



BAHRAIN MIDDLE EAST BANK B.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2017 (Reviewed)

| | Reviewed 31 March 2017 US\$ '000 | Audited 31 December 2016 US\$ '000 |
|---|---|---|
| ASSETS | | |
| Balances with banks and financial institutions | 20,490 | 40,374 |
| Treasury bills and placements with financial institutions | 13,258 | 4,207 |
| Investments at fair value through profit or loss | 705 | 1,149 |
| Loans and advances | 131,730 | 123,958 |
| Available-for-sale investments | 4,066 | 5,021 |
| Held-to-maturity investment | 183 | 179 |
| Other assets | 2,632 | 2,464 |
| TOTAL ASSETS | 173,064 | 177,352 |
| LIABILITIES AND EQUITY | | |
| LIABILITIES | | |
| Deposits from financial institutions | 126,673 | 126,567 |
| Deposits from customers | 4,197 | 8,405 |
| Other liabilities | 1,769 | 2,443 |
| Total liabilities | 132,639 | 137,415 |
| EQUITY | | |
| Share capital | 60,501 | 60,501 |
| Accumulated losses | (20,076) | (21,481) |
| Fair value reserve | - | 917 |
| Total equity | 40,425 | 39,937 |
| TOTAL LIABILITIES AND EQUITY | 173,064 | 177,352 |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three-month period ended 31 March 2017 (Reviewed)

| | Share capital US\$ '000 | Accumulated losses US\$ '000 | Fair value reserve US\$ '000 | Total equity US\$ '000 |
|--|-------------------------------|------------------------------------|------------------------------------|------------------------------|
| Balance at 1 January 2017 | 60,501 | (21,481) | 917 | 39,937 |
| Total comprehensive income (loss) for the period | - | 1,405 | (917) | 488 |
| Balance at 31 March 2017 | 60,501 | (20,076) | - | 40,425 |
| Balance at 1 January 2016 | 60,501 | (26,554) | 1,315 | 35,262 |
| Total comprehensive income (loss) for the period | - | 1,487 | (478) | 1,009 |
| Balance at 31 March 2016 | 60,501 | (25,067) | 837 | 36,271 |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the three-month period ended 31 March 2017 (Reviewed)

| | Three-month period ended 31 March | |
|---|--------------------------------------|-------------------|
| | 2017 US\$ '000 | 2016 US\$ '000 |
| OPERATING INCOME | | |
| Interest income | 2,813 | 2,572 |
| Interest expense | (63) | (339) |
| Net interest income | 2,750 | 2,233 |
| Investment banking (loss) income | (18) | 419 |
| Other income | 34 | 82 |
| Foreign exchange gain (loss) | 14 | (8) |
| Total operating income | 2,780 | 2,726 |
| OPERATING EXPENSES | | |
| Staff expenses | 963 | 777 |
| Premises expenses | 84 | 85 |
| Other operating expenses | 289 | 244 |
| Total operating expenses | 1,336 | 1,106 |
| NET PROFIT FOR THE PERIOD BEFORE IMPAIRMENT PROVISIONS | 1,444 | 1,620 |
| Impairment provisions - net | (39) | (133) |
| NET PROFIT FOR THE PERIOD | 1,405 | 1,487 |
| BASIC AND DILUTED EARNINGS PER SHARE (IN US CENTS) | 0.58 | 0.61 |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three-month period ended 31 March 2017 (Reviewed)

| | Three-month period ended 31 March | |
|--|--------------------------------------|-------------------|
| | 2017 US\$ '000 | 2016 US\$ '000 |
| NET PROFIT FOR THE PERIOD | 1,405 | 1,487 |
| Other comprehensive loss: | | |
| Other comprehensive loss 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 | - | (29) |
| Net changes in fair value during the period | (917) | (449) |
| Total other comprehensive loss for the period | (917) | (478) |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 488 | 1,009 |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three-month period ended 31 March 2017 (Reviewed)

| | Three-month period ended 31 March | |
|--|--------------------------------------|-------------------|
| | 2017 US\$ '000 | 2016 US\$ '000 |
| OPERATING ACTIVITIES | | |
| Net profit for the period | 1,405 | 1,487 |
| Adjustments for: | | |
| Impairment provisions - net | 39 | 133 |
| Depreciation and amortisation | 9 | 14 |
| Changes in operating assets and liabilities: | | |
| Investments at fair value through profit or loss | 444 | (1,307) |
| Loans and advances | (7,772) | (8,749) |
| Available-for-sale investments | (1) | 108 |
| Held-to-maturity investment | (4) | 7 |
| Other assets | (177) | (110) |
| Deposits from financial institutions | 106 | 242 |
| Deposits from customers | (4,208) | (1,096) |
| Other liabilities | (674) | (348) |
| Net cash used in operating activities | (10,833) | (9,619) |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | (10,833) | (9,619) |
| Cash and cash equivalents at 1 January | 44,581 | 48,371 |
| CASH AND CASH EQUIVALENTS AT 31 MARCH | 33,748 | 38,752 |
| CASH AND CASH EQUIVALENTS COMPRISE: | | |
| Balances with banks and financial institutions | 20,490 | 14,822 |
| Treasury bills and placements with financial institutions with original maturities of three months or less | 13,258 | 23,930 |
| Total | 33,748 | 38,752 |

These Interim condensed consolidated financial statements were approved by the Board of Directors on 26 April 2017 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 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