



# BAHRAIN MIDDLE EAST BANK B.S.C.

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015 (Reviewed)

	Reviewed 30 June 2015 US\$ '000	Audited 31 December 2014 US\$ '000
<b>ASSETS</b>		
Balances with banks and financial institutions	14,453	13,139
Placements with financial institutions	18,445	30,469
Investments at fair value through profit or loss	572	588
Loans and advances	130,711	117,014
Available-for-sale investments	7,280	8,794
Held-to-maturity investments	228	227
Other assets	2,684	2,613
<b>TOTAL ASSETS</b>	<b>174,373</b>	<b>172,844</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
Deposits from financial institutions	125,248	124,778
Deposits from customers	13,971	15,027
Other liabilities	1,388	2,035
<b>Total liabilities</b>	<b>140,607</b>	<b>141,840</b>
<b>EQUITY</b>		
Share capital	60,501	60,501
Accumulated losses	(28,421)	(31,633)
Fair value reserve	1,686	2,136
<b>Total equity</b>	<b>33,766</b>	<b>31,004</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>174,373</b>	<b>172,844</b>

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2015 (Reviewed)

	Share capital US\$ '000	Accumulated losses US\$ '000	Fair value reserve US\$ '000	Total equity US\$ '000
Balance at 1 January 2015	60,501	(31,633)	2,136	31,004
Total comprehensive income (loss) for the period	-	3,212	(450)	2,762
<b>Balance at 30 June 2015</b>	<b>60,501</b>	<b>(28,421)</b>	<b>1,686</b>	<b>33,766</b>
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
Balance at 30 June 2014	60,501	(33,785)	3,729	30,445

## INTERIM CONSOLIDATED STATEMENT OF INCOME

For the six-month period ended 30 June 2015 (Reviewed)

	Three-month period ended 30 June		Six-month period ended 30 June	
	2015 US\$ '000	2014 US\$ '000	2015 US\$ '000	2014 US\$ '000
<b>OPERATING INCOME</b>				
Interest income	2,812	2,395	5,464	4,710
Interest expense	(405)	(309)	(741)	(571)
<b>Net interest income</b>	<b>2,407</b>	<b>2,086</b>	<b>4,723</b>	<b>4,139</b>
Investment banking income	489	981	773	1,910
Other income	80	53	173	108
Foreign exchange gain (loss)	23	(53)	104	(58)
<b>Total operating income</b>	<b>2,999</b>	<b>3,067</b>	<b>5,773</b>	<b>6,099</b>
<b>OPERATING EXPENSES</b>				
Staff expenses	760	732	1,532	1,450
Premises expenses	98	143	186	255
Other operating expenses	229	279	535	791
<b>Total operating expenses</b>	<b>1,087</b>	<b>1,154</b>	<b>2,253</b>	<b>2,496</b>
<b>NET PROFIT FOR THE PERIOD BEFORE IMPAIRMENT PROVISIONS</b>	<b>1,912</b>	<b>1,913</b>	<b>3,520</b>	<b>3,603</b>
Impairment provisions - net	(103)	(1,064)	(308)	(1,231)
<b>NET PROFIT FOR THE PERIOD</b>	<b>1,809</b>	<b>849</b>	<b>3,212</b>	<b>2,372</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE (IN US\$ CENTS)</b>				
	<b>0.75</b>	<b>0.35</b>	<b>1.33</b>	<b>0.98</b>

## INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 30 June 2015 (Reviewed)

	Three-month period ended 30 June		Six-month period ended 30 June	
	2015 US\$ '000	2014 US\$ '000	2015 US\$ '000	2014 US\$ '000
<b>NET PROFIT FOR THE PERIOD</b>	<b>1,809</b>	<b>849</b>	<b>3,212</b>	<b>2,372</b>
<b>Other comprehensive (loss) income:</b>				
Other comprehensive (loss) 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	(199)	(1,020)	(226)	(1,479)
Net changes in fair value during the period	91	335	(224)	856
<b>Total other comprehensive loss for the period</b>	<b>(108)</b>	<b>(685)</b>	<b>(450)</b>	<b>(623)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>1,701</b>	<b>164</b>	<b>2,762</b>	<b>1,749</b>

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2015 (Reviewed)

	Six-month period ended 30 June	
	2015 US\$ '000	2014 US\$ '000
<b>OPERATING ACTIVITIES</b>		
Net profit for the period	3,212	2,372
Adjustments for:		
Impairment provisions - net	308	1,231
Depreciation and amortisation	24	38
Changes in operating assets and liabilities:		
Placements with financial institutions	-	5,750
Investments at fair value through profit or loss	16	68
Loans and advances	(13,236)	(11,483)
Available-for-sale investments	295	1,291
Held-to-maturity investments	(1)	4,380
Other assets	(95)	370
Deposits from financial institutions	470	342
Deposits from customers	(1,056)	896
Other liabilities	(647)	144
<b>Net cash (used in) from operating activities</b>	<b>(10,710)</b>	<b>5,399</b>
<b>FINANCING ACTIVITY</b>		
Repayment of borrowings	-	(5,000)
<b>Net cash used in financing activity</b>	<b>-</b>	<b>(5,000)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(10,710)</b>	<b>399</b>
Cash and cash equivalents at 1 January	40,608	37,972
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<b>29,898</b>	<b>38,371</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Balances with banks and financial institutions	14,453	18,322
Placements with financial institutions with original maturities of three months or less	15,445	20,049
<b>Total</b>	<b>29,898</b>	<b>38,371</b>

These interim consolidated financial statements were approved by the Board of Directors on 13 August 2015 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). Bahrain Middle East Bank B.S.C. is licensed as conventional wholesale bank by the Central Bank of Bahrain.