BLME
BANK OF LONDON AND THE MIDDLE EAST

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BANK OF LONDON AND THE MIDDLE EAST APPOINTS HEAD OF FINANCE AND ACCOUNTING

Newly launched wholesale, Sharia'a compliant London based bank announces appointment of Tim Chapman as Director - Head of Finance and Accounting

London (8th October, 2007) – Bank of London and The Middle East ("BLME") today announced that it has appointed Tim Chapman as Director- Head of Finance and Accounting. Tim joins BLME from Cantor Fitzgerald where he was Financial Controller.

Tim began his career at KPMG as part of the Finance department and has since worked for Natwest Capital Markets as Deputy Financial Controller and UFJI as Head of Fianance.

This announcement marks the latest senior management appointment since the bank's launch in July 2007, as a FSA authorised wholesale, Sharia'a compliant bank based in the City of London. BLME offers a range of high quality Sharia'a compliant banking services and advice to businesses both in Europe and the MENA region who wish to access innovative Islamic financial products.

Humphrey Percy, CEO of BLME, comments:

"This appointment is excellent news for BLME and testament to the compelling business which we have spent the past 18 months building. With a wealth of experience, Tim will undoubtedly make a significant contribution to the team, which will stand us in very good stead as we continue to build our internal resource to support our growth."

Tim Chapman, newly appointed Director- Head of Finance and Accounting, comments:

"The case for Islamic finance continues to strengthen and gain traction, especially in London which is fast becoming established as the largest centre for Islamic finance outside the Muslim world. The in-house expertise at BLME coupled with the business proposition as a wholly Sharia'a based organisation, provide a distinct advantage and I look forward to working alongside such a talented team of international financiers and leading experts in Islamic finance."

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NOTES TO EDITORS

- The Bank of London and The Middle East ("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 only 32 years ago. 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.