

Pillar 3 Disclosure 2023

Contents

1.	<u>Executive Summary</u>	3
1.1	<u>Introduction</u>	3
1.2	<u>Background</u>	3
2	<u>Key metrics</u>	4

I. Executive Summary

Introduction

This document comprises BLME Group's Pillar 3 disclosures on capital and risk management as at 31 December 2023.

The Group (BLME) comprises Bank of London and The Middle East plc (the "Bank") its main operating entity and Walbrook Asset Finance Ltd ("WAF"). The Bank and WAF are both wholly owned by BLME Holdings Limited which is 72% owned by Boubyan Bank K.S.C.P. of Kuwait.

The principal activity of the Bank is to provide Sharia'a compliant financing facilities and solutions for corporate clients, treasury services to financial institutions digital bank services to largely Kuwaiti based clients, and wealth management financing, investment and advisory services to a wide spectrum of clients.

The principal activities of WAF provide Asset Finance for businesses including Operating Leases, Finance Leases and Hire Purchase arrangements.

Background

BLME is subject to the Capital Requirements Regulation (CRR), as amended and on-shored in the UK. BLME's Pillar 3 disclosures are in accordance with Article 433b of the CRR and incorporated in the PRA rulebook. BLME applies the derogation in paragraph 2 of Article 433b.

Key metrics

The table below presents the key prudential metrics, risk weighted assets, leverage ratio, liquidity coverage ratio and net stable funding ratio.

	GBP'000	GBP'000
	31/12/2023	31/12/2022
Available own funds (amounts)		
Common Equity Tier 1 (CET1) capital	226,478	227,212
Tier 1 capital	226,478	227,212
Total capital	226,478	227,212
Risk-weighted exposure amounts		
Total risk-weighted exposure amount	1,342,418	1,376,389
Capital ratios (as a percentage of risk-weighted exposure amount)		
Common Equity Tier 1 ratio (%)	16.87%	16.51%
Tier 1 ratio (%)	16.87%	16.51%
Total capital ratio (%)	16.87%	16.51%
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)		
Additional CET1 SREP requirements (%)	3.59%	1.94%
Total SREP own funds requirements (%)	11.59%	9.94%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)		
Capital conservation buffer (%)	2.50%	2.50%
Institution specific countercyclical capital buffer (%)	1.76%	0.95%
Combined buffer requirement (%)	4.26%	3.45%
Overall capital requirements (%)	15.85%	13.39%
CET1 available after meeting the total SREP own funds requirements (%)	1.02%	3.11%
Leverage ratio		
Total exposure measure excluding claims on central banks	1,521,865	1,622,691
Leverage ratio excluding claims on central banks (%)	14.88%	14.00%
Liquidity Coverage Ratio		
Total high-quality liquid assets (HQLA) (Weighted value -average)	60,522	92,894
Cash outflows - Total weighted value	83,950	105,540
Cash inflows - Total weighted value	113,997	109,725
Total net cash outflows (adjusted value)	20,987	26,385
Liquidity coverage ratio (%)	288%	352%
Net Stable Funding Ratio		
Total available stable funding	1,401,110	1,502,432
Total required stable funding	969,949	1,053,953
NSFR ratio (%)	144%	143%

