

## Pillar 3 Disclosure 2024

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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 2024.

The Group (BLME) comprises its main operating entity, Bank of London and The Middle East plc (the "Bank") Walbrook Asset Finance Ltd ("WAF") and AQ1 Limited and its related underlying structured entities. 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 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.

WAF is in run-off but its principal activities were to provide Asset Finance products for businesses including Operating Leases, Finance Leases and Hire Purchase arrangements.

### 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
	31/12/2024	31/12/2023
<b>Available own funds (amounts)</b>		
Common Equity Tier 1 (CET1) capital	227,639	226,478
Tier 1 capital	227,639	226,478
Total capital	227,639	226,478
<b>Risk-weighted exposure amounts</b>		
Total risk-weighted exposure amount	1,279,034	1,342,418
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>		
Common Equity Tier 1 ratio (%)	17.80%	16.87%
Tier 1 ratio (%)	17.80%	16.87%
Total capital ratio (%)	17.80%	16.87%
<b>Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)</b>		
Additional CET1 SREP requirements (%)	3.59%	3.59%
Total SREP own funds requirements (%)	11.59%	11.59%
<b>Combined buffer requirement (as a percentage of risk-weighted exposure amount)</b>		
Capital conservation buffer (%)	2.50%	2.50%
Institution specific countercyclical capital buffer (%)	1.67%	1.76%
Combined buffer requirement (%)	4.17%	4.26%
Overall capital requirements (%)	15.76%	15.85%
CET1 available after meeting the total SREP own funds requirements (%)	2.04%	1.02%
<b>Leverage ratio</b>		
Total exposure measure excluding claims on central banks	1,519,554	1,521,865
Leverage ratio excluding claims on central banks (%)	14.98%	14.88%
<b>Liquidity Coverage Ratio</b>		
Total high-quality liquid assets (HQLA) (Weighted value -average)	57,829	60,522
Cash outflows - Total weighted value	74,573	83,950
Cash inflows - Total weighted value	69,733	113,997
Total net cash outflows (adjusted value)	18,643	20,987
Liquidity coverage ratio (%)	310%	288%
<b>Net Stable Funding Ratio</b>		
Total available stable funding	1,281,180	1,401,110
Total required stable funding	1,025,644	969,949
NSFR ratio (%)	125%	144%