HBZ Bank Limited

(A subsidiary of Habib Bank AG Zurich)

Quarterly Public Disclosures
in terms of Banks Act, Regulation 43
Risk Weighted Assets
September 2018

<u>Overview of risk management and Risk Weighted Assets (RWA)</u>

Overview of RWA

	HBZ Bank Limited		
	RWA		Minimum capital requirements
R'000	Sep-18	Sep-17	Sep-18
Credit risk (excluding counterparty credit risk) (CCR)	2 618 522	2 140 498	297 857
- Of which standardised approach (SA)	2 618 522	2 140 498	297 857
- Of which foundation internal-ratings based (F-IRB) approach	-	-	-
- Of which supervisory slotting approach	-	-	-
- Of which advanced internal-ratings based (A-IRB) approach	-	-	-
Counterparty credit risk	11 640	7 511	1 324
- Of which standardised approach for counterparty credit risk (SA-CCR)	10 377	7 380	1 180
- Of which internal model method (IMM)	-	-	-
- Of which other CCR	-	-	-
Credit Valuation Adjustment (CVA)	1 263	131	144
Equity positions under the simple risk weight approach	1 263	131	144
Equity investments in funds - look through approach	-	-	-
Equity investments in funds - mandate based approach	-	-	-
Equity investments in funds - full back approach	-	-	-
Settlement risk	-	-	-
Securitisation exposures in the banking book	-	-	-
- Of which Securitisation internal- ratings based approach (SEC-IRBA)	-	-	-
- Of which Securitisation external- ratings based approach (SEC-ERBA), including internal assessment approach	-	-	-
- Of which Securitisation standardised approach (SEC-SA)	-	-	-
Market risk	6 312	6 397	718
- Of which standardised approach (SA)	6 312	6 397	718
- Of which internal model approaches (IMM)	-	-	-
Capital Charge for switch between trading book and banking book	-	-	-
Operational risk	441 436	389 597	50 213
Amounts below the thresholds for deduction (subject to 250% risk weight)	3 198	3 680	364
Other risks	30 676	28 102	3 489
Total	**3 111 784**	**2 575 784**	**353 965**

The percentage minimum capital requirement used consists of the following:

Minimum Capital requirment	8.000%
Add-on: systemic risk add-on (Pillar 2A)	1.250%
Add-on: idiosyncratic requirement specified by the Registrar (3)	0.250%
Add-on: conservation buffer (6)	1.875%
Total	11.375%

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.