
Societe Generale Johannesburg Branch
Pillar 3 Disclosures
31 December 2016

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 31 December 2016:

Details	31-Dec-16 ZAR '000	30-Sep-16 ZAR '000	30-Jun-16 ZAR '000
Total Qualifying Capital:	664,802	668,426	669,420
Total Capital Adequacy Ratio (CAR):	20.26%	19.51%	13.01%
Qualifying Primary Capital:	664,802	668,426	669,420
Total Primary Capital Adequacy Ratio (CAR):	20.26%	19.51%	13.01%

Introduction:

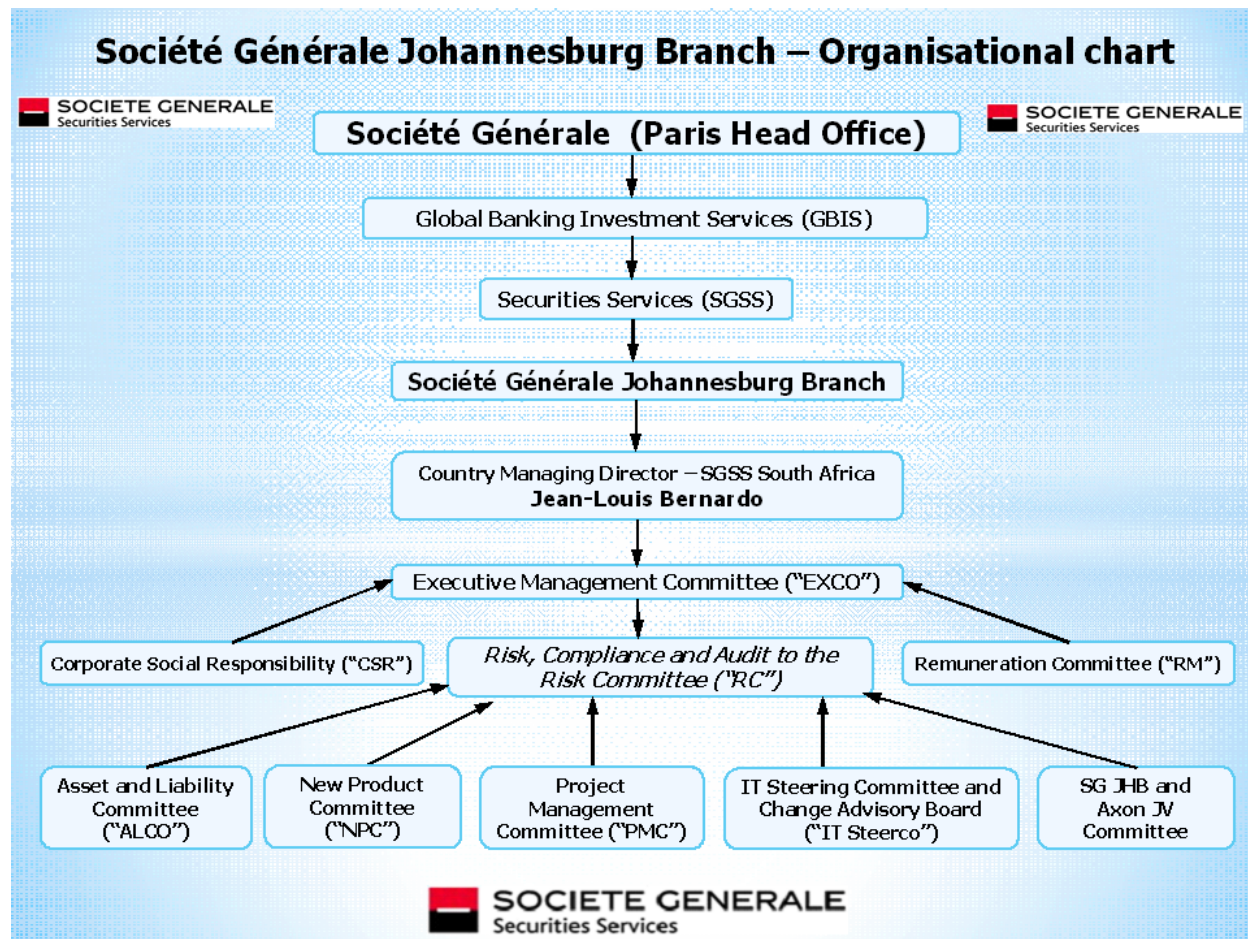
The table below illustrates the capital structure of the Bank at the reporting period end and related Capital ratios:

Details	31-Dec-16 ZAR '000
Paid up capital	355,599
Reserves	332,775
Regulatory adjustments	(23,572)
Total Tier 1 Capital	664,802
Total amount of Tier 2 capital before deduction of non qualifying amounts	-
Regulatory adjustments	-
Total Tier 2 Capital	-
Total Qualifying Capital and Reserves	664,802

Risk Weighted Assets (RWA)	31-Dec-16 ZAR '000
Credit risk	2,634,005
Counterparty credit risk	171,209
Operational risk	375,168
Market risk	6,399
Equity risk	-
Other risk	94,333
Total Risk Weighted Assets (RWA)	3,281,114

Capital Ratios	31-Dec-16
Tier 1 Capital Adequacy Ratio (CAR)	20.26%
Total Capital Adequacy Ratio (CAR)	20.26%

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 31 December 2016, calculated in line with local statutory requirements for the Advanced IRB approach for the majority of the branch's exposures.

31 December 2016 (ZAR '000)				
Sector	Exposure at Default	Gross Credit Exposure	Risk Weighted Assets	Regulatory Capital Requirement
Banks	3,511,149	4,297,974	2,051,584	200,029
Corporate	365,336	1,268,501	214,174	20,882
Sovereign	4,086,450	4,086,450	492,516	48,020
Total AIRB approach:	7,962,935	9,652,925	2,758,274	268,932

The below table presents the minimum regulatory Credit Risk capital requirements, the related Risk Weighted Assets, and related exposures as at 31 December 2016, calculated in line with local statutory requirements for the Standardised Approach for certain of the branch's exposures.

31 December 2016 (ZAR '000)				
Sector	Exposure at Default	Gross Credit Exposure	Risk Weighted Assets	Regulatory Capital Requirement
Retail exposure - other	206	206	309	30
(Unsecured lending <= R30,000)				
Total Standardised approach:	206	206	309	30

The following table reflects the maturity analysis of Exposure at Default (EAD) by principal category of asset class for the AIRB approach as at 31 December 2016:

Maturity analysis of Exposure at Default (EAD) - 31 December 2016				
Asset class	ZAR '000	ZAR '000	ZAR '000	ZAR '000
	Less than 1 year	1-5 years	5-10 years	Total
Banks	1,345,540	2,165,609		3,511,149
Corporate	365,336			365,336
Sovereign	3,500,397	586,053		4,086,450
Total AIRB approach:	5,211,273	2,751,662	-	7,962,935

The following table reflects the maturity analysis of Exposure at Default (EAD) by principal category of asset class for the Standardised portfolio as at 31 December 2016:

Maturity analysis of Exposure at Default (EAD) - 31 December 2016				
	ZAR '000	ZAR '000	ZAR '000	ZAR '000
Asset class	Less than 1 year	1-5 years	5-10 years	Total
Retail exposure - other (Unsecured lending <= R30,000)			206	206
				-
				-
Total Standardised approach:	-	-	206	206

The following table reflects Expected Loss (EL) by principal category of asset class for the AIRB portfolio as at 31 December 2016:

31 December 2016		
AIRB Approach		
Analysis of Expected Loss and Specific Credit Impairments		
	ZAR '000	ZAR '000
Asset class	Expected Loss	Specific Credit Impairments
Banks	9,099	-
Corporate	1,245	-
Sovereign	1,025	-
Total:	11,369	-

The following table sets out the analysis of EAD by Internal Credit Grading and Basel II exposure (asset) class category as at 31 December 2016:

EAD by Internal Credit Grade - 31 December 2016								
	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	516,747	86	2,924,316		70,001			3,511,149
Corporate	1,552		363,783					365,336
Sovereign			4,086,450					4,086,450
Total AIRB approach:	518,299	86	7,374,549	-	70,001	-	-	7,962,935

The following table sets out the analysis of Undrawn Commitments by Internal Credit Grading and Basel II exposure (asset) class category as at 31 December 2016:

Undrawn Commitments by Internal Credit Grade - 31 December 2016								
	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								-
Corporate								-
Sovereign								-
Total AIRB approach:	-	-	-	-	-	-	-	-

The following table sets out Exposure Weighted Average LGD as at 31 December 2016:

Exposure Weighted LGD (%) - 31 December 2016								
	%	%	%	%	%	%	%	%
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%	55.00%	54.41%		55.00%			49.36%
Corporate	20.00%		45.00%					44.89%
Sovereign			20.00%					20.00%
SME								0.00%
Total AIRB approach:	20.00%	55.00%	34.88%	0.00%	55.00%	0.00%	0.00%	34.09%

The following table sets out Risk Weighted EAD as at 31 December 2016:

Risk Weighted EAD (%) - 31 December 2016								
	%	%	%	%	%	%	%	%
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	0.06%	178.36%	66.72%		142.70%			58.43%
Corporate	8.37%		58.84%					58.62%
Sovereign			12.05%					12.05%
SME								0.00%
Total AIRB approach:	0.09%	178.36%	36.04%	0.00%	142.70%	0.00%	0.00%	34.64%

The following table provides the breakdown of Loans and Advances per Industry as at the end of 31 December 2016:

	31-Dec-16
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	1,011,107
Real estate	-
Business services	-
Community, social and personal services	-
Private households	206
Other	-
Total - Wholesale banking:	1,011,313
Total gross loans and advances to customers	1,011,313
Less:	
Specific allowance for impairment losses	-
Portfolio allowance for impairment losses	-
Loans and advances to customers net of allowances for impairment	1,011,313
<i>Of which:</i>	
Repayable on demand	548,785
Loans and advances with agreed maturity dates or periods of notice	462,528
Loans and advances to customers net of allowances for impairment	1,011,313

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:

	31 December 2016	
	Standardised Approach	
	Risk Weighted Assets	Regulatory Capital Requirement
Market Risk requirements for the Banking Book	ZAR '000	ZAR '000
Foreign Exchange risk	6,399	624
Total:	6,399	624

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 31 December 2016:

	31 December 2016	
	Basic Indicator Approach	
	Risk Weighted Assets	Regulatory Capital Requirement
Operational Risk requirements	ZAR '000	ZAR '000
Operational risk	375,168	36,579
Total:	375,168	36,579

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.....2016-12-31

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	332,775	
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	688,374	

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)	12,203	
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	11,369	
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	23,572	
29	Common Equity Tier 1 capital (CET1)	664,802	
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)	664,802	

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)	664,802	
	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	3,281,114	
Capital ratios		%	%
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	20.2615%	
62	Tier 1 (as a percentage of risk weighted assets)	20.2615%	
63	Total capital (as a percentage of risk weighted assets)	20.2615%	
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)	7.6250%	
65	of which: capital conservation buffer requirement	0.6250%	
66	of which: bank specific countercyclical buffer requirement	0.0000%	
67	of which: G-SIB buffer requirement	0.0000%	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	12.6365%	
National Minima (if different from Basel 3)		%	%
69	National Common Equity Tier 1 minimum ratio (if different from Basel 3 minimum)	6.2500%	
70	National Tier 1 minimum ratio	7.5000%	
71	National total capital minimum ratio	9.7500%	
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)	10,151	
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.....2016-12-31

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