

# BLME Holdings plc Interim Management Statement – Q1 2014

## *BLME Group announces Operating Profit before Tax was £2.9 million for the first quarter of 2014*

**London, 12 May, 2014** – BLME Holdings plc today issues its Interim Management Statement relating to the first quarter from 1st January 2014 to 31st March 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 Audit plc.

As at 31st March 2014, Total Operating Income was £16.9 million and Net Fee Income was £1.45 million. BLME Holdings is pleased to announce an Operating Profit before Tax for the Group of £2.9 million for the period.

Corporate Banking Total Operating Income was £13.8 million and the segment contribution was £8.1 million. Wealth Management’s Total Operating Income was £2.0 million and the segment contribution was £0.7 million. Treasury’s Total Operating Income was £1.1 million and the segment contribution was £0.8 million.

Total Operating Expenses were £13.1 million, resulting in a Cost Income ratio of 69% (after adjusting for operating lease depreciation). The gradual downward trend in the Cost Income ratio continues as the businesses grow.

The BLME Group’s Balance Sheet remains stable with Total Assets at £1.2 billion. The Group has a strong pipeline of new business in Corporate Banking and Wealth Management.

Total Deposits were £942 million of which £387 million were from BLME Premier Deposit Accounts (“PDA”). The number of depositors increased to 5,257, a 42% 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 commented on the results:**

*“Following the substantial progress BLME Group made during 2013, I am pleased to see the Group’s positive start to 2014 with strong Operating Profit and Income. The Group is well positioned in terms of business growth, liquidity and capital and I look forward to the future.”*

### **Mr Al Majed, who is also the Deputy Chairman and CEO of BLME’s largest Shareholder, Boubyan Bank added:**

*“BLME continues to promote Islamic finance across the GCC and the UK as evidenced when the Bank was appointed for the second time as Co-Lead Manager of the Islamic Development Bank (IDB) US\$1.5 billion five-year Sukuk in March 2014.”*

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

*“We have made a good start to the year, and despite increasing competition across the UK banking market, BLME is performing in line with its 2014 budget, maintaining a stable Balance Sheet and improving Net Margin income. I am encouraged by the first quarterly set of results and Bank’s strong pipeline of new clients and transactions.”*

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## **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. 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](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.

These results have not been audited or reviewed by the Group's auditor, KPMG Audit plc.

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.