

BLME participates in \$130M syndicated finance transaction for Boubyan Petrochemical Company

28 July 2011: Bank of London and The Middle East plc (BLME), the London based Sharia'a compliant wholesale bank, today announced its participation in a five year transaction worth USD \$130m with Boubyan Petrochemical Company K.S.C. (BPC), the Kuwaiti shareholding company. The financing facility provides Boubyan Petrochemical with working capital to finance their expansion and business development plans in Kuwait and internationally; it comprises two tranches – USD \$70m and 16.5m Kuwaiti Dinar.

The lead arranger was Boubyan Bank with other participating banks including Ahli United Bank and Kuwait International Bank.

Massoud Janekeh, Head of Islamic Capital Markets at BLME stated:

“This is the largest Islamic financing transaction undertaken by Boubyan Petrochemical Company to date. This landmark deal demonstrates the confidence a blue chip Kuwaiti corporation such as this has in BLME’s ability to provide competitive, flexible, and easy to access Sharia’a compliant products.”

Mr. Adel Al Majed, Deputy Chairman of the Board of Directors and Managing Director of Boubyan Bank, said:

“Signing this agreement today proves that Kuwait banks have the ability to finance large scale projects during these difficult global financial times. The lack of liquidity and finance requires hard work and cooperation in order to continue to finance companies’ expansion projects. This, along with the Government’s plans for improving the infrastructure of country, will undoubtedly add value to the Kuwaiti economy.”

Dabbous Mubarak Al-Dabbous, the Vice-Chairman of Boubyan Petrochemical, commented:

“Despite the current economic climate, Boubyan Petrochemical was able to gain the trust and support of international banks to obtain the finance needed for moving ahead and realising expansion goals. This reflects the Company’s performance, shareholders’ profits and the Kuwaiti economy as a whole.” He added that, “Company plans are to increase the ratio of Sharia’a compliant finance”.

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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.

The four core areas that set the foundations for BLME’s competitive offering are Private Banking, Asset Management, Corporate Banking and Markets Division.

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 Boubyan Petrochemical

Boubyan Petrochemical Company K.S.C. (BPC), is a Kuwaiti shareholding company listed on the Kuwait Stock Exchange (Stock symbol: BPC; stock no.: 514) and was established in 1995. Over the years the company has made further investments in the petrochemical and associated fields, as well as in industrial and manufacturing projects in general. The company has unlisted direct investments, private equity investments and investments in listed companies, which over time has resulted in Boubyan Petrochemicals Company having an impressive list of wholly and partially owned subsidiaries.

Boubyan Petrochemical Company is a separate entity and not related to Boubyan Bank.

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.