

BLME offers funding to UK property developers

- *BLME completes six deals in the residential and specialist healthcare sectors*
- *BLME's total property portfolio is now over £200m five years after bank's launch*

London, 8th August 2012: Bank of London and The Middle East ("BLME"), the largest fully Islamic wholesale investment bank in Europe, has announced the completion of another five property development deals bringing their UK property portfolio to over £200m.

The largest of the deals, with a financing facility of £16m, was with Audley Ltd, a specialist provider and manager of luxury retirement villages across the UK. The facility will be used to finance the construction of 95 one and two bedroom apartments and redevelopment of three existing properties as part of a new retirement housing development Edgbaston, Birmingham.

BLME also provided refinancing of just under £8 million for Retirement Security, a provider of very sheltered housing. **Bob Bessel, Chairman of Retirement Security said;**

"We had experienced difficulties with our previous bank, it was bureaucratic and the fees they charged were proving prohibitive. We were introduced to BLME by our advisors IF Mackinnon & Co and it was the best advice we have received."

"We get immediate answers from BLME and they are always professional and business-like. Importantly, they understand and support what we are trying to achieve at Retirement Security, which is to enable people to live fully for the whole of their lives with whatever level support they need or want."

Since 2010, UK based BLME has been providing development finance in the UK. Over the past two years BLME has provided funding to support the growth of over 15 property developers. The first three facilities have repaid and there is follow on business.

Alice Myers, Head of Property Finance said:

"In the current market developers are finding it hard to secure reliable financing from banks, for either refinancing or development finance. With traditional large bank funding currently constrained, specialist smaller Banks, such as BLME, are ideally positioned to bridge this funding gap."

Alice Myers continued:

"We believe the residential property market will remain underfinanced over the next 12 months, with many property developers looking for new sources of finance. As such, we will continue to see a significant number of opportunities to finance, high quality developments in the residential and commercial property market for our target facility size of £5 to £15 million."

Earlier this year, BLME completed several other deals, including financing of £13m to Aitch Group for a residential development in Shoreditch converting an office building into 86 high end apartments. BLME also provided £11.5m to finance a residential development in Guildford, Surrey for Latchmere

Properties, £5.75 to Lagan Homes, for a development in Biddenham, Bedfordshire and £3.5m for the Crantock Bay development in St Ives Cornwall by Acorn Development.

END

For more information contact:

James Madsen, +44 (0) 20 7307 5328, james.madsen@capitalmsl.com

NOTES TO EDITORS

Details of the deals are as follows:

About BLME

Bank of London and The Middle East plc (“BLME”) is an independent UK wholesale Islamic bank based in London, with a strong and established reputation as a quality provider of specialised financing solutions to institutions and high net-worth individuals across Europe and the GCC regions. 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 has three key business areas; Corporate Banking, Treasury and Wealth Management that includes Asset Management and Private Banking.

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 [brave statement?} This Sharia’a specific regulation and governance is in addition to the conventional regulation that applies to all UK based financial institutions.