

## BLME 2011 Full Year Financial Results

**London, 02 April, 2012** – Bank of London and The Middle East plc (BLME), the London based wholesale, Sharia’a compliant bank, today announced its full year 2011 financial results to 31 December 2011. The bank reported Net Operating Profit before Impairment Charges for the Group of £4.4 million, a 10% increase over the 2010 result of £4.0 million.

	2011	2010
Assets	£807,131,416	£711,933,748
Total Operating Income	£43,019,334	£40,438,597
Operating Profit before Impairment Charges	£4,353,844	£3,967,947

### Key highlights of the full year results are:

- A full credit provision of £14.6 million was taken following the deterioration of a single credit exposure. BLME therefore reported a 2011 Net Operating Loss after Tax of £8.9 million
- Net Operating Profit before Impairment Charges for the Group of £4.4 million, a 10% increase over the 2010 result of £4.0 million, driven primarily by the bank’s Corporate and Private banking divisions
- Total Operating Income of £43.0 million, up 6% from £40.4 million in 2010
- An increase in Total Assets from £711.9 million in 2010 to £807.1 million in 2011, demonstrating meaningful growth in client business
- A compound annual growth rate of 90% in profit before impairment charges since 2007

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

“Despite another year of solid performance from BLME’s underlying businesses, a customer facility failed to meet key payment obligations. We have therefore taken the prudent action of taking a full credit provision, and are taking all possible measures to improve our collateralised position and ensure recovery. Aside from the credit impairment, the underlying growth in Net Operating Profit before Impairment Charges was achieved against a backdrop of major market upheaval, following the Arab Spring and a deep and prolonged Eurozone crisis. Despite this, BLME continued to gain traction in its Capital Markets and Wealth management businesses, with the bank continuing to strengthen its Lease and Property Financing capabilities in particular.

While Eurozone institutions and governments represent less than 1% of the Group's total credit exposure by country, challenging market conditions have led us to strengthen the Group's liquidity. We have therefore focused on diversifying BLME's funding base to support the growing Balance Sheet and to meet the planned tightening of liquidity regulations. This will ensure BLME is favourably positioned to achieve strong levels of growth and profitability over the next few years."

For a full copy of BLME's 2011 Financial Results go to: [www.blme.com](http://www.blme.com)

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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 has three key business areas; Corporate Banking, Treasury and Wealth Management that includes Asset Management and Private Banking.

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.