



# BAHRAIN MIDDLE EAST BANK B.S.C.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2016

	2016 US\$ '000	2015 US\$ '000
<b>ASSETS</b>		
Balances with banks and financial institutions	40,374	28,373
Treasury bills and placements with financial institutions	4,207	19,998
Investments at fair value through profit or loss	1,149	161
Loans and advances	123,958	110,705
Available-for-sale investments	5,021	9,530
Held-to-maturity investment	179	216
Other assets	2,464	2,889
<b>TOTAL ASSETS</b>	<b>177,352</b>	<b>171,872</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
Deposits from financial institutions	126,567	125,098
Deposits from customers	8,405	8,726
Other liabilities	2,443	2,786
<b>Total liabilities</b>	<b>137,415</b>	<b>136,610</b>
<b>EQUITY</b>		
Share capital	60,501	60,501
Accumulated losses	(21,481)	(26,554)
Fair value reserve	917	1,315
<b>Total equity</b>	<b>39,937</b>	<b>35,262</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>177,352</b>	<b>171,872</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2016

	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
<b>Balance at 31 December 2016</b>	<b>60,501</b>	<b>(21,481)</b>	<b>917</b>	<b>39,937</b>
Balance at 1 January 2015	60,501	(31,633)	2,136	31,004
Total comprehensive income (loss) for the year	-	5,079	(821)	4,258
Balance at 31 December 2015	60,501	(26,554)	1,315	35,262

## CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2016

	2016 US\$ '000	2015 US\$ '000
<b>OPERATING INCOME</b>		
Interest income	10,699	11,417
Interest expense	(965)	(1,487)
<b>Net interest income</b>	<b>9,734</b>	<b>9,930</b>
Investment banking income	1,149	2,170
Other income	368	345
Foreign exchange (loss) gain	(94)	121
<b>Total operating income</b>	<b>11,157</b>	<b>12,566</b>
<b>OPERATING EXPENSES</b>		
Staff expenses	4,127	3,977
Premises expenses	329	389
Other operating expenses	1,214	1,122
<b>Total operating expenses</b>	<b>5,670</b>	<b>5,488</b>
<b>NET PROFIT FOR THE YEAR BEFORE IMPAIRMENT PROVISIONS</b>	<b>5,487</b>	<b>7,078</b>
Impairment provisions - net	(414)	(1,999)
<b>NET PROFIT FOR THE YEAR</b>	<b>5,073</b>	<b>5,079</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE (IN US\$ CENTS)</b>	<b>2.10</b>	<b>2.10</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2016

	2016 US\$ '000	2015 US\$ '000
<b>NET PROFIT FOR THE YEAR</b>	<b>5,073</b>	<b>5,079</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	21	(707)
Net changes in fair value during the year	(419)	(114)
<b>Total other comprehensive loss for the year</b>	<b>(398)</b>	<b>(821)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>4,675</b>	<b>4,258</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2016

	2016 US\$ '000	2015 US\$ '000
<b>OPERATING ACTIVITIES</b>		
Net profit for the year	5,073	5,079
Adjustments for:		
Impairment provisions - net	414	1,999
Depreciation and amortisation	43	50
Changes in operating assets and liabilities:		
Treasury bills and placements with financial institutions	-	3,000
Investments at fair value through profit or loss	(988)	427
Loans and advances	(13,096)	5,363
Available-for-sale investments	3,540	(2,610)
Held-to-maturity investment	37	11
Other assets	382	(234)
Deposits from financial institutions	1,469	320
Deposits from customers	(321)	(6,301)
Other liabilities	(343)	751
<b>Net cash (used in) from operating activities</b>	<b>(3,790)</b>	<b>7,855</b>
<b>INVESTING ACTIVITY</b>		
Purchase of furniture and equipment	-	(92)
<b>Net cash used in investing activity</b>	<b>-</b>	<b>(92)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(3,790)</b>	<b>7,763</b>
Cash and cash equivalents at 1 January	48,371	40,608
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>44,581</b>	<b>48,371</b>

**CASH AND CASH EQUIVALENTS COMPRISE:**

	2016 US\$ '000	2015 US\$ '000
Balances with banks and financial institutions	40,374	28,373
Treasury bills and placements with financial institutions with original maturities of three months or less	4,207	19,998
<b>Total</b>	<b>44,581</b>	<b>48,371</b>

These condensed consolidated financial statements were approved by the Board of Directors on 31 January 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 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 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