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**BANK OF LONDON AND THE MIDDLE EAST APPOINTS SENIOR ADVISOR**

London (8 April 2008) – Bank of London and The Middle East plc (“BLME”), the Sharia’a compliant London-based wholesale bank, today announced that it has engaged advisory services of Professor Mahmood Faruqi, to assist with the growing business demand as the company expands.

Having been involved in the Islamic finance industry for over 30 years, Mahmood has extensive experience in advising banks on Strategy, Governance and Sharia’a aspects of product structuring and documentation. Mahmood has previously worked as Board Member/Advisor of Habib Bank, Alfaysal Investment bank, Faysal Bank, Faysal Islamic Bank of Bahrain, Dar-Al-Maal Islami (DMI) Geneva, and Habib Bank AG Zurich.

As a founder member and secretary at the Pakistan Banking Council, he played a key role in negotiating and obtaining authorised bank status for five Pakistani banks from the Bank of England.

Humphrey Percy, CEO of BLME, commented:

“Mahmood’s appointment is excellent news for BLME. He has enjoyed a long and distinguished career in Islamic finance and I have no doubt that his experience in product development and transactions will prove invaluable to our expanding business.”

Mahmood Faruqi commented:

“London and The Middle East are the two major forces in these exciting times for

Islamic Finance, and BLME aims to create stakeholder value by strengthening this link. I am honoured to be of assistance to the exceptionally enterprising and highly respected management team, as well as to be part of such a dynamic business.”

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## **NOTES TO EDITORS**

- The Bank of London and The Middle East plc (“BLME”) launched in the UK on 9 July 2007, having received FSA authorisation to launch as a standalone, wholesale, Sharia’a compliant bank based in the City of London.
- BLME is focused on four main business lines: Islamic Treasury and Financial Institutions, Corporate Banking, Private Banking and Investment Management, Investment Banking.
- To ensure that all BLME’s services and operations are wholly Sharia’a compliant, BLME has a dedicated Sharia’a Supervisory Board whose role is to review contracts and agreements relating to all of BLME’s transactions to ensure they are consistent with the principles of Islamic jurisprudence.

### **About Islamic banking**

Islamic finance is based on the principles underlying Islamic law (known as Sharia’a). The key difference between Islamic finance and conventional finance is the avoidance of interest (riba) – all transactions and agreements must be structured in such a way as to avoid interest, as well as any investments in activities that are contrary to Sharia’a law such as illicit drugs, alcohol, tobacco and gambling.

Transactions must also avoid uncertainty (gharar), speculation (maysir), or anything that leads to the unjust enrichment or unfair exploitation of one of the parties to the contract.

To ensure Sharia’a compliance, Islamic Banking and Finance institutions, including BLME, have a board of Islamic scholars that advises, reviews, and issues a decree on compliance with Sharia’a principles with regard to the institution’s activities, proposed transactions and contracts.

The first Islamic bank was founded in 1975. However, over the last decade the Islamic Banking and Finance industry has experienced a period of sustained asset growth at around 10-15% per annum, and assets now total in excess of US\$500 billion.