



# BAHRAIN MIDDLE EAST BANK(B.S.C.)

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2014 (Unaudited)	Unaudited 31 March 2014 US\$ '000	Audited 31 December 2013 US\$ '000
<b>ASSETS</b>		
Balances with banks and financial institutions	4,415	14,338
Placements with financial institutions	27,460	32,384
Trading securities	336	409
Loans and advances	108,212	98,008
Available-for-sale investments	17,021	17,170
Held-to-maturity investments	7,664	4,628
Other assets	2,713	2,564
<b>TOTAL ASSETS</b>	<b>167,821</b>	<b>169,501</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
Deposits from financial institutions	125,007	124,951
Deposits from customers	9,679	10,196
Borrowings	2,000	5,000
Other liabilities	854	658
<b>Total liabilities</b>	<b>137,540</b>	<b>140,805</b>
<b>EQUITY</b>		
Share capital	60,501	60,501
Accumulated losses	(34,634)	(36,157)
Fair value reserve	4,414	4,352
<b>Total equity</b>	<b>30,281</b>	<b>28,696</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>167,821</b>	<b>169,501</b>

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three-month period ended 31 March 2014 (Unaudited)	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 for the period	-	-	1,523	62	1,585
<b>Balance at 31 March 2014</b>	<b>60,501</b>	<b>-</b>	<b>(34,634)</b>	<b>4,414</b>	<b>30,281</b>
Balance at 1 January 2013	60,501	17,545	(49,045)	1,444	30,445
Total comprehensive (loss) for the period	-	-	(6,026)	320	(5,706)
<b>Balance at 31 March 2013</b>	<b>60,501</b>	<b>17,545</b>	<b>(55,071)</b>	<b>1,764</b>	<b>24,739</b>

## INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three-month period ended 31 March 2014 (Unaudited)	Three-month period ended 31 March	
	2014 US\$ '000	2013 US\$ '000
<b>OPERATING INCOME</b>		
Interest income	2,315	1,315
Interest expense	(262)	(719)
<b>Net interest income</b>	<b>2,053</b>	<b>596</b>
Investment banking income (loss)	929	(44)
Other income	55	71
Foreign exchange loss	(5)	(501)
<b>Total operating income</b>	<b>3,032</b>	<b>122</b>
<b>OPERATING EXPENSES</b>		
Staff expenses	718	833
Premises expenses	112	125
Other operating expenses	512	567
<b>Total operating expenses</b>	<b>1,342</b>	<b>1,525</b>
<b>NET PROFIT (LOSS) FOR THE PERIOD BEFORE IMPAIRMENT PROVISIONS</b>	<b>1,690</b>	<b>(1,403)</b>
Impairment provisions - net	(167)	(4,623)
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>	<b>1,523</b>	<b>(6,026)</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE (IN US\$ CENTS)</b>	<b>0.63</b>	<b>(2.49)</b>

## INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three-month period ended 31 March 2014 (Unaudited)	Three-month period ended 31 March	
	2014 US\$ '000	2013 US\$ '000
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>	<b>1,523</b>	<b>(6,026)</b>
<b>Other comprehensive 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	(459)	1,996
Net changes in fair value during the period	521	(1,676)
<b>Total other comprehensive income for the period</b>	<b>62</b>	<b>320</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>	<b>1,585</b>	<b>(5,706)</b>

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the three-month period ended 31 March 2014 (Unaudited)	Three-month period ended 31 March	
	2014 US\$ '000	2013 US\$ '000
<b>OPERATING ACTIVITIES</b>		
Net profit (loss) for the period	1,523	(6,026)
Adjustments for:		
Impairment provisions - net	167	4,623
Depreciation and amortisation	19	24
Changes in operating assets and liabilities:		
Placements with financial institutions	748	-
Trading securities	73	(25,281)
Loans and advances	(10,204)	(82,473)
Available-for-sale investments	44	(3,482)
Held-to-maturity investments	(3,036)	15
Other assets	(168)	(3,180)
Deposits from financial institutions	56	124,078
Deposits from customers	(517)	649
Other liabilities	196	(1,012)
<b>Net cash (used in) from operating activities</b>	<b>(11,099)</b>	<b>7,935</b>
<b>INVESTING ACTIVITY</b>		
Purchase of premises and equipment	-	(1)
<b>Net cash used in investing activities</b>	<b>-</b>	<b>(1)</b>
<b>FINANCING ACTIVITY</b>		
(Repayment of borrowings) / borrowings availed	(3,000)	17,255
<b>Net cash (used in) from financing activity</b>	<b>(3,000)</b>	<b>17,255</b>
<b>Net change in cash and cash equivalents</b>	<b>(14,099)</b>	<b>25,189</b>
Cash and cash equivalents at 1 January	37,972	2,318
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	<b>23,873</b>	<b>27,507</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Balances with banks and financial institutions	4,415	4,526
Placements with financial institutions with original maturities of 90 days or less	19,458	-
<b>Total</b>	<b>23,873</b>	<b>4,526</b>

These interim consolidated financial statements were approved by the Board of Directors on 05 May 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)