.00%	0.00%	32.01%

The following table sets out Risk Weighted EAD as at 30 June 2014:

Risk Weighted EAD (%) - 30 June 2014								
	%	%	%	%	%	%	%	%
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		4.46%	44.59%	84.92%	142.18%			47.95%
Corporate		6.20%	41.00%	102.32%	130.13%			68.43%
Sovereign		8.31%						8.31%
SME								0.00%
<b>Total AIRB approach:</b>	0.00%	8.21%	44.52%	85.26%	135.19%	0.00%	0.00%	41.56%

The following table provides the breakdown of Loans and Advances per Industry as at the end of 30 June 2014:

	30-Jun-14
Loans and Advances to customers	ZAR '000
<i>Consumer banking:</i>	
Mortgages	-
Credit Cards	-
Vehicle finance	-
<b>Total - Consumer banking:</b>	<b>-</b>
<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	1,272,771
Real estate	-
Business services	-
Community, social and personal services	-
Private households	47
Other	-
<b>Total - Wholesale banking:</b>	<b>1,272,818</b>
Total gross loans and advances to customers	1,272,818
Less:	
Specific allowance for impairment losses	-
Portfolio allowance for impairment losses	-
<b>Loans and advances to customers net of allowances for impairment</b>	<b>1,272,818</b>
<i>Of which:</i>	
Repayable on demand	511,546
Loans and advances with agreed maturity dates or periods of notice	761,272
<b>Loans and advances to customers net of allowances for impairment</b>	<b>1,272,818</b>

## 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 2014	
	Standardised Approach	
	Regulatory Capital Requirement	Risk Weighted Assets
Market Risk requirements for the Banking Book	ZAR '000	ZAR '000
Foreign Exchange risk	394	3,944
<b>Total:</b>	<b>394</b>	<b>3,944</b>

## 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 2014:

	30 June 2014	
	Basic Indicator Approach	
	Regulatory Capital Requirement	Risk Weighted Assets
Operational Risk requirements	ZAR '000	ZAR '000
Operational risk	24,921	249,210
<b>Total:</b>	<b>24,921</b>	<b>249,210</b>