

# **Ajman Bank PJSC**

**Review report and condensed consolidated interim  
financial information  
for the six-month period ended 30 June 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 30 June 2025, and the related condensed consolidated interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-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.

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



Firas Anabtawi  
Registration No.: 5482  
22 July 2025  
Dubai  
United Arab Emirates

**Condensed consolidated interim statement of financial position (unaudited)**  
**As at 30 June 2025**

	Notes	30 June 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
<b>ASSETS</b>			
Cash and balances with the Central Bank	6	3,220,009	2,459,522
Islamic financing and investing assets with banks and other financial institutions		3,006,868	2,400,828
Islamic financing and investing assets, net	7	14,825,118	12,959,402
Islamic investment securities at fair value	8	4,073,773	3,694,208
Investment properties		392,603	391,545
Property and equipment		139,828	136,414
Other Islamic assets	9	974,907	812,429
<b>Total assets</b>		<b>26,633,106</b>	<b>22,854,348</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Islamic customers' deposits	10	19,977,091	18,061,567
Due to banks and other financial institutions		814,364	979,651
Sukuk financing instrument	25	1,815,466	-
Other liabilities	11	802,227	701,320
<b>Total liabilities</b>		<b>23,409,148</b>	<b>19,742,538</b>
<b>Equity</b>			
Share capital	12	2,723,500	2,723,500
Treasury shares	13	(30,398)	(34,478)
Statutory and other reserves		281,858	277,753
Investment fair value reserve		(213,645)	(218,075)
Retained earnings		462,643	363,110
<b>Total equity</b>		<b>3,223,958</b>	<b>3,111,810</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>26,633,106</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 six-month period ended 30 June 2025**

		<b>Three-month period ended 30 June</b>		<b>Six-month period ended 30 June</b>	
	<b>Notes</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
		<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>
<b>Operating income</b>					
Income from Islamic financing and investing assets	15	<b>280,641</b>	298,089	<b>534,762</b>	606,948
Income from Islamic investment securities		<b>47,222</b>	35,452	<b>86,653</b>	80,447
Fees, commissions and other income		<b>59,502</b>	79,200	<b>129,898</b>	125,613
<b>Total operating income before depositors' share of profits</b>		<b>387,365</b>	412,741	<b>751,313</b>	813,008
Depositors' share of profits		<b>(187,064)</b>	(179,440)	<b>(352,099)</b>	(384,877)
<b>Net operating income</b>		<b>200,301</b>	233,301	<b>399,214</b>	428,131
<b>Expenses</b>					
Staff costs		<b>(69,048)</b>	(63,979)	<b>(133,081)</b>	(128,943)
General and administrative expenses		<b>(21,811)</b>	(26,170)	<b>(45,402)</b>	(45,914)
Depreciation of property and equipment		<b>(5,273)</b>	(5,958)	<b>(10,794)</b>	(12,282)
Write-back of / (provision for) expected credit losses on financial assets	20	<b>16,313</b>	(21,609)	<b>55,643</b>	(8,297)
<b>Total expenses</b>		<b>(79,819)</b>	(117,716)	<b>(133,634)</b>	(195,436)
<b>Profit before tax</b>		<b>120,482</b>	115,585	<b>265,580</b>	232,695
Income tax expense	24	<b>(10,066)</b>	(7,446)	<b>(20,485)</b>	(17,133)
<b>Profit for the period</b>		<b>110,416</b>	108,139	<b>245,095</b>	215,562
<b>Basic and diluted earnings per share (AED)</b>	16	<b>0.041</b>	0.040	<b>0.091</b>	0.080

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 six month period ended 30 June 2025**

	<b>Three-month period ended 30 June</b>		<b>Six-month period ended 30 June</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>
<b>Profit for the period</b>	<b>110,416</b>	108,139	<b>245,095</b>	215,562
<b>Other comprehensive income/(loss):</b>				
<i>Items that will not be reclassified subsequently to the statement of profit or loss</i>				
Fair value gain/(loss) on equity securities at FVTOCI	<b>12,914</b>	(6,154)	<b>8,933</b>	(14,593)
	<b>12,914</b>	(6,154)	<b>8,933</b>	(14,593)
<i>Items that may be reclassified subsequently to the statement of profit or loss</i>				
Fair value gain on Sukuk investment securities at FVTOCI	<b>19,868</b>	3,897	<b>53,124</b>	31,173
Reclassification to the statement of profit or loss upon disposal of investments at FVTOCI	<b>(6,112)</b>	(3,701)	<b>(5,735)</b>	(333)
	<b>13,756</b>	196	<b>47,389</b>	30,840
<b>Other comprehensive income/(loss)</b>	<b>26,670</b>	(5,958)	<b>56,322</b>	16,247
<b>Total comprehensive income for the period</b>	<b>137,086</b>	102,181	<b>301,417</b>	231,809

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 six-month period ended 30 June 2025**

	<b>Share capital AED'000</b>	<b>Treasury shares AED'000</b>	<b>Statutory and other reserves AED'000</b>	<b>Investment fair value reserve AED'000</b>	<b>General impairment reserve AED'000</b>	<b>Retained earnings AED'000</b>	<b>Total AED'000</b>
At 1 January 2024	2,723,500	(27,675)	253,676	(276,735)	60,835	(58,649)	2,674,952
Profit for the period	-	-	-	-	-	215,562	215,562
Other comprehensive income	-	-	-	16,247	-	-	16,247
Total comprehensive income for the period	-	-	-	16,247	-	215,562	231,809
Treasury shares (Note 13)	-	(9,631)	(15,987)	-	-	-	(25,618)
Transfer to impairment reserve (Note 14)	-	-	-	-	(7,738)	7,738	-
At 30 June 2024 (unaudited)	2,723,500	(37,306)	237,689	(260,488)	53,097	164,651	2,881,143
At 1 January 2025	2,723,500	(34,478)	277,753	(218,075)	-	363,110	3,111,810
Profit for the period	-	-	-	-	-	245,095	245,095
Other comprehensive income	-	-	-	56,322	-	-	56,322
Total comprehensive income for the period	-	-	-	56,322	-	245,095	301,417
Treasury shares (Note 13)	-	4,080	4,105	-	-	-	8,185
Transfer on disposal of equity instruments at FVTOCI	-	-	-	(51,892)	-	51,892	-
Dividends (Note 12)	-	-	-	-	-	(197,454)	(197,454)
At 30 June 2025 (unaudited)	2,723,500	(30,398)	281,858	(213,645)	-	462,643	3,223,958

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

**Condensed consolidated interim statement of cash flows (unaudited)  
for the six-month period ended 30 June 2025**

	<b>Six-month period ended 30 June</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 for the period	<b>265,580</b>	232,695
<i>Adjustments for:</i>		
Depreciation of property and equipment	<b>10,794</b>	12,282
Amortisation of discount on Islamic investment securities at amortised cost	<b>-</b>	(132)
Write-back of provision for expected credit losses on financial assets	<b>(55,643)</b>	8,297
Income from Islamic investment securities	<b>(78,739)</b>	(70,820)
Realized gain on disposal of Islamic investment securities	<b>(7,914)</b>	(1,826)
Loss on disposal of property and equipment	<b>85</b>	-
<b>Operating cash flows before changes in operating assets and liabilities</b>	<b>134,163</b>	180,496
<i>Changes in operating assets and liabilities:</i>		
Statutory deposit with the Central Bank	<b>5,243</b>	(131,253)
International Murabaha with the Central Bank	<b>-</b>	1,100,000
Islamic financing and investing assets with banks and other financial institutions	<b>(707,938)</b>	153,910
Islamic financing and investing assets	<b>(1,794,085)</b>	(144,350)
Other assets	<b>(170,180)</b>	(263,142)
Islamic customers' deposits	<b>1,915,524</b>	(419,230)
Due to banks and other financial institutions	<b>(165,287)</b>	(688,277)
Other liabilities	<b>75,658</b>	183,237
<b>Net cash used in operating activities</b>	<b>(706,902)</b>	(28,609)
<b>Cash flows from investing activities</b>		
Purchase of Islamic investment securities	<b>(1,174,941)</b>	(552,994)
Proceeds from sale of Islamic investment securities	<b>856,707</b>	388,406
Purchase of property and equipment	<b>(14,293)</b>	(16,941)
Profit income on Islamic investment securities	<b>84,273</b>	73,013
Additions to investment properties	<b>(1,058)</b>	(1,893)
<b>Net cash used in investing activities</b>	<b>(249,312)</b>	(110,409)
<b>Cash flows from financing activities</b>		
Dividends paid	<b>(197,454)</b>	-
Sukuk financing instrument issued	<b>1,815,466</b>	-
Treasury shares	<b>8,185</b>	(25,618)
<b>Net cash generated from / (used in) financing activities</b>	<b>1,626,197</b>	(25,618)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>669,983</b>	(164,636)
Net cash and cash equivalents at 1 January	<b>1,817,452</b>	1,981,413
<b>Cash and cash equivalents at 30 June (Note 6)</b>	<b>2,487,435</b>	1,816,777

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



**Notes to the condensed consolidated interim financial information (unaudited)  
for the six-month period ended 30 June 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 (unaudited)  
for the six-month period ended 30 June 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>
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.	
Amendments to IFRS 9 <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments: Disclosures</i> regarding purchase power arrangements	1 January 2026
The amendments aim at enabling entities to include information in their financial statements that in the IASB's view more faithfully represents contracts referencing nature-dependent electricity.	
IFRS 18 <i>Presentation and Disclosures in Financial Statements</i>	1 January 2027
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.

**Notes to the condensed consolidated interim financial information (unaudited)  
for the six-month period ended 30 June 2025 (continued)****3. Summary of material accounting policies (continued)**

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.

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 30 June 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 six month period ended 30 June 2025 and 30 June 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 (unaudited)  
for the six-month period ended 30 June 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:

	At fair value AED'000	Amortised cost AED'000	Total AED'000
<b>At 30 June 2025 (unaudited)</b>			
<b>Financial assets</b>			
Cash and balances with the Central Bank	-	3,220,009	3,220,009
Islamic financing and investing assets with banks and other financial institutions	-	3,006,868	3,006,868
Islamic financing and investing assets, net	-	14,825,118	14,825,118
Islamic investment securities at fair value	4,073,773	-	4,073,773
Other Islamic assets	7,141	438,735	445,876
<b>Total</b>	<b>4,080,914</b>	<b>21,490,730</b>	<b>25,571,644</b>
<b>Financial liabilities</b>			
Islamic customers' deposits	-	19,977,091	19,977,091
Due to banks and other financial institutions	-	814,364	814,364
Sukuk financing instrument	-	1,815,466	1,815,466
Other Islamic liabilities	388	656,195	656,583
<b>Total</b>	<b>388</b>	<b>23,263,116</b>	<b>23,263,504</b>
<b>31 December 2024 (audited)</b>			
<b>Financial assets</b>			
Cash and balances with the Central Bank	-	2,459,522	2,459,522
Islamic financing and investing assets with 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 (unaudited)  
for the six-month period ended 30 June 2025 (continued)**

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

	<b>30 June 2025 AED'000 (unaudited)</b>	<b>31 December 2024 AED'000 (audited)</b>
Cash on hand	<b>159,487</b>	174,727
Balances with the Central Bank:		
Current accounts	<b>83,965</b>	152,995
Reserve requirements with the Central Bank	<b>926,557</b>	931,800
International Murabahat with the Central Bank	<b>2,050,000</b>	1,200,000
<b>Total</b>	<b>3,220,009</b>	2,459,522

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>30 June 2025 AED'000 (unaudited)</b>	<b>31 December 2024 AED'000 (audited)</b>	<b>30 June 2024 AED'000 (unaudited)</b>
Cash and balances with the Central Bank	<b>3,220,009</b>	2,459,522	3,158,129
Islamic financing and investing assets with banks and other financial institutions (original maturity less than three months)	<b>893,983</b>	989,730	609,276
	<b>4,113,992</b>	3,449,252	3,767,405
Less: Statutory reserve with the Central Bank	<b>(926,557)</b>	(931,800)	(850,628)
Less: International Murabahat with the Central Bank (original maturity more than three months)	<b>(700,000)</b>	(700,000)	(1,100,000)
<b>Cash and cash equivalents</b>	<b>2,487,435</b>	1,817,452	1,816,777

**Notes to the condensed consolidated interim financial information (unaudited)  
for the six-month period ended 30 June 2025 (continued)**

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

	<b>30 June 2025 AED'000 (unaudited)</b>	<b>31 December 2024 AED'000 (audited)</b>
<b>Islamic financing assets</b>		
Vehicles murabahat	<b>110,706</b>	71,793
Commodities murabahat	<b>5,567,665</b>	5,726,859
<b>Total murabahat</b>	<b>5,678,371</b>	5,798,652
Ijarahs	<b>8,376,663</b>	7,753,164
Islamic credit cards	<b>122,319</b>	90,391
	<b>14,177,353</b>	13,642,207
Deferred income	<b>(567,034)</b>	(631,257)
<b>Total Islamic financing assets</b>	<b>13,610,319</b>	13,010,950
<b>Islamic investing assets</b>		
Wakala	<b>1,947,686</b>	794,795
<b>Total Islamic investing assets</b>	<b>1,947,686</b>	794,795
<b>Total Islamic financing and investing assets</b>	<b>15,558,005</b>	13,805,745
Less: Impairment loss allowance (Note 16)	<b>(732,887)</b>	(846,343)
<b>Total Islamic financing and investing assets, net</b>	<b>14,825,118</b>	12,959,402

- (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	430,263	(430,263)	-	-
- Transfer to stage 2	(239,696)	283,568	(43,872)	-
- Transfer to stage 3	(9,148)	(153,907)	163,055	-
Change in exposure	433,350	(147,794)	(1,594)	283,962
New financial assets recognized	2,063,319	1,644	-	2,064,963
Financial assets derecognized	(439,907)	(42,236)	(114,522)	(596,665)
<b>As at 30 June 2025</b>	<b>12,791,858</b>	<b>1,185,550</b>	<b>1,580,597</b>	<b>15,558,005</b>

**Notes to the condensed consolidated interim financial information (unaudited)  
for the six-month period ended 30 June 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	10,553,677	1,674,538	1,577,530	13,805,745

(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	21,608	(21,608)	-	-
- Transfer to stage 2	(2,722)	19,461	(16,739)	-
- Transfer to stage 3	(61)	(5,960)	6,021	-
Change in credit risk	(11,939)	(62,296)	4,424	(69,811)
New financial assets recognized	15,738	596	-	16,334
Financial assets derecognized	(3,590)	(5,677)	(50,712)	(59,979)
<b>Loss allowance as at 30 June 2025</b>	<b>115,171</b>	<b>196,419</b>	<b>421,297</b>	<b>732,887</b>

	<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	96,137	271,903	478,303	846,343

**Notes to the condensed consolidated interim financial information (unaudited)  
for the six-month period ended 30 June 2025 (continued)**

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

	<b>30 June 2025 AED'000 (unaudited)</b>	<b>31 December 2024 AED'000 (audited)</b>
Islamic investment securities at FVTOCI		
Sukuk instruments	<b>3,810,529</b>	3,415,878
Equity instruments	<b>165,577</b>	210,311
	<b>3,976,106</b>	3,626,189
Islamic investment securities at FVTPL		
Equity instruments	<b>97,667</b>	68,019
	<b>4,073,773</b>	3,694,208

**9. Other Islamic assets**

	<b>30 June 2025 AED'000 (unaudited)</b>	<b>31 December 2024 AED'000 (audited)</b>
Accrued income on Islamic financing and investing assets	<b>87,667</b>	75,363
Accrued income on Islamic investment securities	<b>35,470</b>	29,903
Prepaid expenses	<b>31,916</b>	8,060
Staff advances	<b>15,321</b>	15,197
Acceptances (Note 11)	<b>25,125</b>	5,797
Foreign currency forward contracts	-	359
Profit rate swaps	<b>7,141</b>	-
Assets acquired in settlement of Islamic financing and investing assets (*)	<b>451,700</b>	530,050
Rent receivable	<b>17,675</b>	19,373
Other	<b>343,452</b>	153,012
	<b>1,015,467</b>	837,114
Less: Impairment loss allowance (Note 16)	<b>(40,560)</b>	(24,685)
	<b>974,907</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 (unaudited)  
for the six-month period ended 30 June 2025 (continued)**

**10. Islamic customers' deposits**

	<b>30 June 2025 AED'000 (unaudited)</b>	31 December 2024 AED'000 (audited)
Current accounts	4,925,558	4,356,089
Mudaraba deposits:		
<i>Savings accounts</i>	516,471	468,233
<i>Term deposits</i>	31,289	25,700
Wakala deposits	13,906,291	12,747,429
Escrow accounts	494,973	386,266
Margin accounts	102,509	77,850
	<b>19,977,091</b>	<b>18,061,567</b>

**11. Other liabilities**

	<b>30 June 2025 AED'000 (unaudited)</b>	31 December 2024 AED'000 (audited)
Accrued profit on Islamic customers' deposits and placements by banks	340,771	332,876
Provisions for staff salaries and benefits	25,832	39,084
Managers' cheques	172,300	120,095
Acceptances (Note 9)	25,125	5,797
Lease liability	13,572	12,446
Provision for income tax (Note 24)	59,613	39,129
Deferred tax liabilities (Note 24)	10,335	5,526
Impairment loss allowance on financial commitments and financial guarantees (Note 16)	8,798	8,842
Other	145,881	137,525
	<b>802,227</b>	<b>701,320</b>

**12. Share capital**

	<b>30 June 2025 AED'000 (unaudited)</b>	31 December 2024 AED'000 (audited)
<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 (unaudited)  
for the six-month period ended 30 June 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 30 June 2025, the Market Maker held 30,397,655 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 30 June 2025 and 31 December 2024. During the six-month period ended 30 June 2025, AED 4 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 30 June</b>		<b>Six-month period ended 30 June</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
Income from Ijarah	<b>121,859</b>	154,974	<b>241,641</b>	299,883
Income from Murabaha	<b>112,925</b>	115,290	<b>216,511</b>	252,834
Income from Wakala	<b>45,857</b>	27,825	<b>76,610</b>	54,228
Income from Istisna	-	-	-	3
	<b>280,641</b>	298,089	<b>534,762</b>	606,948

**Notes to the condensed consolidated interim financial information (unaudited)  
for the six-month period ended 30 June 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 six-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 30 June 2024 AED'000</b>
Islamic financing and investing assets with banks and other financial institutions	7,533	6,151	-	13,684	(1,302)
Islamic financing and investing assets (Note 7)	846,343	(71,631)	(41,825)	732,887	13,877
Islamic investment securities at amortised cost	-	-	-	-	(2,012)
Islamic investment securities at FVTOCI	9,353	2,179	-	11,532	1,493
Other Islamic financial assets (Note 9)	24,685	7,702	8,173	40,560	(1,396)
Financial commitments and financial guarantees (Note 11)	8,842	(44)	-	8,798	(2,363)
<b>Total</b>	<b>896,756</b>	<b>(55,643)</b>	<b>(33,652)</b>	<b>807,461</b>	<b>8,297</b>

**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 30 June 2025 (unaudited)</b>		<b>Six-month period ended 30 June 2025 (unaudited)</b>	
		<b>2024 (unaudited)</b>		<b>2024 (unaudited)</b>
<b>Basic earnings per share</b>				
Net profit for the period (AED'000)	110,416	108,139	245,095	215,562
Weighted average number of ordinary shares in issue	2,689,791	2,691,010	2,691,062	2,691,010
<b>Basic and diluted earnings per share (AED)</b>	<b>0.041</b>	<b>0.040</b>	<b>0.091</b>	<b>0.080</b>

There were no potentially dilutive shares as at 30 June 2025 and 30 June 2024.

**Notes to the condensed consolidated interim financial information (unaudited)  
for the six-month period ended 30 June 2025 (continued)**

**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.

Transactions with related parties are shown below:

	Six-month period ended					
	30 June 2025 (unaudited)			30 June 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	<b>151,559</b>	<b>3,395</b>	<b>154,954</b>	146,648	3,983	150,631
Income from Islamic financing and investing assets	<b>2,297</b>	<b>8,404</b>	<b>10,701</b>	2,689	5,218	7,907

During the period ended 30 June 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:

	30 June 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	<b>195,550</b>	<b>312,126</b>	<b>507,676</b>	209,395	335,337	544,732
Customers' deposits	<b>6,516,056</b>	<b>270,045</b>	<b>6,786,101</b>	6,241,218	184,883	6,426,101

**Notes to the condensed consolidated interim financial information (unaudited)  
for the six-month period ended 30 June 2025 (continued)**

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

*Compensation of key management personnel*

Key management compensation is as shown below:

	<b>Six-month period ended 30 June</b>	
	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
	<b>(unaudited)</b>	(unaudited)
Short term employment benefits	<b>12,775</b>	6,440
Terminal benefits	<b>266</b>	269
	<b>13,041</b>	6,709

**19. Contingencies and commitments**

*19.1 Capital commitments*

At 30 June 2025, the Group had outstanding capital commitments of AED 94 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>30 June 2025</b>	31 December 2024
	<b>AED'000</b>	AED'000
	<b>(unaudited)</b>	(audited)
Commitments to extend credit	<b>351,753</b>	-
Letters of credit	<b>99,552</b>	34,643
Letters of guarantee	<b>944,957</b>	441,277
	<b>1,396,262</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.

**Notes to the condensed consolidated interim financial information (unaudited)  
for the six-month period ended 30 June 2025 (continued)****19. Contingencies and commitments (continued)***19.3 Legal claims (continued)*

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.

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 (unaudited)  
for the six month period ended 30 June 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>Six-month period ended 30 June 2025 (unaudited)</b>					
Net income/(loss) from Islamic financing and investing assets	<b>111,933</b>	<b>110,777</b>	<b>(40,047)</b>	-	<b>182,663</b>
Income from Islamic investment securities	-	-	<b>86,653</b>	-	<b>86,653</b>
(Provision for)/write back of provision of expected credit loss on financial assets	<b>16,840</b>	<b>40,981</b>	<b>(2,178)</b>	-	<b>55,643</b>
Fees, commissions and other income	<b>26,357</b>	<b>42,224</b>	<b>57,369</b>	<b>3,948</b>	<b>129,898</b>
Staff costs	<b>(78,897)</b>	<b>(44,807)</b>	<b>(6,571)</b>	<b>(2,806)</b>	<b>(133,081)</b>
General and administrative expenses and depreciation of property and equipment	<b>(34,832)</b>	<b>(17,463)</b>	<b>(2,749)</b>	<b>(1,152)</b>	<b>(56,196)</b>
Income tax expense	<b>(1,618)</b>	<b>(11,728)</b>	<b>(7,139)</b>	-	<b>(20,485)</b>
<b>Operating profit/(loss) (unaudited)</b>	<b>39,783</b>	<b>119,984</b>	<b>85,338</b>	<b>(10)</b>	<b>245,095</b>
<b>Six-month period ended 30 June 2024 (unaudited)</b>					
Net income/(loss) from Islamic financing and investing assets	128,611	149,066	(55,606)	-	222,071
Income from Islamic investment securities	-	9,254	71,193	-	80,447
(Provision for)/ write back of provision of expected credit loss on financial assets	(23,827)	14,971	559	-	(8,297)
Fees, commissions and other income	20,276	88,318	17,019	-	125,613
Staff costs	(79,419)	(46,028)	(3,496)	-	(128,943)
General and administrative expenses and depreciation of property and equipment	(37,972)	(18,794)	(1,430)	-	(58,196)
Income tax expense	(1,270)	(13,160)	(2,703)	-	(17,133)
<b>Operating profit (unaudited)</b>	<b>6,399</b>	<b>183,627</b>	<b>25,536</b>	<b>-</b>	<b>215,562</b>

**Notes to the condensed consolidated interim financial information (unaudited)  
for the six month period ended 30 June 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 30 June 2025</b>					
<b>Segment assets (unaudited)</b>	<b>5,429,268</b>	<b>12,327,080</b>	<b>6,955,269</b>	<b>1,921,489</b>	<b>26,633,106</b>
<b>Segment liabilities (unaudited)</b>	<b>12,735,916</b>	<b>7,752,343</b>	<b>2,134,861</b>	<b>786,028</b>	<b>23,409,148</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 (unaudited)  
for the six-month period ended 30 June 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:

	30 June 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)	
<b>Tier 1 capital</b>			
Share capital	2,723,500	2,723,500	
Reserves	458,079	213,805	
	<b>3,181,579</b>	<b>2,937,305</b>	
<b>Tier 2 capital</b>			
General provision and fair value reserve	227,103	185,815	
	<b>3,408,682</b>	<b>3,123,120</b>	
<b>Risk weighted assets</b>			
Credit risk	18,168,274	14,865,025	
Market risk	143,360	86,777	
Operational risk	1,403,622	1,400,108	
	<b>19,715,256</b>	<b>16,351,910</b>	
	Minimum requirement	Capital ratios 30 June 2025 (unaudited)	Capital ratios 31 December 2024 (audited)
<b>Capital element</b>			
Common equity tier 1 (CET 1) ratio	7%	16.14%	17.96%
Tier 1 capital ratio	8.5%	16.14%	17.96%
Capital adequacy ratio	10.5%	17.29%	19.10%
CET1 available for the buffer requirement	2.5%	6.79%	8.60%

**Notes to the condensed consolidated interim financial information (unaudited)  
for the six-month period ended 30 June 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>30 June 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	3,060,522	-	-	3,060,522
Islamic financing and investing assets with banks and other financial institutions	3,020,552	-	-	3,020,552
Islamic financing and investing assets	12,791,858	1,185,550	1,580,597	15,558,005
Islamic investment securities at FVTOCI*	3,796,519	25,542	-	3,822,061
Other Islamic financial assets	429,613	5,055	44,627	479,295
Financial commitments and financial guarantees (off balance sheet exposures)	1,343,645	24,168	28,449	1,396,262
<b>Total maximum exposure</b>	<b>24,442,709</b>	<b>1,240,315</b>	<b>1,653,673</b>	<b>27,336,697</b>
<b>Expected credit loss allowance (Note 16)</b>	<b>(150,064)</b>	<b>(198,623)</b>	<b>(458,774)</b>	<b>(807,461)</b>
<b>Total</b>	<b>24,292,645</b>	<b>1,041,692</b>	<b>1,194,899</b>	<b>26,529,236</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
Islamic financing and investing assets with 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 (unaudited)  
for the six-month period ended 30 June 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 (unaudited)  
for the six-month period ended 30 June 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 30 June 2025 (Unaudited)</b>				
<b>Financial assets</b>				
Islamic investments securities at fair value	3,956,158	-	117,615	4,073,773
Positive fair value of Islamic derivative financial instruments*	7,141	-	-	7,141
	<u>3,963,299</u>	<u>-</u>	<u>117,615</u>	<u>4,080,914</u>
<b>Financial liabilities</b>				
Negative fair value of Islamic derivative financial instruments*	388	-	-	388
	<u>388</u>	<u>-</u>	<u>-</u>	<u>388</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 0.8 billion as at 30 June 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 (unaudited)  
for the six-month period ended 30 June 2025 (continued)**

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

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

	<b>30 June 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 gain/(loss)	<b>2,904</b>	(38,136)
Disposals during the period/year	<b>(10,096)</b>	(10,000)
<b>Balance at the end of the period/year</b>	<b>117,615</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**

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance (“MoF”) released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law (“CT Law”) to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023. As the Group’s accounting year ends on 31 December, the first tax return will be filed on or before 30 September 2025. The taxable income of the entities that are in scope for UAE CT purposes will be subject to the rate of 9% corporate tax.

The tax charge for period ended 30 June 2025 is AED 20.5 million (30 June 2024: AED 17.1 million), representing an Effective Tax Rate (“ETR”) of 7.7% (30 June 2024: 7.4%) and deferred taxation liability arising from investment securities amounting AED 4.8 million (30 June 2024: nil).

The UAE Ministry of Finance (“MOF”) recently issued Cabinet Decision No. 142 of 2024 to introduce the UAE Pillar Two GLoBE rules, effective from January 1, 2025. However, the Group is not within the scope of this regulation, as it did not meet the criteria for Pillar Two.

**Notes to the condensed consolidated interim financial information (unaudited)  
for the six-month period ended 30 June 2025 (continued)**

**25. Sukuk under issuance**

During the period ended 30 June 2025, the 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. On 30 April 2025, the Bank issued below Sukuk as first drawdown:

	<b>Expected annual profit rate</b>	<b>Maturity</b>	<b>Currency</b>	<b>Face value (million)</b>	<b>30 June 2025 AED'000 (unaudited)</b>	<b>31 December 2024 AED'000 (audited)</b>
Sukuk issued by the Bank	5.125%	April 2030	USD	500	1,815,466	-

*(Listed on Nasdaq Dubai and the London Stock Exchange)*

**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 22 July 2025.

**27. Subsequent events**

On 10 July 2025, subsequent to the period end, the percentage of ownership by the Ajman Government in the group increased from 28.4347% to 31.1477%. This change in ownership does not affect the financial position or results of operations for the period ended 30 June 2025.