



## BANK OF LONDON AND THE MIDDLE EAST PLC ANNOUNCES FULL YEAR 2008 RESULTS

- *Operating profits are ahead of expectations at £5.8 million in first full year of operations*
  - *Significant Balance Sheet growth in 2008*
- *BLME establishes its position as the leading European Sharia'a compliant financial institution*

London (6 April 2009) – Bank of London and The Middle East plc (“BLME”), the London based Sharia'a compliant wholesale bank, has today announced full year 2008 results, reporting an operating profit of £5.8 million. The result compares to the £0.3m operating profit previously reported for the 17 month (start up) period from 7 August 2006 to 31 December 2007.

Highlights include:

- Operating profit for the Bank of £5.8 million in first full year of operations
- Balance sheet of £872 million, up from £298 million (2007)
- Fulfilment of key milestones for 2008 business development and financial targets laid out in the 2006 Private Placement Memorandum
- Development of Wealth Management businesses (Asset management and Private Banking)

The basis of the operating profit has been the strong performance of the Markets, Corporate Banking and Asset Management division revenues. This has been achieved in the most testing of market conditions. BLME has achieved an appropriate balance between liquidity and profitability.

Humphrey Percy, CEO of BLME commented:

“BLME’s results are encouraging. Our operating profit is based on positive contributions from all business areas. Within our overall performance, steady and consistent progress has been made, which is testament to the diversified nature of BLME’s businesses, even at such an early stage of our development.

“The bank’s financial performance is matched by our growing market reputation which is a testament to the recruitment of quality staff. All of our staff are seasoned professionals with a



good range of Islamic finance credentials."

Looking forward Humphrey Percy adds:

"Despite an ongoing global recession, and in anticipation of tighter regulatory liquidity standards, we believe that the demand for Islamic finance based on ethical, transparent and asset backed principles will continue to grow in 2009. Within this macro environment, BLME remains focussed on building its existing and new businesses, and promoting the depth and reach of our product offering to current and prospective customers."

Since launch, BLME has progressed to become the leading European Sharia'a compliant financial institution in terms of balance sheet, capitalisation and profitability. A key milestone was the successful second capital raising of £75 million in February 2008, which increased issued share capital to over £250 million.

BLME's market leading reputation was further endorsed when it was voted 'Best Islamic Bank – Europe' by the Islamic Finance News market awards.

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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 Markets Division, Corporate Banking, 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, SE 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.