HBZ Bank Limited

(A subsidiary of Habib Bank AG Zurich)

Pillar 3 disclosures
in terms of Banks Act, Regulation 43
Mar-18

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

Overview of RWA

	HBZ Bank Limited		
	RWA		Minimum capital requirements
R'000	Mar-18	Mar-17	Mar-18
Credit risk (excluding counterparty credit risk) (CCR)	2 189 926	2 007 080	249 104
- Of which standardised approach (SA)	2 189 926	2 007 080	249 104
- Of which internal rating-based (IRB) approach	-	-	-
Counterparty credit risk	29 451	19 420	3 350
- Of which standardised approach for counterparty credit risk (SA-CCR)	29 451	19 420	3 350
- Of which internal model method (IMM)	-	-	-
Market risk	6 413	12 983	729
- Of which standardised approach (SA)	6 413	12 983	729
- Of which internal model approaches (IMM)	-	-	-
Operational risk	389 597	336 423	44 317
- Of which Basic Indicator Approach	389 597	336 423	44 317
- Of which standardised Approach	-	-	-
- Of which Advanced Measurement Approach	-	-	-
Other risk	29 603	27 079	3 367
Amounts below the thresholds for deduction (subject to 250% risk weight)	3 198	3 680	364
Total	**2 648 188**	**2 406 665**	**301 231**

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 1.875% capital conservation buffer. 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.