



PUBLIC DISCLOSURE – RSA BRANCH

YTD Dec 2014





PILLAR 3 DISCLOSURES - BNP PARIBAS S.A., SOUTH AFRICA BRANCH

BNP Paribas S.A., South Africa Branch (the “Branch”) is a branch of BNP Paribas S.A. (the “Bank” or the “Head Office”) incorporated and domiciled in France.

The purpose of Pillar 3 – market discipline, is to complement the minimum capital requirements (Pillar 1) and the supervisory review process (Pillar 2) with a set of disclosures completing the usual financial disclosures.

This document serves as together with the BNP Paribas S.A. Group 2014 Registration document (<https://invest.bnpparibas.com/documents-de-reference>) the Branches Annual Financial Statements (<http://southafrica.bnpparibas.com>) presents the information relative to BNP Paribas SA, South Africa Branch's risks and in this respect meets:

- Regulation 43 of the Regulations relating to Banks (Government Notice R.1029 of 12 December 2012)

QUALITATIVE INFORMATION

Risks and Capital Adequacy

BNP Paribas S.A. Group Policy applies to all Group entities. Consequently please refer to BNP Paribas S.A. Group 2014 Registration document which is available at the following weblink:

- <https://invest.bnpparibas.com/documents-de-reference>.

Part 5, entitled “Risks and Capital Adequacy”, is fully dedicated to Pillar 3 disclosure.

Remuneration

BNP Paribas S.A. Group Policy applies to all Group entities. Consequently please refer to BNP Paribas S.A. Group https://invest.bnpparibas.com/sites/default/files/documents/2014_compensation_of_employees_whose_professional_activities_have_a_significant_impact_on_the_risk_profile_of_the_group.pdf

QUANTITATIVE INFORMATION

CAPITAL ADEQUENCY

Pillar 1 Risk-weighted assets and capital requirements

In thousands of ZAR	31 December 2014	
	Risk-weighted assets	Capital Requirement
Credit risk		
Credit risk - Standardised approach	701,550	82,432
Central governments and central banks	0	0
Corporates	276,043	32,435
Institutions	397,961	46,760
Retail	0	0
Other non credit-obligation assets	27,546	3,237
Counterparty risk		
Counterparty risk - Standardised approach	438,741	51,552
Central Counterparts - default fund contributions	7,789	915
CVA charge	0	0
Other counterparty risk	0	0
Central governments and central banks	0	0
Corporates	428,978	50,405
Institutions	1,974	232
Retail	0	0
Equity risk		
Standardised approach	0	0
Market risk		
Standardised approach	3,950	464
Operational risk		
Basic indicator approach	83,033	9,756
TOTAL	1,227,274	144,205



Total Capital

	31 December 2014
<i>In thousands of ZAR</i>	Basle 3
Common Equity Tier 1 (CET1) capital : Instruments and reserves	
Capital instruments and the related share premium accounts	726,991
Retained earnings	-83,172
COMMON EQUITY TIER 1 (CET1) CAPITAL BEFORE REGULATORY ADJUSTMENTS	643,819
Common Equity Tier 1 (CET1) : regulatory adjustments	
Intangible assets	878
COMMON EQUITY TIER 1 (CET1) CAPITAL	642,941
Additional Tier 1 (AT1) capital	0
ADDITIONAL TIER 1 (AT1) CAPITAL	0
TIER 1 CAPITAL (T1 = CET1 + AT1)	642,941
Tier 2 (T2) capital	0
TIER 2 (T2) CAPITAL	0
TOTAL CAPITAL (TC = T1 + T2)	642,941

Geographic breakdown of Credit Risk Exposure by counterparty's country of business

	31 December 2014					
	Basel 3					
<i>In thousands of ZAR</i>	Central governments and central banks	Corporates	Institutions	Retail	TOTAL	%
South Africa	78,242	1,107,846	1,179,452	0	2,365,540	60%
Europe	0	0	1,476,931	0	1,476,931	38%
North America	0	0	5,061	0	5,061	0%
Asia & Pacific	0	0	70,104	0	70,104	2%
Rest of the World	0	0	365	0	365	0%
TOTAL	78,242	1,107,846	2,731,914	0	3,918,002	100%

Breakdown of Credit Risk Exposure by industry

	31 December 2014	
<i>In thousands of ZAR</i>	Exposure	%
Agriculture, hunting, forestry and fishing	0	0%
Mining and quarrying	149,857	4%
Manufacturing	390,036	10%
Electricity, gas and water supply	324,113	8%
Construction	0	0%
Wholesale and retail trade	0	0%
Transport, storage and communication	244,205	6%
Financial intermediation and insurance	2,809,791	72%
Real estate	0	0%
Business services	0	0%
Community, social and personal services	0	0%
Private households	0	0%
Other	0	0%
TOTAL	3,918,002	100%



Breakdown of Credit Risk Exposure by residual maturity

<i>In thousands of ZAR</i>	31 December 2014			
	Basel 3			
	Up to 6 months	More than 6 months to 12 months	Over 1 year	Total
Central governments and central banks	78,242	0	0	78,242
Corporates	272,556	53,797	781,493	1,107,846
Institutions	744,510	36,063	1,951,341	2,731,914
Retail	0	0	0	0
TOTAL	1,095,308	89,860	2,732,834	3,918,002

INTEREST RATE RISK

The Branch is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. These exposures arise from interest-bearing loans and deposits and interest-bearing trading and investment securities, as well as derivative financial instruments.

The derivative interest sensitivity gap represents the net notional amounts of all interest-rate sensitive derivative financial instruments.

The table below summarises the Branch's non-trading book exposure to interest rate risks.

<i>In thousands of ZAR</i>	31 December 2014				
	Up to 6 months	More than 6 months to 12 months	Over 1 year	Non-interest bearing	Total
Interest-sensitive assets	1,742,629	0	0	0	1,742,629
Interest-sensitive liabilities	1,003,156	0	0	63,432	1,066,588
Total Interest sensitivity gap	739,473	0	0	-63,432	676,041

The following table depicts the sensitivity to a reasonable possible change in interest rates, with other variables held constant, on the Branch's statement of comprehensive income.

<i>In thousands of ZAR</i>	31 December 2014				
	Up to 1 month	More than 1 month to 3 months	More than 3 months to 6 months	More than 6 months to 12 months	Cumulative total for 12 months
Increase of 200 points	443	886	1,342	2,692	5,384
Decrease of 200 points	-443	-886	-1,342	-2,692	-5,384

LIQUIDITY RISK

The Branch is exposed to daily calls on its available cash resources from overnight deposits, maturing deposits, loan draw downs, guarantees and from other calls on cash settled derivatives. The Branch does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. Head Office sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of interbank and other borrowing facilities that should be in place to cover withdrawals at unexpected levels of demand.

The table below analyses assets and liabilities of the Branch's undiscounted cash flows into relevant maturity buckets/groups based on the remaining period at the reporting date to the contractual maturity date.



<i>In thousands of ZAR</i>	31 December 2014				
	Up to 1 month	More than 1 month to 6 months	More than 6 months to 12 months	Over 1 year	Total
Total Assets	1,792,511	552,077	0	472,689	2,817,277
Total Liabilities	1,680,481	20,018	0	472,959	2,173,458
Net liquidity gap	112,030	532,059	0	-270	643,819

REMUNERATION

2014 COMPENSATION FOR EMPLOYEES WHO'S PROFESSIONAL ACTIVITIES HAVE A SIGNIFICANT IMPACT ON THE BRANCHES RISK PROFILE

Aggregated Data

<i>In thousands of ZAR</i>	31 December 2014			
	Number of employees concerned	Amount of total compensation	Amount of fixed compensation	Amount of variable compensation awarded
Executive corporate officers	2	14,410	11,167	3,243
Other regulated staff	5			
Total regulated in year 2014	7	14,410	11,167	3,243

Other data concerning the regulated scope for performance for 2014

Structure of variable compensation

<i>In thousands of ZAR</i>	31 December 2014	
	Vested amount paid or delivered	Conditional deferred amount
Executive corporate officers		
Other regulated staff	2,984	259
Total regulated in year 2014	2,984	259

<i>In thousands of ZAR</i>	31 December 2014	
	Cash payment	Share-based payment
Executive corporate officers		
Other regulated staff	3,243	0
Total regulated in year 2014	3,243	0