

Pillar 3 Disclosure 2025

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I. Executive Summary

Introduction

This document comprises BLME Group's Pillar 3 disclosures on capital and risk management as at 31 December 2025.

The Group (BLME) comprises its main operating entity, Bank of London and The Middle East plc (the "Bank"), AQ1 Limited and its related underlying structured entities and BLME Capital Company.

The principal activity of the Bank is to provide Sharia'a compliant financing facilities and solutions for corporate and retail 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 Group included its leasing business (Walbrook Asset Finance), however, in June 2022 the Group Board made the decision to exit the leasing business and the final part of the leasing portfolio was sold on 31 December 2025.

Background

BLME is subject to the Capital Requirements Regulation (CRR), as amended and implemented 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
	31/12/2025	31/12/2024
Available own funds (amounts)		
Common Equity Tier 1 (CET1) capital	225,806	227,639
Tier 1 capital	225,806	227,639
Total capital	225,806	227,639
Risk-weighted exposure amounts		
Total risk-weighted exposure amount	1,170,428	1,279,034
Capital ratios (as a percentage of risk-weighted exposure amount)		
Common Equity Tier 1 ratio (%)	19.29%	17.80%
Tier 1 ratio (%)	19.29%	17.80%
Total capital ratio (%)	19.29%	17.80%
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)		
Additional CET1 SREP requirements (%)	3.59%	3.59%
Total SREP own funds requirements (%)	11.59%	11.59%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)		
Capital conservation buffer (%)	2.50%	2.50%
Institution specific countercyclical capital buffer (%)	1.58%	1.67%
Combined buffer requirement (%)	4.08%	4.17%
Overall capital requirements (%)	15.67%	15.76%
CET1 available after meeting the total SREP own funds requirements (%)	3.62%	2.04%
Leverage ratio		
Total exposure measure excluding claims on central banks	1,510,175	1,519,554
Leverage ratio excluding claims on central banks (%)	14.95%	14.98%
Liquidity Coverage Ratio		
Total high-quality liquid assets (HQLA) (Weighted value - average)	63,913	57,829
Cash outflows - Total weighted value	83,047	74,573
Cash inflows - Total weighted value	78,968	69,733
Total net cash outflows (adjusted value)	20,762	18,643
Liquidity coverage ratio (%)	308%	310%
Net Stable Funding Ratio		
Total available stable funding	1,289,527	1,281,180
Total required stable funding	1,070,069	1,025,644
NSFR ratio (%)	121%	125%

