



**PILLAR 3 – MARKET DISCIPLINE**

**BNP PARIBAS BANGKOK BRANCH**

**31 DECEMBER 2015**

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**REGULATOR : Bank of Thailand**

**VALIDATION DATE : March 21, 2016**

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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.

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2015 Registration Document: <https://invest.bnpparibas.com/en/registration-documents-annual-financial-reports> (see TABLE 8: PILLAR1 RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENT on page 260)

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.

### PILLAR 3 - DISCLOSURE TO THE MARKETS

BNP PARIBAS BANGKOK BRANCH	Minimum solvency ratio: 8.5%		Minimum solvency ratio: 8.5%	
In Thousands of THB	31 December 2015		31 December 2014	
	Risk-weighted assets	Capital Requirements	Risk-weighted assets	Capital Requirements
<b>CREDIT AND COUNTERPARTY RISK</b>	<b>43,868,147</b>	<b>3,728,792</b>	<b>32,309,546</b>	<b>2,746,311</b>
Credit risk	43,868,147	3,728,792	32,309,546	2,746,311
Credit risk - Standardised approach	43,868,147	3,728,792	32,309,546	2,746,311
- Performing claims				
Central governments and central banks	3,594,138	305,502	971,750	82,599
Corporates	19,502,330	1,657,698	18,368,724	1,561,342
Institutions	20,690,448	1,758,688	12,772,864	1,085,693
Retail	936	80	1,265	108
Other exposures	936	80	1,265	108
Securitisation positions	-	-	-	-
Other non credit-obligation assets	80,294	6,825	194,942	16,570
- Non-performing claims				
Corporates	-	-	-	-
<b>MARKET RISK</b>	<b>18,492,988</b>	<b>1,571,904</b>	<b>24,096,563</b>	<b>2,048,208</b>
Internal model				
Standardised approach	18,492,988	1,571,904	24,096,563	2,048,208
<b>OPERATIONAL RISK</b>	<b>2,335,613</b>	<b>198,527</b>	<b>2,370,251</b>	<b>201,471</b>
Standardised approach	2,335,613	198,527	2,370,251	201,471
<b>TOTAL</b>	<b>64,696,748</b>	<b>5,499,224</b>	<b>58,776,360</b>	<b>4,995,991</b>

## 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. SorNorSor. 8/2558 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	31 December 2015	31 December 2014
1. Assets required to be maintained under Section 32	8,526,593	8,230,907
2. Sum of net capital for maintenance of assets under Section 32 and net balance of inter-office accounts (2.1+2.2)	8,946,364	9,180,941
2.1 Capital for maintenance of assets under Section 32	8,526,593	8,055,303
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	419,771	1,125,638
3. Total regulatory capital (3.1-3.2)	8,521,786	8,051,462
3.1 Total regulatory capital before deductions (The lowest amount among item 1 item 2 and item 2.1)	8,526,593	8,055,303
3.2 Deductions	4,807	3,841
4. Capital after deducting capital add-on arising from Single Lending Limit*	8,219,528	-

(\*) Effective in January 2015

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2015 Registration Document : <https://invest.bnpparibas.com/en/registration-documents-annual-financial-reports> (see TABLE 4: REGULATORY CAPITAL on page 256)

## 1. Capital adequacy

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

1. No. SorNorSor. 12/2555 Re: Supervisory Guidelines on Capital Provision for Commercial Banks
2. No. SorNorSor. 8/2558 Re: Components of Capital Fund of Branches of Foreign Commercial Banks
3. No. SorNorSor 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 31 December 2015 has been calculated using the Standardised approach for credit, market and operational risk. The Bank of Thailand issued the new Notification No. FPG. 12/2555 Re: Supervisory Guidelines on Capital Provision for Commercial Banks, to comply with global regulatory framework (Basel III) of Basel Committee on Banking Supervision (BCBS). During the period from 1 January, 2013 to 31 December 2015, the minimum capital requirement ratio is 8.5% of total risk assets and will be increasing to 9.125% (effective 1 January 2016), 9.75% (effective 1 January 2017), 10.375% (effective 1 January 2018) and 11.00%(effective 1 January 2019), respectively.

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.

According to the Bank of Thailand Notification No. SorNorSor 22/2555 Single Lending Limit guideline, the Bank is required to disclose Capital- Net Add-on Deductions and Capital to Risk-weighted assets - Net Add-on Deductions, effective 1 January 2015 onwards.

Table 2 : Total Capital to Risk-weighted assets

unit : %

Ratio	31 December 2015	31 December 2014
Total Capital to Risk-weighted assets	13.17	13.70
Total Capital to Risk-weighted assets - Net Add-On Deduction*	12.70	-

(\*) Effective in January 2015

In Y2013, the Branch increased its capital fund by borrowing from BNP Paribas Group amount of USD 73.7 million, equivalent to THB 2,202 million, resulting in the total capital funds THB 8,102 million.

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2015 Registration Document : <https://invest.bnpparibas.com/en/registration-documents-annual-financial-reports> (see TABLE 1 : CAPITAL RATIOS on page 236 and TABLE 4: REGULATORY CAPITAL on page 256 )

## 2. Risk Management

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2015 Registration Document : <https://invest.bnpparibas.com/en/registration-documents-annual-financial-reports> (See 5.3 Risk Management on page 270-277)

## 3. 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 2015 Registration Document : <https://invest.bnpparibas.com/en/registration-documents-annual-financial-reports> (see 5.4 CREDIT RISK on page 278-311)

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. SorNorSor. 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	31 December 2015	31 December 2014
<b>1. On-balance sheet assets (1.1 + 1.2 + 1.3)</b>	<b>74,556,316</b>	<b>54,171,063</b>
1.1 Net loans <sup>1/</sup>	11,506,213	9,120,093
1.2 Net Investment in debt securities <sup>2/</sup>	22,002,913	25,648,993
1.3 Deposits (including accrued interest receivables)	3,487,577	218,104
1.4 Derivative asset	37,559,613	19,183,874
<b>2. Off-balance sheet items <sup>3/</sup> (2.1 + 2.2 + 2.3)</b>	<b>3,894,686,993</b>	<b>2,098,491,306</b>
2.1 Aval of bills, guarantees, and letter of credits	32,104,882	28,131,643
2.2 OTC derivatives <sup>4/</sup>	3,859,695,027	2,069,370,773
2.3 Undrawn committed line	2,887,084	988,890

<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 2015								
	On-balance sheet assets					Off-balance sheet items <sup>2/</sup>			
	Total	Net loans <sup>1/</sup>	Net Investment in debt securities <sup>2/</sup>	Deposits	Derivative Assets	Total	Aval of bills, guarantees of borrowings, and letter of credits	OTC derivatives	Undrawn committed line
1. Thailand	71,021,329	11,379,806	22,002,913	3,483,502	34,155,107	3,217,629,300	19,303,516	3,195,438,701	2,887,084
2. Outside Thailand	3,534,987	126,407	-	4,075	3,404,506	677,057,693	12,801,367	664,256,326	-
<b>Total</b>	<b>74,556,316</b>	<b>11,506,213</b>	<b>22,002,913</b>	<b>3,487,577</b>	<b>37,559,613</b>	<b>3,894,686,993</b>	<b>32,104,882</b>	<b>3,859,695,027</b>	<b>2,887,084</b>

Unit : THB '000

Country or geographic area of debtor	31 December 2014								
	On-balance sheet assets					Off-balance sheet items <sup>2/</sup>			
	Total	Net loans <sup>1/</sup>	Net Investment in debt securities <sup>2/</sup>	Deposits	Derivative Assets	Total	Aval of bills, guarantees of borrowings, and letter of credits	OTC derivatives	Undrawn committed line
1. Thailand	51,300,746	9,099,254	25,648,993	203,188	16,349,311	2,088,442,210	18,483,062	2,068,970,258	988,890
2. Outside Thailand	2,870,317	20,839	-	14,916	2,834,563	10,049,096	9,648,580	400,515	-
<b>Total</b>	<b>54,171,063</b>	<b>9,120,093</b>	<b>25,648,993</b>	<b>218,104</b>	<b>19,183,874</b>	<b>2,098,491,306</b>	<b>28,131,643</b>	<b>2,069,370,773</b>	<b>988,890</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 2015 Registration Document : <https://invest.bnpparibas.com/en/registration-documents-annual-financial-reports> (see TABLE 17: CREDIT RISK EXPOSURE BY GEOGRAPHICAL REGION on page 283)

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 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 2015			31 December 2014		
	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>	45,622,588	28,933,728	<b>74,556,316</b>	38,186,259	15,984,804	<b>54,171,063</b>
1.1 Net loans <sup>1/</sup>	11,308,737.29	197,476	<b>11,506,213</b>	9,119,000	1,093	<b>9,120,093</b>
1.2 Net Investment in debt securities <sup>2/</sup>	21,447,735.20	555,178	<b>22,002,913</b>	25,045,925	603,068	<b>25,648,993</b>
1.3 Deposits (including accrued interest receivables)	3,487,576.93	-	<b>3,487,577</b>	218,104	-	<b>218,104</b>
1.4 Derivative asset	9,378,538.47	28,181,075	<b>37,559,613</b>	3,803,231	15,380,643	<b>19,183,874</b>
<b>2. Off-balance sheet items<sup>2/</sup> (2.1 + 2.2 + 2.3)</b>	3,789,259,881	105,427,112	<b>3,894,686,993</b>	1,081,615,321	1,016,875,985	<b>2,098,491,306</b>
2.1 Aval of bills, guarantees of borrowings, and letter of credits	14,837,184.35	17,267,698	<b>32,104,882</b>	25,386,416	2,745,226	<b>28,131,643</b>
2.2 OTC derivatives	3,771,535,613	88,159,414	<b>3,859,695,027</b>	1,055,240,015	1,014,130,759	<b>2,069,370,773</b>
2.3 Undrawn committed line	2,887,084	-	<b>2,887,084</b>	988,890	-	<b>988,890</b>

<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

**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 2015						Investment in debt securities Doubtful loss
	Loans including accrued interest receivables <sup>1/</sup>						
	Normal	Special mentioned	Substandard	Doubtful	Doubtful loss	Total	
1. Thailand	11,443,529	-	-	-	-	11,443,529	592
2. Outside Thailand	127,864	-	-	-	-	127,864	-
<b>Total</b>	<b>11,571,213</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,571,393</b>	<b>592</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 2014						Investment in debt securities Doubtful loss
	Loans including accrued interest receivables <sup>1/</sup>						
	Normal	Special mentioned	Substandard	Doubtful	Doubtful loss	Total	
1. Thailand	9,169,044	-	-	-	-	9,169,044	3,916
2. Outside Thailand	21,049	-	-	-	-	21,049	-
<b>Total</b>	<b>9,190,093</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,190,093</b>	<b>3,916</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 2015 Registration Document : <https://invest.bnpparibas.com/en/registration-documents-annual-financial-reports> (see TABLE 17: CREDIT RISK EXPOSURE BY GEOGRAPHICAL REGION on page 283)

**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 2015			
	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	-	-	-	592
2. Outside Thailand	-	-	-	-
<b>Total</b>	<b>65,000</b>	<b>-</b>	<b>-</b>	<b>592</b>

Unit : THB '000

Geographic area of debtor	31 December 2014			
	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	-	-	-	3,916
2. Outside Thailand	-	-	-	-
<b>Total</b>	<b>70,000</b>	<b>-</b>	<b>-</b>	<b>3,916</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 2015					Total
	Normal	Special mentioned	Substandard	Doubtful	Doubtful loss	
Agriculture and mining	687,962	-	-	-	-	687,962
Manufacturing and commerce	4,383,072	-	-	-	-	4,383,072
Real estate business and construction	1,171,258	-	-	-	-	1,171,258
Public utilities and services	-	-	-	-	-	-
Housing loans	936	-	-	-	-	936
Interbank	5,327,986	-	-	-	-	5,327,986
<b>Total</b>	<b>11,571,213</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,571,213</b>

Unit : THB '000

Type of business	31 December 2014					Total
	Normal	Special mentioned	Substandard	Doubtful	Doubtful loss	
Agriculture and mining	-	-	-	-	-	-
Manufacturing and commerce	3,727,835	-	-	-	-	3,727,835
Real estate business and construction	1,190,850	-	-	-	-	1,190,850
Public utilities and services	1,648,815	-	-	-	-	1,648,815
Housing loans	1,265	-	-	-	-	1,265
Interbank	2,621,328	-	-	-	-	2,621,328
<b>Total</b>	<b>9,190,093</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,190,093</b>

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2015 Registration Document : <https://invest.bnpparibas.com/en/registration-documents-annual-financial-reports> (see TABLE 18 : CREDIT RISK EXPOSURE BY INDUSTRY- CORPORATE ASSETS CLASS on page 285)

**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 2015			31 December 2014		
	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	-	-	-	-	-	-
Real estate business and construction	-	-	-	-	-	-
Public utilities and services	-	-	-	-	-	-
Others	-	-	-	-	-	-
- Interbank and money market	-	-	-	-	-	-
- Others	-	-	-	-	-	-
<b>Total</b>	<b>65,000</b>	<b>-</b>	<b>-</b>	<b>70,000</b>	<b>-</b>	<b>-</b>

<sup>1/</sup> Disclosed in total amount**Table 10 Reconciliation of change in provisions on loans**

Unit : THB '000

Item	31 December 2015			31 December 2014		
	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	70,000	-	-	61,000	-	-
Bad debts written-off during the period	-	-	-	-	-	-
Increases (Decreases) of provisions during the period	(5,000)	-	-	9,000	-	-
Provisions at the end of the period	65,000	-	-	70,000	-	-

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2015 Registration Document : <https://invest.bnpparibas.com/en/registration-documents-annual-financial-reports> (see TABLE 30: EXPOSURES IN DEFAULT AND PROVISIONS BY BASEL ASSET CLASS on page 307)

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 2015			31 December 2014		
	On balance sheet assets	Off balance sheet item **	Total	On balance sheet assets	Off balance sheet item **	Total
<b>1. Performing claims</b>	<b>68,861,271</b>	<b>59,233,933</b>	<b>128,095,204</b>	<b>40,298,835</b>	<b>48,177,736</b>	<b>88,476,572</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	24,809,725	3,064,359	<b>27,874,084</b>	14,109,406	2,584,792	<b>16,694,199</b>
1.2 Claims on financial institutions , non-central government public sector entities (PSEs) treated as claims on financial institutions, and securities firms	134,796	37,532,217	<b>37,666,953</b>	39,517	31,159,239	<b>31,198,756</b>
1.3 Claims on corporates , non-central government public sector entities (PSEs) treated as claims on corporate	6,242,291	18,637,358	<b>24,879,649</b>	6,567,500	14,433,705	<b>21,001,205</b>
1.4 Claims on retail portfolios	936	-	<b>936</b>	1,265	-	<b>1,265</b>
1.5 Housing loans	-	-	-	-	-	-
1.6 Other assets	37,673,583	-	<b>37,673,583</b>	19,581,147	-	<b>19,581,147</b>
<b>2. Non-performing claims</b>	-	-	-	-	-	-
<b>3. First-to-default credit derivatives and Securitisation</b>	-	-	-	-	-	-
<b>Total</b>	<b>68,861,271</b>	<b>59,233,933</b>	<b>128,095,204</b>	<b>40,298,835</b>	<b>48,177,736</b>	<b>88,476,572</b>

\* After multiplying with credit conversion factor and specific provision

\*\* Including all Repo-style transactions (including Reverse repo transactions)

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2015 Registration Document : <https://invest.bnpparibas.com/en/registration-documents-annual-financial-reports> (see TABLE 15: CREDIT RISK EXPOSURE<sup>(\*)</sup> BY ASSET CLASS AND APPROACH on page 278)

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 2015								
		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		10,335,261	17,250,910	287,912	-					
2. Claims on financial institutions , non-central government public sector entities (PSEs) treated as claims on financial institutions, and securities firms		166,337	15,255,357	6,410,732	15,834,526					
3. Claims on corporates , non-central government public sector entities (PSEs) treated as claims on corporate		-	673,344	386,971	23,819,333					
4. Claims on retail portfolios										936
5. Claims on housing loans										
6. Other assets						37,593,289				80,294
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

unit : THB'000

Type of asset	31 December 2014								
	Risk weight (%)	Rated outstanding amount				Unrated outstanding amount			
		0	20	50	100	150	0	20	75
<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	12,213,187	4,229,185	251,826	-					
2. Claims on financial institutions, non-central government public sector entities (PSEs) treated as claims on financial institutions, and securities firms	171,164	10,093,308	10,529,350	10,404,934					
3. Claims on corporates, non-central government public sector entities (PSEs) treated as claims on corporate	-	976,654	365,929	19,658,622					
4. Claims on retail portfolios									1,265
5. Claims on housing loans									
6. Other assets						19,386,204			194,942
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 2015 Registration Document : <https://invest.bnpparibas.com/en/registration-documents-annual-financial-reports> (see TABLE 24: IRBA EXPOSURE BY INTERNAL RATING AND ASSET CLASS – SOVEREIGN, FINANCIAL INSTITUTION, CORPORATE AND SPECIALISED FINANCING PORTFOLIOS on page 296, TABLE 26: IRBA EXPOSURE BY INTERNAL RATING AND ASSET CLASS – RETAIL PORTFOLIO on page 300, TABLE 28: STANDARDISED EXPOSURE BY EXTERNAL RATING on page 304)

#### 4. 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 2015 Registration Document : <https://invest.bnpparibas.com/en/registration-documents-annual-financial-reports> (see 5.7 MARKET RISK on page 326-347)

Table 13 Capital for market risk under the SA

unit : THB'000

Capital for market risk	31 December 2015	31 December 2014
1. Capital for Interest Rate Risk	1,539,965	1,765,440
2. Capital for Equity Price Risk	-	-
3. Capital for Foreign Exchange Risk	31,939	282,768
4. Capital for Commodity Price Risk	-	-
<b>Total Capital for Market Risk</b>	<b>1,571,904</b>	<b>2,048,208</b>

## 5. 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 2015 Registration Document : <https://invest.bnpparibas.com/en/registration-documents-annual-financial-reports> (see 5.10 OPERATIONAL, COMPLIANCE AND REPUTATION RISKS on page 359-365)

For local regulatory reporting, the Branch uses the standard approach to calculate the equivalent factors of operations risk-weighted assets as at 31 December 2015.

## 6. Equity exposure disclosures

Table 14 Equity exposures in banking book

Unit : THB '000

Equity exposures	31 December 2015	31 December 2014
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
3. Net surplus (deficit) from revaluation of available for sale equities	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 2015 Registration Document : <https://invest.bnpparibas.com/en/registration-documents-annual-financial-reports> (see MARKET RISK RELATED TO BANKING ACTIVITIES EQUITY RISK on page 342-347)

## 7. 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 2015	31 December 2014
Baht	40,638	54,165
USD	-14,907	-1,609
EURO	-366	-1,562
Others	-86	-1,021
<b>Total impact to Net Interest Income</b>	<b>25,279</b>	<b>49,972</b>
<b>% of Net Interest Income expected in the next 1 year</b>	<b>9.41</b>	<b>10.12</b>

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2015 Registration Document : <https://invest.bnpparibas.com/en/registration-documents-annual-financial-reports> (see MARKET RISK RELATED TO BANKING ACTIVITIES EQUITY RISK on page 342-347)

## 8. 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.

Transitional arrangements under Basel III require that certain capital components be deducted from capital starting from 2014.

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

Regulatory Capital and Deductions under Basel III	31 December 2015	31 December 2014
Regulatory Capital	8,526,593	8,055,303
Deductions <sup>1/</sup>	4,807	3,841
<b>Net Regulatory Capital</b>	<b>8,521,786</b>	<b>8,051,462</b>
<b>Remaining Deductions</b>	-	-

<sup>1/</sup> Intangible assets e.g. software licenses, phase-out at 100% p.a. in 2014

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2015 Registration Document : <https://invest.bnpparibas.com/en/registration-documents-annual-financial-reports> (see TABLE 4: REGULATORY CAPITAL on page 256)



## Appendix

<b>BNP PARIBAS GROUP KEY DOCUMENTS &amp; FIGURES</b>	<b>HYPERLINKS</b>
Registration Document (incl. Group Pillar 3, part 5)	<a href="https://invest.bnpparibas.com/en/registration-documents-annual-financial-reports">https://invest.bnpparibas.com/en/registration-documents-annual-financial-reports</a>
Annual Report	<a href="http://invest.bnpparibas.com/en/pid5859/annual-report.html">http://invest.bnpparibas.com/en/pid5859/annual-report.html</a>
Results	<a href="http://invest.bnpparibas.com/en/pid5813/results.html">http://invest.bnpparibas.com/en/pid5813/results.html</a>
Information Statement	<a href="http://invest.bnpparibas.com/en/pid5861/information-statement.html">http://invest.bnpparibas.com/en/pid5861/information-statement.html</a>