



**PILLAR 3 – MARKET DISCIPLINE**

**BNP PARIBAS BANGKOK BRANCH**

**30 JUNE 2013**

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**REGULATOR : Bank of Thailand**

**VALIDATION DATE : 30 September 2013**

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## BNP PARIBAS BANGKOK BRANCH market disclosure

BNP Paribas considers its Group Pillar 3 communication to fully satisfy any disclosure to the Markets, especially for branches. The Group consolidated level is the most accurate one to perform analysis and should prevail to any other sub-consolidated/individual basis.

### PILLAR 3 - DISCLOSURE TO THE MARKETS

**BNP PARIBAS BANGKOK BRANCH**

 Minimum solvency  
ratio:

8.5%

 Minimum solvency  
ratio:

7.5%

In Thousands of THB	30 June 2013		31 December 2012	
	Risk-weighted assets	Capital Requirements	Risk-weighted assets	Capital Requirements
<b>CREDIT AND COUNTERPARTY RISK</b>	<b>22,768,653</b>	<b>1,935,336</b>	<b>20,264,054</b>	<b>1,519,804</b>
Credit risk	22,768,653	1,935,336	20,264,054	1,519,804
Credit risk - Standardised approach	22,768,653	1,935,336	20,264,054	1,519,804
- Performing claims				
Central governments and central banks	327,484	27,836	365,995	27,450
Corporates	13,216,387	1,123,393	11,702,791	877,709
Institutions	9,134,810	776,459	8,074,237	605,568
Retail	6,027	512	7,332	550
Other exposures	6,027	512	7,332	550
Securitisation positions	-	-	-	-
Other non credit-obligation assets	83,945	7,135	113,700	8,527
- Non-performing claims				
Corporates	-	-	-	-
<b>MARKET RISK</b>	<b>25,305,630</b>	<b>2,024,450</b>	<b>21,081,497</b>	<b>1,686,520</b>
Internal model				
Standardised approach	25,305,630	2,024,450	21,081,497	1,686,520
<b>OPERATIONAL RISK</b>	<b>1,905,191</b>	<b>152,415</b>	<b>1,968,276</b>	<b>157,462</b>
Standardised approach	1,905,191	152,415	1,968,276	157,462
<b>TOTAL</b>	<b>49,979,474</b>	<b>4,112,201</b>	<b>43,313,827</b>	<b>3,363,786</b>

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2012 Registration Document: [http://media-cms.bnpparibas.com/file/39/5/ddr\\_2012\\_gb.29395.pdf](http://media-cms.bnpparibas.com/file/39/5/ddr_2012_gb.29395.pdf) (see TABLE 6: PILLAR 1 RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENTS on page 233)

BNP Paribas considers this chart to cover any extra disclosure that can be requested to one of its entities. The only purpose of what follows in the next pages is to meet Bank of Thailand requirements.

## 1. Capital Structure

The Capital of BNP Paribas Bangkok Branch (the Branch) is made of assets maintained in accordance with the Section 32 of the Financial Institutions Businesses Act B.E. 2551 minus deductible items as prescribed in the notification No. FPG. 14/2555 Re: Components of Capital of Branches of Foreign Commercial Banks.

The Branch maintains assets in accordance with Section 32 of the Financial Institutions Business Act B.E. 2551. They are made of Bonds issued by the Bank of Thailand and the Ministry of Finance or guaranteed by the Ministry of Finance and debt instruments issued by state organizations or state enterprises established under specific laws.

The minimum level of assets required to be maintained as capital is the lower amount between the assets maintained under Section 32 and the result of the following:

3.1. Aggregated amounts of money brought in by the head office or any other branches abroad, the reserves and the net profits transferred to the head office account but still maintained in Thailand, minus net losses not yet compensated by the head office, or

3.2. Aggregated amounts of money brought in by the head office or any other branches abroad, the reserves and the net profits transferred to the head office account but still maintained in Thailand, minus net losses not yet compensated by the head office and net balances of inter office accounts when the Branch is a creditor of the head office or any other branches, parent or subsidiary companies.

Under no circumstances, the Branch can have assets under Section 32 lower than THB 2,000 millions as prescribed in the license for operating branches of foreign commercial bank in Thailand.

Table 1 : Capital Structure of Foreign Bank Branches

Unit : THB '000

Capital Structure	30 June 2013	31 December 2012
1. Assets required to be maintained under Section 32	8,187,976	5,999,841
2. Sum of net capital for maintenance of assets under Section 32 and net balance of inter-office accounts (2.1+2.2)	9,527,488	6,315,540
2.1 Capital for maintenance of assets under Section 32	7,718,048	5,172,269
2.2 Net balance of inter-office accounts which the branch is the debtor (the creditor) to the head office and other branches located in other countries, the parent company and subsidiaries of the head office	1,809,439	1,143,272
3. Total regulatory capital (3.1-3.2)	7,718,048	5,172,269
3.1 Total regulatory capital before deductions (The lowest amount among item 1 item 2 and item 2.1)	7,718,048	5,172,269
3.2 Deductions	-	-

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2012 Registration Document : [http://media-cms.bnpparibas.com/file/39/5/ddr\\_2012\\_gb.29395.pdf](http://media-cms.bnpparibas.com/file/39/5/ddr_2012_gb.29395.pdf) (see TABLE 4: REGULATORY CAPITAL on page 231)

## 2. Capital adequacy

The Branch is required to comply with the Bank of Thailand's regulations and especially with the following notifications:

1. No. Sor.Nor.Sor. 12/2555 Re: Supervisory Guidelines on Capital Provision for Commercial Banks
2. No. SorNorSor. 14/2555 Components of Capital of Branches of Foreign Commercial Banks
3. No. Sor Nor Sor 15/2555 Re: Regulations for Credit Risk Asset Calculations for Commercial Banks Using the Standardised Approach
4. No. SorNorSor. 17/2555 Re: Regulation on the Calculation of Credit Equivalent Amount for OTC Derivatives
5. No. SorNorSor. 18/2555 Re: Regulation on Failed Trades and Non-Delivery versus Payment (Non-DvP) Transactions for Commercial Banks
6. No. SorNorSor. 94/2008 RE: Guideline on Supervision of Market Risk and Capital Requirement for Market Risk of Financial Institutions
7. No. SorNorSor. 95/2551 Re: Regulation on Minimum Capital Requirement for Operational Risk

For local regulatory reporting, the Capital Adequacy Ratio as at 30 June 2013 has been calculated using the Standardised approach for credit, market and operational risk. According to the new notification No. FPG. 12/2555 Re: Supervisory Guidelines on Capital Provision for Commercial Banks, the capital adequacy ratio must at all time be above 8.5% comparing to prior ratio was 7.5%. This new capital adequacy ratio is effective from 1 January 2013 onwards. The ratio is computed locally on a monthly basis to satisfy the Bank of Thailand requirements. The capital adequacy of the Branch covers the needs of activities under normal and stressed conditions. The capital is in line with the strategy, the business plans and the risk management.

Table 2 : Total Capital to Risk-weighted assets

unit : %

Ratio	30 June 2013	31 December 2012
Total Capital to Risk-weighted assets	15.44	11.94

The BIS ratio rising up in June 2013 comparing to December 2012 mainly from the high level of the Branch's capital fund. In Y2013, the Branch increasing its capital fund by borrowing from BNP Paribas Group amount of USD 73.7 million, equivalent to THB 2,202 million, resulting in total capital funds THB 8,102 million. The capital fund as of 30 June 2013 is THB 7,718 million resulting from the revaluation of foreign exchange rate.

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2012 Registration Document : [http://media-cms.bnpparibas.com/file/39/5/ddr\\_2012\\_gb.29395.pdf](http://media-cms.bnpparibas.com/file/39/5/ddr_2012_gb.29395.pdf) (see TABLE 4: REGULATORY CAPITAL on page 231)

## 3. Risk Management

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2012 Registration Document : [http://media-cms.bnpparibas.com/file/39/5/ddr\\_2012\\_gb.29395.pdf](http://media-cms.bnpparibas.com/file/39/5/ddr_2012_gb.29395.pdf) (See 5.3 Risk Management on page 237-245)



## 4. Credit risk disclosures

The Credit risk management policy is presented in the registration document and the financial report - BNP Paribas, Pillar 3 disclosure. Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2012 Registration Document : [http://media-cms.bnpparibas.com/file/39/5/ddr\\_2012\\_gb.29395.pdf](http://media-cms.bnpparibas.com/file/39/5/ddr_2012_gb.29395.pdf) (see CREDIT RISK on page 245-269)

Under the standardised approach, the Branch has decided to use the following External credit assessment institution (ECAIs) notations to risk weight its exposures;

- Sovereign Exposures : Standard and Poor's
- Corporate Exposures : TRIS Rating and Fitch Ratings (Thailand)

The Procedures for Use of ECAI Credit Ratings are in line with Bank of Thailand's regulation No. Sor Nor Sor. 15/2555 Re: Regulations for Credit Risk Asset Calculations for Commercial Banks Using the Standardised Approach

### Credit risk mitigation under the Standardised Approach

To mitigate the credit risk, the Branch recognizes collateral under the comprehensive approach and applies haircuts as defined by the Bank of Thailand.

Table 3 Exposure of significant on-balance sheet assets and off-balance sheet items before credit risk mitigation

Unit : THB '000

Item	2012 Average balance	31 December 2012	2011 Average balance	31 December 2011
<b>1. On-balance sheet assets (1.1 + 1.2 + 1.3)</b>	<b>17,213,120</b>	<b>18,207,877</b>	<b>21,294,469</b>	<b>16,218,362</b>
1.1 Net loans <sup>1/</sup>	3,351,272	4,424,707	1,884,923	2,277,836
1.2 Net Investment in debt securities <sup>2/</sup>	11,489,927	12,112,690	13,132,600	10,867,164
1.3 Deposits (including accrued interest receivables)	2,371,921	1,670,479	6,276,946	3,073,362
<b>2. Off-balance sheet items <sup>3/</sup> (2.1 + 2.2 + 2.3)</b>	<b>2,127,863,367</b>	<b>2,008,542,411</b>	<b>2,174,756,578</b>	<b>2,247,184,323</b>
2.1 Aval of bills, guarantees, and letter of credits	16,179,915	15,141,619	16,579,273	17,218,211
2.2 OTC derivatives <sup>4/</sup>	2,110,748,610	1,992,481,844	2,157,249,667	2,229,015,376
2.3 Undrawn committed line	934,842	918,948	927,638	950,736

<sup>1/</sup> Including accrued interest receivables and net of deferred incomes, allowances for doubtful accounts and allowances for revaluation from debt restructuring and including net loans of interbank and money market.

<sup>2/</sup> Excluding accrued interest receivables and net of allowances for revaluation of securities and allowances for impairment of securities

<sup>3/</sup> Before multiplying credit conversion factor

<sup>4/</sup> Including equity-related derivatives

**Table 4 Exposure of significant on-balance sheet assets and off-balance sheet items before credit risk mitigation classified by country or geographic area of debtor**

Unit : THB '000

Country or geographic area of debtor	31 December 2012							
	On-balance sheet assets				Off-balance sheet items <sup>3/</sup>			
	Total	Net loans <sup>1/</sup>	Net Investment in debt securities <sup>2/</sup>	Deposits	Total	Aval of bills, guarantees of borrowings, and letter of credits	OTC derivatives	Undrawn committed line
1. Thailand	18,071,792	4,353,159	12,112,690	1,605,943	943,599,742	9,178,456	933,502,338	918,948
2. Outside Thailand	136,085	71,548	-	64,537	1,064,942,670	5,963,164	1,058,979,506	-
<b>Total</b>	<b>18,207,877</b>	<b>4,424,707</b>	<b>12,112,690</b>	<b>1,670,479</b>	<b>2,008,542,411</b>	<b>15,141,619</b>	<b>1,992,481,844</b>	<b>918,948</b>

Unit : THB '000

Country or geographic area of debtor	31 December 2011							
	On-balance sheet assets				Off-balance sheet items <sup>3/</sup>			
	Total	Net loans <sup>1/</sup>	Net Investment in debt securities <sup>2/</sup>	Deposits	Total	Aval of bills, guarantees of borrowings, and letter of credits	OTC derivatives	Undrawn committed line
1. Thailand	16,028,054	2,127,375	10,867,164	3,033,514	2,015,282,260	12,205,419	2,002,126,105	950,736
2. Outside Thailand	190,309	150,461	-	39,848	231,902,063	5,012,792	226,889,271	-
<b>Total</b>	<b>16,218,362</b>	<b>2,277,836</b>	<b>10,867,164</b>	<b>3,073,362</b>	<b>2,247,184,323</b>	<b>17,218,211</b>	<b>2,229,015,376</b>	<b>950,736</b>

Note:

<sup>1/</sup> Including accrued interest receivables and net of deferred incomes, allowances for doubtful accounts and allowances for revaluation from debt restructuring and including net loans of interbank and money market.

<sup>2/</sup> Excluding accrued interest receivables and net of allowances for revaluation of securities and allowances for impairment of securities

<sup>3/</sup> Before multiplying credit conversion factor

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2012 Registration Document : [http://media-cms.bnpparibas.com/file/39/5/ddr\\_2012\\_gb.29395.pdf](http://media-cms.bnpparibas.com/file/39/5/ddr_2012_gb.29395.pdf) (see TABLE 11 : GEOGRAPHIC BREAKDOWN OF CREDIT RISK BY COUNTERPARTY'S COUNTRY OF BUSINESS on page 251)

**Table 5 Exposure of significant on-balance sheet assets and off balance sheet items before credit risk mitigation classified by residual maturity**

Unit : THB '000

Item	31 December 2012			31 December 2011		
	Maturity not exceeding 1 year	Maturity exceeding 1 year	Total	Maturity not exceeding 1 year	Maturity exceeding 1 year	Total
<b>1. On-balance sheet assets (1.1 + 1.2 + 1.3)</b>	15,319,562	2,888,315	18,207,877	11,958,558	4,259,804	16,218,362
1.1 Net loans <sup>1/</sup>	4,169,581	255,127	4,424,707	1,875,958	401,877	2,277,836
1.2 Net Investment in debt securities <sup>2/</sup>	9,479,502	2,633,188	12,112,690	7,009,238	3,857,926	10,867,164
1.3 Deposits (including accrued interest receivables)	1,670,479	-	1,670,479	3,073,362	-	3,073,362
<b>2. Off-balance sheet items<sup>3/</sup> (2.1 + 2.2 + 2.3)</b>	914,949,619	1,093,592,793	2,008,542,411	1,093,032,587	1,154,151,736	2,247,184,323
2.1 Aval of bills, guarantees of borrowings, and letter of credits	14,352,052	789,567	15,141,619	16,270,929	947,282	17,218,211
2.2 OTC derivatives	899,678,619	1,092,803,226	1,992,481,844	1,075,810,922	1,153,204,454	2,229,015,376
2.3 Undrawn committed line	918,948	-	918,948	950,736	-	950,736

<sup>1/</sup> Including accrued interest receivables and net of deferred incomes, allowances for doubtful accounts and allowances for revaluation from debt restructuring and including net loans of interbank and money market.

<sup>2/</sup> Excluding accrued interest receivables and net of allowances for revaluation of securities and allowances for impairment of securities

<sup>3/</sup> Before multiplying credit conversion factor

The classified assets of the Branch are split in Pass, Special mention, Substandard, Doubtful, and Doubtful loss categories according to the regulation of the Bank of Thailand No.Sor Nor Sor 31/2008 Re Classification and Provision of Financial Institutions. The defaults and impairment of assets follow the provisioning rules issued by the Bank of Thailand.

The Branch calculates general provision and specific provision based on Bank of Thailand's regulation No. Sor Nor Sor 31/2008 Re Classification and Provision of Financial Institutions.

Table 6 Loans and investment in debt securities before credit risk mitigation classified by country or geographic area of debtors and by asset classification specified by the Bank of Thailand

Unit : THB '000

Geographic area of debtor	31 December 2012						
	Loans including accrued interest receivables <sup>1/</sup>						Investment in debt securities Doubtful loss
	Normal	Special mentioned	Substandard	Doubtful	Doubtful loss	Total	
1. Thailand	4,382,486	-	-	-	132,991	4,515,477	2,985
2. Outside Thailand	72,222	-	-	-	-	72,222	-
<b>Total</b>	<b>4,454,707</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>132,991</b>	<b>4,587,698</b>	<b>2,985</b>

<sup>1/</sup> Including outstanding amounts of loans and interest receivable receivables of interbank and money market

Unit : THB '000

Geographic area of debtor	31 December 2011						
	Loans including accrued interest receivables <sup>1/</sup>						Investment in debt securities Doubtful loss
	Normal	Special mentioned	Substandard	Doubtful	Doubtful loss	Total	
1. Thailand	2,156,012	-	-	-	141,191	2,297,203	6,083
2. Outside Thailand	151,823	-	-	-	-	151,823	-
<b>Total</b>	<b>2,307,836</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>141,191</b>	<b>2,449,027</b>	<b>6,083</b>

<sup>1/</sup> Including outstanding amounts of loans and interest receivable receivables of interbank and money market

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2012 Registration Document : [http://media-cms.bnpparibas.com/file/39/5/ddr\\_2012\\_gb.29395.pdf](http://media-cms.bnpparibas.com/file/39/5/ddr_2012_gb.29395.pdf) (see TABLE 11 : GEOGRAPHIC BREAKDOWN OF CREDIT RISK BY COUNTERPARTY'S COUNTRY OF BUSINESS on page 251)

Table 7 Provisions and bad debt written-off during period on loan & investment in debt securities classified by geographic area of debtor

Unit : THB '000

Geographic area of debtor	31 December 2012			
	Loans including accrued interest receivables <sup>1/</sup>			Specific provision for investment in debt securities
	General provision <sup>2/</sup>	Specific provision	Bad debt written-off during period	
1. Thailand	-	132,991	-	2,985
2. Outside Thailand	-	-	-	-
<b>Total</b>	<b>30,000</b>	<b>132,991</b>	<b>-</b>	<b>2,985</b>

Unit : THB '000

Geographic area of debtor	31 December 2011			
	Loans including accrued interest receivables <sup>1/</sup>			Specific provision for investment in debt securities
	General provision <sup>2/</sup>	Specific provision	Bad debt written-off during period	
1. Thailand	-	141,191	-	6,083
2. Outside Thailand	-	-	-	-
<b>Total</b>	<b>30,000</b>	<b>141,191</b>	<b>-</b>	<b>6,083</b>

<sup>1/</sup> Including provision and bad debt written-off during period of loans including accrued interest receivables of interbank and money market

<sup>2/</sup> Disclosed in total amount



**Table 8 Loans and accrued interests before credit risk mitigation classified by type of business and by asset classification specified by the Bank of Thailand**

Unit : THB '000

Type of business	31 December 2012					
	Normal	Special mentioned	Substandard	Doubtful	Doubtful loss	Total
Agriculture and mining	-	-	-	-	-	-
Manufacturing and commerce	1,640,095	-	-	-	132,991	1,773,086
Real estate business and construction	796,994	-	-	-	-	796,994
Public utilities and services	264,456	-	-	-	-	264,456
Housing loans	6,439	-	-	-	-	6,439
Others	-	-	-	-	-	-
- Interbank and money market	1,728,722	-	-	-	-	1,728,722
- Others	18,002	-	-	-	-	18,002
<b>Total</b>	<b>4,454,707</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>132,991</b>	<b>4,587,698</b>

Unit : THB '000

Type of business	31 December 2011					
	Normal	Special mentioned	Substandard	Doubtful	Doubtful loss	Total
Agriculture and mining	-	-	-	-	-	-
Manufacturing and commerce	885,468	-	-	-	141,191	1,026,659
Real estate business and construction	761,994	-	-	-	-	761,994
Public utilities and services	468,748	-	-	-	-	468,748
Housing loans	10,864	-	-	-	-	10,864
Others	-	-	-	-	-	24,920
- Interbank and money market	136,714	-	-	-	-	136,714
- Others	44,047	-	-	-	-	19,127
<b>Total</b>	<b>2,307,836</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>141,191</b>	<b>2,449,027</b>

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2012 Registration Document : [http://media-cms.bnpparibas.com/file/39/5/ddr\\_2012\\_gb.29395.pdf](http://media-cms.bnpparibas.com/file/39/5/ddr_2012_gb.29395.pdf) (see TABLE 12 : BREAKDOWN OF CREDIT RISK CORPORATE ASSET CLASS BY INDUSTRY on page 252)

**Table 9 Provisions and bad debt written-off during period for loans classified by types of business**

Unit : THB '000

Type of business	31 December 2012			31 December 2011		
	General provision <sup>1/</sup>	Specific provision	Bad debt written-off during period	General provision <sup>1/</sup>	Specific provision	Bad debt written-off during period
Agriculture and mining	-	-	-	-	-	-
Manufacturing and commerce	-	132,991	-	-	141,191	-
Real estate business and construction	-	-	-	-	-	-
Public utilities and services	-	-	-	-	-	-
Others	-	-	-	-	-	-
- Interbank and money market	-	-	-	-	-	-
- Others	-	-	-	-	-	-
<b>Total</b>	<b>30,000</b>	<b>132,991</b>	<b>-</b>	<b>30,000</b>	<b>141,191</b>	<b>-</b>

1/ Disclosed in total amount

**Table 10 Reconciliation of change in provisions on loans**

Unit : THB '000

Item	31-Dec-12			31-Dec-11		
	General provision	Specific provision	Bad debt written-off during period	General provision	Specific provision	Bad debt written-off during period
Provisions at the beginning of the period	30,000	141,191	-	98,458	350,364	-
Bad debts written-off during the period	-	-	-	-	-	-
Increases or Decreases of provisions during the period	-	(8,200)	-	(68,458)	(209,173)	(277,631)
Provisions at the end of the period	30,000	132,991	-	30,000	141,191	171,191

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2012 Registration Document : [http://media-cms.bnpparibas.com/file/39/5/ddr\\_2012\\_gb.29395.pdf](http://media-cms.bnpparibas.com/file/39/5/ddr_2012_gb.29395.pdf) (see NOTES TO BALANCE SHEET 2.f COST OF RISK on page 128)

**Table 11 Exposure of on-balance sheet assets\* and off-balance sheet items\* classified by type of assets under the SA**

Unit : THB '000

	31 December 2012			31 December 2011		
	On balance sheet assets	Off balance sheet item **	Total	On balance sheet assets	Off balance sheet item **	Total
<b>1. Performing claims</b>	<b>34,539,665</b>	<b>30,570,847</b>	<b>65,110,512</b>	<b>44,341,072</b>	<b>34,463,092</b>	<b>78,804,164</b>
1.1 Claims on sovereigns and central banks, multilateral development banks (MDBs), and non-central government public sector entities (PSEs) treated as claims on sovereigns	10,497,716	84,724	10,582,440	11,415,342	133,103	11,548,445
1.2 Claims on financial institutions , non-central government public sector entities (PSEs) treated as claims on financial institutions, and securities firms	499,581	20,705,789	21,205,370	552,952	28,126,747	28,679,699
1.3 Claims on corporates , non-central government public sector entities (PSEs) treated as claims on corporate	2,713,786	9,780,334	12,494,120	2,140,325	6,203,242	8,343,567
1.4 Claims on retail portfolios	7,332	-	7,332	15,687	-	15,687
1.5 Housing loans	-	-	-	-	-	-
1.6 Other assets	20,821,250	-	20,821,250	30,216,766	-	30,216,766
<b>2. Non-performing claims</b>	-	-	-	-	-	-
<b>3. First-to-default credit derivatives and Securitisation</b>	-	-	-	-	-	-
<b>Total</b>	<b>34,539,665</b>	<b>30,570,847</b>	<b>65,110,512</b>	<b>44,341,072</b>	<b>34,463,092</b>	<b>78,804,164</b>

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2012 Registration Document : [http://media-cms.bnpparibas.com/file/39/5/ddr\\_2012\\_gb.29395.pdf](http://media-cms.bnpparibas.com/file/39/5/ddr_2012_gb.29395.pdf) (see TABLE 9: EXPOSURE TO CREDIT RISK BY BASEL ASSET CLASS AND APPROACH on page 246)

**Table 12 : Exposure of net on-balance sheet assets and off-balance sheet items\*\* after adjusted by credit risk mitigation for each type of asset, classified by risk weight under the SA**

unit : THB'000

Type of asset	Risk weight (%)	31 December 2012								
		Rated outstanding amount				Unrated outstanding amount				
		0	20	50	100	150	0	20	75	100
<b>Performing claims</b>										
1. Claims on sovereigns and central banks, multilateral development banks (MDBs), and non-central government public sector entities (PSEs) treated as claims on sovereigns		8,899,023	1,593,826	84,724	4,868					
2. Claims on financial institutions , non-central government public sector entities (PSEs) treated as claims on financial institutions, and securities firms			13,793,895	2,556,822	4,854,653					
3. Claims on corporates , non-central government public sector entities (PSEs) treated as claims on corporate			447,473	727,757	11,318,889					
4. Claims on retail portfolios										7,332
5. Claims on housing loans										
6. Other assets			96,200				20,630,590			94,460
	Risk weight (%)			50	100	150				
<b>Non-performing claims<sup>1/</sup></b>					-					
<b>Capital deduction items prescribed by the Bank of Thailand</b>										

\* Including insignificant credit portfolios using the SA of the commercial banks that use the IRB

\*\* After multiplying credit conversion factor

<sup>1/</sup> For the portion claims with no credit risk mitigation of which risk weight are determined by the proportion of provision to total amount of claims



Type of asset	31 December 2011									
	Risk weight (%)	Rated outstanding amount					Unrated outstanding amount			
		0	20	50	100	150	0	20	75	100
<b>Performing claims</b>										
1. Claims on sovereigns and central banks, multilateral development banks (MDBs), and non-central government public sector entities (PSEs) treated as claims on sovereigns		11,400,233	133,103	15,109						
2. Claims on financial institutions, non-central government public sector entities (PSEs) treated as claims on financial institutions, and securities firms		20,057,867	697,192	7,924,641						
3. Claims on corporates, non-central government public sector entities (PSEs) treated as claims on corporate		811,375	131,822	7,400,370						
4. Claims on retail portfolios									15,687	
5. Claims on housing loans										
6. Other assets						30,116,978			99,788	
	Risk weight (%)		50	100	150					
<b>Non-performing claims<sup>1/</sup></b>										
<b>Capital deduction items prescribed by the Bank of Thailand</b>										

\* Including insignificant credit portfolios using the SA of the commercial banks that use the IRB

\*\* After multiplying credit conversion factor

<sup>1/</sup> For the portion claims with no credit risk mitigation of which risk weight are determined by the proportion of provision to total amount of claims

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2012 Registration Document : [http://media-cms.bnpparibas.com/file/39/5/ddr\\_2012\\_gb.29395.pdf](http://media-cms.bnpparibas.com/file/39/5/ddr_2012_gb.29395.pdf) (see TABLE 15: BREAKDOWN OF IRBA CORPORATE EXPOSURES BY ASSET CLASS AND INTERNAL RATING on page 256, TABLE 11: BREAKDOWN OF IRBA RETAIL EXPOSURES BY ASSET CLASS AND INTERNAL RATING on page 260 and TABLE 17: CREDIT RISK EXPOSURE BY CLASS AND EXTERNAL RATING IN THE STANDARDISED APPROACH on page 263)



## 5. Market risk disclosures

Details, about how market risks of the Branch are managed, are given in Registration document and financial report - BNP Paribas, Pillar 3 disclosure.

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2012 Registration Document : [http://media-cms.bnpparibas.com/file/39/5/ddr\\_2012\\_gb.29395.pdf](http://media-cms.bnpparibas.com/file/39/5/ddr_2012_gb.29395.pdf) (see 5.7 MARKET RISK on page 286-300)

Table 13 Capital for market risk under the SA

unit : THB'000

Capital for market risk	30 June 2013	31 December 2012
1. Capital for Interest Rate Risk	1,680,018	1,629,796
2. Capital for Equity Price Risk	-	-
3. Capital for Foreign Exchange Risk	344,432	56,724
4. Capital for Commodity Price Risk	-	-
<b>Total Capital for Market Risk</b>	<b>2,024,450</b>	<b>1,686,520</b>

## 6. Operational risk disclosures

Details about the operational risk management of the Branch are given in Registration document and financial report - BNP Paribas, Pillar 3 disclosure.

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2012 Registration Document : [http://media-cms.bnpparibas.com/file/39/5/ddr\\_2012\\_gb.29395.pdf](http://media-cms.bnpparibas.com/file/39/5/ddr_2012_gb.29395.pdf) (see 5.10 OPERATIONAL RISK on page 209-315)

For local regulatory reporting, the Branch uses the standard approach to calculate the equivalent factors of operations risk-weighted assets as at 31 December 2012.



## 7. Equity exposure disclosures

Table 14 Equity exposures in banking book

Unit: THB '000

Equity exposures	31 December	
	2012	2011
1. Equity exposures		
1.1 Equities listed and publicly traded in the Stock Exchange		
- Book value	0.00	0.00
- Fair value	0.00	0.00
1.2 Other equities	0.00	0.00
2. Gains (losses) of sale of equities in the reporting period	0.00	0.00
<b>3. Net surplus (deficit) from revaluation of available for sale equities</b>	0.00	0.00
4. Minimum capital requirements for equity exposures classified by the calculation methods		
- SA	0.00	0.00
- IRB	0.00	0.00
5. Equity values for commercial banks applying IRB which the Bank of Thailand allows to use SA	0.00	0.00
<b>Total</b>	0.00	0.00

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2012 Registration Document : [http://media-cms.bnpparibas.com/file/39/5/ddr\\_2012\\_gb.29395.pdf](http://media-cms.bnpparibas.com/file/39/5/ddr_2012_gb.29395.pdf) (see TABLE 45: EXPOSURE TO EQUITY RISK on page 295)

## 8. Interest rate risk in banking book disclosures

Details about the interest rate risk in the banking book of the Branch are given in Registration document and financial report - BNP Paribas, Pillar 3 disclosure.

Table 15 The effect of changes in interest rates (change 100 bps) to net earnings

Unit : THB '000

Currency	Impact to Net Interest income (NII) 31 December	
	2012	2011
Baht	40,743	46,293
USD	6,801	-7,268
EURO	-664	446
Others	402	1,529
<b>Total impact to Net Interest Income</b>	<b>47,283</b>	<b>41,001</b>

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2012 Registration Document : [http://media-cms.bnpparibas.com/file/39/5/ddr\\_2012\\_gb.29395.pdf](http://media-cms.bnpparibas.com/file/39/5/ddr_2012_gb.29395.pdf) (see 5.7 MARKET RISK RELATED TO BANKING ACTIVITIES on page 294)

## 9. Regulatory Capital during the transitional period to Basel III

The Bank of Thailand's notification No.FPG 4/2556 Capital disclosure for the Commercial Banks, effective 1 January 2013, requires the Commercial bank to disclose the regulatory capital during the transitional period to Basel III. The disclosure is consistent with the BCBS's composition of capital disclosure requirement: June 2012 which prescribes the deduction from capital.

The additional deduction is following to the Bank of Thailand's notification No.FPG. 14/2555 Re: Components of Capital of Branches of Foreign Commercial Banks, effective 1 January 2013. The deduction is gradually impact the capital from 2014 onward.

Table 16 Total regularoty capital of the Foreign Bank Branch during the transitional period to Basel III

Unit : THB '000

Regulatory Capital and Deductions under Basel III as of 30 June 2013		Remaining Deductions
Regulatory Capital	7,718,048	
Deductions	-	-
<b>Net Regulatory Capital</b>	<b>7,718,048</b>	



## Appendix

<b>BNP PARIBAS GROUP KEY DOCUMENTS &amp; FIGURES</b>	<b>HYPERLINKS</b>
Registration Document (incl. Group Pillar 3, part 5)	<a href="http://invest.bnpparibas.com/en/en/pid748/registration-document.html">http://invest.bnpparibas.com/en/en/pid748/registration-document.html</a>
Annual Report	<a href="http://invest.bnpparibas.com/en/pid738/annual-report.html">http://invest.bnpparibas.com/en/pid738/annual-report.html</a>
Results	<a href="http://invest.bnpparibas.com/en/pid544/results.html">http://invest.bnpparibas.com/en/pid544/results.html</a>
Information Statement	<a href="http://invest.bnpparibas.com/en/pid741/information-statement.html">http://invest.bnpparibas.com/en/pid741/information-statement.html</a>