

BLME Holdings plc<sup>1</sup> 2018 Annual Financial Results

London, 21st March 2019 – BLME Holdings plc announces 2018 annual financial results

All statements in this release relate to that time period, unless otherwise indicated.

	2018	2017
<b>Total assets</b>	<b>£1.3 billion</b> (\$1.7 billion <sup>2</sup> )	<b>£1 billion</b> (\$1.4 billion)
<b>Total Operating income</b>	<b>£42.5 million</b> (\$54.1 million)	<b>£41.2 million</b> (\$52.3 million)
<b>Total operating income (excl. impairments)</b>	<b>£44.8 million</b> (\$57.0 million)	<b>£37.8 million</b> (\$51.2 million)
<b>Profit for the year after tax</b>	<b>£11.2 million</b> (\$14.3 million)	<b>£5.7 million</b> (\$7.8 million)

**Adel Al Majed, Chairmen of BLME, commented on the results:**

*“2018 was an excellent year for BLME. I am pleased with the progress the Group has made during another profitable year. The launch of the Dubai International Financial Centre (DIFC) Branch has proved successful and provides the perfect base to grow the GCC client base in line with the Wealth Management focussed strategy.”*

**Giles Cunningham, CEO of BLME, commented on the results:**

*“In 2018 we built upon the successful turnaround of 2017 and took another significant step forward. In 2018 we achieved a profit after tax of £11.2m, by far the best year in the bank’s history. We have proven, despite considerable economic and political headwinds, that we have a sustainable and value creating business model.”*

**Results overview**

BLME Group has delivered a record profit after tax of £11.2m in 2018, compared to £5.7m in 2017. The cost income ratio has improved considerably from 93% the previous year to 72% in 2018. Total assets have increased by 25% to £1.3bn. The Bank’s capital ratios have remained healthy, with a Tier 1 ratio of 18%.

Non-performing financing assets as a proportion of our financing portfolio have fallen once again from 5.5% in 2017 to 2.2%. A net impairment loss of £2.3m for the year (of which £2.6m is a result of the new IFRS 9 stage 1 and 2 ECL model implementation) reflects both the bank’s credit quality and the efficient management and recovery of historic distressed assets.

<sup>1</sup> In this press release, the expression “the Company” refers to BLME Holdings plc which is the ultimate parent company of the BLME Group and is listed on Nasdaq Dubai. The expression “BLME”, “the Group” or “the BLME Group” refers to BLME Holdings plc and its subsidiaries.

<sup>2</sup> For ease of reference, we have quoted US dollar amounts for pro forma information purposes. For 2018 the closing exchange rate as at 31<sup>st</sup> December of \$1.2722 was used (2017: \$1.3527).

**Strategy**

BLME has focussed its strategy on growing and developing the Wealth Management business to become the UK banking partner of choice for GCC nationals and the number of Private Banking clients has doubled over the past year. In addition, the Dubai International Financial Centre (DIFC) branch became fully operational during 2018. BLME has built partnerships with GCC Sharia'a compliant banks that do not have a UK presence; resulting in the successful referral agreement with a GCC Banking Group to support clients from their extensive branch network.

The Commercial Finance division has been integral to the Bank's success in 2018. Leasing has continued to grow and expand their client and asset base. In 2018 BLME launched Corporate Trade Finance which is already contributing to the Bank.

**Products**

In addition to the Bank's longstanding expertise in real estate financing, developing investment products for High Net Worth clients has been a priority. The £55m acquisition of the landmark Atlantic Quay 1 building in Glasgow, backed by a top quality long lease, demonstrates BLME's ability to acquire, structure and market innovative investment opportunities for clients.

Further development of BLME's online fixed deposit products saw a 32% growth in retail deposits despite strong competition in the market.

For a full copy of BLME's 2018 Financial Results go to:

<https://www.blme.com/about-blme/investor-relations/financial-results-and-reporting/>

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### NOTES TO EDITORS

- Financial Results are available on our website visit <https://www.blme.com/about-blme/investor-relations/financial-results-and-reporting/>
- For more about BLME visit [www.blme.com](http://www.blme.com)

#### About BLME

The Bank of London and The Middle East plc (BLME) is led by a management team that brings together a combination of experienced international bankers and leading experts in Islamic finance in the key business areas: Wealth Management, Commercial Finance and Treasury. BLME is based in London with offices in Manchester and Dubai, and is the largest wholly independent Sharia'a compliant bank in Europe. BLME is authorised and regulated by the PRA and FCA.