

HSBC Bank Middle East Limited – UAE Operations

Pillar 3 Disclosures at 30 June 2025



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Introduction

Legal status and principal activities

HSBC Bank Middle East Limited – United Arab Emirates ('UAE') Operations ('HSBC UAE') is a branch of HSBC Bank Middle East Limited ('HBME'). HBME has its place of incorporation and head office in the Dubai International Financial Centre ('DIFC'), in the United Arab Emirates, under a category 1 license issued by the Dubai Financial Services Authority ('DFSA').

The immediate parent company of HBME is HSBC Middle East Holdings BV ('HMEH') and the ultimate parent company of the Bank is HSBC Holdings plc ('HSBC Group' or 'HSBC'), which is incorporated in United Kingdom.

HSBC UAE is regulated by the Central Bank of the UAE ('CBUAE').

The principal activity of the Bank is to offer a comprehensive range of financial services to personal, commercial, corporate, and institutional clients, which are carried out from its branches.

Pillar 3 disclosures and governance

The Basel Committee on Banking Supervision ('Basel') III framework is structured around three 'pillars', with Pillar 1 minimum capital requirements and the Pillar 2 supervisory review process complemented by Pillar 3 market discipline. The aim of Pillar 3 is to produce disclosures that allow market participants to assess the scope of application by banks of the Basel framework and the rules in their jurisdiction, their capital resources, risk exposures and risk management processes, and hence their capital adequacy.

Our Pillar 3 disclosures as at 30 June 2025 comprises of quantitative and qualitative information required. These disclosures are in accordance with the disclosure templates introduced by the CBUAE guidelines on disclosure requirements (CBUAE/BSD/N/2020/4980 and CBUAE CBUAE/BSD/N/2021/5508) published in November 2020 and November 2021 respectively.

HSBC UAE has operated within a framework of internal controls and procedures for assessing the appropriateness of Pillar 3 disclosures.

Comparatives and references

To give insight into movements during the period, we may provide comparative figures and commentary on material variances. The regulatory numbers and ratios presented in this document were accurate as at the date of reporting. Small changes may exist between these numbers and ratios and those submitted in regulatory filings. Where differences are significant, we may restate in subsequent periods. Where disclosures have been enhanced, or are new, we do not generally restate or provide comparatives. Wherever specific rows and columns in the tables prescribed are not applicable or are immaterial to our activities, we omit them and follow the same approach for comparatives.

The table below references where comparatives have been restated or enhanced.

Page ref	Table Reference	Activity
4	Key Metrics (KM1)	
6	Composition of regulatory capital (CC1)	31 Mar 2025 disclosures related to capital and leverage ratio have been restated.
10	Leverage ratio common disclosure template (LR2)	

Applicability of Disclosures

The below listed Pillar 3 disclosure templates are not applicable for HSBC UAE, hence these disclosures have not been reported.

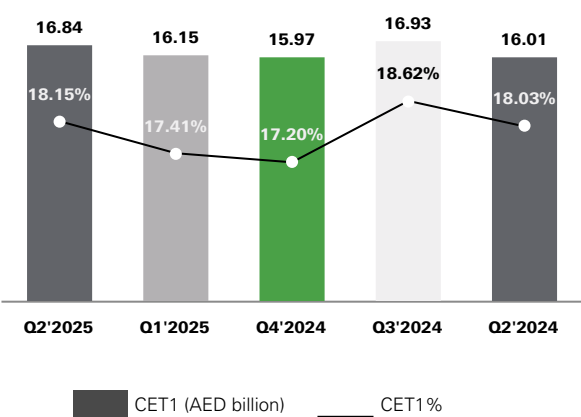
Topic	Table	Information Overview
Composition of capital	CCA	Main features of regulatory capital instruments
Liquidity	LIQ1	Liquidity Coverage Ratio
	LIQ2	Net Stable Funding Ratio
Counterparty credit risk ('CCR')	CCR8	Exposures to central counterparties
Securitisation	SECA	Qualitative disclosure requirements related to securitisation exposures
	SEC1	Securitisation exposures in the banking book
	SEC2	Securitisation exposures in the trading book
	SEC3	Securitisation exposures in the banking book and associated regulatory capital requirements – bank acting as originator or as sponsor
	SEC4	Securitisation exposures in the trading book and associated capital requirements – bank acting as investor

Highlights

CET1 capital and ratio

Our Common Equity Tier 1 ('CET1') capital was AED 16.84 billion as of 30 June 2025 and our ratio was 18.15%, an increase by 74 bps compared with 31 March 2025 (17.41%). This was mainly driven by Q2 profit of AED 696 million, partially offset by an increase in RWAs amounting to AED 10 million.

CET1 capital and ratio

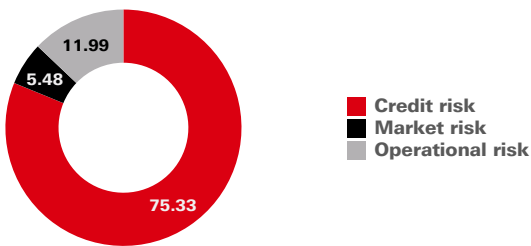


Risk Weighted Assets ('RWAs')

Our RWAs are AED 92.80 billion, an increase of AED 10 million compared with 31 March 2025. This was driven by an AED 912 million increase in credit risk RWAs mainly under the Corporate and Banks exposure classes, partially offset by a reduction of AED 882 million to the multilateral development banks, secured by commercial real estate and past due items.

RWAs by risk type

AED 92.80 billion (1Q25 – AED 92.79 billion)



Leverage

The Bank's leverage ratio was 8.16% at 30 June 2025, above the minimum regulatory requirement of 3%. The reduction is due to an increase in the total exposure measure.

Leverage

	Q2 2025	Q1 2025	Q4 2024
Leverage ratio (%)	8.16	8.21	8.62

Liquidity

The Bank's Eligible Liquid Asset Ratio ('ELAR') was 26.90% at 30 June 2025, above the minimum regulatory requirement of 10%.

The Bank's Advance to Stable Resources Ratio ('ASRR') was 66.58% at 30 June 2025, below the regulatory limit of 100%.

Liquidity

	Q2 2025	Q1 2025	Q4 2024
ELAR (%)	26.90	26.66	23.77
ASRR (%)	66.58	67.98	64.98

Overview of risk management, key prudential metrics and RWAs

The table below sets out the key regulatory metrics covering the HSBC UAE's available capital (including buffer requirements and ratios), RWAs, Leverage ratio, ELAR and ASRR. HSBC UAE is not a Domestic Systemically Important Bank ('D-SIB'), therefore Liquidity Coverage Ratio ('LCR') and Net Stable Funding Ratio ('NSFR') are not applicable for HSBC UAE operations.

Key Metrics (KM1)

	30 Jun 2025 AED000	31 Mar 2025 ⁶ AED000	31 Dec 2024 AED000	30 Sep 2024 AED000	30 Jun 2024 AED000
Available capital (amounts)					
1 Common Equity Tier 1 ('CET1') ¹	16,839,070	16,149,747	15,971,920	16,929,229	16,006,068
1a Fully loaded ECL accounting model	16,839,070	16,149,747	15,971,920	16,929,229	16,006,068
2 Tier 1	16,839,070	16,149,747	15,971,920	16,929,229	16,006,068
2a Fully loaded ECL accounting model Tier 1	16,839,070	16,149,747	15,971,920	16,929,229	16,006,068
3 Total capital ¹	17,176,999	17,088,568	16,895,160	17,846,815	16,919,986
3a Fully loaded ECL accounting model total capital	17,176,999	17,088,568	16,895,160	17,846,815	16,919,986
Risk-weighted assets (amounts)					
4 Total risk-weighted assets ('RWA') ²	92,797,465	92,787,507	92,886,818	90,925,070	88,765,559
Risk-based capital ratios as a percentage of RWA					
5 Common Equity Tier 1 ratio (%)	18.15	17.41	17.20	18.62	18.03
5a Fully loaded ECL accounting model CET1 (%)	18.15	17.41	17.20	18.62	18.03
6 Tier 1 ratio (%)	18.15	17.41	17.20	18.62	18.03
6a Fully loaded ECL accounting model Tier 1 ratio (%)	18.15	17.41	17.20	18.62	18.03
7 Total capital ratio (%)	18.51	18.42	18.19	19.63	19.06
7a Fully loaded ECL accounting model total capital ratio (%)	18.51	18.42	18.19	19.63	19.06
Additional CET1 buffer requirements as a percentage of RWA					
8 Capital conservation buffer requirement (%)	2.50	2.50	2.50	2.50	2.50
9 Countercyclical buffer requirement (%)	0.05	0.06	0.05	0.05	0.04
10 Bank D-SIB additional requirements (%)	—	—	—	—	—
11 Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.55	2.56	2.55	2.55	2.54
12 CET1 available after meeting the bank's minimum capital requirements (%) ³	8.01	7.92	7.69	9.13	8.56
Leverage Ratio⁴					
13 Total leverage ratio measure	206,432,790	196,823,003	185,389,140	182,229,244	186,868,572
14 Leverage ratio (%) (row 2/row 13)	8.16	8.21	8.62	9.29	8.57
14a Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13) ¹	8.16	8.21	8.62	9.29	8.57
14b Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	8.16	8.21	8.62	9.29	8.57
Eligible Liquid Assets Ratio ('ELAR')⁵					
21 Total HQLA	40,571,387	38,106,657	31,890,718	34,507,587	35,612,405
22 Total liabilities	150,835,517	142,922,615	134,190,447	130,680,571	137,312,430
23 Eligible Liquid Assets Ratio ('ELAR') (%)	26.90	26.66	23.77	26.41	25.94
Advances to Stable Resources Ratio ('ASRR')⁵					
24 Total available stable funding	115,482,031	112,687,272	112,190,284	106,211,991	105,749,366
25 Total Advances	76,885,982	76,601,310	72,899,575	69,928,474	71,265,780
26 Advances to Stable Resources Ratio ('ASRR') (%)	66.58	67.98	64.98	65.84	67.39

1 CET1 ratio – Refer to composition of regulatory capital (CC1) (page 6).

2 Refer to the overview (OV1) disclosure for further details on RWAs.

3 Total capital ratio less 10.5% as per CBUAE regulations.

4 Leverage ratio – Refer to leverage ratio common disclosure template (LR2) for further details (page 10).

5 ELAR and ASRR – Refer to Eligible Liquid Assets Ratio ('ELAR') and Advances to Stables Resource Ratio ('ASRR') sections for further details (pages 16 and 17).

6 Capital adequacy and Leverage disclosures have been restated for 31 March 2025.

Risk Weighted Assets ('RWAs')

The table below provides the minimum capital resource requirements for credit risk, Counterparty credit risk, Market risk and Operational risk. These requirements are expressed in terms of RWAs and represents the minimum capital charge set at 10.5% (excluding CCB and CCyB) of RWAs as per CBUAE capital standard issued in 2022.

Overview of RWA (OV1)

	RWA	Minimum capital requirements ¹	RWA	Minimum capital requirements ¹
	30 Jun 2025 AED000	30 Jun 2025 AED000	31 Mar 2025 AED000	31 Mar 2025 AED000
1 credit risk (excluding counterparty credit risk)	69,703,438	7,318,861	70,126,961	7,363,331
2 – of which: standardised approach ('SA')	69,703,438	7,318,861	70,126,961	7,363,331
3 – of which: foundation internal ratings-based ('F-IRB') approach	—	—	—	—
4 – of which: supervisory slotting approach	—	—	—	—
5 – of which: advanced internal ratings-based ('A-IRB') approach	—	—	—	—
6 Counterparty credit risk ('CCR')	4,483,180	470,734	3,983,387	418,255
7 – of which: standardised approach for counterparty credit risk	4,483,180	470,734	3,983,387	418,255
8 – of which: Internal Model Method ('IMM')	—	—	—	—
9 – of which: other CCR	—	—	—	—
10 Credit valuation adjustment ('CVA')	1,143,839	120,103	994,257	104,397
11 Equity positions under the simple risk weight approach	—	—	—	—
12 Equity investments in funds – look-through approach	—	—	—	—
13 Equity investments in funds – mandate-based approach	—	—	—	—
14 Equity investments in funds – fall-back approach	—	—	—	—
15 Settlement risk	—	—	1,091	115
16 Securitisation exposures in the banking book	—	—	—	—
17 – of which: securitisation internal ratings-based approach ('SEC-IRBA')	—	—	—	—
18 – of which: securitisation external ratings-based approach ('SEC-ERBA')	—	—	—	—
19 – of which: securitisation standardised approach ('SEC-SA')	—	—	—	—
20 Market risk	5,476,302	575,012	5,691,105	597,566
21 – of which: standardised approach ('SA')	5,476,302	575,012	5,691,105	597,566
22 – of which: internal models approach ('IMA')	—	—	—	—
23 Operational risk	11,990,706	1,259,024	11,990,706	1,259,024
24 Amounts below thresholds for deduction (subject to 250% risk weight)	—	—	—	—
25 Floor adjustment	—	—	—	—
26 Total (1+6+10+11+12+13+14+15+16+20+23)	92,797,465	9,743,734	92,787,507	9,742,688

¹ The regulatory minimum capital requirement is calculated at 10.5% of RWAs. This excludes capital conservation buffer and countercyclical buffer requirement. Please refer to KM1 table for Bank's CCB and CCyB rates.

The quarter-on-quarter RWA movements in the table above are explained by risk type below.

Credit risk, including counterparty credit risk

Credit risk RWAs increased mainly due to higher exposures under the corporate and bank exposure classes AED 912 million, partially offset by a reduction of AED 882 million to multilateral development banks, secured by commercial real estate and past due items.

Market risk

Market risk RWAs decreased due to lower exposure due to netting, partially offset by higher short positions in GCC currencies.

Composition of capital

The table below provides a breakdown of the elements constituting the Bank's capital. The capital base primarily consists of assigned capital from HSBC Middle East Holdings (Head office), accumulated reserves, general and other reserves and capital deductions.

Composition of regulatory capital (CC1)

		30 Jun 2025 AED000	31 Dec 2024 AED000	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	Common Equity Tier 1 capital: instruments and reserves			
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	4,495,255	4,495,255	Same as (a) from CC2 template
2	Retained earnings	10,859,346	10,027,028	—
3	Accumulated other comprehensive income (and other reserves)	2,296,753	2,184,725	—
4	Directly issued capital subject to phase-out from CET1 (only applicable to non-joint stock companies)	—	—	—
5	Common share capital issued by third parties (amount allowed in group CET1)	—	—	—
6	Common Equity Tier 1 capital before regulatory deductions	17,651,354	16,707,008	—
	Common Equity Tier 1 capital regulatory adjustments			—
7	Prudent valuation adjustments	—	—	—
8	Goodwill (net of related tax liability)	—	—	—
9	Other intangibles including mortgage servicing rights (net of related tax liability)	783,650	775,306	—
10	Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	—	2,210	—
11	Cash flow hedge reserve	29,114	(37,456)	—
12	Securitisation gain on sale	—	—	—
13	Gains and losses due to changes in own credit risk on fair valued liabilities	(480)	(4,972)	—
14	Defined benefit pension fund net assets	—	—	—
15	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	—	—	—
16	Reciprocal cross-holdings in CET1, AT1, Tier 2	—	—	—
17	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	—	—	—
18	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	—	—	—
19	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	—	—	—
20	Amount exceeding 15% threshold	—	—	—
21	– of which: significant investments in the common stock of financials	—	—	—
22	– of which: deferred tax assets arising from temporary differences	—	—	—
23	CBUAE specific regulatory adjustments	—	—	—
24	Total regulatory adjustments to Common Equity Tier 1	812,284	735,088	—
25	Common Equity Tier 1 capital ('CET1')	16,839,070	15,971,920	—
	Additional Tier 1 capital: instruments			—
26	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	—	—	—
27	– of which: classified as equity under applicable accounting standards	—	—	—
28	– of which: classified as liabilities under applicable accounting standards	—	—	—
29	Directly issued capital instruments subject to phase-out from additional Tier 1	—	—	—
30	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in AT1)	—	—	—
31	– of which: instruments issued by subsidiaries subject to phase-out	—	—	—
32	Additional Tier 1 capital before regulatory adjustments	16,839,070	15,971,920	—
	Additional Tier 1 capital: regulatory adjustments			—
33	Investments in own additional Tier 1 instruments	—	—	—
34	Investments in capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	—	—	—
35	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation	—	—	—
36	CBUAE specific regulatory adjustments	—	—	—
37	Total regulatory adjustments to additional Tier 1 capital	—	—	—
38	Additional Tier 1 capital (AT1)	—	—	—
39	Tier 1 capital (T1= CET1 + AT1)	16,839,070	15,971,920	—
	Tier 2 capital: instruments and provisions			—
40	Directly issued qualifying Tier 2 instruments plus related stock surplus	—	—	—
41	Directly issued capital instruments subject to phase-out from Tier 2	—	—	—
42	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 30) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	—	—	—
43	– of which: instruments issued by subsidiaries subject to phase-out	—	—	—
44	Provisions ¹	337,929	923,240	—

Pillar 3 Disclosures at 30 June 2025

Composition of regulatory capital (CC1) (continued)

	30 Jun 2025 AED000	31 Dec 2024 AED000	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
45 Tier 2 capital before regulatory adjustments	337,929	923,240	—
Tier 2 capital: regulatory adjustments			
46 Investments in own Tier 2 instruments	—	—	—
47 Investments in capital, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	—	—	—
48 Significant investments in the capital, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	—	—	—
49 CBUAE specific regulatory adjustments	—	—	—
50 Total regulatory adjustments to Tier 2 capital	—	—	—
51 Tier 2 capital ('T2')¹	337,929	923,240	—
52 Total regulatory capital (TC = T1 + T2)	17,176,999	16,895,160	—
53 Total risk-weighted assets	92,797,465	92,886,818	—
Capital ratios and buffers			
54 Common Equity Tier 1 (as a percentage of risk-weighted assets) (%)	18.15	17.20	—
55 Tier 1 (as a percentage of risk-weighted assets) (%)	18.15	17.20	—
56 Total capital (as a percentage of risk-weighted assets) (%)	18.51	18.19	—
57 Institution specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets) (%)	2.55	2.55	—
58 – of which: capital conservation buffer requirement (%)	2.50	2.50	—
59 – of which: bank-specific countercyclical buffer requirement (%)	0.05	0.05	—
60 – of which: higher loss absorbency requirement (e.g. DSIB) (%)	—	—	—
61 Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirement (%)	8.01	7.69	—
The CBUAE Minimum Capital Requirement			
62 Common Equity Tier 1 minimum ratio (%)	7.00	7.00	—
63 Tier 1 minimum ratio (%)	8.50	8.50	—
64 Total capital minimum ratio (%)	10.50	10.50	—
Amounts below the thresholds for deduction (before risk weighting)			
65 Non-significant investments in the capital and other TLAC liabilities of other financial entities	—	—	—
66 Significant investments in common stock of financial entities	—	—	—
67 Mortgage servicing rights (net of related tax liability)	—	—	—
68 Deferred tax assets arising from temporary differences (net of related tax liability)	—	—	—
Applicable caps on the inclusion of provisions in Tier 2			
69 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	1,129,957	1,107,888	—
70 Cap on inclusion of provisions in Tier 2 under standardised approach ¹	337,929	923,240	—
71 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	—	—	—
72 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	—	—	—
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2025)			
73 Current cap on CET1 instruments subject to phase-out arrangements	—	—	—
74 Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	—	—	—
75 Current cap on AT1 instruments subject to phase-out arrangements	—	—	—
76 Amount excluded from AT1 due to cap (excess after redemptions and maturities)	—	—	—
77 Current cap on T2 instruments subject to phase-out arrangements	—	—	—
78 Amount excluded from T2 due to cap (excess after redemptions and maturities)	—	—	—

¹ Change in calculation approach for provisions considered for Tier 2 capital beginning 30 June 2025, comparatives have not been restated.

Our CET1 capital ratio increased from 17.20% at 31 December 2024 to 18.15% at 30 June 2025, reflecting an increase in CET1 capital of AED 867 million. The key drivers of the overall increase in our CET1 ratio during the year were:

- current year profit coupled with the capitalisation of prior years profit, post dividend payment.
- lower RWAs due to an increase in asset classes which attract lower risk weights.

The table below provides an overview of the differences between the scope of accounting consolidation and the scope of regulatory consolidation to show the link between the numbers that are used in the composition of capital disclosure template set out in CC1. There are no differences between HSBC UAE's scope of accounting consolidation and its scope of regulatory consolidation.

Reconciliation of regulatory capital to balance sheet (CC2)

	Balance sheet as in financial statements	Balance sheet as in published financial statements	Reference to CC1
	30 Jun 2025 AED000	31 Dec 2024 AED000	
Assets			
Cash	731,213	713,194	—
Trading assets	7,559,546	6,467,554	—
Financial assets designated and otherwise mandatorily measured at fair value through profit or loss	89,930	38,672	—
Derivatives	3,996,617	3,577,132	—
Loans and advances to banks	29,500,692	26,276,807	—
Loans and advances to customers	52,479,777	49,904,946	—
Reverse repurchase agreements – non-trading	32,972,169	29,761,567	—
Financial investments	36,278,036	31,203,765	—
Prepayments, accrued income and other assets	5,105,383	4,752,138	—
Intangible assets	783,650	775,306	—
Deferred tax assets	302,505	432,934	—
Total Assets	169,799,518	153,904,015	
Liabilities			
Deposits from banks	8,095,602	3,714,710	—
Customer accounts	107,718,847	102,997,556	—
Repurchase agreements – non-trading	17,916,362	10,796,349	—
Trading liabilities	3,499,046	2,834,721	—
Financial liabilities designated at fair value	1,196,499	3,145,132	—
Derivatives	3,760,882	2,919,179	—
Accruals, deferred income and other liabilities	7,826,121	6,988,276	—
Current tax liabilities	822,167	794,522	—
Provisions	373,012	517,947	—
Total liabilities	151,208,538	134,708,392	—
Shareholders' equity			
Allocated Capital	4,495,255	4,495,255	(a)
Legal Reserves	2,247,628	2,247,628	—
Other Reserves	944,821	789,182	—
Unremitted Profit	10,903,276	11,663,558	—
Total shareholders' equity	18,590,980	19,195,623	—
Total liabilities and Head Office funds	169,799,518	153,904,015	

Countercyclical capital buffer

The table below provides an overview of the geographical distribution of private sector credit exposures relevant for the calculation of the countercyclical buffer.

Geographical distribution of credit exposures used in the countercyclical capital buffer (CCyB1)

Geographical breakdown	30 Jun 2025					
	a	b		c	d	e
	Countercyclical capital buffer rate (%)	Exposure values and/or risk-weighted assets used in the computation of the countercyclical capital buffer		Bank-specific countercyclical capital buffer rate (%) ³	Counter-cyclical buffer amount	
		Exposure values	Risk-weighted assets			
United Kingdom	2.00	1,404,445	879,141	0.0288	26,699	
Luxembourg	0.50	1,255,984	182,411	0.0015	1,385	
Ireland	1.50	1,058,662	21,612	0.0005	492	
Germany	0.75	493,220	103,355	0.0013	1,177	
Cyprus	1.00	344,586	300,605	0.0049	4,565	
South Korea	1.00	219,143	218,388	0.0036	3,316	
Denmark	2.50	142,764	120,914	0.0049	4,590	
France	1.00	124,703	110,788	0.0018	1,682	
Netherlands	2.00	89,351	87,019	0.0028	2,643	
Hong Kong	0.50	85,852	65,677	0.0005	499	
Australia	1.00	30,560	12,862	0.0002	195	
Czech Republic	1.25	1,116	391	—	7	
Belgium	1.00	920	920	—	14	
Sum ¹		5,251,306	2,104,083	0.0509	47,264	
Total ²		77,254,646	61,112,739			

31 Dec 2024					
United Kingdom	2.00	1,169,650	743,413	0.0246	22,867
Ireland	1.50	964,906	10,087	0.0003	233
Luxembourg	0.50	899,348	325,044	0.0027	2,500
Germany	0.75	455,366	103,976	0.0013	1,199
Cyprus	1.00	324,488	324,285	0.0054	4,988
South Korea	1.00	304,742	293,697	0.0049	4,517
France	1.00	121,909	120,848	0.0020	1,859
Netherlands	2.00	116,748	96,507	0.0032	2,969
Hong Kong	1.00	113,089	101,760	0.0017	1,565
Denmark	2.50	104,757	88,594	0.0037	3,406
Australia	1.00	32,033	14,297	0.0002	220
Czech Republic	1.25	1,184	414	—	8
Sweden	2.00	964	338	—	10
Sum ¹		4,609,182	2,223,261	0.0499	46,341
Total ²		75,094,285	60,394,370		

1 Sum of private sector credit exposures and related RWAs in countries with a countercyclical buffer rate.

2 Total of private sector credit exposures and related RWA across the world.

3 Bank-specific countercyclical capital buffer rate (%) is rounded to four decimals.

Leverage ratio

The risk of excessive leverage is managed as part of HSBC UAE risk appetite framework and monitored using the leverage ratio. The table below reconciles the total assets in the financial statements to the leverage ratio exposure measures.

Summary comparison of accounting assets vs leverage ratio exposure (LR1)

		At	
		30 Jun 2025 AED000	31 Mar 2025 AED000
1	Total consolidated assets as per published financial statements ¹	169,799,518	163,273,093
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	—	—
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	—	—
4	Adjustments for temporary exemption of central bank reserves (if applicable)	—	—
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	—	—
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	—	—
7	Adjustments for eligible cash pooling transactions	—	—
8	Adjustments for derivative financial instruments	2,485,581	2,390,355
9	Adjustment for securities financing transactions (ie repos and similar secured lending)	546,532	652,624
10	Adjustments for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	35,656,584	32,578,406
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	(1,273,072)	(1,299,297)
12	Other adjustments ²	(782,353)	(772,178)
13	Leverage ratio exposure measure	206,432,790	196,823,003

1 HSBC UAE does not publish half yearly financials statements.

2 Other adjustments consists of Intangible assets asset amounts deducted in determining Tier 1 capital and Interest in Suspense ('IIS').

The table below provides a breakdown of the components of the leverage ratio denominator, as well as information on the actual leverage ratio, minimum requirements, and buffers.

Leverage ratio common disclosure template (LR2)

		At	
		30 Jun 2025 AED000	31 Mar 2025 AED000
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions ('SFTs'), but including collateral) ¹	128,727,241	124,480,172
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	—	—
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	(170,331)	(55,822)
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	—	—
5	(Specific and general provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital) ¹	(3,208,943)	(3,214,804)
6	(Asset amounts deducted in determining Tier 1 capital)	(783,650)	(772,233)
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	124,564,317	120,437,313
Derivative exposures			
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	993,945	594,795
9	Add-on amounts for PFE associated with all derivatives transactions	5,658,583	4,856,003
10	(Exempted CCP leg of client-cleared trade exposures)	—	—
11	Adjusted effective notional amount of written credit derivatives	—	—
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	—	—
13	Total derivative exposures (sum of rows 8 to 12)	6,652,528	5,450,798
Securities financing transactions			
14	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	39,012,829	37,703,862
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	—	—
16	CCR exposure for SFT assets	546,532	652,624
17	Agent transaction exposures	—	—
18	Total securities financing transaction exposures (sum of rows 14 to 17)	39,559,361	38,356,486
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	107,487,439	106,655,338
20	(Adjustments for conversion to credit equivalent amounts)	(71,830,854)	(74,076,932)
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	—	—
22	Off-balance sheet items (sum of rows 19 to 21)	35,656,584	32,578,406
Capital and total exposures			
23	Tier 1 capital ²	16,839,070	16,149,747
24	Total exposures (sum of rows 7, 13, 18 and 22)	206,432,790	196,823,003
Leverage ratio			
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) (%)	8.16	8.21
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	8.16	8.21
26	CBUAE minimum leverage ratio requirement (%)	3.00	3.00
27	Applicable leverage buffers	—	—

1 Specific and general provisions which have reduced Tier 1 capital are reported separately.

2 Tier 1 capital has been restated for 31 March 2025.

Pillar 3 Disclosures at 30 June 2025

Our leverage ratio was 8.16% at 30 June 2025, decreased marginally from 8.21% at 31 March 2025. Leverage exposures increased primarily due to higher Securities Financing Transactions ('SFTs'), derivatives and other off-balance sheet exposures during the quarter. At 30 June 2025, our UAE minimum leverage ratio requirement was 3%.

Credit risk

The below table breaks down the gross carrying amount of the performing and non-performing exposures and related impairments.

Credit quality of assets (CR1)

		30 Jun 2025					
		Gross carrying values of			of which: ECL accounting provisions for credit losses on SA exposures		Net values (a+b-c) AED000
		Defaulted exposures (a) AED000	Non-defaulted exposures (b) AED000	Allowances/Impairments (c) AED000	Allocated in regulatory category of Specific AED000	Allocated in regulatory category of General AED000	
1	Loans ¹	2,986,129	80,927,146	1,932,806	1,742,276	190,530	81,980,469
2	Debt securities ^{2,4}	—	36,283,601	5,565	—	5,565	36,278,036
3	Off-balance sheet exposures ³	28,363	33,006,832	55,711	26,183	29,528	32,979,484
4	Total	3,014,492	150,217,579	1,994,082	1,768,459	225,623	151,237,989

		31 Dec 2024					
1	Loans ¹	2,556,829	75,473,180	1,848,256	1,632,445	215,811	76,181,753
2	Debt securities ^{2,4}	—	31,208,363	4,598	—	4,598	31,203,765
3	Off-balance sheet exposures ³	36,884	27,844,980	39,774	18,104	21,670	27,842,090
4	Total	2,593,713	134,526,523	1,892,628	1,650,549	242,079	135,227,608

1 Loans represent loans and advances to customers and banks at amortized cost.

2 Debt securities includes financial investments at amortized cost and debt instruments measured at fair value through other comprehensive income.

3 Off-balance sheet exposures subject to impairment requirements under IFRS 9 only are reported.

4 Memorandum impairment allowance is added back to the fair value of debt instruments measured at fair value through other comprehensive income to arrive at the gross carrying value.

The below table discloses the changes in the Bank's stock of defaulted exposures, the flows between non-defaulted and defaulted exposure categories and reductions in the stock of defaulted exposures due to write-offs.

Changes in stock of defaulted loans and debt securities (CR2)

		At	
		30 Jun 2025 AED000	31 Dec 2024 AED000
1	Defaulted loans and debt securities at the end of the previous reporting period	2,556,829	2,882,805
2	Loans and debt securities that have defaulted since the last reporting period	677,758	507,680
3	Returned to non-default status	(16,107)	(39,134)
4	Amounts written off	(241,290)	(610,823)
5	Other changes ¹	8,939	(183,699)
6	Defaulted loans and debt securities at the end of the reporting period	2,986,129	2,556,829

1 Other changes mainly includes further lending, repayments and maturities.

The table below discloses the extent of use of credit risk mitigation ('CRM') techniques. The disclosure includes on-balance sheet loans and advances to banks and customers at amortised cost, split into unsecured and secured by CRM techniques.

Credit risk mitigation techniques – overview (CR3)

		30 Jun 2025						
		Exposures unsecured: carrying amount AED000	Exposures secured by collateral AED000	Exposures secured by collateral of which: secured amount AED000	Exposures secured by financial guarantees ¹ AED000	Exposures secured by financial guarantees, of which: secured amount ¹ AED000	Exposures secured by credit derivatives AED000	Exposures secured by credit derivatives, of which: secured amount AED000
1	Loans	71,553,440	4,832,901	4,281,461	7,933,255	6,975,446	—	—
2	Debt securities	35,477,186	—	—	1,140,247	1,140,247	—	—
3	Total	107,030,626	4,832,901	4,281,461	9,073,502	8,115,693	—	—
4	– of which: defaulted	749,742	2,527	2,527	507,122	475,524	—	—

		31 Dec 2024 ¹						
1	Loans	69,288,570	1,040,100	972,105	8,143,056	6,953,114	—	—
2	Debt securities	31,356,215	—	—	108,706	108,706	—	—
3	Total	100,644,784	1,040,100	972,105	8,251,762	7,061,820	—	—
4	– of which: defaulted	994,502	2,241	2,241	—	—	—	—

1 Our calculation processes were enhanced during 4Q24.

Exposures unsecured: carrying amount

- Increase in loan exposures driven by balances with central bank and trade receivables. Increase placement in treasury bills resulted in an increase within debt security exposures.

Exposures secured by collateral

- Increase in secured loan exposure mainly driven by higher securities financing transactions with the underlying securities being pledged as collateral.

Exposures secured by financial guarantees

- Increase in debt securities issued by Special Purpose Vehicles (SPV) that are backed by guarantees.

The table below provides the split of credit risk exposures under the standardised approach, reflecting the exposure after default ('EAD') before and after the impact of credit risk Mitigation ('CRM') techniques and credit conversion factors ('CCF').

Credit risk exposure and Credit Risk Mitigation ('CRM') effects (CR4)

		30 Jun 2025					
		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
		On-balance sheet amount AED000	Off-balance sheet amount AED000	On-balance sheet amount AED000	Off-balance sheet amount AED000	RWA AED000	RWA density (%)
Asset classes							
1	Sovereigns and their central banks	47,322,001	929,372	47,322,001	79,527	364,290	1
2	Public Sector Entities	7,022,935	7,361,096	7,022,935	1,973,041	6,471,242	72
3	Multilateral development banks	2,796,750	—	2,796,750	—	—	—
4	Banks	16,605,677	12,258,391	16,605,677	5,325,388	7,569,662	35
5	Securities firms	—	—	—	—	—	—
6	Corporates	31,039,306	73,756,989	31,039,306	20,618,719	43,032,178	83
7	Regulatory retail portfolios	4,898,469	8,885,567	4,898,469	14,291	3,482,043	71
8	Secured by residential property	8,256,260	10,166	8,256,260	—	3,589,127	43
9	Secured by commercial real estate	2,073,403	289,514	2,073,403	36,842	1,721,858	82
10	Equity Investment in Funds ('EIF')	—	—	—	—	—	—
11	Past-due loans	1,205,157	264,509	1,205,157	264,509	1,203,888	82
12	Higher-risk categories	—	—	—	—	—	—
13	Other assets ¹	2,705,584	—	2,705,584	—	2,269,150	84
14	Total	123,925,542	103,755,604	123,925,542	28,312,317	69,703,438	46

		31 Dec 2024					
1	Sovereigns and their central banks	40,590,652	898,130	40,590,652	26,184	462,748	1
2	Public Sector Entities	7,285,565	6,717,973	7,285,565	1,378,407	6,316,191	73
3	Multilateral development banks	3,927,048	—	3,927,048	—	458,924	12
4	Banks	13,542,978	10,649,395	13,542,978	5,050,475	6,913,852	37
5	Securities firms	—	—	—	—	—	—
6	Corporates	29,856,556	76,445,818	29,856,556	20,093,479	41,984,424	84
7	Regulatory retail portfolios	4,738,445	8,399,063	4,738,445	13,550	3,455,466	73
8	Secured by residential property	7,664,672	3,310	7,664,672	—	3,246,668	42
9	Secured by commercial real estate	2,381,077	302,085	2,381,077	28,744	1,989,328	83
10	Equity Investment in Funds ('EIF')	—	—	—	—	—	—
11	Past-due loans	954,314	418,628	954,314	418,628	1,663,017	121
12	Higher-risk categories	—	—	—	—	—	—
13	Other assets ¹	2,456,333	—	2,456,333	—	2,333,147	95
14	Total	113,397,639	103,834,402	113,397,639	27,009,467	68,823,767	49

1 Includes fixed assets and other non financial assets.

Pillar 3 Disclosures at 30 June 2025

The tables below provides a breakdown of credit risk exposures under the standardised approach by asset class and risk weight.

Exposures by asset classes and risk weights (CR5)

		30 Jun 2025								Total credit exposures amount (post CCF and post-CRM)
Risk weight	Asset classes	0% AED000	20% AED000	35% AED000	50% AED000	75% AED000	100% AED000	150% AED000	Others AED000	AED000
1	Sovereigns and their central banks	46,452,105	725,662	—	9,208	—	214,554	—	—	47,401,528
2	Public Sector Entities	725,760	1,469,610	—	1,246,570	—	5,554,035	—	—	8,995,975
3	Multilateral development banks	2,796,750	—	—	—	—	—	—	—	2,796,750
4	Banks	3,096,274	7,378,082	—	10,725,476	—	731,085	149	—	21,931,065
5	Securities firms	—	—	—	—	—	—	—	—	—
6	Corporates	5,390,725	1,472,060	—	3,135,850	—	38,395,729	—	3,263,661	51,658,025
7	Regulatory retail portfolios	444,792	—	—	522	3,942,654	524,792	—	—	4,912,760
8	Secured by residential property	—	—	7,085,112	—	247,242	923,906	—	—	8,256,260
9	Secured by commercial real estate	388,387	—	—	—	—	1,721,858	—	—	2,110,245
10	Equity Investment in Funds ('EIF')	—	—	—	—	—	—	—	—	—
11	Past-due loans	509,964	—	—	—	—	471,330	488,372	—	1,469,666
12	Higher-risk categories	—	—	—	—	—	—	—	—	—
13	Other assets ¹	731,143	176,776	—	—	—	1,506,912	—	290,753	2,705,584
14	Total	60,535,900	11,222,190	7,085,112	15,117,626	4,189,895	50,044,201	488,521	3,554,414	152,237,859

		31 Dec 2024								
1	Sovereigns and their central banks	39,422,984	907,534	—	10,151	—	276,166	—	—	40,616,836
2	Public Sector Entities	837,043	1,006,730	—	1,410,708	—	5,409,492	—	—	8,663,972
3	Multilateral development banks	3,009,200	—	—	917,848	—	—	—	—	3,927,048
4	Banks	798	8,674,356	—	9,478,786	—	439,364	149	—	18,593,453
5	Securities firms	—	—	—	—	—	—	—	—	—
6	Corporates	4,285,064	2,310,741	—	3,075,339	—	38,316,991	—	1,961,901	49,950,035
7	Regulatory retail portfolios	265,681	—	—	1,725	4,119,940	364,649	—	—	4,751,995
8	Secured by residential property	—	—	6,691,488	—	274,147	699,037	—	—	7,664,672
9	Secured by commercial real estate	420,492	—	—	—	—	1,989,328	—	—	2,409,820
10	Equity Investment in Funds ('EIF')	—	—	—	—	—	—	—	—	—
11	Past-due loans	40,626	—	—	—	—	670,915	661,401	—	1,372,942
12	Higher-risk categories	—	—	—	—	—	—	—	—	—
13	Other assets ¹	713,077	35,400	—	—	—	1,295,715	—	412,141	2,456,333
14	Total	48,994,964	12,934,761	6,691,488	14,894,558	4,394,087	49,461,658	661,550	2,374,042	140,407,106

1 Includes fixed assets and other non-financial assets.

The table below discloses Counterparty credit risk ('CCR') exposures by approach for derivatives and securities financing transactions.

Analysis of counterparty credit risk ('CCR') exposure by approach (CCR1)

	30 Jun 2025					
	Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
	AED000	AED000	AED000		AED000	AED000
SA-CCR (for derivatives)	709,961	3,733,335	—	1.40	6,220,614	3,427,273
Internal Model Method (for derivatives and SFTs)	—	—	—	—	—	—
Simple Approach for credit risk mitigation (for SFTs)	—	—	—	—	—	—
Comprehensive Approach for credit risk mitigation (for SFTs)	—	—	—	—	42,066,474	1,055,907
VaR for SFTs	—	—	—	—	—	—
Total	—	—	—	—	—	4,483,180

31 Dec 2024						
SA-CCR (for derivatives)	718,098	2,898,392	—	1.4	5,063,087	2,683,566
Internal Model Method (for derivatives and SFTs)	—	—	—	—	—	—
Simple Approach for credit risk mitigation (for SFTs)	—	—	—	—	—	—
Comprehensive Approach for credit risk mitigation (for SFTs)	—	—	—	—	34,622,309	1,369,020
VaR for SFTs	—	—	—	—	—	—
Total	—	—	—	—	—	4,052,586

The table below discloses exposures and RWAs related to CVA regulatory calculations with the breakdown by standardised approach. CVAs represent the risk of mark-to-market losses on the expected counterparty risk to OTC derivatives and SFTs which are subject to fair-value accounting. Certain qualifying central counterparties are exempt from CVA.

Credit valuation adjustment ('CVA') capital charge (CCR2)

		At			
		30 Jun 2025	30 Jun 2025	31 Dec 2024	31 Dec 2024
		EAD post-CRM	RWA	EAD post-CRM	RWA
		AED000	AED000	AED000	AED000
1	All portfolios subject to the Standardised CVA capital charge	6,767,146	1,143,839	5,655,668	976,084
2	All portfolios subject to the Simple alternative CVA capital charge	—	—	—	—

The tables below discloses information on the risk-weighting of CCR exposures under the standardised approach by regulatory portfolio.

Standardised approach – CCR exposures by regulatory portfolio and risk weights (CCR3)

Risk weight Regulatory portfolio	30 Jun 2025							Total credit exposure
	0%	20%	50%	75%	100%	150%	Others	
	AED000	AED000	AED000	AED000	AED000	AED000	AED000	AED000
Sovereigns	26,551	—	—	—	—	—	—	26,551
Public Sector Entities ('PSEs')	745,110	16,199	321,533	—	109,662	—	—	1,192,504
Multilateral development banks ('MDBs')	—	—	1,719	—	—	—	—	1,719
Banks	23,036,105	2,739,384	3,587,300	—	203,472	—	—	29,566,261
Securities firms	—	—	—	—	—	—	—	—
Corporates	15,745,470	103,666	16,129	—	1,634,654	134	—	17,500,053
Regulatory retail portfolios	—	—	—	—	—	—	—	—
Secured by residential property	—	—	—	—	—	—	—	—
Secured by commercial real estate	—	—	—	—	—	—	—	—
Equity Investment in Funds ('EIF')	—	—	—	—	—	—	—	—
Past-due loans	—	—	—	—	—	—	—	—
Higher-risk categories	—	—	—	—	—	—	—	—
Other assets ¹	5,176,469	—	—	—	—	—	—	5,176,469
Total	44,729,705	2,859,249	3,926,681	—	1,947,788	134	—	53,463,557

Pillar 3 Disclosures at 30 June 2025

Standardised approach – CCR exposures by regulatory portfolio and risk weights (CCR3) (continued)

31 Dec 2024								Total credit exposure
Risk weight	0%	20%	50%	75%	100%	150%	Others	AED000
Regulatory portfolio	AED000	AED000	AED000	AED000	AED000	AED000	AED000	AED000
Sovereigns	26,581	—	—	—	—	—	—	26,581
Public Sector Entities ('PSEs')	579,939	21,798	17,918	—	203,438	—	—	823,093
Multilateral development banks ('MDBs')	—	—	—	—	—	—	—	—
Banks	17,052,661	1,941,361	3,123,384	—	161,703	—	—	22,279,109
Securities firms	—	—	—	—	—	—	—	—
Corporates	14,757,103	54,059	64,333	—	1,680,986	132	—	16,556,613
Regulatory retail portfolios	—	—	—	—	—	—	—	—
Secured by residential property	—	—	—	—	—	—	—	—
Secured by commercial real estate	—	—	—	—	—	—	—	—
Equity Investment in Funds ('EIF')	—	—	—	—	—	—	—	—
Past-due loans	—	—	—	—	—	—	—	—
Higher-risk categories	—	—	—	—	—	—	—	—
Other assets ¹	4,874,868	—	—	—	—	—	—	4,874,868
Total	37,291,151	2,017,218	3,205,635	—	2,046,127	132	—	44,560,263

1 Includes trading debt securities, netting derivatives Over-The-Counter ('OTC') and settlement accounts.

The table below discloses the breakdown of types of collateral posted or received related to derivative transactions.

Composition of collateral for CCR exposure (CCR5)

30 Jun 2025						
Collateral used in derivative transactions				Collateral used in SFTs		
Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral	
Segregated	Unsegregated	Segregated	Unsegregated			
AED000	AED000	AED000	AED000	AED000	AED000	AED000
Cash – domestic currency	—	—	—	—	—	—
Cash – other currencies	—	1,028,465	—	170,331	—	—
Domestic sovereign debt	—	—	—	—	1,749,830	—
Government agency debt	—	—	—	—	17,449,268	—
Corporate bonds	—	—	—	—	12,251,925	—
Equity securities	—	—	—	—	—	—
Other collateral ¹	—	—	—	—	8,075,661	—
Total	—	1,028,465	—	170,331	39,526,684	—

31 Dec 2024						
Cash – domestic currency	—	—	—	—	—	—
Cash – other currencies	—	942,712	—	107,972	—	—
Domestic sovereign debt	—	—	—	—	1,358,151	—
Government agency debt	—	—	—	—	16,928,908	—
Corporate bonds	—	—	—	—	6,957,994	—
Equity securities	—	—	—	—	—	—
Other collateral ¹	—	—	—	—	7,144,650	—
Total	—	942,712	—	107,972	32,389,703	—

1 Other collateral includes reverse repos with banks.

The table below discloses break down of the credit derivative exposures.

Credit derivative exposures (CCR6)

	Protection bought	Protection sold	Protection bought	Protection sold
	30 Jun 2025 AED000	30 Jun 2025 AED000	31 Dec 2024 AED000	31 Dec 2024 AED000
Notionals				
Single-name credit default swaps	642,688	459,063	642,688	477,425
Index credit default swaps	—	—	—	—
Total return swaps	—	—	—	—
Credit options	—	—	—	—
Other credit derivatives	—	—	—	—
Total notionals	642,688	459,063	642,688	477,425
Fair values				
Positive fair value (asset)	—	16	—	33
Negative fair value (liability)	(8,699)	(742)	(9,472)	(1,597)

Market Risk

Market risk under the standardised approach ('SA') (MR1)

		30 Jun 2025	31 Dec 2024
		RWA	RWA
		AED000	AED000
1	General Interest rate risk (General and Specific)	3,517,554	4,432,932
2	Equity risk (General and Specific)	—	—
3	Foreign exchange risk	1,958,748	2,603,982
4	Commodity risk	—	—
6	Options	—	—
5	Simplified approach	—	—
6	Delta-plus method	—	—
7	Scenario approach	—	—
8	Securitisation	—	—
9	Total	5,476,302	7,036,914

The decrease in market risk RWAs under the standardised approach, mainly attributed to higher FX short positions in GCC currencies and netting resulting in lower RWAs compared to the previous period.

Liquidity

The table below presents the breakdown of the Bank's available high-quality liquid assets ('HQLA'), as measured and defined according to the CBUAE Liquidity Regulations.

Eligible Liquid Assets Ratio ('ELAR')

	30 Jun 2025	30 Jun 2025	31 Mar 2025	31 Mar 2025
	Nominal	Eligible Liquid	Nominal	Eligible Liquid
	amount	Asset	amount	Asset
	AED000	AED000	AED000	AED000
1	High Quality Liquid Assets			
1.1	Physical cash in hand at the bank + balances with the CBUAE	15,919,078	17,429,415	
1.2	UAE Federal Government Bonds and Sukuks	17,809,027	14,221,769	
	Sub Total (1.1 to 1.2)	33,728,105	31,651,184	31,651,184
1.3	UAE local governments publicly traded debt securities	757,449	738,447	
1.4	UAE Public sector publicly traded debt securities	—	—	
	Sub total (1.3 to 1.4)	757,449	738,447	738,447
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	6,086,669	5,723,877	5,717,026
1.6	Total	40,572,223	38,113,508	38,106,657
2	Total liabilities			142,922,615
3	Eligible Liquid Assets Ratio ('ELAR') (%)		26.90	26.66

Pillar 3 Disclosures at 30 June 2025

The table below presents the breakdown of the Bank's Advances to Stable Resources Ratio ('ASRR'), as per the CBUAE Liquidity Regulations.

Advances to Stables Resource Ratio ('ASRR')

		At	
		30 Jun 2025 AED000	31 Mar 2025 AED000
1	Computation of Advances		
1.1	Net Lending (gross loans – specific and collective provisions + interest in suspense)	53,296,832	51,192,365
1.2	Lending to non-banking financial institutions	10,960,837	10,366,964
1.3	Net Financial Guarantees & Stand-by LC (issued – received)	(830,543)	(808,516)
1.4	Interbank Placements	13,458,856	15,850,497
1.5	Total Advances	76,885,982	76,601,310
2	Calculation of Net Stable Resources		
2.1	Total capital + general provisions	18,924,813	20,262,872
	Deduct:		
2.1.1	Goodwill and other intangible assets	783,650	772,233
2.1.2	Fixed Assets	869,126	866,373
2.1.3	Funds allocated to branches abroad	—	—
2.1.5	Unquoted Investments	551,709	—
2.1.6	Investment in subsidiaries, associates and affiliates	—	—
2.1.7	Total deduction	2,204,485	1,638,606
2.2	Net Free Capital Funds	16,720,328	18,624,266
2.3	Other stable resources:		
2.3.1	Funds from the head office	—	—
2.3.2	Interbank deposits with remaining life of more than 6 months	4,790,137	4,305,427
2.3.3	Refinancing of Housing Loans	—	—
2.3.4	Borrowing from non-Banking Financial Institutions	6,160,036	5,997,379
2.3.5	Customer Deposits	87,059,008	83,120,069
2.3.6	Capital market funding/term borrowings maturing after 6 months from reporting date	752,522	640,131
2.3.7	Total other stable resources	98,761,703	94,063,006
2.4	Total Stable Resources (2.2+2.3.7)	115,482,031	112,687,272
3	Advances to Stable Resources Ratio (1.5/2.4*100) (%)	66.58	67.98

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HSBC Bank Middle East Limited

Incorporated in the Dubai International Financial Centre.
Regulated by the Central bank of the U.A.E and
lead regulated by the Dubai Financial Services Authority

HSBC Bank Middle East Limited – UAE Operations