

BLME Holdings plc Interim Management Statement – Q3 2014

BLME Group announces Operating Profit before Tax of £6.7 million for the period ending 30th September 2014

London, 16 November, 2014 – BLME Holdings plc today issues its Interim Management Statement relating to the period ended 30th September 2014. All statements in this release relate to that time period, unless otherwise indicated. These results have not been audited or reviewed by the Group’s auditor, KPMG LLP.

BLME has performed well over the nine months to the 30th September 2014 with growth in all key performance indicators. Total Operating Income has reached £46.8 million for the period with Net Fee Income of £3.1 million and Operating Profit before Tax for the Group of £6.7 million.

Highlights for the third quarter ended 30th September 2014:

- Total Operating Income of £13.4 million
- Net Fee Income of £0.9 million
- Operating Profit before Tax for the Group of £1.6 million

Total Operating Expenses for the third quarter 2014 were £11.07 million, resulting in a Cost Income ratio of 74.5% (after adjusting for operating lease depreciation).

BLME’s Balance Sheet remains stable with Total Assets at £1.3 billion. The Group has a strong pipeline of new business especially in the Corporate Banking Division.

As at 30th September 2014, Total Deposits were £1.04 billion of which £444 million were from BLME Premier Deposit Accounts (“PDA”). The number of depositors increased to 5,864, a 58% increase from 31st December 2013, increasing depositor diversification and reducing the average deposit amount from £0.26 million in 2013 to £0.18 million.

Adel Al-Majed, Chairman of BLME Holdings plc, commented on the results:

“BLME’s results for the third quarter 2014 are consistent with the growing demand for Islamic finance globally. In addition to this, the Bank’s Memorandum of Understanding with Bank Muamalat demonstrates the Group’s commitment to building strategic partnerships and diversifying its private banking offering. The results to date continue the positive momentum gained over the first six months, with BLME well capitalised for the future.”

Humphrey Percy, CEO of BLME Holdings plc, said:

“Good progress has been made in 2014, despite a typically quiet third quarter with modest activity due to the summer period and Ramadan. We are encouraged to note that business has picked up in September and that we have a strong pipeline for the rest of the year.”

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The expression “the Group” or “the BLME Group” refers to BLME Holdings plc and its subsidiaries.

The name of the principal subsidiary, Bank of London and The Middle East plc is shortened to “BLME” or “the Bank” in narrative text.

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About BLME

BLME is an independent wholesale Sharia'a compliant bank based in London and is a leading provider of finance to the UK mid-market. BLME received FSA authorisation in July 2007 and is the largest of its peers in Europe. Boubyan Bank, Kuwait's Public Institute for Social Security and AREF Investment Group are three of the largest shareholders in the Bank. BLME's Chairman Adel Al Majed is Vice Chairman and CEO of Boubyan Bank, BLME's largest shareholder. BLME is led by a management team that brings together a combination of experienced international bankers and leading experts in Islamic finance, BLME has three key business areas; Corporate Banking, Treasury and Wealth Management, which includes Asset Management, Private Banking and Islamic Capital Markets.

BLME is dedicated to offering innovative Islamic investment and financing products to businesses and high net-worth individuals in the European, US, Asian and MENA regions. To ensure that BLME's services and operations are wholly Sharia'a compliant, the Bank has a dedicated Sharia'a Supervisory Board ("SSB"). The SSB's role is to review contracts and agreements relating to all transactions ensuring that they are consistent with the principles of Islamic jurisprudence.

Website: www.blme.com

About Islamic banking

Islamic Finance upholds the principles of fairness, integrity and transparency. The principle of fairness is reflected in the risk and reward-sharing element that forms the foundation of every Islamic financial transaction.

Islamic finance aims to create business activities that generate a fair and equitable profit from transactions that are backed by real assets. This method of financing avoids speculation, short selling and excessive credit creation whilst encouraging sound risk management procedures.

Islamic banking has a robust system of risk management and self-regulation to ensure that each transaction is transparent and that the appropriate due diligence and higher standards of disclosure required are observed. To ensure compliance with these requirements each transaction and agreement is reviewed and approved by a Sharia'a Supervisory Board. This Sharia'a specific regulation and governance is in addition to the conventional regulation that applies to all UK based financial institutions.

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