

BLME Holdings plc Interim Management Statement – Q1 2015

BLME Group announces increase in Operating Profit before Impairment Charges at £3.9 million for the first quarter of 2015

London / Dubai, 22 June, 2015 – BLME Holdings plc today issues its Interim Management Statement relating to the first quarter from 1st January 2015 to 31st March 2015. 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.

| | % change | Q1 2015 | Q1 2014 |
|---|----------|---------------------|----------------------|
| Total Assets | +9% | £1.3 billion | £1.2 billion |
| Total Operating Income | -19% | £13.7million | £16.9 million |
| Operating Profit before Impairment Charges | +3% | £3.9 million | £3.8 million |
| Net Operating Profit before Tax | -83% | £0.5 million | £2.9 million |
| Profit for the Period | -83% | £0.4 million | £2.3 million |

BLME has performed solidly over the three months to 31st March 2015. Total Operating Income was £13.7 million for the period with Net Fee Income of £1.0 million and Net Operating Profit before Tax for the Group of £0.5 million.

Operating Profit before Impairment Charges for the quarter was £3.9 million, representing a 3% increase compared to the same period in 2014. Total Operating Expenses for the quarter were £9.8 million, resulting in a Cost to Income ratio of 63.8% (after adjusting for operating lease depreciation). The impairment charges for the period of £3.4 million included an additional £1.6m of provision recognised against an exposure originally booked before the financial crisis.

BLME’s Balance Sheet remains stable with Total Assets at £1.3 billion. As at 31st March 2015, Total Deposits were £1.05 billion of which £400 million were from BLME Premier Deposit Accounts. The number of depositors was 5,290, a 5% reduction since 31st December 2014 as the Bank continues actively to manage its liquidity position.

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

"BLME’s results for the first quarter of 2015 are as expected as we reposition the Bank and address some legacy positions. I am encouraged by the continued downward trend in the Bank’s Cost to Income ratio and the progress we are making in building the Bank’s asset management and private client services offerings."

Michael Williams, CEO of BLME Holdings plc, said:

"We have made a satisfactory start to the year with Operating Profit before Impairment Charges holding up well given the increasingly competitive market environment we are encountering in the UK."

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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. 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, providing a wide range of financing solutions and investment opportunities.

- **Corporate Banking** consists of four business units, Property Finance, which includes the funding of investment and development properties; Leasing which provides finance primarily for the UK market; Corporate and Structured Finance which funds corporate growth and acquisition; and Asset Backed Finance which includes ABL structured facilities and trade finance.
- **Wealth Management** consists of Private Client Services and Asset Management.
- **Treasury** which funds the financing activities in Corporate Banking and Wealth Management, provides BLME's Premier Deposit Accounts and manages the Group's capital and liquidity.

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.