

## BLME Holdings plc<sup>1</sup> 2013 Full Year Financial Results

London, 3<sup>rd</sup> March, 2014 – BLME Holdings plc today announced its full year 2013 financial results to 31<sup>st</sup> December 2013. BLME reported an Operating Profit before Tax for the Group of £6.1 million.

		% increase	2013	2012
Total Assets	↑	19%	<b>£1.2 billion</b> (\$2.1 billion <sup>2</sup> )	<b>£1.0 billion</b> (\$1.7 billion)
Total Operating Income	↑	7%	<b>£56 million</b> (\$93.5 million)	<b>£52.5 million</b> (\$87.6 million)
Net Operating Profit before Impairment Charges	↑	12%	<b>£8.2 million</b> (\$13.6 million)	<b>£7.3 million</b> (\$12.1 million)
Net Operating Profit before Tax	↑	10%	<b>£6.1 million</b> (\$10.1 million)	<b>£5.5 million</b> (\$9.2 million)

### Key highlights of the full year results are:

- 13% increase in the number of depositors over the period.
- Impaired assets decreased from 5.1% to 4%, better than the industry average.
- Fee income increased by over 50%.
- BLME has maintained a capital adequacy ratio in excess of current and also the impending Basel standards.

### The Group achieved two key milestones in 2013:

- **Opening a representative office in the Gulf region:** The bank's representative office in Dubai was officially opened in May 2013, and provides existing and target clients with high-value information on potential investment opportunities within the GCC and the UK.
- **Listing on a global exchange:** The listing on NASDAQ Dubai was a notable achievement and provides BLME with both visibility and greater access to investors. It also represents a significant step toward realising the Shareholders' ambitions for the Group.

The representative office and the listing have placed BLME at the heart of the growing Islamic finance industry in Dubai and the region.

### Yacob Al Muzaini, Chairman of BLME, commented on the results:

*"I am pleased to report on another year of substantial progress for the BLME Group. During my Chairmanship I have seen BLME grow into a multi-award winning bank, providing innovative and competitive financial solutions in the UK and GCC. The Group has delivered strong financial performance and is well placed for the future."*

### Humphrey Percy, CEO of BLME, commented on the results:

*"2013 was an important year for both BLME and the Islamic finance industry. The listing on NASDAQ Dubai in October 2013 enhances BLME's position as a market leading Islamic Bank. In the UK, BLME has established itself as the leading Islamic bank servicing the corporate mid-market with a full range of banking products. The Group's representative office in Dubai became operational and is already developing meaningful introductions to both institutional and private clients as evidenced by the Bank's appointment as Co-Lead Manager of the Islamic Development Bank (IDB) Sukuk in June 2013."*

<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 only using the closing exchange rate of 27th February 2014.

## Results overview

As at 31<sup>st</sup> December 2013 BLME Holdings plc reported an Operating Profit before Tax for the Group of £6.1 million. The Group has increased its Operating Profit before Impairment charges by 12% in 2013. There was strong business growth in 2013 across the Group's Corporate Banking and Wealth Management divisions. This was reflected in a 19% increase in Total Assets over the period and allowed BLME to meet the Group's strategic growth targets. It is encouraging that the Group's costs for the period have been contained despite the one off costs for the listing on NASDAQ Dubai. This was in addition to product development and infrastructure costs that will underpin the Bank's growth strategy and will optimise efficiency.

During the period there was 7% increase in Group Operating Income from £52.5 million in 2012 to £56.0 million in 2013. The Balance Sheet increased by 19% from £1 billion to £1.2 billion. The 13% growth in deposits over the period leaves BLME well positioned to increase financing further and means that the Bank meets the more stringent regulatory liquidity ratios. BLME's capital adequacy ratio remains well in excess of current and impending Basel III standards. It is also pleasing to note that Net Fee Income increased by 54% to £2.74 million, demonstrating a more mature product offering, and increased earnings diversification, as well as helping to improve return on capital.

### BLME Group Growth

Since 2007, BLME has grown from the initial project team in London and Kuwait, to a UK authorised Bank with over 100 staff located in the City and West-End of London and, now in its representative office in Dubai. The Group is well capitalised with a balance sheet in excess of £1.2 billion and is growing in profitability. This growth and success has demonstrated the validity of the original business plan. BLME has built a strong and diversified business base and has become the leading Islamic Bank in Europe.

### BLME's expertise in Islamic finance

BLME has continued to gain recognition for its expertise in Islamic finance and its commitment to broader industry development. In 2013, for the sixth consecutive year, BLME was voted the Best Islamic Bank in the UK in a market poll conducted by Islamic Finance News. BLME was also awarded Best Islamic Asset Manager in Europe by Islamic Finance News and was named Best Islamic Bank in the UK in the annual Euromoney Islamic Finance Awards. These awards reflect the quality and dedication of the Bank's staff to providing a service and product offering that is competitive with the conventional market and is at the same time fully Sharia'a compliant. BLME has maintained its position as the largest Islamic bank in Europe, continues to broaden its product offering which brings its distinctive range of financial solutions and investment products to clients in both the UK and the GCC.

## Chairman's Announcement

### **Yacob Al Muzani, commented:**

*"It has been my privilege to serve as Chairman of the BLME Group for the past seven years, in which the Bank has developed and grown during a period of unprecedented market turbulence. I have seen BLME develop from a business plan on paper to the largest and most profitable Islamic Bank in Europe.*

*As BLME enters the next stage of its development I have decided that now is the right time for me to step down as Chairman of the Board. Accordingly I will retire from the Board on the 31<sup>st</sup> March 2014. I am pleased to announce that the Board has selected Adel Abdul Wahab Al Majed to succeed me as Chairman. Adel has been a member of the Board since December 2012. I wish BLME the very best for the future and will continue to take an active interest in the Group both as a founder and as a Shareholder."*

### **Humphrey Percy, added**

*"I would like to thank Yacob Al Muzani for his dedicated service and guidance and for his continued support and commitment to the BLME Group. I would also like to take this opportunity to welcome Adel Al Majed to the position of Chairman and look forward to the next phase BLME's development."*

For a full copy of BLME's 2013 Financial Results go to: [www.blme.com/financial-information](http://www.blme.com/financial-information)

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**NOTES TO EDITORS**

**Statutory accounts**

The information in this press release does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The statutory accounts for the year ended 31 December 2013 will be delivered to the Registrar of Companies in England and Wales in accordance with section 447 of the Companies Act 2006. The auditor has reported on those accounts. Its report was unqualified; did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report; and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The full audited 2013 Financial Statements are available <http://www.blme.com/#/page/financial-information>

**About BLME**

BLME is an independent wholesale Sharia'a compliant bank based in London and is a leading provider of alternative finance to the UK mid-market. BLME received FSA authorisation in July 2007 and is the largest of its peers in Europe. 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](http://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.