HSBC Bank Middle East Limited – UAE Operations

Pillar 3 Disclosures at 30 June 2026

HSBC

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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 2026 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.

Applicability of Disclosures

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

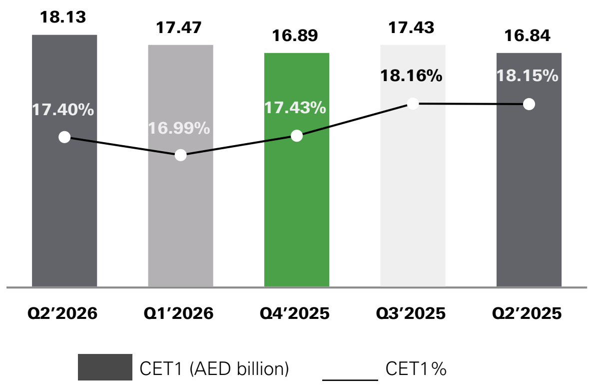
Topic	Table	Information Overview
Composition of capital	CCA	Main features of regulatory capital instruments
Liquidity	LIQ1	Liquidity Coverage Ratio
	LIQ2	Net Stable Funding Ratio
Counterparty credit risk ('CCR')	CCR8	Exposures to central counterparties
Securitisation	SECA	Qualitative disclosure requirements 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

Common Equity Tier 1 ('CET1') capital was AED 18.13 billion at 30 June 2026, with a CET1 ratio of 17.40%, up 41 bps from 31 March 2026 (16.99%). The increase was mainly driven by net profit of AED 643 million generated in the period, partly offset by an increase in RWAs of AED 1.39 billion, primarily reflected by an increase in credit risk RWAs of AED 1.46 billion.

CET1 capital and ratio

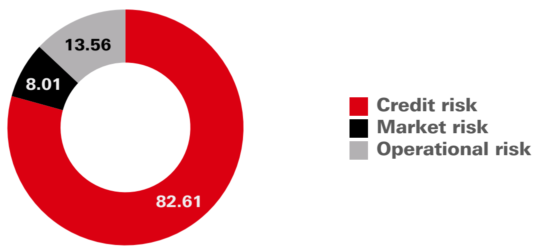


Risk Weighted Assets ('RWAs')

Our RWAs were AED 104.18 billion at 30 June 2026, an increase of AED 1.39 billion compared with 31 March 2026. The increase was driven by a AED 1.46 billion rise in credit risk RWAs, mainly driven by increase with Government Related Entities and Banks exposure classes, partially offset by a decrease within the Corporate exposure class.

RWAs by risk type

AED 104.18 billion (1Q26 – AED 102.79 billion)



Leverage

The Bank's leverage ratio was 7.66% at 30 June 2026, above the minimum regulatory requirement of 3%.The increase is due to a increase in the tier 1 capital.

Leverage

	Q2 2026	Q1 2026	Q4 2025
Leverage ratio (%)	**7.66**	7.63	8.07

Liquidity

The Bank's Eligible Liquid Asset Ratio ('ELAR') was 22.73% at 30 June 2026, above the minimum regulatory requirement of 10%.

The Bank's Advance to Stable Resources Ratio ('ASRR') was 67.16% at 30 June 2026, below the regulatory limit of 100%.

Liquidity

	Q2 2026	Q1 2026	Q4 2025
ELAR (%)	**22.73**	24.65	28.56
ASRR (%)	**67.16**	67.74	61.09

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 Systematically 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 2026 AED000	31 Mar 2026 AED000	31 Dec 2025 AED000	30 Sep 2025 AED000	30 Jun 2025 AED000
	Available capital (amounts)					
1	Common Equity Tier 1 ('CET1')[1]	**18,127,868**	17,467,535	16,893,079	17,430,183	16,839,070
1a	Fully loaded ECL accounting model	**18,127,868**	17,467,535	16,893,079	17,430,183	16,839,070
2	Tier 1	**18,127,868**	17,467,535	16,893,079	17,430,183	16,839,070
2a	Fully loaded ECL accounting model Tier 1	**18,127,868**	17,467,535	16,893,079	17,430,183	16,839,070
3	Total capital[1]	**18,741,179**	17,987,744	17,218,377	17,758,353	17,176,999
3a	Fully loaded ECL accounting model total capital	**18,741,179**	17,987,744	17,218,377	17,758,353	17,176,999
	Risk-weighted assets (amounts)					
4	**Total risk-weighted assets ('RWA')[2]**	**104,180,705**	102,788,053	96,937,742	95,968,378	92,797,465
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	**17.40**	16.99	17.43	18.16	18.15
5a	Fully loaded ECL accounting model CET1 (%)	**17.40**	16.99	17.43	18.16	18.15
6	Tier 1 ratio (%)	**17.40**	16.99	17.43	18.16	18.15
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	**17.40**	16.99	17.43	18.16	18.15
7	Total capital ratio (%)	**17.99**	17.50	17.76	18.50	18.51
7a	Fully loaded ECL accounting model total capital ratio (%)	**17.99**	17.50	17.76	18.50	18.51
	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 (%)	**0.06**	0.04	0.05	0.06	0.05
10	Bank D-SIB additional requirements (%)	**—**	—	—	—	—
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	**2.56**	2.54	2.55	2.56	2.55
12	CET1 available after meeting the bank's minimum capital requirements (%)[3]	**7.49**	7.00	7.26	8.00	8.01
	Leverage Ratio[4]					
13	Total leverage ratio measure	**236,559,697**	228,807,827	209,452,176	217,799,394	206,432,790
14	Leverage ratio (%) (row 2/row 13)	**7.66**	7.63	8.07	8.00	8.16
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)[1]	**7.66**	7.63	8.07	8.00	8.16
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	**7.66**	7.63	8.07	8.00	8.16
	Eligible Liquid Assets Ratio ('ELAR')[5]					
21	Total HQLA	**39,591,007**	41,226,102	42,940,835	42,639,114	40,571,387
22	Total liabilities	**174,207,161**	167,239,391	150,367,171	160,895,282	150,835,517
23	Eligible Liquid Assets Ratio ('ELAR') (%)	**22.73**	24.65	28.56	26.50	26.90
	Advances to Stable Resources Ratio ('ASRR')[5]					
24	Total available stable funding	**133,067,884**	130,883,372	124,005,654	130,328,027	115,482,031
25	Total Advances	**89,369,497**	88,655,841	75,760,568	84,383,661	76,885,982
26	Advances to Stable Resources Ratio ('ASRR') (%)	**67.16**	67.74	61.09	64.75	66.58

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).

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 2026	**30 Jun 2026**	31 Mar 2026	31 Mar 2026
		AED000	**AED000**	AED000	AED000
1	credit risk (excluding counterparty credit risk)	**76,121,079**	**7,992,714**	73,576,722	7,725,556
2	– of which: standardised approach ('SA')	**76,121,079**	**7,992,714**	73,576,722	7,725,556
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')	**4,847,679**	**509,006**	5,827,297	611,866
7	– of which: standardised approach for counterparty credit risk	**4,847,679**	**509,006**	5,827,297	611,866
8	– of which: Internal Model Method ('IMM')	**—**	**—**	—	—
9	– of which: other CCR	**—**	**—**	—	—
10	Credit valuation adjustment ('CVA')	**1,636,021**	**171,782**	1,734,327	182,104
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	**—**	**—**	9,912	1,041
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	**8,014,678**	**841,541**	8,078,547	848,247
21	– of which: standardised approach ('SA')	**8,014,678**	**841,541**	8,078,547	848,247
22	– of which: internal models approach ('IMA')	**—**	**—**	—	—
23	Operational risk	**13,561,248**	**1,423,931**	13,561,248	1,423,931
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)**	**104,180,705**	**10,938,974**	102,788,053	10,792,746

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 primarily due to an AED 3.20 billion increase in exposures with Government Related Entities and Banks exposure classes. This was partially offset by an AED 1.41 billion decrease within the Corporate exposure class.

Market risk

Market risk RWAs decreased, primarily due to lower short positions in GCC currencies, partially offset by an increase in general interest rate risk.

Operation risk

Operational risk RWAs remained unchanged.

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 2026 AED000	31 Dec 2025 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	**12,275,272**	10,936,525	—
3	Accumulated other comprehensive income (and other reserves)	**2,211,085**	2,333,659	—
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**	**18,981,612**	17,765,439	—
	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)	**921,040**	826,668	—
10	Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	—	—	—
11	Cash flow hedge reserve	**(63,818)**	50,521	—
12	Securitisation gain on sale	—	—	—
13	Gains and losses due to changes in own credit risk on fair valued liabilities	**(3,478)**	(4,829)	—
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**	**853,744**	872,360	—
25	**Common Equity Tier 1 capital ('CET1')**	**18,127,868**	16,893,079	—
	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**	**18,127,868**	16,893,079	—
	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)**	**18,127,868**	16,893,079	—
	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	**613,311**	325,298	—

Composition of regulatory capital (CC1) (continued)

		30 Jun 2026 AED000	31 Dec 2025 AED000	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
45	**Tier 2 capital before regulatory adjustments**	**613,311**	325,298	
	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]	**613,311**	325,298	–
52	**Total regulatory capital (TC = T1 + T2)**	**18,741,179**	17,218,377	–
53	**Total risk-weighted assets**	**104,180,705**	96,937,742	–
	Capital ratios and buffers			
54	Common Equity Tier 1 (as a percentage of risk-weighted assets) (%)	**17.40**	17.43	–
55	Tier 1 (as a percentage of risk-weighted assets) (%)	**17.40**	17.43	–
56	Total capital (as a percentage of risk-weighted assets) (%)	**17.99**	17.76	–
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) (%)	**2.56**	2.55	–
58	– of which: capital conservation buffer requirement (%)	**2.50**	2.50	–
59	– of which: bank-specific countercyclical buffer requirement (%)	**0.06**	—	–
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 (%)	**7.49**	7.26	–
	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)	**1,239,072**	1,125,909	–
70	Cap on inclusion of provisions in Tier 2 under standardised approach[1]	**613,311**	325,298	–
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)	**–**	—	–

Our CET1 capital ratio decreased marginally from 17.43% at 31 December 2025 to 17.40% at 30 June 2026 mainly due to an increase in RWAs by AED 7.24 billion.

The key drivers of the overall decrease in our CET1 ratio during the year were:

- Higher RWAs, reflecting growth in exposure, which more than offset the benefit from increased CET1 capital.
- CET1 capital increased due to half-year profit and the capitalisation of prior years profit, net of dividend payments.

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 it's scope of regulatory consolidation.

Reconciliation of regulatory capital to balance sheet (CC2)

	Balance sheet as in published financial statements	Balance sheet as in published financial statements	
	30 Jun 2026	31 Dec 2025	**Reference to CC1**
Assets	**AED000**	AED000	
Cash	**922,706**	744,984	–
Trading assets	**9,103,397**	6,772,314	–
Financial assets designated and otherwise mandatorily measured at fair value through profit or loss	**356,618**	192,728	–
Derivatives	**4,263,078**	3,353,288	–
Loans and advances to banks	**24,654,654**	28,076,586	–
Loans and advances to customers	**57,505,577**	52,004,607	–
Reverse repurchase agreements – non-trading	**45,663,935**	34,879,477	–
Financial investments	**45,052,169**	38,213,010	–
Prepayments, accrued income and other assets	**5,193,397**	5,026,556	–
Intangible assets	**921,040**	826,668	–
Deferred tax assets	**507,138**	406,292	–
Total Assets	**194,143,709**	170,496,510	
Liabilities			
Deposits from banks	**4,099,251**	5,878,533	–
Customer accounts	**117,434,106**	113,488,075	–
Repurchase agreements – non-trading	**34,706,733**	14,498,341	–
Trading liabilities	**2,972,703**	2,446,698	–
Financial liabilities designated at fair value	**3,018,287**	2,533,801	–
Derivatives	**4,055,922**	2,940,341	–
Accruals, deferred income and other liabilities	**6,874,576**	7,649,041	–
Current tax liabilities	**1,045,587**	932,341	–
Provisions	**329,170**	273,762	–
Total liabilities	**174,536,335**	150,640,933	–
Shareholders' equity			
Allocated Capital	**4,495,255**	4,495,255	**(a)**
Legal Reserves	**2,247,628**	2,247,628	–
Other Reserves	**558,278**	878,360	–
Unremited Profit	**12,306,213**	12,234,334	–
Total shareholders' equity	**19,607,374**	19,855,577	–
Total liabilities and Head Office funds	**194,143,709**	170,496,510	

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)

	30 Jun 2026				
	a	b	c	d	e
		Exposure values and/or risk-weighted assets used in the computation of the countercyclical capital buffer			
Geographical breakdown	Countercyclical capital buffer rate (%)	Exposure values	Risk-weighted assets	Bank-specific countercyclical capital buffer rate (%)[3]	Countercyclical buffer amount
United Kingdom	**2.00**	**2,302,273**	**714,919**	**0.0217**	**22,602**
Saudi Arabia	**1.00**	**1,722,760**	**1,133,431**	**0.0172**	**17,916**
France	**1.00**	**2,044,821**	**463,125**	**0.0071**	**7,321**
Cyprus	**1.50**	**265,768**	**265,768**	**0.0061**	**6,302**
Denmark	**2.50**	**93,908**	**93,908**	**0.0036**	**3,711**
Germany	**0.75**	**1,731,520**	**210,969**	**0.0024**	**2,501**
Luxembourg	**0.50**	**1,292,889**	**213,324**	**0.0016**	**1,686**
Spain	**0.50**	**248,465**	**142,774**	**0.0011**	**1,128**
Korea, Republic Of (South)	**1.00**	**549,569**	**53,740**	**0.0008**	**849**
Ireland, Republic Of	**1.50**	**34,183**	**32,196**	**0.0007**	**763**
Netherlands	**2.00**	**9,635**	**7,179**	**0.0002**	**227**
Australia	**1.00**	**31,715**	**13,055**	**0.0002**	**206**
Hong Kong	**0.50**	**50,283**	**16,568**	**0.0001**	**131**
Bulgaria	**2.00**	**5,509**	**4,132**	**0.0001**	**131**
Sweden	**2.00**	**372,268**	**1,795**	**0.0001**	**57**
South Africa	**1.00**	**1,714**	**1,003**	**0.0000**	**16**
Belgium	**1.25**	**134,408**	**744**	**0.0000**	**15**
Poland	**1.00**	**1,498**	**524**	**0.0000**	**8**
Czech Republic	**1.25**	**975**	**341**	**0.0000**	**7**
Slovakia	**1.50**	**372**	**130**	**0.0000**	**3**
Estonia	**1.50**	**206**	**72**	**0.0000**	**2**
Portugal	**0.75**	**13**	**5**	**—**	**—**
Sum[1]		**10,894,752**	**3,369,702**	**0.0630**	**65,582**
Total[2]		**86,188,559**	**65,906,885**		
	31 Dec 2025				
United Kingdom	2.00	2,344,364	655,953	0.0216	20,972
Germany	0.75	1,729,545	153,987	0.0019	1,846
Luxembourg	0.50	1,245,333	289,282	0.0024	2,312
South Korea	1.00	589,917	53,729	0.0009	859
Sweden	2.00	345,871	5,190	0.0002	166
Cyprus	1.00	325,221	279,858	0.0046	4,474
Spain	0.50	296,765	216,706	0.0018	1,732
Denmark	2.50	239,585	220,119	0.0091	8,797
France	1.00	220,529	206,603	0.0034	3,303
Netherlands	2.00	190,127	187,784	0.0062	6,004
Belgium	1.00	180,151	440	0.0000	7
Australia	1.00	94,789	68,938	0.0011	1,102
Hong Kong	0.50	46,303	27,239	0.0002	218
Ireland	1.50	38,023	35,931	0.0009	862
Poland	1.00	1,524	533	0.0000	9
Czech Republic	1.25	1,047	367	0.0000	7
Slovakia	1.50	405	142	0.0000	3
Estonia	1.50	229	80	0.0000	2
Sum[1]		7,889,728	2,402,881	0.0543	52,675
Total[2]		77,813,622	60,640,814		

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.

For the purposes of the countercyclical capital buffer ('CCyB'), HSBC UAE allocates exposures on an "ultimate risk" basis where the obligor has a guarantee.

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 2026	31 Mar 2026
		AED000	AED000
1	Total consolidated assets as per published financial statements[1]	**194,143,709**	187,847,298
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	**2,460,511**	3,442,306
9	Adjustment for securities financing transactions (ie repos and similar secured lending)	**2,092,429**	1,846,329
10	Adjustments for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	**39,718,018**	37,512,290
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	**(937,138)**	(984,336)
12	Other adjustments[2]	**(917,832)**	(856,060)
13	Leverage ratio exposure measure	**236,559,697**	228,807,827

1 HSBC UAE does not publish quarterly financials statements.
2 Other adjustments consists of Intangible assets amounts deducted in determining Tier 1 capital.

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 2026	31 Mar 2026
		AED000	AED000
	On-balance sheet exposures		
1	On-balance sheet exposures (excluding derivatives and securities financing transactions ('SFTs'), but including collateral)[1]	**141,429,905**	133,155,291
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)	**(157,807)**	(57,842)
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]	**(3,583,679)**	(3,585,587)
6	(Asset amounts deducted in determining Tier 1 capital)	**(921,040)**	(859,001)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)**	**136,767,379**	128,652,861
	Derivative exposures		
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	**914,509**	993,235
9	Add-on amounts for PFE associated with all derivatives transactions	**5,966,888**	7,195,180
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)**	**6,881,397**	8,188,415
	Securities financing transactions		
14	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	**51,100,473**	52,607,932
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	**—**	—
16	CCR exposure for SFT assets	**2,092,430**	1,846,329
17	Agent transaction exposures	**—**	—
18	**Total securities financing transaction exposures (sum of rows 14 to 17)**	**53,192,903**	54,454,261
	Other off-balance sheet exposures		
19	Off-balance sheet exposure at gross notional amount	**123,991,688**	117,199,119
20	(Adjustments for conversion to credit equivalent amounts)	**(84,273,670)**	(79,686,829)
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)**	**39,718,018**	37,512,290
	Capital and total exposures		
23	Tier 1 capital	**18,127,868**	17,467,535
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	**236,559,697**	228,807,827
	Leverage ratio		
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) (%)	**7.66**	7.63
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	**7.66**	7.63
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.

Our leverage ratio was 7.66% at 30 June 2026, up 3 bps from 7.63% at 31 March 2026. Leverage exposures increased during the quarter, primarily due to higher on-balance sheet exposures (driven by investments) and higher off-balance sheet exposures.

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 2026					
		Gross carrying values of			of which: ECL accounting provisions for credit losses on SA exposures		
		Defaulted exposures (a)	**Non-defaulted exposures (b)**	**Allowances/ Impairments (c)**	**Allocated in regulatory category of Specific**	**Allocated in regulatory category of General**	**Net values (a+b-c)**
		AED000	**AED000**	**AED000**	**AED000**	**AED000**	**AED000**
1	Loans[1]	**3,795,268**	**81,002,978**	**2,638,015**	**2,161,622**	**476,393**	**82,160,231**
2	Debt securities[2,4]	**—**	**45,052,803**	**3,267**	**—**	**3,267**	**45,052,169**
3	Off-balance sheet exposures[3]	**50,487**	**31,482,137**	**70,247**	**23,805**	**46,442**	**31,462,377**
4	**Total**	**3,845,755**	**157,540,551**	**2,711,529**	**2,185,427**	**526,102**	**158,674,777**
		31 Dec 2025					
1	Loans[1]	4,161,096	78,350,302	2,430,205	2,159,924	270,281	80,081,193
2	Debt securities[2,4]	—	38,214,997	1,987	—	1,987	38,213,010
3	Off-balance sheet exposures[3]	60,773	30,085,376	38,693	28,672	10,021	30,107,456
4	Total	4,221,869	146,650,675	2,470,885	2,188,596	282,289	148,401,659

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 2026	31 Dec 2025
		AED000	AED000
1	Defaulted loans and debt securities at the end of the previous reporting period	**4,161,096**	2,556,829
2	Loans and debt securities that have defaulted since the last reporting period	**248,217**	1,864,650
3	Returned to non-default status	**(72,768)**	(36,444)
4	Amounts written off	**(129,892)**	(298,791)
5	Other changes[1]	**(411,385)**	74,852
6	Defaulted loans and debt securities at the end of the reporting period	**3,795,268**	4,161,096

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 2026						
		Exposures unsecured: carrying amount	**Exposures secured by collateral**	**Exposures secured by collateral of which: secured amount**	**Exposures secured by financial guarantees[1]**	**Exposures secured by financial guarantees, of which: secured amount**	**Exposures secured by credit derivatives**	**Exposures secured by credit derivatives, of which: secured amount**
		AED000	**AED000**	**AED000**	**AED000**	**AED000**	**AED000**	**AED000**
1	Loans	**64,993,850**	**7,477,400**	**7,057,462**	**10,720,054**	**9,957,153**	**—**	**—**
2	Debt securities	**44,601,653**	**—**	**—**	**1,146,895**	**1,146,895**	**—**	**—**
3	**Total**	**109,595,503**	**7,477,400**	**7,057,462**	**11,866,949**	**11,104,048**	**—**	**—**
4	– of which: defaulted	**1,024,735**	**3,481**	**3,481**	**710,809**	**692,068**	**—**	**—**
		31 Dec 2025						
1	Loans	69,288,751	5,010,135	4,623,932	7,942,276	6,795,755	—	—
2	Debt securities	37,620,631	—	—	1,067,331	1,067,331	—	—
3	Total	106,909,382	5,010,135	4,623,932	9,009,607	7,863,086	—	—
4	– of which: defaulted	1,066,601	6,107	6,107	1,311,796	1,041,447	—	—

Exposures unsecured: carrying amount

– Increase in unsecured loans exposure is mainly driven by higher treasury bills, partially offset by lower money market placements.

Exposures secured by collateral

– Increase in secured loan exposure is mainly driven by higher term lending with banks.

Exposures secured by financial guarantees

– Increase in loans exposure is mainly due to trade receivables.

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 2026					
		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
	Asset classes	AED000	AED000	AED000	AED000	AED000	(%)
1	Sovereigns and their central banks	**49,195,870**	**1,139,247**	**49,195,870**	**152,099**	**370,399**	**1**
2	Public Sector Entities	**11,981,437**	**8,719,130**	**11,981,437**	**2,494,667**	**10,622,076**	**73**
3	Multilateral development banks	**3,328,864**	**—**	**3,328,864**	**—**	**—**	**—**
4	Banks	**16,453,384**	**14,929,948**	**16,453,384**	**6,986,317**	**8,351,364**	**36**
5	Securities firms	**—**	**—**	**—**	**—**	**—**	**—**
6	Corporates	**32,166,905**	**87,541,940**	**32,166,905**	**22,369,083**	**43,418,744**	**80**
7	Regulatory retail portfolios	**5,198,156**	**8,659,456**	**5,198,156**	**8,460**	**3,435,888**	**66**
8	Secured by residential property	**9,509,990**	**4,593**	**9,509,990**	**—**	**4,371,054**	**46**
9	Secured by commercial real estate	**1,367,941**	**291,320**	**1,367,941**	**64,909**	**1,129,761**	**79**
10	Equity Investment in Funds ('EIF')	**—**	**—**	**—**	**—**	**—**	**—**
11	Past-due loans	**1,572,082**	**284,960**	**1,572,082**	**284,960**	**1,598,301**	**86**
12	Higher-risk categories	**—**	**—**	**—**	**—**	**—**	**—**
13	Other assets[1]	**3,181,024**	**—**	**3,181,024**	**—**	**2,823,492**	**89**
14	**Total**	**133,955,653**	**121,570,594**	**133,955,653**	**32,360,495**	**76,121,079**	**46**
		31 Dec 2025					
1	Sovereigns and their central banks	49,075,042	1,200,738	49,075,042	63,240	324,421	1
2	Public Sector Entities	9,812,134	8,143,443	9,812,134	2,078,801	8,434,671	71
3	Multilateral development banks	2,699,767	—	2,699,767	—	—	—
4	Banks	14,859,458	12,853,497	14,859,458	6,017,382	6,916,823	33
5	Securities firms	—	—	—	—	—	—
6	Corporates	27,441,043	79,194,195	27,441,043	20,923,870	39,677,954	82
7	Regulatory retail portfolios	5,270,745	9,015,811	5,270,745	13,584	3,700,474	70
8	Secured by residential property	9,031,765	7,615	9,031,765	—	4,084,985	45
9	Secured by commercial real estate	1,699,999	306,091	1,699,999	58,270	1,422,728	81
10	Equity Investment in Funds ('EIF')	—	—	—	—	—	—
11	Past-due loans	1,959,438	264,797	1,959,438	264,797	1,628,934	73
12	Higher-risk categories	—	—	—	—	—	—
13	Other assets[1]	2,746,717	—	2,746,717	—	2,431,937	89
14	Total	124,596,108	110,986,187	124,596,108	29,419,944	68,622,927	45

1 Includes fixed assets and other non financial assets.

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 2026								
	Risk weight	**0%**	**20%**	**35%**	**50%**	**75%**	**100%**	**150%**	**Others**	**Total credit exposures amount (post CCF and post-CRM)**
	Asset classes	**AED000**	**AED000**	**AED000**	**AED000**	**AED000**	**AED000**	**AED000**	**AED000**	**AED000**
1	Sovereigns and their central banks	**48,375,274**	**750,652**	**—**	**3,550**	**—**	**218,494**	**—**	**—**	**49,347,970**
2	Public Sector Entities	**569,346**	**3,201,950**	**—**	**1,446,246**	**—**	**9,258,563**	**—**	**—**	**14,476,105**
3	Multilateral development banks	**3,328,864**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**3,328,864**
4	Banks	**5,285,972**	**4,361,907**	**—**	**12,625,678**	**—**	**1,166,144**	**—**	**—**	**23,439,701**
5	Securities firms	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
6	Corporates	**5,800,281**	**3,739,829**	**—**	**4,182,095**	**—**	**38,391,536**	**198,900**	**2,223,347**	**54,535,988**
7	Regulatory retail portfolios	**756,098**	**—**	**—**	**498**	**4,057,524**	**392,496**	**—**	**—**	**5,206,616**
8	Secured by residential property	**—**	**—**	**7,774,915**	**—**	**340,969**	**1,394,106**	**—**	**—**	**9,509,990**
9	Secured by commercial real estate	**303,089**	**—**	**—**	**—**	**—**	**1,129,761**	**—**	**—**	**1,432,850**
10	Equity Investment in Funds (‘EIF’)	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
11	Past-due loans	**354,701**	**—**	**—**	**347,560**	**—**	**615,303**	**539,478**	**—**	**1,857,042**
12	Higher-risk categories	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
13	Other assets[1]	**922,656**	**220,937**	**—**	**—**	**—**	**1,542,845**	**—**	**494,584**	**3,181,022**
14	**Total**	**65,696,281**	**12,275,275**	**7,774,915**	**18,605,627**	**4,398,493**	**54,109,248**	**738,378**	**2,717,931**	**166,316,148**
		31 Dec 2025								
1	Sovereigns and their central banks	48,018,044	991,117	—	5,849	—	123,273	—	—	49,138,283
2	Public Sector Entities	652,391	2,593,834	—	1,457,613	—	7,187,098	—	—	11,890,936
3	Multilateral development banks	2,699,767	—	—	—	—	—	—	—	2,699,767
4	Banks	3,076,758	8,313,906	—	8,464,419	—	1,021,609	149	—	20,876,841
5	Securities firms	—	—	—	—	—	—	—	—	—
6	Corporates	5,599,524	1,257,789	—	3,446,660	—	35,675,116	—	2,385,823	48,364,912
7	Regulatory retail portfolios	651,907	—	—	527	3,726,734	905,160	—	—	5,284,328
8	Secured by residential property	—	—	7,499,489	—	288,450	1,243,826	—	—	9,031,765
9	Secured by commercial real estate	335,541	—	—	—	—	1,422,728	—	—	1,758,269
10	Equity Investment in Funds (‘EIF’)	—	—	—	—	—	—	—	—	—
11	Past-due loans	452,971	267,187	—	350,352	—	660,534	493,191	—	2,224,235
12	Higher-risk categories	—	—	—	—	—	—	—	—	—
13	Other assets[1]	744,964	200,538	—	—	—	1,407,472	—	393,743	2,746,717
14	Total	62,231,867	13,624,371	7,499,489	13,725,420	4,015,184	49,646,816	493,340	2,779,566	154,016,053

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 2026					
	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)	**653,221**	**4,029,703**	**—**	**1.40**	**6,556,092**	**3,635,732**
Internal Model Method (for derivatives and SFTs)	**—**	**—**	**—**	**—**	**—**	**—**
Simple Approach for credit risk mitigation (for SFTs)	**—**	**—**	**—**	**—**	**—**	**—**
Comprehensive Approach for credit risk mitigation (for SFTs)	**—**	**—**	**—**	**—**	**53,125,855**	**1,211,947**
VaR for SFTs	**—**	**—**	**—**	**—**	**—**	**—**
Total	**—**	**—**	**—**	**—**	**—**	**4,847,679**
	31 Dec 2025					
SA-CCR (for derivatives)	379,463	4,915,836	—	1.40	7,413,420	4,102,535
Internal Model Method (for derivatives and SFTs)	—	—	—	—	—	—
Simple Approach for credit risk mitigation (for SFTs)	—	—	—	—	—	—
Comprehensive Approach for credit risk mitigation (for SFTs)	—	—	—	—	40,349,671	810,895
VaR for SFTs	—	—	—	—	—	—
Total	—	—	—	—	—	4,913,430

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.

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

		At			
		30 Jun 2026	**30 Jun 2026**	31 Dec 2025	31 Dec 2025
		EAD post-CRM	**RWA**	EAD post-CRM	RWA
		AED000	**AED000**	AED000	AED000
1	All portfolios subject to the Standardised CVA capital charge	**8,648,521**	**1,636,021**	8,316,768	1,524,220
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)

	30 Jun 2026							
Risk weight	**0%**	**20%**	**50%**	**75%**	**100%**	**150%**	**Others**	**Total credit exposure**
Regulatory portfolio	**AED000**	**AED000**	**AED000**	**AED000**	**AED000**	**AED000**	**AED000**	**AED000**
Sovereigns	**23,204**	**—**	**—**	**—**	**—**	**—**	**—**	**23,204**
Public Sector Entities ('PSEs')	**580,522**	**6,695**	**356,159**	**—**	**53,298**	**—**	**—**	**996,674**
Multilateral development banks ('MDBs')	**—**	**—**	**11,516**	**—**	**—**	**—**	**—**	**11,516**
Banks	**29,448,027**	**2,628,635**	**4,321,977**	**—**	**249,087**	**—**	**—**	**36,647,726**
Securities firms	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Corporates	**20,260,786**	**13,594**	**115,584**	**—**	**1,612,806**	**57**	**—**	**22,002,827**
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]	**7,636,052**	**—**	**—**	**—**	**—**	**—**	**—**	**7,636,052**
Total	**57,948,591**	**2,648,924**	**4,805,236**	**—**	**1,915,191**	**57**	**—**	**67,317,999**

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

	31 Dec 2025							
Risk weight	0%	20%	50%	75%	100%	150%	Others	Total credit exposure
Regulatory portfolio	AED000	AED000	AED000	AED000	AED000	AED000	AED000	AED000
Sovereigns	24,648	—	—	—	—	—	—	24,648
Public Sector Entities ('PSEs')	896,303	11,553	340,899	—	97,701	—	—	1,346,457
Multilateral development banks ('MDBs')	—	—	23,786	—	—	—	—	23,786
Banks	21,889,686	2,752,076	4,035,247	—	57,384	—	—	28,734,392
Securities firms	—	—	—	—	—	—	—	—
Corporates	15,535,142	95,463	33,391	—	1,969,705	107	—	17,633,807
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]	4,599,104	—	—	—	—	—	—	4,599,104
Total	42,944,883	2,859,092	4,433,323	—	2,124,790	107	—	52,362,194

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 2026					
	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**
Cash – domestic currency	**—**	**—**	**—**	**—**	**—**	**—**
Cash – other currencies	**—**	**616,116**	**—**	**157,807**	**—**	**—**
Domestic sovereign debt	**—**	**—**	**—**	**—**	**3,605,311**	**—**
Government agency debt	**—**	**—**	**—**	**—**	**25,764,427**	**—**
Corporate bonds	**—**	**—**	**—**	**—**	**13,493,949**	**—**
Equity securities	**—**	**—**	**—**	**—**	**—**	**—**
Other collateral[1]	**—**	**—**	**—**	**—**	**7,425,649**	**—**
Total	**—**	**616,116**	**—**	**157,807**	**50,289,336**	**—**
	31 Dec 2025					
Cash – domestic currency	—	—	—	—	—	—
Cash – other currencies	—	905,987	—	103,418	—	—
Domestic sovereign debt	—	—	—	—	3,711,787	—
Government agency debt	—	—	—	—	19,997,748	—
Corporate bonds	—	—	—	—	8,600,873	—
Equity securities	—	—	—	—	—	—
Other collateral[1]	—	—	—	—	6,010,722	—
Total	—	905,987	—	103,418	38,321,131	—

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 2026	**30 Jun 2026**	31 Dec 2025	31 Dec 2025
	AED000	**AED000**	AED000	AED000
Notionals				
Single-name credit default swaps	**1,728,365**	**1,637,100**	642,688	736,336
Index credit default swaps	**—**	**—**	—	—
Total return swaps	**—**	**—**	—	—
Credit options	**—**	**—**	—	—
Other credit derivatives	**—**	**—**	—	—
Total notionals	**1,728,365**	**1,637,100**	642,688	736,336
Fair values				
Positive fair value (asset)	**—**	**29,589**	—	694
Negative fair value (liability)	**(44,816)**	**(524)**	(9,806)	(640)

Market Risk

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

		30 Jun 2026 RWA AED000	31 Dec 2025 RWA AED000
1	General Interest rate risk (General and Specific)	**6,758,995**	5,487,855
2	Equity risk (General and Specific)	**—**	—
3	Foreign exchange risk	**1,255,683**	2,828,061
4	Commodity risk	**—**	—
6	Options	**—**	—
5	Simplified approach	**—**	—
6	Delta-plus method	**—**	—
7	Scenario approach		—
8	Securitisation	**—**	—
9	**Total**	**8,014,678**	8,315,916

The decrease in market risk RWAs under the standardised approach, mainly driven by:

General Interest rate risk (General and Specific)

Net unhedged positions increased post-netting, alongside a rise in Specific Interest Rate Risk RWAs, reflecting higher exposures to qualifying securities and other sovereign counterparties.

Foreign exchange risk

Decrease was primarily driven by GCC currencies, reflecting lower short positions.

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 2026 Nominal amount AED000	30 Jun 2026 Eligible Liquid Asset AED000	31 Mar 2026 Nominal amount AED000	31 Mar 2026 Eligible Liquid Asset AED000
1	High Quality Liquid Assets				
1.1	Physical cash in hand at the bank + balances with the CBUAE	**10,799,991**		12,426,970	
1.2	UAE Federal Government Bonds and Sukuks	**22,156,071**		21,774,044	
	Sub Total (1.1 to 1.2)	**32,956,062**	**32,956,062**	34,201,014	34,201,014
1.3	UAE local governments publicly traded debt securities	**696,079**		842,015	
1.4	UAE Public sector publicly traded debt securities	**—**		—	
	Sub total (1.3 to 1.4)	**696,079**	**696,079**	842,015	842,015
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	**5,940,296**	**5,938,866**	6,183,073	6,183,073
1.6	**Total**	**39,592,437**	**39,591,007**	41,226,102	41,226,102
2	Total liabilities		**174,207,161**		167,239,391
3	Eligible Liquid Assets Ratio ('ELAR') (%)		**22.73**		24.65

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 2026	31 Mar 2026
		AED000	AED000
1	**Computation of Advances**		
1.1	Net Lending (gross loans – specific and collective provisions + interest in suspense)	**58,686,379**	58,709,681
1.2	Lending to non-banking financial institutions	**10,824,346**	11,797,049
1.3	Net Financial Guarantees & Stand-by LC (issued – received)	**241,940**	652,085
1.4	Interbank Placements	**19,616,832**	17,497,026
1.5	**Total Advances**	**89,369,497**	88,655,841
2	**Calculation of Net Stable Resources**		
2.1	Total capital + general provisions	**20,218,055**	20,817,482
	Deduct:		
2.1.1	Goodwill and other intangible assets	**921,040**	859,001
2.1.2	Fixed Assets	**845,018**	849,840
2.1.3	Funds allocated to branches abroad	**—**	—
2.1.5	Unquoted Investments	**59,914**	—
2.1.6	Investment in subsidiaries, associates and affiliates	**—**	—
2.1.7	**Total deduction**	**1,825,972**	1,708,841
2.2	**Net Free Capital Funds**	**18,392,083**	19,108,641
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	**11,089,682**	10,464,095
2.3.3	Refinancing of Housing Loans	**—**	—
2.3.4	Borrowing from non-Banking Financial Institutions	**8,258,537**	8,206,565
2.3.5	Customer Deposits	**93,365,934**	91,176,618
2.3.6	Capital market funding/term borrowings maturing after 6 months from reporting date	**1,961,648**	1,927,453
2.3.7	**Total other stable resources**	**114,675,801**	111,774,731
2.4	**Total Stable Resources (2.2+2.3.7)**	**133,067,884**	130,883,372
3	**Advances to Stable Resources Ratio (1.5/2.4*100) (%)**	**67.16**	67.74

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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
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