





BLME 2012 Interim Financial Results

*Increased momentum across BLME's core businesses and launch of new financing products
drive strong interim financial results*

London, 3rd September, 2012 – Bank of London and The Middle East plc (BLME), today announced its financial results for the six months ended 30th June 2012.

Key highlights of the results for the first six months ended 30th June 2012 are:

		6 months to 30 June 2012 (£)	6 months to 30 June 2011 (£)
Total Operating Income	 23%	26,661,028	21,620,933
Net Operating Profit before tax	 42%	2,858,926	2,015,578
Total Comprehensive Profit	 139%	2,450,789	1,022,406
Balance Sheet	 13%	798,930,117	706,538,346

Additional highlights of the interim year results are:

- Over a threefold increase in Net Fee Income due to the expansion of Capital Markets.
- Total assets up 13% owing to a significant increase in Leasing, Property and Trade Finance business.

The notable factors behind the first half performance in 2012 were:-

- Asset Based Lending, Commodity Trade Finance and Acquisition Finance services and products launched.
- The increasing momentum in Lease and Property Finance. At half year, BLME lease finance has financed over £500m of assets since launch and BLME's property financing portfolio is now over £200m.
- A strengthened liability profile, aided by the healthy growth in the Premier Deposit Account (PDA).
- The continued strong performance of BLME's core funds, where the Sharia'a US\$ Income Fund has

been rated 8th out of 776 funds¹ and the High Yield Fund has achieved the leading position in a peer group of 19 Sukuk funds².

- The Light Industrial Building Fund, a UK Sterling denominated fund has now acquired a broad spread of assets and is attracting increasing investor interest.

Humphrey Percy, CEO of BLME, commented on the results:

“The positive first half results are founded on improved performance across all of the Bank’s operating units. We have seen increased levels of repeat business which validates the importance we place on relationship focussed and solution led services. Furthermore, I am pleased that BLME’s high quality product, investment and structuring expertise is translating into higher levels of business both in domestic markets and in the GCC, enabling BLME to achieve greater profitability and growth.”

For a full copy of BLME’s 2012 Interim Financial Results go to: www.blme.com

¹ Source: Lipper Hindsight. Since launch. June 2012.

² Source: Zawya. June 2012.

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NOTES TO EDITORS

About BLME

Bank of London and The Middle East plc (“BLME”) is an independent UK wholesale Sharia’a compliant bank based in London. BLME received FSA authorisation in July 2007 and is the largest of its peers in Europe. It is led by a management team that brings together a combination of experienced international bankers and leading experts in Islamic finance.

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.

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.