

HBZ Bank Limited

(A subsidiary of Habib Bank AG Zurich)



**Pillar 3 disclosures
in terms of Banks Act, Regulation 43
Sep-17**

Overview of risk management and Risk Weighted Assets (RWA)

Overview of RWA

	HBZ Bank Limited		
	RWA		Minimum capital requirements
	Sep-17	Sep-16	Sep-17
R'000			
Credit risk (excluding counterparty credit risk) (CCR)	2 140 498	2 025 935	230 103
- Of which standardised approach (SA)	2 140 498	2 025 935	230 103
- Of which internal rating-based (IRB) approach	-	-	-
Counterparty credit risk	7 511	26 674	807
- Of which standardised approach for counterparty credit risk (SA-CCR)	7 511	26 674	807
- Of which internal model method (IMM)	-	-	-
Market risk	6 397	3 440	688
- Of which standardised approach (SA)	6 397	3 440	688
- Of which internal model approaches (IMM)	-	-	-
Operational risk	389 597	336 423	41 882
- Of which Basic Indicator Approach	389 597	336 423	41 882
- Of which standardised Approach	-	-	-
- Of which Advanced Measurement Approach	-	-	-
Other risk	28 102	29 660	3 021
Amounts below the thresholds for deduction (subject to 250% risk weight)	3 680	3 295	396
Total	2 575 784	2 425 427	276 897

The percentage minimum capital requirement used for calculating the capital requirement is constructed as follows: 8% minimum capital requirement, plus 1.5% add-on, plus 1.25% capital conservation buffer. Total: 10.75%.

Other risks reflected in the table above relate to property and equipment and other assets as contained in the Bank's statement of financial position.