

# **Ajman Bank PJSC**

**Review report and condensed consolidated interim  
financial information  
for the three month period ended 31 March 2025**

## **Ajman Bank PJSC**

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## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

**The Board of Directors  
Ajman Bank PJSC  
Ajman  
United Arab Emirates**

### *Introduction*

We have reviewed the accompanying condensed consolidated interim statement of financial position of **Ajman Bank PJSC** (the "Bank") and its subsidiaries (collectively referred as the "Group") as at 31 March 2025, and the related condensed consolidated interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended, and material accounting policy information and explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

### *Other matter*

The financial statements of the Bank for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 14 February 2024. The interim financial information of the Bank for the three-month period ended 31 March 2024 was reviewed by another auditor who expressed an unmodified conclusion on that information on 9 May 2024.

**Deloitte & Touche (M.E.)**



Firas Anabtawi  
Registration No.: 5482  
18 April 2025  
Dubai  
United Arab Emirates

**Condensed consolidated interim statement of financial position (unaudited)**  
**As at 31 March 2025**

	Notes	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
<b>ASSETS</b>			
Cash and balances with the Central Bank	6	2,709,744	2,459,522
Due from banks and other financial institutions		2,591,227	2,400,828
Islamic financing and investing assets, net	7	13,914,887	12,959,402
Islamic investment securities at fair value	8	3,791,820	3,694,208
Investment properties		391,545	391,545
Property and equipment		140,136	136,414
Other Islamic assets	9	957,321	812,429
<b>Total assets</b>		<b>24,496,680</b>	<b>22,854,348</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Islamic customers' deposits	10	18,511,233	18,061,567
Due to banks and other financial institutions		2,128,295	979,651
Other liabilities	11	780,052	701,320
<b>Total liabilities</b>		<b>21,419,580</b>	<b>19,742,538</b>
<b>Equity</b>			
Share capital	12	2,723,500	2,723,500
Treasury shares	13	(37,020)	(34,478)
Statutory and other reserves		278,708	277,753
Investment fair value reserve		(203,421)	(218,075)
Retained earnings		315,333	363,110
<b>Total equity</b>		<b>3,077,100</b>	<b>3,111,810</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>24,496,680</b>	<b>22,854,348</b>

To the best of our knowledge, the condensed consolidated interim financial information present fairly, in all material respects, the financial position, financial performance and cash flows of the Group as of, and for, the periods presented therein.



H.H. Sheikh Ammar Bin Humaid Al Nuaimi  
Chairman



Mustafa Al Khalfawi  
Chief Executive Officer

**Condensed consolidated interim statement of profit or loss (unaudited)  
for the three month period ended 31 March 2025**

		<b>Three month period ended 31 March</b>	
	<b>Notes</b>	<b>2025 AED'000</b>	<b>2024 AED'000</b>
<b>Operating income</b>			
Income from Islamic financing and investing assets	15	254,121	308,859
Income from Islamic investment securities		39,431	44,995
Fees, commissions and other income		70,396	46,413
		<hr/>	<hr/>
<b>Total operating income before depositors' share of profits</b>		<b>363,948</b>	<b>400,267</b>
Depositors' share of profits		(165,035)	(205,437)
		<hr/>	<hr/>
<b>Net operating income</b>		<b>198,913</b>	<b>194,830</b>
		<hr/>	<hr/>
<b>Expenses</b>			
Staff costs		(64,033)	(64,964)
General and administrative expenses		(23,591)	(19,744)
Depreciation of property and equipment		(5,521)	(6,324)
Write-back of provision for expected credit losses on financial assets	16	39,330	13,312
		<hr/>	<hr/>
<b>Total expenses</b>		<b>(53,815)</b>	<b>(77,720)</b>
		<hr/>	<hr/>
<b>Profit before tax</b>		<b>145,098</b>	<b>117,110</b>
Income tax expense	24	(10,419)	(9,687)
		<hr/>	<hr/>
<b>Profit for the period</b>		<b>134,679</b>	<b>107,423</b>
		<hr/>	<hr/>
<b>Basic and diluted earnings per share (AED)</b>	17	<b>0.050</b>	<b>0.039</b>
		<hr/>	<hr/>

The accompanying notes form an integral part of these condensed consolidated interim financial information.

**Condensed consolidated interim statement of other comprehensive income (unaudited)  
for the three month period ended 31 March 2025**

	<b>Three month period ended 31 March</b>	
	<b>2025</b>	<b>2024</b>
	<b>AED'000</b>	<b>AED'000</b>
<b>Profit for the period</b>	<b>134,679</b>	<b>107,423</b>
<b>Other comprehensive income/(loss):</b>		
<i><u>Items that will not be reclassified subsequently to income statement:</u></i>		
Fair value loss on equity securities at FVTOCI	<b>(3,981)</b>	<b>(8,439)</b>
	<b>(3,981)</b>	<b>(8,439)</b>
<i><u>Items that will be reclassified subsequently to income statement:</u></i>		
Fair value gain on Sukuk investment securities at FVTOCI, net of deferred taxes	<b>33,256</b>	<b>27,276</b>
Reclassification to the income statement	<b>377</b>	<b>3,368</b>
	<b>33,633</b>	<b>30,644</b>
<b>Other comprehensive income</b>	<b>29,652</b>	<b>22,205</b>
<b>Total comprehensive income for the period</b>	<b>164,331</b>	<b>129,628</b>

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

**Condensed consolidated interim statement of changes in equity (unaudited)  
for the three month period ended 31 March 2025**

	Share capital AED'000	Treasury shares AED'000	Statutory and other reserves AED'000	Investment fair value reserve AED'000	General impairment reserve AED'000	Retained earnings AED'000	Total AED'000
At 1 January 2024	2,723,500	(27,675)	253,676	(276,735)	60,835	(58,649)	2,674,952
Profit for the period	-	-	-	-	-	107,423	107,423
Other comprehensive income	-	-	-	22,205	-	-	22,205
Total comprehensive income for the period	-	-	-	22,205	-	107,423	129,628
Treasury shares (Note 13)	-	(18,845)	(20,052)	-	-	-	(38,897)
Transfer to impairment reserve (Note 14)	-	-	-	-	4,357	(4,357)	-
At 31 March 2024 (unaudited)	2,723,500	(46,520)	233,624	(254,530)	65,192	44,417	2,765,683
At 1 January 2025	2,723,500	(34,478)	277,753	(218,075)	-	363,110	3,111,810
Profit for the period	-	-	-	-	-	134,679	134,679
Other comprehensive income	-	-	-	29,652	-	-	29,652
Total comprehensive income for the period	-	-	-	29,652	-	134,679	164,331
Treasury shares (Note 13)	-	(2,542)	955	-	-	-	(1,587)
Transfer on disposal of equity instruments at FVTOCI	-	-	-	(14,998)	-	14,998	-
Dividends (Note 12)	-	-	-	-	-	(197,454)	(197,454)
At 31 March 2025 (unaudited)	2,723,500	(37,020)	278,708	(203,421)	-	315,333	3,077,100

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

**Condensed consolidated interim statement of cash flows (unaudited)  
for the three month period ended 31 March 2025**

	<b>Three month period ended 31 March</b>	
	<b>2025</b>	<b>2024</b>
	<b>AED'000</b>	<b>AED'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	<b>145,098</b>	117,110
<i>Adjustments for:</i>		
Depreciation of property and equipment	<b>5,521</b>	6,324
Amortisation of discount on Islamic investment securities at amortised cost	-	(69)
Write-back of provision for expected credit losses on financial assets	<b>(39,330)</b>	(13,312)
Income from Islamic investment securities	<b>(37,996)</b>	(37,735)
Realized gain on disposal of Islamic investment securities	<b>(1,435)</b>	(677)
<b>Operating cash flows before changes in operating assets and liabilities</b>	<b>71,858</b>	71,641
<b>Changes in operating assets and liabilities</b>		
Islamic financing and investing assets	<b>(910,059)</b>	689,438
Due from banks and other financial institutions	<b>(243,299)</b>	341,469
Statutory deposit with the Central Bank	<b>48,764</b>	(9,996)
International Murabahat with the Central Bank	<b>350,000</b>	220,000
Other Islamic assets	<b>(144,974)</b>	(79,341)
Islamic customers' deposits	<b>449,666</b>	(1,294,193)
Due to banks and other financial institutions	<b>1,148,644</b>	(754,708)
Other liabilities	<b>61,751</b>	84,021
<b>Net cash generated from/(used in) operating activities</b>	<b>832,351</b>	(731,669)
<b>Cash flows from investing activities</b>		
Purchase of Islamic investment securities	<b>(387,209)</b>	(545,649)
Proceeds from sale of Islamic investment securities	<b>319,772</b>	197,910
Purchase of property and equipment	<b>(9,243)</b>	(12,211)
Profit income on Islamic investment securities	<b>41,816</b>	39,193
Additions to investment properties	-	(1,830)
<b>Net cash used in investing activities</b>	<b>(34,864)</b>	(322,587)
<b>Cash flows from financing activities</b>		
Dividends paid	<b>(197,454)</b>	-
Treasury shares	<b>(1,587)</b>	(38,897)
<b>Net cash used in financing activities</b>	<b>(199,041)</b>	(38,897)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>598,446</b>	(1,093,153)
Net cash and cash equivalents at 1 January	<b>1,817,452</b>	1,981,413
<b>Cash and cash equivalents at 31 March (Note 6)</b>	<b>2,415,898</b>	888,260

The accompanying notes form an integral part of these condensed consolidated interim financial statements.



## Notes to the condensed consolidated interim financial information for the three month period ended 31 March 2025

### 1. General information

Ajman Bank PJSC (the “Bank”) was incorporated as a Public Joint Stock Company listed on Dubai Financial Market (“DFM”). The registered address of the Bank is P.O. Box 7770, Ajman, United Arab Emirates (“UAE”). The Bank was legally incorporated on 17 April 2008 and was registered with the Securities and Commodities Authority (“SCA”) on 12 June 2008 and obtained a license from the Central Bank of the UAE to operate as a Head Office on 14 June 2008. On 1 December 2008, the Bank obtained a branch banking license from UAE Central Bank and commenced its operations on 22 December 2008.

In addition to its Head office in Ajman, the Bank operates through ten branches and two pay offices in the UAE.

The principal activities of the Bank are to undertake banking, financing and investing activities through various Islamic financing and investment products such as Murabaha, Ijarah, Mudaraba, Musharaka, Wakala and Sukuk. The activities of the Bank are conducted in accordance with the Islamic Shariah principles and within the provisions of its Memorandum and Articles of Association.

These condensed consolidated interim financial information combines the activities of the Bank’s head office, its branches and its subsidiaries together referred as the “Group” and the details are disclosed below.

Name of Subsidiary	Beneficial ownership interest		Legal ownership interest		Date of incorporation and Country	Principal activities
	2025	2024	2025	2024		
Skyrise Properties (S.P.S - L.L.C)	100%	100%	100%	100%	19 January 2024 – United Arab Emirates	Real estate brokerage and property management services
Ajman Senior Sukuk Ltd.	100%	-	-	-	30 January 2025 – Cayman Islands	Special Purpose Entity

### 2. Application of new and revised IFRS Accounting Standards

#### 2.1 New and revised IFRS Accounting Standards applied with no material effect on the condensed consolidated financial statements

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2025, have been adopted in these condensed consolidated interim financial information. The application of these revised IFRS has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates relating to Lack of Exchangeability

Other than the above, there are no other significant IFRS Accounting Standards and amendments that were effective for the first time for the financial year beginning on or after 1 January 2025.

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2025 (continued)**

**2. Application of new and revised IFRS Accounting Standards (continued)**

**2.2 New and revised IFRS Accounting Standards in issue but not yet effective**

The Group has not early adopted the following new and revised standards that have been issued but are not yet effective. The management is in the process of assessing the impact of the new requirements.

<b><u>New and revised IFRS</u></b>	<b><u>Effective for annual periods beginning on or after</u></b>
IFRS 18 <i>Presentation and Disclosures in Financial Statements</i>	1 January 2027
Amendments to IFRS 9 <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments Disclosures</i> regarding the classification and measurement of financial instruments	1 January 2026
The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9.	
IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendment to IFRS 10 <i>Consolidated Financial Statements</i> and IAS 28 <i>Investments in Associates and Joint Ventures</i> relating to treatment of sale or contribution of assets from investors	Effective date deferred indefinitely.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's condensed consolidated interim financial information for the period of initial application and adoption of these new standards, interpretations and amendments may have no material impact on the condensed consolidated interim financial information of the Group in the period of initial application.

**3. Summary of material accounting policies**

As required by the Securities and Commodities Authority of the U.A.E. ("SCA") Notification No. 2624/2008 dated 12 October 2008, certain required accounting policies have been disclosed in the condensed consolidated interim financial information.

**3.1 Basis of preparation**

The condensed consolidated interim financial information of the Group are prepared under the historical cost basis except for certain financial instruments and investment properties, which are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

These condensed consolidated interim financial information are prepared in accordance with International Accounting Standard 34: *Interim Financial Reporting* ("IAS 34"), issued by the International Accounting Standard Board (IASB) and also comply with the applicable requirements of the laws in the U.A.E including UAE Federal Law No. 32 of 2021 and Decretal Federal Law No 14 of 2018.

The accounting policies used in the preparation of these condensed consolidated interim financial information are consistent with those used in the audited annual financial statements for the year ended 31 December 2024.

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2025 (continued)****3. Summary of material accounting policies (continued)****3.1 Basis of preparation (continued)**

These condensed consolidated interim financial information do not include all the information and disclosures required in full financial statements and should be read in conjunction with the Group's financial statements for the year ended 31 December 2024. In addition, results for the period from 1 January 2025 to 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

**3.2 Basis of consolidation**

These condensed consolidated interim financial statements incorporate the financial statements of the Bank and entities controlled by the Bank. Control is achieved where the Bank has the power over the investee, exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor's returns.

The condensed consolidated interim financial statements comprise the financial statements of the Bank and its subsidiary as disclosed in Note 1 to these condensed consolidated interim financial statements. The financial statements of the subsidiary are prepared for the same reporting period as that of the Bank, using consistent accounting policies.

All significant inter-group balances, income and expense items are eliminated on consolidation.

**3.3 Financial risk management**

Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2024.

**3.4 Seasonality of results**

No income of a seasonal nature was recorded in the condensed consolidated interim income statement for the three month period ended 31 March 2025 and 31 March 2024.

**4. Critical accounting judgments and key sources of estimation of uncertainty**

The preparation of condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2024.

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2025 (continued)**

**5. Classification of financial assets and liabilities**

The tables below set out the Group's classification of each class of financial assets and liabilities:

	<b>At fair value AED'000</b>	<b>Amortised cost AED'000</b>	<b>Total AED'000</b>
<b>At 31 March 2025 (unaudited)</b>			
<b>Financial assets</b>			
Cash and balances with the Central Bank	-	2,709,744	2,709,744
Due from banks and other financial institutions	-	2,591,227	2,591,227
Islamic financing and investing assets, net	-	13,914,887	13,914,887
Islamic investment securities at fair value	3,791,820	-	3,791,820
Other Islamic assets	-	409,622	409,622
<b>Total</b>	<b>3,791,820</b>	<b>19,625,480</b>	<b>23,417,300</b>
<b>Financial liabilities</b>			
Islamic customers' deposits	-	18,511,233	18,511,233
Due to banks and other financial institutions	-	2,128,295	2,128,295
Other Islamic liabilities	560	616,628	617,188
<b>Total</b>	<b>560</b>	<b>21,256,156</b>	<b>21,256,716</b>
<b>31 December 2024 (audited)</b>			
<b>Financial assets</b>			
Cash and balances with the Central Bank	-	2,459,522	2,459,522
Due from banks and other financial institutions	-	2,400,828	2,400,828
Islamic financing and investing assets, net	-	12,959,402	12,959,402
Islamic investments securities at fair value	3,694,208	-	3,694,208
Other Islamic assets	359	234,297	234,656
<b>Total</b>	<b>3,694,567</b>	<b>18,054,049</b>	<b>21,748,616</b>
<b>Financial liabilities</b>			
Islamic customers' deposits	-	18,061,567	18,061,567
Due to banks and other financial institutions	-	979,651	979,651
Other Islamic liabilities	56	564,016	564,072
<b>Total</b>	<b>56</b>	<b>19,605,234</b>	<b>19,605,290</b>

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2025 (continued)**

**6. Cash and balances with the Central Bank**

	<b>31 March 2025 AED'000 (unaudited)</b>	31 December 2024 AED'000 (audited)
Cash on hand	173,556	174,727
Balances with the Central Bank:		
Current accounts	253,152	152,995
Reserve requirements with the Central Bank	883,036	931,800
International Murabahat with the Central Bank	1,400,000	1,200,000
<b>Total</b>	<b>2,709,744</b>	<b>2,459,522</b>

The reserve requirements kept with the Central Bank are not available for use in the Group's day to day operations, and cannot be withdrawn without the approval of the Central Bank. The level of reserve required changes periodically in accordance with the directives of the Central Bank.

Cash and cash equivalents included in the condensed consolidated interim statement of cash flows are as follows:

	<b>31 March 2025 AED'000 (unaudited)</b>	31 December 2024 AED'000 (audited)	31 March 2024 AED'000 (unaudited)
Cash and balances with the Central Bank	2,709,744	2,459,522	3,250,933
Due from banks and other financial institutions (original maturity less than three months)	939,190	989,730	346,698
	<b>3,648,934</b>	3,449,252	3,597,631
Less: Statutory reserve with the Central Bank	<b>(883,036)</b>	(931,800)	(729,371)
Less: International Murabahat with the Central Bank (original maturity more than three months)	<b>(350,000)</b>	(700,000)	(1,980,000)
<b>Cash and cash equivalents</b>	<b>2,415,898</b>	1,817,452	888,260

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2025 (continued)**

**7. Islamic financing and investing assets, net**

	<b>31 March 2025 AED'000 (unaudited)</b>	<b>31 December 2024 AED'000 (audited)</b>
<b>Islamic financing assets</b>		
Vehicles murabahat	94,607	71,793
Commodities murabahat	5,726,003	5,726,859
<b>Total murabahat</b>	<b>5,820,610</b>	<b>5,798,652</b>
Ijarahs	8,137,700	7,753,164
Islamic credit cards	97,219	90,391
	<b>14,055,529</b>	<b>13,642,207</b>
Deferred income	(601,144)	(631,257)
<b>Total Islamic financing assets</b>	<b>13,454,385</b>	<b>13,010,950</b>
<b>Islamic investing assets</b>		
Wakala	1,267,240	794,795
<b>Total Islamic investing assets</b>	<b>1,267,240</b>	<b>794,795</b>
<b>Total Islamic financing and investing assets</b>	<b>14,721,625</b>	<b>13,805,745</b>
Less: Impairment loss allowance (Note 16)	(806,738)	(846,343)
<b>Total Islamic financing and investing assets, net</b>	<b>13,914,887</b>	<b>12,959,402</b>

- (a) The significant changes in the gross carrying amount of Islamic financing and investing assets during the period that contributed to changes in the loss allowance, is provided in the table below:

	<b>Stage 1 AED'000</b>	<b>Stage 2 AED'000</b>	<b>Stage 3 AED'000</b>	<b>Total AED'000</b>
As at 1 January 2025	10,553,677	1,674,538	1,577,530	13,805,745
- Transfer to stage 1	12,786	(12,786)	-	-
- Transfer to stage 2	(127,108)	137,575	(10,467)	-
- Transfer to stage 3	-	(140,983)	140,983	-
Change in exposure	297,091	(83,031)	(2,447)	211,613
New financial assets recognized	908,917	-	-	908,917
Financial assets derecognized	(126,690)	(31,020)	(46,940)	(204,650)
<b>As at 31 March 2025</b>	<b>11,518,673</b>	<b>1,544,293</b>	<b>1,658,659</b>	<b>14,721,625</b>

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2025 (continued)**

**7. Islamic financing and investing assets, net (continued)**

	<b>Stage 1 AED'000</b>	<b>Stage 2 AED'000</b>	<b>Stage 3 AED'000</b>	<b>Total AED'000</b>
As at 1 January 2024	10,188,344	1,908,374	2,313,095	14,409,813
- Transfer to stage 1	376,507	(376,507)	-	-
- Transfer to stage 2	(344,247)	812,039	(467,792)	-
- Transfer to stage 3	(39,736)	(28,056)	67,792	-
Change in exposure	1,031,679	(150,540)	(26,002)	855,137
New financial assets recognized	2,624,882	5,355	1,238	2,631,475
Financial assets derecognized	(3,283,752)	(496,127)	(310,801)	(4,090,680)
As at 31 December 2024	<u>10,553,677</u>	<u>1,674,538</u>	<u>1,577,530</u>	<u>13,805,745</u>

(b) The table below analyse the movement of the ECL allowance during the period per class of Islamic financing and investing assets.

	<b>Stage 1 12-month ECL AED'000</b>	<b>Stage 2 Life time ECL AED'000</b>	<b>Stage 3 Lifetime ECL AED'000</b>	<b>Total AED'000</b>
Loss allowance as at 1 January 2025	96,137	271,903	478,303	846,343
Changes in the loss allowance				
- Transfer to stage 1	1,096	(1,096)	-	-
- Transfer to stage 2	(1,603)	2,331	(728)	-
- Transfer to stage 3	-	(3,833)	3,833	-
Change in credit risk	(938)	(50,576)	4,207	(47,307)
New financial assets recognized	11,772	-	-	11,772
Financial assets derecognized	(338)	(3,697)	(35)	(4,070)
<b>Loss allowance as at 31 March 2025</b>	<u><b>106,126</b></u>	<u><b>215,032</b></u>	<u><b>485,580</b></u>	<u><b>806,738</b></u>
	<b>Stage 1 12-month ECL AED'000</b>	<b>Stage 2 Life time ECL AED'000</b>	<b>Stage 3 Lifetime ECL AED'000</b>	<b>Total AED'000</b>
Loss allowance as at 1 January 2024	68,904	88,597	476,319	633,820
Changes in the loss allowance				
- Transfer to stage 1	19,572	(19,572)	-	-
- Transfer to stage 2	(1,392)	9,318	(7,926)	-
- Transfer to stage 3	(1,377)	(832)	2,209	-
Change in credit risk	(2,956)	201,301	90,970	289,315
New financial assets recognized	22,886	2,240	500	25,626
Financial assets derecognized	(9,500)	(9,149)	(83,769)	(102,418)
Loss allowance as at 31 December 2024	<u>96,137</u>	<u>271,903</u>	<u>478,303</u>	<u>846,343</u>

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2025 (continued)**

**8. Islamic investment securities at fair value**

	<b>31 March 2025 AED'000 (unaudited)</b>	31 December 2024 AED'000 (audited)
Islamic investment securities at FVTOCI		
Sukuk instruments	<b>3,538,926</b>	3,415,878
Equity instruments	<b>181,605</b>	210,311
	<b>3,720,531</b>	3,626,189
Islamic investment securities at FVTPL		
Equity instruments	<b>71,289</b>	68,019
	<b>3,791,820</b>	3,694,208

**9. Other Islamic assets**

	<b>31 March 2025 AED'000 (unaudited)</b>	31 December 2024 AED'000 (audited)
Accrued income on Islamic financing and investing assets	<b>71,098</b>	75,363
Accrued income on Islamic investment securities	<b>40,022</b>	29,903
Prepaid expenses	<b>29,395</b>	8,060
Staff advances	<b>15,438</b>	15,197
Acceptances (Note 11)	<b>12,645</b>	5,797
Foreign currency forward contracts	-	359
Assets acquired in settlement of Islamic financing and investing assets (*)	<b>451,700</b>	530,050
Rent receivable	<b>19,223</b>	19,373
Other	<b>350,740</b>	153,012
	<b>990,261</b>	837,114
Less: Impairment loss allowance (Note 16)	<b>(32,940)</b>	(24,685)
	<b>957,321</b>	812,429

(\*) Assets acquired in settlement of Islamic financing and investing assets include properties with a carrying value of AED 418 million which are beneficially held by the Group but the title deed of these properties is not yet transferred in the Group's name (Note 19.3). The fair value of these assets amounted to AED 355 million.



**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2025 (continued)**

**10. Islamic customers' deposits**

	<b>31 March 2025 AED'000 (unaudited)</b>	<b>31 December 2024 AED'000 (audited)</b>
Current accounts	4,846,921	4,356,089
Mudaraba deposits:		
<i>Savings accounts</i>	531,424	468,233
<i>Term deposits</i>	31,417	25,700
Wakala deposits	12,617,193	12,747,429
Escrow accounts	403,455	386,266
Margin accounts	80,823	77,850
	<b>18,511,233</b>	<b>18,061,567</b>

**11. Other liabilities**

	<b>31 March 2025 AED'000 (unaudited)</b>	<b>31 December 2024 AED'000 (audited)</b>
Accrued profit on Islamic customers' deposits and placements by banks	314,693	332,876
Provisions for staff salaries and benefits	23,023	39,084
Managers' cheques	150,742	120,095
Acceptances (Note 9)	12,645	5,797
Lease liability	12,851	12,446
Provision for income tax (Note 24)	49,547	39,129
Deferred tax liabilities (Note 24)	10,247	5,526
Impairment loss allowance on financial commitments and financial guarantees (Note 16)	10,684	8,842
Other	195,620	137,525
	<b>780,052</b>	<b>701,320</b>

**12. Share capital**

	<b>31 March 2025 AED'000 (unaudited)</b>	<b>31 December 2024 AED'000 (audited)</b>
<i>Issued and fully paid:</i>		
2,723,500,000 (31 December 2024: 2,723,500,000) shares of AED 1 each	2,723,500	2,723,500

The annual general meeting of the shareholders in its meeting held on 27 February 2025 approved to distribute cash dividends of AED 0.0725 per share (7.25 of paid-up capital) amounting to AED 197.4 million.

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2025 (continued)**

**13. Treasury shares**

The Group engaged a third-party licensed Market Maker on the Dubai Financial Market that offers liquidity provision services, to place buy and sell orders of the Bank's shares with the objective of reducing bid/ask spreads as well as reducing price and volume volatility. At 31 March 2025, the Market Maker held 37,020,285 of Ajman Bank's shares (31 December 2024: 34,478,543 shares) on behalf of the Bank, which are classified under equity as treasury shares at par value of AED 1 at 31 March 2025 and 31 December 2024. During the three month period ended 31 March 2025, AED 1 million has been added to (year ended 31 December 2024: AED 16 million utilised from) share premium reserve (included under statutory reserve) to account for premium paid on acquisition of treasury shares, net of realized gains/losses on disposal of such shares. At the end of the contract term with the Market Maker, the Bank will have the option to either transfer the outstanding shares under its name or dispose of the shares in the market.

**14. General impairment reserve**

In accordance with the requirements of the Central Bank of the U.A.E. the excess of the credit impairment provisions calculated in accordance with CBUAE requirements over the ECL allowance calculated under Stage 1 and Stage 2 as per IFRS 9 is transferred to 'General impairment reserve' as an appropriation from retained earnings. This reserve is not available for payment of dividends.

**15. Income from Islamic financing and investing assets**

	<b>Three month period ended</b>	
	<b>31 March</b>	
	<b>2025</b>	<b>2024</b>
	<b>AED'000</b>	<b>AED'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Income from Ijarah	<b>119,782</b>	144,909
Income from Murabaha	<b>103,586</b>	137,544
Income from Wakala	<b>30,753</b>	26,403
Income from Istisna	<b>-</b>	3
	<b>254,121</b>	<b>308,859</b>

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2025 (continued)**

**16. Impairment allowance of financial assets**

The below table represents the movement between the opening and closing balance of the impairment loss and thereby the net charge in the consolidated statement of profit and loss for the three month period:

<b>(Unaudited)</b>	<b>Opening balance AED'000</b>	<b>Net charge during the period AED'000</b>	<b>Recoveries /Write backs, net of write- offs AED'000</b>	<b>Closing balance AED'000</b>	<b>Net charge during the period ended 31 March 2024 AED'000</b>
Due from banks and other financial institutions	7,533	2,360	-	9,893	10,674
Islamic financing and investing assets (Note 7)	846,343	(45,426)	5,821	806,738	(26,525)
Islamic investment securities at amortised cost	-	-	-	-	(1,794)
Islamic investment securities at FVTOCI	9,353	1,812	-	11,165	4,045
Other Islamic financial assets (Note 9)	24,685	82	8,173	32,940	891
Financial commitments and financial guarantees (Note 11)	8,842	1,842	-	10,684	(603)
<b>Total</b>	<b>896,756</b>	<b>(39,330)</b>	<b>13,994</b>	<b>871,420</b>	<b>(13,312)</b>

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2025 (continued)**

**17. Basic and diluted earnings per share**

Earnings per share are computed by dividing the profit for the period by the weighted average number of shares outstanding during the period as follows:

	<b>Three month period ended 31</b>	
	<b>March</b>	
	<b>2025</b>	<b>2024</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<i>Basic earnings per share</i>		
Net profit for the period (AED'000)	<b>134,679</b>	107,423
Weighted average number of ordinary shares in issue	<b>2,687,751</b>	2,723,500
<b>Basic and diluted earnings per share (AED)</b>	<b>0.050</b>	0.039

There were no potentially dilutive shares as at 31 March 2025 and 31 March 2024.

**18. Related parties transactions**

- (a) Certain “related parties” (such as directors, key management personnel and major shareholders of the Group and companies of which they are principal owners) are customers of the Group in the ordinary course of business. Transactions with such related parties are made on substantially the same terms, including profit rates and collateral, as those prevailing at the same time for comparable transactions with external customers and parties.
- (b) The Group is controlled by Ajman Government which owns 28% (31 December 2024: 28%) of the issued and paid capital.

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2025 (continued)**

**18. Related parties transactions (continued)**

Transactions with related parties are shown below:

	Three month period ended					
	31 March 2025 (unaudited)			31 March 2024 (unaudited)		
	Major shareholders AED'000	Directors and other related parties AED'000	Total AED'000	Major shareholders AED'000	Directors and other related parties AED'000	Total AED'000
Depositors' share of profit	75,907	1,687	77,594	71,567	1,995	73,562
Income from Islamic financing and investing assets	1,159	7,323	8,482	1,361	2,628	3,989

During the period ended 31 March 2025, AED 2.5 million was approved as Directors' remuneration by the shareholders at the annual general meeting held on 27 February 2025.

Balances with related parties at the reporting date are shown below:

	31 March 2025 (unaudited)			31 December 2024 (audited)		
	Major shareholders AED'000	Directors and other related parties AED'000	Total AED'000	Major shareholders AED'000	Directors and other related parties AED'000	Total AED'000
Islamic financing and investing assets	194,412	331,715	526,127	209,395	335,337	544,732
Customers' deposits	6,402,605	197,133	6,599,738	6,241,218	184,883	6,426,101

***Compensation of key management personnel***

Key management compensation is as shown below:

	Three month period ended	
	31 March 2025 AED'000 (unaudited)	2024 AED'000 (unaudited)
Short term employment benefits	2,608	2,030
Terminal benefits	87	76
	<b>2,695</b>	<b>2,106</b>

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2025 (continued)**

**19. Contingencies and commitments**

*19.1 Capital commitments*

At 31 March 2025, the Group had outstanding capital commitments of AED 53 million (31 December 2024: AED 47 million), which will be funded within the next twelve months.

*19.2 Credit related commitments and contingencies*

Credit related commitments include commitments to extend credit, which are designed to meet the requirements of the Group's customers.

The Group had the following credit related commitments and contingent liabilities:

	<b>31 March 2025 AED'000 (unaudited)</b>	<b>31 December 2024 AED'000 (audited)</b>
Commitments to extend credit	<b>374,918</b>	-
Letters of credit	<b>71,658</b>	34,643
Letters of guarantee	<b>521,695</b>	441,277
	<b>968,271</b>	475,920

*19.3 Legal claims*

Litigation is a common occurrence in the banking industry due to the nature of the business. The Group has an established protocol for dealing with such claims, many of which are beyond its control. At the reporting date, the Group has several unresolved legal claims and based on the advice from legal counsel, management believes that these claims will not result in any material financial loss to the Group, other than what has been already provided for in these condensed consolidated interim financial statements.

During previous years, the Group signed settlement agreements with a customer wherein both parties agreed that the Group acquires the assets of the customer in settlement of the financial obligation. The carrying value of the properties recorded under "Assets acquired in settlement of Islamic financing and investing assets" was AED 418 million while the fair value of these properties amounted to AED 355 million. Accordingly, during the year 2023, the Group booked an impairment loss of AED 63 million against these properties (Note 9). The Group had a first-degree mortgage over the properties; however, the transfer of the title deed of the mortgaged properties in the Group's name in accordance with provisions of the settlement agreements with the Group's customer could not be completed due to some attachments and claims on such properties enforced by Dubai Courts in different cases filed by third parties against the Group and the Group's customer.

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2025 (continued)****19. Contingencies and commitments (continued)***19.3 Legal claims (continued)*

The Dubai Court of First Instance judgement indicated that the third party shall have a claim to the properties under dispute in the limit of AED 250 million, in addition to interest and legal charges. On 20 July 2023, the Dubai Court of Appeal confirmed the judgment of the Dubai Court of First Instance. The Group has filed an appeal before the Dubai Court of Cassation demanding revocation of the previous judgments. The Dubai Court of Cassation issued its judgment on 22 April 2024 rejecting the appeal filed by the Group. During 2024, a Judicial committee has been formed by Amiri Decree, who issued its judgment on 7 October 2024 in favor of the Group whereby it has cancelled all the judgments issued against the Group and issued new judgment whereby it dismissed the case filed by the third party against the Group accordingly, the Group have reversed a provision of AED 285 million in 2024.

Based on above, the Group is in the process of filing execution against this customer and also pursuing substantive cases for the ownership of subject properties in Group's name.

**20. Segment analysis**

Operating segments are reported in accordance with the internal reporting provided to the Executive Committee (the chief operating decision-maker), which is responsible for allocating resources to the reportable segments and assesses its performance.

For operating purposes, the Group is organised into the following business segments:

- (i) Consumer banking – comprising personal banking and priority banking where various products are offered like private customer current accounts, savings accounts, deposits, credit and debit cards, personal finance and house mortgage;
- (ii) Wholesale banking - incorporating transactions with corporate bodies including government and public bodies and comprising of Islamic financing and investing assets, deposits, trade finance transactions, investment solutions, wealth management, leasing of commercial and residential properties; and
- (iii) Treasury - incorporating activities of the dealing room, related money market, foreign exchange transactions with other banks and financial institutions including the Central Bank of the UAE.

As the Group's segment operations are all financial with a majority of revenues deriving income from Islamic financing and investing assets and the Executive Committee relies primarily on net income to assess the performance of the segment, the total income and expense for all reportable segments is presented on a net basis.

The Group's management reporting is based on a measure of operating profit comprising income from Islamic financing and investing assets and securities, impairment charges, net fee and commission income, other income and expenses.

Segment assets and liabilities comprise operating assets and liabilities, being the majority of the balance sheet items.

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2025 (continued)**

**20. Segment analysis (continued)**

**Segment results of operations**

The segment information provided to the Board for the reportable segments are as follows:

	<b>Consumer banking AED'000</b>	<b>Wholesale banking AED'000</b>	<b>Treasury AED'000</b>	<b>Others AED'000</b>	<b>Total AED'000</b>
<b>Three month period ended 31 March 2025 (unaudited)</b>					
Net income/(loss) from Islamic financing and investing assets	47,052	59,238	(17,204)	-	89,086
Income from Islamic investment securities	-	-	39,431	-	39,431
(Provision for)/write back of provision of expected credit loss on financial assets	9,246	31,896	(1,812)	-	39,330
Fees, commissions and other income	11,778	20,117	36,716	1,785	70,396
Staff costs	(38,604)	(21,445)	(2,372)	(1,612)	(64,033)
General and administrative expenses and depreciation of property and equipment	(16,918)	(11,227)	(477)	(490)	(29,112)
Income tax expense	(446)	(6,807)	(3,166)	-	(10,419)
<b>Operating profit/(loss) (unaudited)</b>	<b>12,108</b>	<b>71,772</b>	<b>51,116</b>	<b>(317)</b>	<b>134,679</b>
<b>Three month period ended 31 March 2024 (unaudited)</b>					
Net income/(loss) from Islamic financing and investing assets	70,929	65,635	(33,142)	-	103,422
Income from Islamic investment securities	-	5,051	39,944	-	44,995
(Provision for)/write back of provision of expected credit loss on financial assets	(6,883)	22,491	(2,296)	-	13,312
Fees, commissions and other income	10,085	26,704	9,624	-	46,413
Staff costs	(39,838)	(23,410)	(1,716)	-	(64,964)
General and administrative expenses and depreciation of property and equipment	(15,958)	(9,422)	(688)	-	(26,068)
Income tax expense	(493)	(7,648)	(1,546)	-	(9,687)
<b>Operating profit (unaudited)</b>	<b>17,842</b>	<b>79,401</b>	<b>10,180</b>	<b>-</b>	<b>107,423</b>



**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2025 (continued)**

**20. Segment analysis (continued)**

	<b>Consumer banking AED'000</b>	<b>Wholesale banking AED'000</b>	<b>Treasury AED'000</b>	<b>Others AED'000</b>	<b>Total AED'000</b>
<b>As at 31 March 2025</b>					
<b>Segment assets (unaudited)</b>	<b>5,465,762</b>	<b>10,970,614</b>	<b>6,024,645</b>	<b>2,035,659</b>	<b>24,496,680</b>
<b>Segment liabilities (unaudited)</b>	<b>12,564,869</b>	<b>6,445,037</b>	<b>3,410</b>	<b>2,406,264</b>	<b>21,419,580</b>
<b>As at 31 December 2024</b>					
<b>Segment assets (audited)</b>	<b>6,036,321</b>	<b>9,603,456</b>	<b>5,495,033</b>	<b>1,719,538</b>	<b>22,854,348</b>
<b>Segment liabilities (audited)</b>	<b>11,949,693</b>	<b>6,613,354</b>	<b>2,980</b>	<b>1,176,511</b>	<b>19,742,538</b>

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2025 (continued)**

**21. Capital management**

The Group's capital management objectives and policies are consistent with those disclosed in the audited financial statements as at and for the year ended 31 December 2024.

**Regulatory capital**

The Group calculates its Capital Adequacy Ratio in line with guidelines issued by the Central Bank of the U.A.E. The Group's regulatory capital position at the end of reporting period under Basel III is as follows:

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
<b>Tier 1 capital</b>		
Share capital	2,723,500	2,723,500
Reserves	311,250	213,805
	3,034,750	2,937,305
<b>Tier 2 capital</b>		
General provision and fair value reserve	204,037	185,815
<b>Total regulatory capital</b>	3,238,787	3,123,120
<b>Risk weighted assets</b>		
Credit risk	16,322,948	14,865,025
Market risk	94,009	86,777
Operational risk	1,403,622	1,400,108
Total risk weighted assets	17,820,579	16,351,910

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2025 (continued)**

**22. Risk Management**

Summarised information of the Group's maximum exposure to credit risk before collateral held per class of financial asset (subject to impairment) is provided in following table:

<b>31 March 2025</b>	<b>Stage 1 AED'000</b>	<b>Stage 2 AED'000</b>	<b>Stage 3 AED'000</b>	<b>Total AED'000</b>
Balances with the Central Bank	2,536,188	-	-	2,536,188
Due from banks and other financial institutions	2,601,120	-	-	2,601,120
Islamic financing and investing assets	11,518,673	1,544,293	1,658,659	14,721,625
Islamic investment securities at FVTOCI*	3,526,015	24,076	-	3,550,091
Other Islamic financial assets	372,939	26,752	42,871	442,562
Financial commitments and financial guarantees (off balance sheet exposures)	899,179	40,643	28,449	968,271
<b>Total maximum exposure</b>	<b>21,454,114</b>	<b>1,635,764</b>	<b>1,729,979</b>	<b>24,819,857</b>
<b>Expected credit loss allowance (Note 16)</b>	<b>(134,202)</b>	<b>(216,435)</b>	<b>(520,783)</b>	<b>(871,420)</b>
<b>Total</b>	<b>21,319,912</b>	<b>1,419,329</b>	<b>1,209,196</b>	<b>23,948,437</b>

  

<b>31 December 2024</b>	<b>Stage 1 AED'000</b>	<b>Stage 2 AED'000</b>	<b>Stage 3 AED'000</b>	<b>Total AED'000</b>
Balances with the Central Bank	2,284,795	-	-	2,284,795
Due from banks and other financial institutions	2,408,361	-	-	2,408,361
Islamic financing and investing assets	10,553,677	1,674,538	1,577,530	13,805,745
Islamic investment securities at FVTOCI*	3,402,625	22,606	-	3,425,231
Other Islamic financial assets	191,608	26,064	41,310	258,982
Financial commitments and financial guarantees (off balance sheet exposures)	402,603	44,062	29,255	475,920
<b>Total maximum exposure</b>	<b>19,243,669</b>	<b>1,767,270</b>	<b>1,648,095</b>	<b>22,659,034</b>
<b>Expected credit loss allowance (Note 16)</b>	<b>(117,129)</b>	<b>(274,448)</b>	<b>(505,179)</b>	<b>(896,756)</b>
<b>Total</b>	<b>19,126,540</b>	<b>1,492,822</b>	<b>1,142,916</b>	<b>21,762,278</b>

(\*) Impairment allowance is recognised under "Revaluation reserve of investments designated at FVTOCI".

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2025 (continued)**

**23. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, differences can arise between book values and the fair value estimates. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to materially curtail the scale of its operation or to undertake a transaction on adverse terms.

*Valuation techniques and assumptions applied for the purposes of measuring fair value*

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of Islamic financial assets and Islamic financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes).
- The fair values of other Islamic financial assets and Islamic financial liabilities (excluding Islamic derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.
- The fair values of Islamic derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency Waad contracts are measured using quoted forward exchange rates and yield curves derived from quoted profit rates matching maturities of the contracts. Profit rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted profit rates.

***Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis***

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the consolidated statement of financial position.

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2025 (continued)**

**23. Fair value measurement (continued)**

*Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)*

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
<b>At 31 March 2025 (Unaudited)</b>				
<b>Financial assets</b>				
Islamic investments securities at fair value	3,670,821	-	120,999	3,791,820
	<u>3,670,821</u>	<u>-</u>	<u>120,999</u>	<u>3,791,820</u>
<b>Financial liabilities</b>				
Negative fair value of Islamic derivative financial instruments*	560	-	-	560
	<u>560</u>	<u>-</u>	<u>-</u>	<u>560</u>
<b>At 31 December 2024 (audited)</b>				
<b>Financial assets</b>				
Islamic investments securities at fair value	3,569,401	-	124,807	3,694,208
Positive fair value of Islamic derivative financial instruments*	359	-	-	359
	<u>3,569,760</u>	<u>-</u>	<u>124,807</u>	<u>3,694,567</u>
<b>Financial liabilities</b>				
Negative fair value of Islamic derivative financial instruments*	56	-	-	56
	<u>56</u>	<u>-</u>	<u>-</u>	<u>56</u>

\* Notional amount of Islamic derivative financial instruments is AED 0.89 billion as at 31 March 2025 (31 December 2024: AED 0.6 billion).

There were no transfers between levels during the period.

**Notes to the condensed consolidated interim financial information  
for the three month period ended 31 March 2025 (continued)**

**23. Fair value measurement (continued)**

Below is the reconciliation of Level 3 fair value measurement of financial assets:

	<b>31 March 2025 AED'000 (unaudited)</b>	31 December 2024 AED'000 (audited)
At beginning of the period/year	<b>124,807</b>	172,943
Fair valuation loss in other comprehensive income	<b>(3,808)</b>	(38,136)
Disposals during the period/year	-	(10,000)
<b>Balance at the end of the period/year</b>	<b>120,999</b>	124,807

- In respect of those financial assets and financial liabilities measured at amortised cost, which are of short term nature (up to 1 year), management believes that carrying amount is equivalent to its fair value.
- In respect of Islamic investments securities, management has used the quoted price when available to assess fair value or used a present value calculation (PVC) based on market observable inputs.
- Islamic financing and investing assets are fair valued based on PVC which takes into account original underlying cash financing credit grading and expected prepayments. These features are used to estimate the present value of the expected cash flows and using risk-adjusted rates. However, this technique is subject to inherent limitations, such as estimation of the appropriate risk-adjusted rate, and different assumptions and inputs would yield different results.
- Fair values of deposits from banks and customers are estimated using the PVC methodology, applying the applicable rates that are offered for deposits of similar maturities and terms. The fair value of deposits payable on demand is considered to be the amount payable at the reporting date.

**24. Income tax**

During the three month period ended 31 March 2025, the Group has recorded a provision for current income tax amounting AED 10.4 million (31 March 2024: AED 9.7 million) in accordance with the CT Law, representing an effective tax rate of 7.2% (31 March 2024: 8.3%) and deferred taxation liability arising from investment securities amounting AED 4.7 million (31 March 2024: nil).

**25. Sukuk under issuance**

During the period ended 31 March 2025, Ajman Bank established a Sukuk issuance program. The Sukuk program allows the Group to issue Sukuk up to a total aggregate outstanding amount of USD 1.5 billion. As of the end of the reporting period, no drawdown has occurred under the Sukuk program and therefore the Group has no outstanding obligations related to the Sukuk program as of the end of the reporting period.

**26. Approval of condensed consolidated interim financial information**

The condensed consolidated interim financial information were approved by the Board of Directors and authorized for issue on 18 April 2025.