

HBZ Bank Limited

(A subsidiary of Habib Bank AG Zurich)



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

Overview of risk management and Risk Weighted Assets (RWA)

Overview of RWA

	HBZ Bank Limited		
	RWA		Minimum capital requirements
	Mar-17	Mar-16	Mar-17
R'000			
Credit risk (excluding counterparty credit risk) (CCR)	2 007 080	2 036 345	215 761
- Of which standardised approach (SA)	2 007 080	2 036 345	215 761
- Of which internal rating-based (IRB) approach	-	-	-
Counterparty credit risk	19 420	37 416	2 088
- Of which standardised approach for counterparty credit risk (SA-CCR)	19 420	37 416	2 088
- Of which internal model method (IMM)	-	-	-
Market risk	12 983	3 880	1 396
- Of which standardised approach (SA)	12 983	3 880	1 396
- Of which internal model approaches (IMM)	-	-	-
Operational risk	336 423	298 487	36 165
- Of which Basic Indicator Approach	336 423	298 487	36 165
- Of which standardised Approach	-	-	-
- Of which Advanced Measurement Approach	-	-	-
Other risk	27 079	24 420	2 911
Amounts below the thresholds for deduction (subject to 250% risk weight)	3 680	3 295	396
Total	2 406 665	2 403 843	258 716

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.