
Societe Generale Johannesburg Branch

Pillar 3 Disclosures

30 June 2015

Societe Generale Johannesburg Branch

Pillar 3 Quarterly Regulatory Capital Disclosures

In line with the South African Banks Act - Regulation 43, Société Générale Johannesburg Branch confirms the following quarterly Public Disclosures:

Société Générale Johannesburg Branch Pillar 3 Disclosures for 30 June 2015:

Details	30-Jun-15 ZAR '000	31-Mar-15 ZAR '000	31-Dec-14 ZAR '000
Total Qualifying Capital:	593,429	545,629	541,782
Total Capital Adequacy Ratio (CAR):	12.36%	14.05%	13.02%
Qualifying Primary Capital:	593,429	545,629	541,782
Total Primary Capital Adequacy Ratio (CAR):	12.36%	14.05%	13.02%

Introduction:

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

Details	30-Jun-15 ZAR '000
Paid up capital	355,599
Reserves	257,921
Regulatory adjustments	(20,091)
Total Tier 1 Capital	593,429
Total amount of Tier 2 capital before deduction of non qualifying amounts	-
Regulatory adjustments	-
Total Tier 2 Capital	-
Total Qualifying Capital and Reserves	593,429

Risk Weighted Assets (RWA)	30-Jun-15 ZAR '000
Credit risk	3,965,834
Counterparty credit risk	376,403
Operational risk	302,987
Market risk	4,839
Equity risk	-
Other risk	151,113
Total Risk Weighted Assets (RWA)	4,801,176

Capital Ratios	30-Jun-15
Tier 1 Capital Adequacy Ratio (CAR)	12.36%
Total Capital Adequacy Ratio (CAR)	12.36%

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 2015, calculated in line with local statutory requirements for the Advanced IRB approach for the majority of the branch's exposures.

30 June 2015 (ZAR '000)				
Sector	Exposure at Default	Gross Credit Exposure	Risk Weighted Assets	Regulatory Capital Requirement
Banks	6,070,428	6,968,754	3,410,883	341,088
Corporate	672,279	3,136,727	434,111	43,411
Sovereign	6,320,713	6,320,713	441,056	44,106
Total AIRB approach:	13,063,420	16,426,194	4,286,050	428,605

The below table presents the minimum regulatory Credit Risk capital requirements, the related Risk Weighted Assets, and related exposures as at 30 June 2015, calculated in line with local statutory requirements for the Standardised Approach for certain of the branch's exposures.

30 June 2015 (ZAR '000)				
Sector	Exposure at Default	Gross Credit Exposure	Risk Weighted Assets	Regulatory Capital Requirement
Retail exposure - other (Unsecured lending <= R30,000)	127	127	191	19
Total Standardised approach:	127	127	191	19

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 2015:

Maturity analysis of Exposure at Default (EAD) - 30 June 2015				
Asset class	ZAR '000	ZAR '000	ZAR '000	ZAR '000
	Less than 1 year	1-5 years	5-10 years	Total
Banks	6,070,427			6,070,427
Corporate	672,279			672,279
Sovereign	5,764,215	317,166	239,333	6,320,714
Total AIRB approach:	12,506,921	317,166	239,333	13,063,420

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 2015:

Maturity analysis of Exposure at Default (EAD) - 30 June 2015				
Asset class	ZAR '000	ZAR '000	ZAR '000	ZAR '000
	Less than 1 year	1-5 years	5-10 years	Total
Retail exposure - other			127	127
(Unsecured lending <= R30,000)				-
				-
Total Standardised approach:	-	-	127	127

The following table reflects Expected Loss (EL) by principal category of asset class for the AIRB portfolio as at 30 June 2015:

30 June 2015		
AIRB Approach		
Analysis of Expected Loss and Specific Credit Impairments		
Asset class	ZAR '000	ZAR '000
	Expected Loss	Specific Credit Impairments
Banks	10,811	-
Corporate	3,900	-
Sovereign	776	-
Total:	15,487	-

The following table sets out the analysis of EAD by Internal Credit Grading and Basel II exposure (asset) class category as at 30 June 2015:

EAD by Internal Credit Grade - 30 June 2015								
Asset class	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	822,844	26,669	4,996,913	101,520	122,482			6,070,428
Corporate		96,815	371,898	65,324	138,242			672,279
Sovereign		6,320,713						6,320,713
Total AIRB approach:	822,844	6,444,197	5,368,811	166,844	260,724	-	-	13,063,420

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 2015:

Undrawn Commitments by Internal Credit Grade - 30 June 2015								
	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					106,938			106,938
Corporate								-
Sovereign								-
Total AIRB approach:	-	-	-	-	106,938	-	-	106,938

The following table sets out Exposure Weighted Average LGD as at 30 June 2015:

Exposure Weighted LGD (%) - 30 June 2015								
	%	%	%	%	%	%	%	%
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	20.70%	20.00%	54.99%	55.00%	55.19%			50.19%
Corporate		20.00%	40.73%	45.00%	45.00%			39.04%
Sovereign		20.00%						20.00%
SME								0.00%
Total AIRB approach:	20.70%	20.00%	54.00%	51.08%	49.79%	0.00%	0.00%	35.01%

The following table sets out Risk Weighted EAD as at 30 June 2015:

Risk Weighted EAD (%) - 30 June 2015								
	%	%	%	%	%	%	%	%
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		5.94%	60.76%	125.89%	200.36%			56.19%
Corporate		8.37%	42.75%	128.46%	132.46%			64.57%
Sovereign		6.98%						6.98%
SME								0.00%
Total AIRB approach:	0.00%	6.99%	59.51%	126.90%	164.36%	0.00%	0.00%	32.81%

The following table provides the breakdown of Loans and Advances per Industry as at the end of 30 June 2015:

	30-Jun-15
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	1,025,959
Real estate	-
Business services	-
Community, social and personal services	-
Private households	127
Other	-
Total - Wholesale banking:	1,026,086
Total gross loans and advances to customers	1,026,086
Less:	
Specific allowance for impairment losses	-
Portfolio allowance for impairment losses	-
Loans and advances to customers net of allowances for impairment	1,026,086
<i>Of which:</i>	
Repayable on demand	925,633
Loans and advances with agreed maturity dates or periods of notice	100,453
Loans and advances to customers net of allowances for impairment	1,026,086

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 2015	
	Standardised Approach	
	Risk Weighted Assets	Regulatory Capital Requirement
Market Risk requirements for the Banking Book	ZAR '000	ZAR '000
Foreign Exchange risk	4,839	484
Total:	4,839	484

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 2015:

	30 June 2015	
	Basic Indicator Approach	
	Risk Weighted Assets	Regulatory Capital Requirement
Operational Risk requirements	ZAR '000	ZAR '000
Operational risk	302,987	30,299
Total:	302,987	30,299

Societe Generale Johannesburg Branch

Disclosures required by Directive 8 of 2013 issued in terms of section 6(6) of the Banks Act, 1990 (The composition of Pillar 3 capital disclosure requirements)

The following disclosures are required in terms of the composition of Pillar 3 capital disclosure requirements (Directive 8 of 2013) and are included in this document as Annexure A and Annexure B respectively:

- Annexure A: Composition of capital disclosure template (Basel III common disclosure template to be used during the transition of regulatory adjustments, i.e. from 1 June 2013 to 1 January 2018). *Frequency of report*: semi-annually
- Annexure B: Main features, terms and conditions of all relevant regulatory capital instruments issued disclosure template (“Main features disclosure template”). *Frequency of report*: semi-annually or otherwise upon any change(s) in the capital instruments issued

Annexure A

ANNEXURE A

COMPOSITION OF CAPITAL DISCLOSURE TEMPLATE

Name of bank/ controlling company Societe Generale Johannesburg Branch
Six months* ended.....2015-06-30

Basel III common disclosure template to be used during the transition of regulatory adjustments (ie from 1 June 2013 to 1 January 2018)		AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	
Common Equity Tier 1 capital: instruments and reserves		R '000	R '000
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	355,599	
2	Retained earnings	257,921	
3	Accumulated other comprehensive income (and other reserves)		
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies) <i>Public sector capital injections grandfathered until 1 January 2018</i>		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)		
6	Common Equity Tier 1 capital before regulatory adjustments	613,520	

Common Equity Tier 1 capital: regulatory adjustments		R '000	R '000
7	Prudential valuation adjustments		
8	Goodwill (net of related tax liability)		
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	4,604	
10	Deferred tax assets 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	15,487	
13	Securitisation gain on sale		
14	Gains and losses due to changes in own credit risk on fair valued liabilities		
15	Defined-benefit pension fund net assets		
16	Investments in own shares (if not already netted off 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, net of eligible short positions, 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, net of eligible short positions (amount above 10% threshold)		
20	Mortgage servicing rights (amount above 10% threshold)		
21	Deferred tax assets 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: mortgage servicing rights		
25	of which: deferred tax assets arising from temporary differences		
26	National specific regulatory adjustments		
	REGULATORY ADJUSTMENTS APPLIED TO COMMON EQUITY TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT		
	OF WHICH: [INSERT NAME OF ADJUSTMENT]		
	OF WHICH:		
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions		
28	Total regulatory adjustments to Common equity Tier 1	20,091	
29	Common Equity Tier 1 capital (CET1)	593,429	
Additional Tier 1 capital : instruments		R '000	R '000
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus		
31	of which: classified as equity under applicable accounting standards		
32	of which: classified as liabilities under applicable accounting standards		
33	Directly issued capital instruments subject to phase out from Additional Tier 1		
34	Additional Tier 1 instruments (and CET1 instruments not included in line 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)		
35	of which: instruments issued by subsidiaries subject to phase out		
36	Additional Tier 1 capital before regulatory adjustments	-	
Additional Tier 1 capital: regulatory adjustments		R '000	R '000
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, net of eligible short positions, 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 (net of eligible short positions)		
41	National specific regulatory adjustments		
	REGULATORY ADJUSTMENTS APPLIED TO COMMON EQUITY TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT		
	OF WHICH: [INSERT NAME OF ADJUSTMENT]		
	OF WHICH:		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions		
43	Total regulatory adjustments to Additional Tier 1 capital	-	
44	Additional Tier 1 capital (AT1)	-	
45	Tier 1 capital (T1 = CET1 + AT1)	593,429	

Tier 2 capital and provisions		R '000	R '000
46	Directly issued qualifying Tier 2 instruments plus related stock surplus		
47	Directly issued capital instruments subject to phase out from Tier 2		
48	Tier 2 instruments (and CET1 and AT1 instruments not included in lines 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)		
49	of which: instruments issued by subsidiaries subject to phase out		
50	Provisions		
51	Tier 2 capital before regulatory adjustments	-	
Tier 2 capital : regulatory adjustments		R '000	R '000
52	Investments in own Tier 2 instruments		
53	Reciprocal cross-holdings in Tier 2 instruments		
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)		
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		
56	National specific regulatory adjustments		
	REGULATORY ADJUSTMENTS APPLIED TO COMMON EQUITY TIER 2 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT		
	OF WHICH: [INSERT NAME OF ADJUSTMENT]		
	OF WHICH:		
57	Total regulatory adjustments to Tier 2 capital	-	
58	Tier 2 capital (T2)	-	
59	Total capital (TC = T1 + T2)	593,429	
	RISK WEIGHTED ASSETS IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT		
	OF WHICH: [INSERT NAME OF ADJUSTMENT]		
	OF WHICH:		
60	Total risk weighted assets	4,801,176	
Capital ratios		%	%
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	12.3601%	
62	Tier 1 (as a percentage of risk weighted assets)	12.3601%	
63	Total capital (as a percentage of risk weighted assets)	12.3601%	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	8.00%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: bank specific countercyclical buffer requirement	0.00%	
67	of which: G-SIB buffer requirement	0.00%	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	1.3601%	
National Minima (if different from Basel 3)		%	%
69	National Common Equity Tier 1 minimum ratio (if different from Basel 3 minimum)	5.50%	
70	National Tier 1 minimum ratio	7.00%	
71	National total capital minimum ratio	10.00%	
Amounts below the threshold for deductions (before risk weighting)		R '000	R '000
72	Non-significant investments in the capital of other financials		
73	Significant investments in the common stock of financials		
74	Mortgage servicing rights (net of related tax liability)		
75	Deferred tax assets arising from temporary differences (net of related tax liability)	1,165	
Applicable caps on the inclusion of provisions in Tier 2		R '000	R '000
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)		
77	Cap on inclusion of provisions in Tier 2 under standardised approach		
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)		
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach		
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)		R '000	R '000
80	Current cap on CET1 instruments subject to phase out arrangements		
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		
82	Current cap on AT1 instruments subject to phase out arrangements		
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		
84	Current cap on T2 instruments subject to phase out arrangements		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		

Annexure B

MAIN FEATURES DISCLOSURE TEMPLATE

ANNEXURE B

Name of bank/ controlling companySociete Generale Johannesburg Branch
Six months* ended.....2015-06-30

Set out below is the template that banks must use to ensure that the key features of all regulatory capital instruments are disclosed. Banks will be required to complete all of the shaded cells for each outstanding regulatory capital instrument (banks should insert "NA" if the question is not applicable).

Disclosure template for main features of regulatory capital instruments		
1	Issuer	NA
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA
3	Governing law(s) of the instrument	NA
	Regulatory treatment	
4	Transitional Basel III rules	NA
5	Post-transitional Basel III rules	Common Equity Tier 1
6	Eligible at solo/group/group & solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Share capital
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	ZAR 356
9	Par value of instrument	NA
10	Accounting classification	Shareholders' equity
11	Original date of issuance	NA
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	NA
15	Optional call date, contingent call dates and redemption amount	NA
16	Subsequent call dates, if applicable	NA
	Coupons / dividends	
17	Fixed or floating dividend/coupon	NA
18	Coupon rate and any related index	NA
19	Existence of a dividend stopper	NA
20	Fully discretionary, partially discretionary or mandatory	NA
21	Existence of step up or other incentive to redeem	NA
22	Noncumulative or cumulative	NA
23	Convertible or non-convertible	NA
24	If convertible, conversion trigger (s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	NA
31	If write-down, write-down trigger(s)	NA
32	If write-down, full or partial	NA
33	If write-down, permanent or temporary	NA
34	If temporary write-down, description of write-up mechanism	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	NA
36	Non-compliant transitioned features	NA
37	If yes, specify non-compliant features	NA