

BLME First Half 2008 Financial Results

BLME's growth strategy delivers £1.7 million pre-tax profit for first six months of 2008

London (21 August 2008) – The Bank of London and The Middle East plc (“BLME”), the London based wholesale, Sharia’a compliant bank, reported financial results for the first half of 2008.

Key highlights of the results for the first six months 2008:

- Pre-tax profit for the first half of 2008 grew 466% to £1.7 million compared with £0.3 million made during the bank’s inaugural period of operations between August 2006 and December 2007.
- Income from financing and investing activities grew 3.5% to £10.7 million, compared with the period between August 2006 and December 2007.
- Other operating income grew 638% to £2.3 million, driven by a substantial growth in operating lease income of 971%.
- Total assets grew to £605 million as at 30 June 2008, more than double that reported at 31 December 2007.

For the purposes of comparison it is important to note that BLME started generating material revenues following the capital raising in February 2007. The Bank’s operating expenses rose during the second quarter of 2007 to meet the operational requirements of the new bank, post Financial Services Authority (“FSA”) authorisation in July 2007.

The results were spurred by the successful capital raising completed in February 2008 when a further £75 million was raised from investors, thereby increasing BLME’s paid up capital to £250 million. Along with the continued balance sheet growth, BLME is now the largest UK based Sharia’a compliant financial institution. This growth was underpinned by healthy increases in the size and diversification of customer and interbank deposits.

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

“Our profits are growing at a stronger pace than we envisaged at our launch, showing not only the strength of the bank’s strategy but also the resilience of the Islamic finance sector in spite of the difficult times in the broader markets.”

For a full copy of BLME’s 2008 Interim Results go to: www.blme.com/pdf/Interim_rep_jun08.pdf