



BAHRAIN MIDDLE EAST BANK B.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2018 (Reviewed)

| | Reviewed 31 March 2018 US\$ '000 | Audited 31 December 2017 US\$ '000 |
|---|---|---|
| ASSETS | | |
| Balances with banks and financial institutions | 15,453 | 30,023 |
| Treasury bills and placements with financial institutions | 53,443 | 50,061 |
| Investment securities | 36,545 | 23,456 |
| Loans and advances | 142,510 | 138,714 |
| Other assets | 4,932 | 3,385 |
| TOTAL ASSETS | 252,883 | 245,639 |
| LIABILITIES AND EQUITY | | |
| LIABILITIES | | |
| Due to financial institutions | 156,200 | 154,064 |
| Due to customers | 2,916 | 3,124 |
| Borrowings | 8,616 | 4,810 |
| Other liabilities | 1,555 | 1,859 |
| Total liabilities | 169,287 | 163,857 |
| EQUITY | | |
| Share capital | 100,000 | 100,000 |
| Accumulated losses | (16,404) | (18,218) |
| Total equity | 83,596 | 81,782 |
| TOTAL LIABILITIES AND EQUITY | 252,883 | 245,639 |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three-month period ended 31 March 2018 (Reviewed)

| | Three-month period ended 31 March | |
|---|--------------------------------------|-------------------------------|
| | 2018 US\$ '000 | Restated 2017 US\$ '000 |
| OPERATING INCOME | | |
| Interest income | 3,907 | 2,813 |
| Interest expense | (192) | (63) |
| Net interest income | 3,715 | 2,750 |
| Loss on investment securities | (340) | (82) |
| Fee and commission income | 46 | 25 |
| Other income | 63 | 34 |
| Foreign exchange gain | 56 | 14 |
| Total operating income | 3,540 | 2,741 |
| OPERATING EXPENSES | | |
| Staff expenses | 737 | 963 |
| Premises expenses | 149 | 84 |
| Other operating expenses | 437 | 289 |
| Total operating expenses | 1,323 | 1,336 |
| NET PROFIT FOR THE PERIOD BEFORE IMPAIRMENT ALLOWANCE | 2,217 | 1,405 |
| Impairment (allowance) / write back - net | (403) | 52 |
| NET PROFIT FOR THE PERIOD | 1,814 | 1,457 |
| Other comprehensive income for the period | - | - |
| NET PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 1,814 | 1,457 |
| BASIC AND DILUTED EARNINGS PER SHARE (IN US\$ CENTS) | 0.45 | 0.60 |

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2017

| | Three-month period ended 31 March | |
|--|--------------------------------------|-------------------------------|
| | 2018 US\$ '000 | Restated 2017 US\$ '000 |
| OPERATING ACTIVITIES | | |
| Net profit for the period | 1,814 | 1,457 |
| Adjustments for: | | |
| Impairment allowance - net (excluding on cash and cash equivalents) | (3) | (52) |
| Depreciation and amortisation | 36 | 9 |
| Changes in operating assets and liabilities: | | |
| Investment securities | (13,089) | 478 |
| Loans and advances | (3,793) | (7,772) |
| Other assets | (1,583) | (177) |
| Due to financial institutions | 2,136 | 106 |
| Due to customers | (208) | (4,208) |
| Borrowings | 3,806 | - |
| Other liabilities | (304) | (674) |
| Net cash used in operating activities | (11,188) | (10,833) |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | (11,188) | (10,833) |
| Cash and cash equivalents at 1 January | 80,084 | 44,581 |
| CASH AND CASH EQUIVALENTS AT 31 MARCH | 68,896 | 33,748 |
| CASH AND CASH EQUIVALENTS COMPRISE: | | |
| Balances with banks and financial institutions | 15,453 | 20,490 |
| Treasury bills and placements with financial institutions with original maturities of three months or less | 53,443 | 13,258 |
| | 68,896 | 33,748 |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three-month period ended 31 March 2018 (Reviewed)

| | Share capital US\$ '000 | Accumulated losses US\$ '000 | Total equity US\$ '000 |
|--|-------------------------------|------------------------------------|------------------------------|
| Balance at 1 January 2018 | 100,000 | (18,218) | 81,782 |
| Total comprehensive income for the period | - | 1,814 | 1,814 |
| Balance at 31 March 2018 | 100,000 | (16,404) | 83,596 |
| Balance at 1 January 2017 (Restated) | 60,501 | (23,418) | 37,083 |
| Total comprehensive income for the period (Restated) | - | 1,457 | 1,457 |
| Balance at 31 March 2017 | 60,501 | (21,961) | 38,540 |

These Interim condensed consolidated financial statements were approved by the Board of Directors on 3 May 2018 and signed on its behalf by:

Wilson S Benjamin
Chairman

Murat Solak
Vice Chairman

Korhan Alev
Chief Executive Officer

These interim condensed consolidated financial statements were extracted from reviewed interim condensed consolidated financial statements on which Ernst and Young issued an unqualified review report

Please refer to interim condensed consolidated financial statements available on the Bank's website: www.bmb.com.bh

Bahrain Middle East Bank B.S.C. is licensed as conventional wholesale bank by the Central Bank of Bahrain



BAHRAIN
MIDDLE EAST
BANK

بنك البحرين والشرق الأوسط

YOUR TRUSTED BANKING PARTNER