



BAHRAIN MIDDLE EAST BANK B.S.C.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION At 31 December 2018

	Audited 2018 US\$ '000	Restated 2017 US\$ '000	Restated 1 January 2017 US\$ '000
ASSETS			
Balances with banks and financial institutions	13,086	30,023	40,368
Placements with financial institutions	14,461	35,055	4,193
Investment securities	14,528	12,460	6,250
Loans and advances	-	-	1,605
Exposures to related parties	-	159,675	116,314
Other assets	1,344	3,385	2,464
TOTAL ASSETS	43,419	240,598	171,194
LIABILITIES AND EQUITY			
LIABILITIES			
Due to financial institutions	150,524	154,064	126,567
Due to customers	4,076	3,124	8,405
Borrowings	-	4,810	-
Other liabilities	1,450	1,859	2,443
Total liabilities	156,050	163,857	137,415
EQUITY			
Share capital	100,000	100,000	60,501
Accumulated losses	(212,631)	(23,259)	(26,722)
Fair value reserve	-	-	-
Total equity	(112,631)	76,741	33,779
TOTAL LIABILITIES AND EQUITY	43,419	240,598	171,194

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2018

	Share capital US\$ '000	Accumulated losses US\$ '000	Fair value reserve US\$ '000	Total equity US\$ '000
Balance at 31 December 2016	60,501	(21,481)	917	39,937
Restatement adjustment	-	(5,241)	(917)	(6,158)
Balance at 1 January 2017 (Restated)	60,501	(26,722)	-	33,779
Issuance of new shares	39,499	-	-	39,499
Expenses on issuance of new shares	-	(28)	-	(28)
Total comprehensive income for the year (Restated)	-	3,491	-	3,491
Balance at 31 December 2017 (Restated)	100,000	(23,259)	-	76,741
Total comprehensive loss for the year	-	(189,372)	-	(189,372)
Balance at 31 December 2018	100,000	(212,631)	-	(112,631)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 December 2018

	Audited 2018 US\$ '000	Restated 2017 US\$ '000
OPERATING INCOME		
Interest income	12,473	11,948
Interest expense	(1,044)	(334)
Net interest income	11,429	11,614
Loss on investment securities	(442)	(1,180)
Fee and commission income	229	94
Other income	182	221
Foreign exchange gain	39	148
Total operating income	11,437	10,897
OPERATING EXPENSES		
Staff expenses	2,688	3,053
Travel and business development expenses	424	227
Legal and professional expenses	604	340
Premises and equipment expenses	432	346
Depreciation and amortisation expenses	227	90
Other operating expenses	876	437
Total operating expenses	5,251	4,493
NET PROFIT FOR THE YEAR BEFORE IMPAIRMENT ALLOWANCE	6,186	6,404
Impairment allowance - net	(195,558)	(2,913)
NET (LOSS) PROFIT FOR THE YEAR	(189,372)	3,491
Other comprehensive income for the year	-	-
TOTAL COMPREHENSIVE (LOSS) INCOME FOR YEAR	(189,372)	3,491
BASIC AND DILUTED EARNINGS PER SHARE (IN US\$ CENTS)	(47.34)	1.43

CONSOLIDATED STATEMENT OF CASH FLOWS For the year ended 31 December 2018

	Audited 2018 US\$ '000	Restated 2017 US\$ '000
OPERATING ACTIVITIES		
Net (loss) profit for the year	(189,372)	3,491
Adjustments for:		
Impairment allowance - net (excluding cash and cash equivalents)	188,985	2,894
Depreciation and amortisation	227	90
Changes in operating assets and liabilities:		
Placements with financial institutions	(6,563)	-
Investment securities	(2,068)	(6,295)
Loans and advances	(705)	-
Exposures to related parties	(28,605)	(44,565)
Other assets	2,258	(333)
Due to financial institutions	(3,540)	27,497
Due to customers	952	(5,281)
Borrowings	(4,810)	(4,810)
Other liabilities	(409)	(584)
Net cash used in operating activities	(43,650)	(18,276)
INVESTING ACTIVITIES		
Purchase of furniture and equipment	(109)	(280)
Purchase of intangible assets	(335)	(398)
Net cash used in investing activities	(444)	(678)
FINANCING ACTIVITIES		
Issuance of new shares	-	39,499
Expenses on issuance of new shares	-	(28)
Net cash from financing activities	-	39,471
NET CHANGE IN CASH AND CASH EQUIVALENTS	(44,094)	20,517
Cash and cash equivalents at 1 January	65,078	44,561
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	20,984	65,078
CASH AND CASH EQUIVALENTS COMPRISE:		
Balances with banks and financial institutions	13,086	30,023
Placements with financial institutions with original maturities of three months or less	7,898	35,055
	20,984	65,078

These financial statements were approved by the Board of Directors on 20 November 2019 and signed on its behalf by:

Khalifa Bin Duaij Bin Khalifa AlKhalifa
Chairman

Abdulrahman Abdulla Mohamed Husain
Vice Chairman

Abdulla Mohamed Abdulla Dawood
Acting Chief Executive Officer

These financial statements were extracted from the audited consolidated financial statements on which

Ernst and Young issued a disclaimer of opinion

Please refer to consolidated financial statements available on the Bank's website: www.bmb.com.bh

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