



# BAHRAIN MIDDLE EAST BANK B.S.C.

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	Reviewed 30 June 2014 US\$ '000	Audited 31 December 2013 US\$ '000
<b>ASSETS</b>		
Balances with banks and financial institutions	18,322	14,338
Placements with financial institutions	23,049	32,384
Trading securities	341	409
Loans and advances	109,051	98,008
Available-for-sale investments	14,465	17,170
Held-to-maturity investments	248	4,628
Other assets	2,156	2,564
<b>TOTAL ASSETS</b>	<b>167,632</b>	<b>169,501</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
Deposits from financial institutions	125,293	124,951
Deposits from customers	11,092	10,196
Borrowings	-	5,000
Other liabilities	802	658
<b>Total liabilities</b>	<b>137,187</b>	<b>140,805</b>
<b>EQUITY</b>		
Share capital	60,501	60,501
Accumulated losses	(33,785)	(36,157)
Fair value reserve	3,729	4,352
<b>Total equity</b>	<b>30,445</b>	<b>28,696</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>167,632</b>	<b>169,501</b>

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2014 (Reviewed)

	Share capital US\$ '000	Legal reserve US\$ '000	Accumulated losses US\$ '000	Fair Value reserve US\$ '000	Total equity US\$ '000
Balance at 1 January 2014	60,501	-	(36,157)	4,352	28,696
Total comprehensive income (loss) for the period	-	-	2,372	(623)	1,749
<b>Balance at 30 June 2014</b>	<b>60,501</b>	<b>-</b>	<b>(33,785)</b>	<b>3,729</b>	<b>30,445</b>
Balance at 1 January 2013	60,501	17,545	(49,045)	1,444	30,445
Total comprehensive loss for the period	-	-	(2,224)	(292)	(2,516)
Balance at 30 June 2013	60,501	17,545	(51,269)	1,152	27,929

## INTERIM CONSOLIDATED STATEMENT OF INCOME

For the six-month period ended 30 June 2014 (Reviewed)

	Three-month period ended 30 June		Six-month period ended 30 June	
	2014 US\$ '000	2013 US\$ '000	2014 US\$ '000	2013 US\$ '000
<b>OPERATING INCOME</b>				
Interest income	2,395	6,350	4,710	7,665
Interest expense	(309)	(507)	(571)	(1,226)
<b>Net interest income</b>	<b>2,086</b>	<b>5,843</b>	<b>4,139</b>	<b>6,439</b>
Investment banking income	981	1,038	1,910	994
Other income	53	412	108	483
Foreign exchange (loss) gain	(53)	183	(58)	(318)
<b>Total operating income</b>	<b>3,067</b>	<b>7,476</b>	<b>6,099</b>	<b>7,598</b>
<b>OPERATING EXPENSES</b>				
Staff expenses	732	831	1,450	1,664
Premises expenses	143	126	255	251
Other operating expenses	279	2,647	791	3,214
<b>Total operating expenses</b>	<b>1,154</b>	<b>3,604</b>	<b>2,496</b>	<b>5,129</b>
<b>NET PROFIT FOR THE PERIOD BEFORE IMPAIRMENT PROVISIONS</b>	<b>1,913</b>	<b>3,872</b>	<b>3,603</b>	<b>2,469</b>
Impairment provisions - net	(1,064)	(70)	(1,231)	(4,693)
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>	<b>849</b>	<b>3,802</b>	<b>2,372</b>	<b>(2,224)</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE (IN US\$ CENTS)</b>	<b>0.35</b>	<b>1.57</b>	<b>0.98</b>	<b>(0.92)</b>

## INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 30 June 2014 (Reviewed)

	Three-month period ended 30 June		Six-month period ended 30 June	
	2014 US\$ '000	2013 US\$ '000	2014 US\$ '000	2013 US\$ '000
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>	<b>849</b>	<b>3,802</b>	<b>2,372</b>	<b>(2,224)</b>
<b>Other comprehensive (loss) income:</b>				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Fair value reserves (available-for-sale investments):				
Net amount transferred to statement of income on sale/impairment	(1,020)	(400)	(1,479)	1,596
Net changes in fair value during the period	335	(212)	856	(1,888)
<b>Total other comprehensive loss for the period</b>	<b>(685)</b>	<b>(612)</b>	<b>(623)</b>	<b>(292)</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>	<b>164</b>	<b>3,190</b>	<b>1,749</b>	<b>(2,516)</b>

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2014 (Reviewed)

	Six-month period ended 30 June	
	2014 US\$ '000	2013 US\$ '000
<b>OPERATING ACTIVITIES</b>		
Net profit (loss) for the period	2,372	(2,224)
Adjustments for:		
Impairment provisions - net	1,231	4,693
Depreciation and amortisation	38	49
Gain on disposal of premises and equipment	-	(8)
Changes in operating assets and liabilities:		
Placements with financial institutions	5,750	(8,300)
Trading securities	68	437
Loans and advances	(11,483)	(83,927)
Available-for-sale investments	1,291	(2,664)
Held-to-maturity investments	4,380	15
Other assets	370	(1,090)
Deposits from financial institutions	342	121,364
Deposits from customers	896	704
Other liabilities	144	(350)
<b>Net cash from operating activities</b>	<b>5,399</b>	<b>28,699</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of premises and equipment	-	(75)
Proceeds from disposal of premises and equipment	-	54
<b>Net cash used in investing activities</b>	<b>-</b>	<b>(21)</b>
<b>FINANCING ACTIVITY</b>		
Repayment of borrowings	(5,000)	(1,389)
<b>Net cash used in financing activity</b>	<b>(5,000)</b>	<b>(1,389)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>399</b>	<b>27,289</b>
Cash and cash equivalents at 1 January	37,972	2,318
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<b>38,371</b>	<b>29,607</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Balances with banks and financial institutions	18,322	29,607
Placements with financial institutions with original maturities of 90 days or less	20,049	-
<b>Total</b>	<b>38,371</b>	<b>29,607</b>

These Interim consolidated financial statements were approved by the Board of Directors on 7 August 2014 and signed on its behalf by:

Wilson S Benjamin  
Chairman

Sheikh Abdullah A.K Al Sabah  
Vice Chairman

Ritchie Skelding  
Chief Executive Officer

These interim consolidated financial statements were extracted from reviewed interim consolidated financial statements on which Ernst and Young issued an unqualified review report. Please refer to consolidated financial statements available on the Bank's website: [www.bmb.com.bh](http://www.bmb.com.bh)

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