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PRESS RELEASE

UK's first Sharia compliant retail discretionary portfolio service launched

7th December 2010 – Islamic Bank of Britain (IBB, www.islamic-bank.com) today announced it has joined forces with Præmium Limited, the investment management platform provider, to launch the UK's only Sharia compliant retail Discretionary Portfolio Service (DPS). Based on Præmium's *DPS Select service*, IBB will ensure the Sharia compliance of the discretionary investment services to investors based both in the UK and overseas.

The news comes follows IBB's announcement of a £20million capital injection from founding shareholder, Qatar International Islamic Bank (QIIB, www.qiib.com.qa). The DPS is an extension of the Wealth Advisory service recently launched by the Bank.

Discretionary Portfolio Services offer investors the chance to set up and interact with their investments through their Independent Financial Advisors (IFAs). IFAs can register for free to use the service and promote a wider range of investment options for their clients.

The IBB accredited DPS provided by Praemium offers a range of different investment strategies, depending on the investment needs and objectives of the client, as well as Sharia approved ISA and SIPP products. The DPS will appeal to the full spectrum of investors seeking Sharia compliant investment options including:

- Individuals looking for long and short term investment strategies.
- High Net Worth clientele who would typically use a discretionary asset manager or investment adviser to manage their portfolio.
- Group pensions and employers seeking a solution for Islamic employees.
- Overseas investors*, with accounts offered in Sterling, Dollars and Euros

Investors wishing to access the DPS service will be able to do so through Islamic Bank of Britain's Wealth Advisory service partner City financial planning firm, Radcliffe & Newlands. Other IFAs can also access the IBB accredited DPS independently of the Bank, by signing up to the service. This enables investors across the UK to benefit from Sharia compliant investment options for the first time through their local IFA.

IBB will screen the selection of the investment models to ensure they are 100% Sharia compliant and meet with the approval of the stringent conditions set by its Sharia Supervisory Committee, which consists of leading Sharia scholars.

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Commenting on the launch, Sultan Choudhury, IBB commercial director, said, "IBB already offers the largest range of Sharia compliant products and services to UK retail customers. The Bank is now widening its product range and services on offer. Not only does this new service expand the boundaries of British Islamic finance, it also removes the constraints previously faced by British Muslims for their wealth management and retirement needs. The DPS service will offer peace of mind for customers, both financially and spiritually."

John Martin, Managing Director of Præmium said, "By using our service, both IBB customers and non IBB customers can access investments managed in keeping with Islamic traditions and this is an exciting new area we are pleased to be a part of."

* Subject to regulatory requirements.

Ends

About Islamic Bank of Britain

Islamic Bank of Britain (Bank) has pioneered Sharia compliant retail banking in the UK and has launched a wide range of products, including the Home Purchase Plan (the halal mortgage alternative) Current Accounts, Savings Accounts and Personal Finance. The Bank was also the first to introduce Sharia compliant business banking to the UK, and now offers a wide range of institutional and business banking products and services, including Commercial Property Finance.

Several of the Bank's products remain unique in the UK retail market.

The Bank is authorised and regulated by the Financial Services Authority and is a member of Financial Services Compensation Scheme. All products offered by the Bank are fully approved by the Bank's Sharia Supervisory Committee (SSC).

Sharia compliant banking operates without the use of interest. The products that are offered are structured in a different way to those provided by conventional banks. For example, for the Home Purchase Plan, each monthly payment will consist of two elements:

Rent element – this is the amount that the customer pays to the Bank as rent on the Bank's share of the property. This is in accordance with an Ijara (Lease) agreement.

Acquisition element - this is the amount that the customer pays to purchase a part of the Bank's share in the property. This is in accordance with a Diminishing Musharaka (partnership) agreement.

The rent element decreases as the Bank's share in the property decreases with each acquisition payment. Correspondingly, the customer's equity in the property increases, with every payment.

Whilst the Bank offers products and services that are designed in accordance with Sharia principles, it is an inclusive Bank and welcomes customers of all faiths.

Notes to editors:

Interviews with Islamic Bank of Britain are available on request.
The bank should only be referred to as "Islamic Bank of Britain". If abbreviated please use "IBB".

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