



BAHRAIN MIDDLE EAST BANK B.S.C.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2017

	2017 US\$ '000	2016 US\$ '000
ASSETS		
Balances with banks and financial institutions	30,023	40,374
Treasury bills and placements with financial institutions	50,061	4,207
Investment securities	23,456	6,349
Loans and advances	138,714	123,958
Other assets	3,385	2,464
TOTAL ASSETS	245,639	177,352
LIABILITIES AND EQUITY		
LIABILITIES		
Due to financial institutions	154,064	126,567
Due to customers	3,124	8,405
Borrowings	4,810	-
Other liabilities	1,859	2,443
Total liabilities	163,857	137,415
EQUITY		
Share capital	100,000	60,501
Accumulated losses	(18,218)	(21,481)
Fair value reserve	-	917
Total equity	81,782	39,937
TOTAL LIABILITIES AND EQUITY	245,639	177,352

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2017

	Share capital US\$ '000	Accumulated losses US\$ '000	Fair value reserve US\$ '000	Total equity US\$ '000
Balance at 1 January 2016	60,501	(26,554)	1,315	35,262
Total comprehensive income (loss) for the year	-	5,073	(398)	4,675
Balance at 31 December 2016	60,501	(21,481)	917	39,937
Transition adjustment on adoption of IFRS 9 at 1 January 2017	-	(1,937)	(917)	(2,854)
Restated balance at 1 January 2017	60,501	(23,418)	-	37,083
Issuance of new shares	39,499	-	-	39,499
Expenses on issuance of new shares	-	(28)	-	(28)
Total comprehensive income for the year	-	5,228	-	5,228
Balance at 31 December 2017	100,000	(18,218)	-	81,782

CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2017

	2017 US\$ '000	2016 US\$ '000
OPERATING INCOME		
Interest income	11,948	10,699
Interest expense	(334)	(965)
Net interest income	11,614	9,734
Investment banking (loss) income	(1,086)	1,149
Other income	221	368
Foreign exchange gain (loss)	148	(94)
Total operating income	10,897	11,157
OPERATING EXPENSES		
Staff expenses	3,053	4,127
Premises expenses	436	329
Other operating expenses	1,004	1,214
Total operating expenses	4,493	5,670
NET PROFIT FOR THE YEAR BEFORE IMPAIRMENT PROVISIONS	6,404	5,487
Impairment provision on cash and cash equivalents	(19)	-
Impairment provision on investment securities	(89)	(571)
Impairment (provision) / write back on loans and advances	(1,068)	157
NET PROFIT FOR THE YEAR	5,228	5,073
BASIC AND DILUTED EARNINGS PER SHARE (IN US\$ CENTS)	2.15	2.10

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2017

	2017 US\$ '000	2016 US\$ '000
NET PROFIT FOR THE YEAR	5,228	5,073
Other comprehensive loss:		
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:		
Fair value reserves	-	21
Net amount transferred to statement of income on sale/impairment	-	(419)
Net changes in fair value during the year	-	(398)
Total other comprehensive loss for the year	-	(398)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	5,228	4,675

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2017

	2017 US\$ '000	2016 US\$ '000
OPERATING ACTIVITIES		
Net profit for the year	5,228	5,073
Adjustments for:		
Impairment provision on cash and cash equivalents	19	-
Impairment provision on investment securities	89	571
Impairment provision / (write back) on loans and advances	1,068	(157)
Depreciation and amortisation	90	43
Changes in operating assets and liabilities:		
Investment securities	(17,295)	2,589
Loans and advances	(18,559)	(13,096)
Other assets	(333)	382
Due to financial institutions	27,497	-
Due to customers	(5,281)	(321)
Borrowings	4,810	-
Other liabilities	(584)	(343)
Net cash used in operating activities	(3,251)	(3,790)
INVESTING ACTIVITIES		
Purchase of furniture and equipment	(280)	-
Purchase of intangible assets	(398)	-
Net cash used in investing activities	(678)	-
FINANCING ACTIVITIES		
Issuance of new shares	39,499	-
Expenses on issuance of new shares	(28)	-
Net cash from financing activities	39,471	-
Impairment allowance on cash and cash equivalents	(39)	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	35,503	(3,790)
Cash and cash equivalents at 1 January	44,581	48,371
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	80,084	44,581

These condensed consolidated financial statements were approved by the Board of Directors on 31 January 2018 and signed on its behalf by:

Wilson S Benjamin
Chairman

Murat Solak
Vice Chairman

Korhan Alev
Chief Executive Officer

These condensed consolidated financial statements were extracted from the audited consolidated financial statements on which Ernst and Young issued an unqualified audit 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