



BAHRAIN MIDDLE EAST BANK B.S.C.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2013	2013 US\$ '000	2012 US\$ '000
ASSETS		
Balances with banks and financial institutions	14,338	2,318
Placements with financial institutions	32,384	4,000
Trading securities	409	437
Loans and advances	98,008	20,956
Available-for-sale investments	17,170	21,544
Held-to-maturity investments	4,628	4,624
Other assets	2,564	1,386
TOTAL ASSETS	169,501	55,265
LIABILITIES AND EQUITY		
LIABILITIES		
Deposits from financial institution	124,951	6,000
Deposits from customers	10,196	5,089
Borrowings	5,000	11,389
Other liabilities	658	2,342
Total liabilities	140,805	24,820
EQUITY		
Share capital	60,501	60,501
Statutory reserve	-	17,545
Accumulated losses	(36,157)	(49,045)
Fair value reserve	4,352	1,444
Total equity	28,696	30,445
TOTAL LIABILITIES AND EQUITY	169,501	55,265

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2013	Share capital US\$ '000	Statutory reserve US\$ '000	Accumulated losses US\$ '000	Fair value reserve US\$ '000	Total equity US\$ '000
Balance at 1 January 2013	60,501	17,545	(49,045)	1,444	30,445
Total comprehensive (loss) income for the year	-	-	(4,657)	2,908	(1,749)
Transfer of statutory reserve to accumulated losses	-	(17,545)	17,545	-	-
Balance at 31 December 2013	60,501	-	(36,157)	4,352	28,696
Balance at 1 January 2012	60,501	17,326	(51,014)	2,195	29,008
Total comprehensive income (loss) for the year	-	-	2,188	(751)	1,437
Transfer to statutory reserve	-	219	(219)	-	-
Balance at 31 December 2012	60,501	17,545	(49,045)	1,444	30,445

CONSOLIDATED STATEMENT OF INCOME

Year ended 31 December 2013	2013 US\$ '000	2012 US\$ '000
OPERATING INCOME		
Interest income	12,328	1,624
Interest expense	(1,744)	(1,011)
Net interest income	10,584	613
Investment banking income	927	7,218
Other income	591	390
Foreign exchange (loss) gain	(173)	927
Total operating income	11,929	9,148
OPERATING EXPENSES		
Staff expenses	3,547	3,946
Premises expenses	519	591
Other operating expenses	2,223	1,874
Total operating expenses	6,289	6,411
NET PROFIT FOR THE YEAR BEFORE IMPAIRMENT PROVISIONS	5,640	2,737
Impairment provisions - net	(10,297)	(549)
NET (LOSS) PROFIT FOR THE YEAR	(4,657)	2,188
BASIC AND DILUTED EARNINGS PER SHARE (IN US\$ CENTS)		
	(1.92)	0.90

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2013	2013 US\$ '000	2012 US\$ '000
NET (LOSS) PROFIT FOR THE YEAR	(4,657)	2,188
Other comprehensive income:		
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	3,964	(882)
Net changes in fair value during the year	(1,056)	131
Total other comprehensive income (loss) for the year	2,908	(751)
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	(1,749)	1,437

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2013	2013 US\$ '000	2012 US\$ '000
OPERATING ACTIVITIES		
Net (loss) profit for the year	(4,657)	2,188
Adjustments for:		
Impairment provisions - loans and advances	934	212
Impairment provisions - available-for-sale investments	7,456	337
Depreciation and amortisation	88	132
Gain on disposal of equipment	(8)	-
Changes in operating assets and liabilities:		
Placements with financial institutions	(8,750)	5,200
Trading securities	28	1,598
Loans and advances	(77,986)	(655)
Available-for-sale investments	(174)	5,181
Held-to-maturity investments	(4)	(11)
Other assets	(1,217)	813
Deposits from financial institution	118,951	-
Deposits from customers	5,107	(3,663)
Other liabilities	(1,684)	(2,342)
Securities sold under repurchase agreements	-	(3,325)
Net cash from operating activities	38,084	5,665
INVESTING ACTIVITIES		
Purchase of premises and equipment	(97)	(44)
Proceeds from disposal of equipment	56	-
Net cash used in investing activities	(41)	(44)
FINANCING ACTIVITY		
Repayment of borrowings	(6,389)	(8,000)
Net cash used in financing activity	(6,389)	(8,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	31,654	(2,379)
Cash and cash equivalents at beginning of the year	6,318	8,697
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	37,972	6,318
CASH AND CASH EQUIVALENTS COMPRISE:		
Balances with banks and financial institutions	14,338	2,318
Placements with financial institutions with original maturities less than 90 days	23,634	4,000
Total	37,972	6,318

This consolidated financial statements were approved by the Board of Directors on 27 February 2014 and signed on its behalf by:

Wilson S Benjamin Chairman	Sheikh Abdullah A.K AI Sabah Vice Chairman	Ritchie Skelding Chief Executive Officer
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These consolidated financial statements were extracted from the audited consolidated financial statement on which Ernst & Young issued an unqualified audit report. Please refer to consolidated financial statement available on the Bank's website: www.bmb.com.bh