



## **BANK OF LONDON AND THE MIDDLE EAST PLC COMPLETES £31.5 MILLION REFINANCING DEAL WITH PREMIO**

London, 8th January 2009: Bank of London and The Middle East plc (“BLME”), the standalone, London based Sharia’a compliant bank, has today announced the successful completion of a £31.5m finance transaction for Premio Group Holdings.

BLME arranged and funded the three year, £31.5 million transaction to refinance Premio’s property portfolio in Mayfair, London. Under the terms of the agreement the owner can draw and repay the facility to manage its property portfolio over the term of the funding using fixed term tranches. This is the first Islamic finance transaction completed by Premio Group Holdings.

Premio Group Holdings is a joint venture between Chelsfield Partners LLP and Rollpost established in December 2005. Premio owns over 50,000 square ft of prime residential and commercial property in London’s Mayfair.

Elliott Bernerd, Chairman of Chelsfield Partners commented:

“We are happy to have worked with BLME on our first Sharia’a funding and we look forward to having an association with them in the future.”



The Premio transaction marks a further prime Central London real estate transaction for BLME, following its launch as a standalone, Sharia'a compliant wholesale bank, based in the City of London, in July 2007.

Humphrey Percy, CEO of BLME commented:

“Successfully completing this transaction with Premio in what are extremely challenging market conditions is a great achievement for both parties. Despite the pressure that the property market is under, we believe there are excellent opportunities to provide financing for companies with strong management and robust assets. With the strength of Chelsfield’s property portfolio, BLME is delighted to be involved in this funding to help the company achieve its strategic growth plans. For BLME as a business this is further testament that we are gaining traction as financiers of choice to companies that have never used Islamic finance before.”

Advisers to both firms were Alexander Marks, SJ Berwin and KPMG for Premio and Herbert Smith LLP for BLME.

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**NOTES TO EDITORS**

**About BLME:**

The Bank of London and The Middle East plc (BLME) launched in the UK on 9 July 2007 and is an FSA authorised and regulated standalone, wholesale, Sharia'a compliant bank based in the City of London.

To ensure that all BLME's services and operations are wholly Sharia'a compliant, BLME has a dedicated Sharia'a Supervisory Board whose role is to review contracts and agreements relating to all of BLME's transactions to ensure they are consistent with the principles of Islamic jurisprudence.

**About Islamic banking**

Islamic finance is based on the principles underlying Islamic law (known as Sharia'a). The key difference between Islamic finance and conventional finance is the avoidance of interest (riba) – all transactions and agreements must be structured in such a way as to avoid interest, as well as any investments in activities that are contrary to Sharia'a law such as illicit drugs, alcohol, tobacco and gambling.

Transactions must also avoid uncertainty (gharar), speculation (maysir), or anything that leads to the unjust enrichment or unfair exploitation of one of the parties to the contract.

To ensure Sharia'a compliance, Islamic banking and finance institutions, including BLME, have a board of Islamic scholars that advises, reviews, and issues a decree on compliance with Sharia'a principles with regard to the institution's activities, proposed transactions and contracts.

The first Islamic bank was founded in 1975. However, over the last decade the Islamic Banking and Finance industry has experienced a period of sustained asset growth at around 10-15% per annum, and assets now total in excess of US\$800 billion.