

BLME Holdings plc¹ 2015 Half Year Financial Results

BLME Group announces increase in Operating Profit before Impairment Charges of £9.2 million for the first half of 2015

London/Dubai, 25th August, 2015 – BLME Holdings plc today announced its Half Year financial results to 30th June 2015.

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

	% change	H1 2015	H1 2014
Total Assets	4%	£1.3 billion (\$2.1 billion ²)	£1.3 billion (\$2.2 billion ³)
Total Operating Income	-8%	£30.8 million (\$48.4 million)	£33.4 million (\$57.0 million)
Operating Profit before Impairment Charges	34%	£9.2 million (\$13.9 million)	£6.8 million (\$11.7 million)
Operating Loss/Profit before Tax		-£0.3 million -(\$0.5 million)	£5.1 million (\$8.8 million)
Profit for the Period		£0.4 million (\$0.7 million)	£4.0 million (\$6.8 million)

Highlights of the Half Year results are:

- Operating Profit before Impairment Charges rose by 34% from £6.8 million to £9.2 million.
- BLME made a profit for the period of £0.4 million despite a considered approach to impairment provisions.
- Reduction in Total operating expenses of 18% to £22 million from £26.5 million.
- Income from financing and investment activities rose by 3.8% from £26.2 million to £27.2 million.
- BLME's Balance Sheet growth has been carefully managed and remains stable with Total Assets at £1.3 billion.
- Net Margin has remained stable despite a more competitive lending market.

Notable Group achievements in Half Year 2015:

- BLME has continued to manage its cost: income ratio which has fallen to 62.8% at 30th June 2015 from 72.1% at half year 2014.
- The strategic development and repositioning of asset management continues with a strengthening of the distribution capabilities in the UAE and product development initiatives.
- The Asset Management arm of BLME saw a significant increase of inflows into its fixed income funds during the first half of 2015.
- BLME was awarded 'Best Islamic Institution in Europe 2015' by Global Finance Magazine and 'Best Islamic Bank in the UK 2015' from World Finance

¹ 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.

² For ease of reference we have quoted US dollar amounts for pro forma information purposes only using the closing exchange rate of \$1.5734:£1 as at 30 June 2015.

³ For ease of reference we have quoted US dollar amounts for pro forma information purposes only using the closing exchange rate of \$1.70975:£1 as at 30 June 2014.

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

“BLME’s underlying business performance has remained strong in the first half of 2015 with 34% growth in the Operating Profit before Impairment Charges, alongside increased customer business exposures compared to the first half of 2014. Having taken a considered approach to Impairment Charges on legacy exposures BLME can move forward with a focus on growing and developing its business supported by a strong balance sheet, healthy liquidity and a growing distribution network. ”

Michael Williams, CEO of BLME, commented on the results:

“BLME continues to invest in building a bank with a sustainable strategy that offers a suite of tailor made products to both our UK and GCC clients. The Bank has maintained good client retention in a more competitive environment whilst continuing to attract new clients who value relationships built on high quality service and a broad product offering.”

Results Overview

BLME Holdings plc reported an Operating Profit for the Group of £0.4 million for the period ending on 30th June 2015. The Group has increased its Operating Profit before Impairment charges by 34% in the first half of 2015 compared to the same period in 2014.

BLME’s capital adequacy ratio remains well within current and impending Basel III standards. BLME operates within a conservative risk management framework and comfortably meets UK regulatory requirements.

Impairment Charges

The total impairment charge for the period of £9.5 million primarily reflects the deterioration in four credit exposures, two of which are deals which have been on the Bank’s books for a number of years and three of the main Impairment Charges relate to secured transactions where underlying asset values have reduced, partly attributable to falls in oil and other commodity prices. It also includes for the first time a collective Impairment Provision to cover unidentified potential problems in the maturing portfolio in accordance with accounting standards.

Notwithstanding this we have recorded a Profit after Tax for the period of £0.4 million compared to £4.0 million profit achieved in the six months to 30 June 2014.

BLME – the future

The new Chief Executive Officer recruitment process is well progressed and an announcement should be made in the near future. In the meantime Michael Williams continues to act as Interim CEO focussing on implementing BLME’s strategy. BLME will continue to benefit from the support of a strong Board and shareholders, together with an experienced senior management team. It has a healthy capital base of **£244 million** and a strong liquidity position.

BLME’s expertise in Islamic finance

BLME has received a number of Awards in 2015, including ‘Best Islamic Bank in the UK’ from World Finance and ‘Best Islamic Bank in Europe’ by Global Finance Magazine. This recognition, alongside the Bank’s fourth Co-Lead Management role on an Islamic Development Bank Sukuk, underlines the Bank’s strong position in the Islamic Finance sector.

For a full copy of BLME’s Interim 2015 Financial Results go to: <https://www.blme.com/investor-relations/financial-results/>

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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 2014 were 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 include a reference to the revision of impairment of financial assets 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 Interim 2015 Financial Statements are available on BLME's website at:
<https://www.blme.com/investor-relations/financial-results/>

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.