

CHALLENGER BANKS TURN THE TIDE ON HIGH STREET LENDERS

- *70% of mid-market firms in the UK would consider using a challenger bank for their future financing requirements*
- *36% of those who would use a challenger bank would do so to encourage more competition in the banking market*
- *Mid-market companies successful in finance applications from challenger banks have added £148 billion to UK economy over the last four years*

London, 13th October 2015: Nearly three quarters of medium sized businesses in the UK would consider using a non-big four bank according to new research by BLME, a leading challenger bank catering for the UK's mid-market. A fifth (20%) of these respondents have already sought finance from a challenger bank.

Over a third (36%) of the respondents said they would do so to encourage greater competition in the banking market. Furthermore, 32% of firms considering challenger banks said it was a result of hearing other's having a positive experience. A quarter of mid-market firms see their respective scale with challenger banks as a good match.

Jervis Rhodes, Head of Corporate Banking at BLME, said:

"The availability of financing for mid-market firms is a critical issue for the UK economy. As a direct consequence of successful applications for finance over the last four years we estimate that mid-market firms have added £148 billion in output and 152,900 jobs to the UK economy. These are compelling statistics.

Historically the UK's big high street banks have had a strong grip on the business lending sector. However, there is now evidence that the tide is turning we see the mid-market look for a bank with a competitive offering that has the time and expertise to understand their specific business. This will drive greater innovation and create a healthy, vibrant landscape for business lending across the UK."

Investing in Growth

The research found that mid-market firms are continuing to invest in the growth of their businesses with half of those (49%) that applied for bank finance reinvesting into the company. The most popular growth areas were:

- Plant and machinery (41% up from 27% in 2014)
- Finance for property (37% up from 16% in 2014)
- Research and development (30% up from 20% in 2014)

Jervis Rhodes continued:

“Medium sized companies are positive about the future and are investing in growth, and the looking for the necessary financing to support their ambitions. With a significant number of mid-sized companies open to using challenger banks the potential for growth in the UK mid-market, for both the firms and the banks themselves, is huge.. However challenger banks need to invest their time and energies in engaging with and on behalf of the mid-market in order to maximize the opportunities available.

By challenger banks continuing to provide a viable alternative for the mid-market’s funding requirements, this will only have an increasingly positive effect on one of the UK’s most important economic sub-sectors.”

The full research report can be found at www.blme.com.

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NOTES TO EDITORS

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

- **Corporate Banking** consists of six business units: Real Estate, which includes acquisition, investment and development finance; Leasing which provides solutions for the UK mid-market, including international facilities; Trade Finance; ABL Finance; Islamic Capital Markets; Acquisition Finance and Syndications.
- **Wealth Management** consists of Private Client Services, providing a comprehensive property service, 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