ANNUAL INTEGRATED REPORT 2024

مصرف عجمان
Ajman Bank

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Inspiring Shari'ah Values | قيمنا مستمدة من الشريعة السمحاء

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Ajman Bank PJSC

Report and consolidated financial statements
For the year ended 31 December 2024

These audited consolidated financial statements are subject to Central Bank of UAE approval and adoption by shareholders at the Annual General Meeting.

BOARD OF DIRECTORS' REPORT

The Board of Directors has pleasure in submitting their report and the audited consolidated financial statements for the year ended 31 December 2024.

Incorporation and registered offices

Ajman Bank PJSC was incorporated as a Public Joint Stock Company listed on Dubai Financial Market. The registered address of the Bank is P.O. Box 7770, Ajman, United Arab Emirates. The Bank was legally incorporated on 17 April 2008 and was registered with the Securities and Commodities Authority 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.

The Bank and its subsidiary (Skyrise Properties (S.P.S - L.L.C)), which was incorporated by the Bank on 19 January 2024 to undertake the activities of real estate brokerage and property management services, form the "Group" and are together referred to as the "Group".

Principal activities

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.

Basis of preparation of consolidated financial statements

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and the applicable requirements of United Arab Emirates laws, including the UAE Federal Decree Law No. 32 of 2021 and Decretal Federal Law No.14 of 2018.

Financial commentary

The Group's results for the year 2024 showed strong financial performance as follows:

- Profit before tax is AED 440 million and profit after tax increased to AED 401 million for the year 2024 (respectively up by 213% and up by 203%) as compared to net loss for the year 2023 amounting AED 390 million.
- Total equity of the Group increased to AED 3.1 billion (up by 16%) as compared to AED 2.7 billion in 2023 which reflected positively on capital adequacy ratio (CAR) of the Bank which is 19.10% (improved by 348 basis points) as compared to 15.62% in 2023.
- Provision for expected credit losses (including impairment of associate and non-financial assets) decreased from AED 878 million in 2023 to AED 73 million of write-back of expected credit losses of in 2024 (down by 108%) supported by successful resolution of 31% of the non-performing exposure. This also help the bank to recover 19.3% of stage 3 provision, ECL coverage ratio doubled from 1.0% to 2.1%.
- The bank continued to diversify its portfolio bringing the risk based real estate concentration down by 7.3%, while increasing exposure to high quality assets
- General and administrative expenses amounted to AED 118 million (down by 15%) compared to AED 124 million in the year 2023.

- Total assets of the Group amounted to AED 22.8 billion and total liabilities amounted to AED 19.7 billion as at 31 December 2024.
- Islamic financing and investing assets (including due from banks and other financial institutions) stood at AED 15.4 billion and Islamic customers' deposits (including due to banks and other financial institutions) are AED 19.0 billion.

Board of Directors

The following are the Directors of the Group as at 31 December 2024:

H.H. Sheikh Ammar Bin Humaid Bin Rashed Al Nuaimi	Chairman
H.H Sheikh Rashed Bin Humaid Bin Rashed Al Nuaimi	Vice Chairman
Mr. Abdulla Mohammed Hassan Mohammed Al Hosani	Board Member
Mr. Mahmood Khaleel Ahmed Al Sayed Al Hashmi	Board Member
Mr. Faisal Hassan Ibrahim Galadari	Board Member
Mr. Ali Rashed Humaid Al Mazroei	Board Member
Mrs. Sarah Ahmed Abdulrahman Aljarman	Board Member

Auditors

The consolidated financial statements for the year ended 31 December 2024 have been audited by Deloitte & Touche (M.E.).

By order of the Board of Directors

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H.H. Sheikh Ammar Bin Humaid Bin Rashed Al Nuaimi

Chairman

22 January 2025

Ajman Bank PJSC

Independent auditor's report and consolidated financial statements
For the year ended 31 December 2024

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Deloitte & Touche (M.E.)
Building 2, Level 3
Emaar Square
Downtown Dubai
P.O. Box 4254
Dubai
United Arab Emirates

Tel: +971 (0) 4 376 8888
Fax:+971 (0) 4 376 8899
www.deloitte.com

INDEPENDENT AUDITOR'S REPORT

The Shareholders
Ajman Bank PJSC
Ajman
United Arab Emirates

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Ajman Bank PJSC ("the Bank") and its subsidiary (together "the Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") together with the other ethical requirements that are relevant to our audit of the Group's consolidated financial statements in United Arab Emirates, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deloitte.

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Ajman Bank PJSC (continued)

Key Audit Matters (continued)

Key audit matter	**How our audit address the key audit matter**
Allowance for expected credit loss on Islamic financing and investing assets	
The Group's Islamic financing and investing assets are carried in the consolidated statement of financial position at AED 13 billion as at 31 December 2024. The expected credit loss ("ECL") allowance was AED 846 million as at this date, which comprised an allowance of AED 368 million against Stage 1 and 2 exposures and an allowance of AED 478 million against exposures classified under Stage 3. The audit of the impairment of Islamic financing and investing assets is a key area of focus because of its size (representing 57% of total assets) and due to the significance and complexity of the estimates and judgments, which were used in classifying Islamic financing and investing assets into various stages and determining the ECL allowance. Accordingly this is considered a key audit matter. The consolidated financial statement risk arises from several aspects requiring substantial judgement of management, such as the estimation of probabilities of default and loss given defaults for various stages such as the determination of significant increases in credit risk (SICR) and credit-impairment status (default), the use of different modelling techniques and consideration of manual adjustments. The corporate portfolio of Islamic Financing and Investing assets is assessed individually for significant increase in credit risk ("SICR") and measurement of ECL. This requires management to capture all qualitative and quantitative reasonable and supportable information while assessing SICR, or while assessing credit-impaired criteria for the exposure. Management judgement is also applied in manually overriding stages in accordance with the Group's policies.	We obtained a detailed understanding of the Group's Islamic financing and investing assets business processes including the critical accounting estimates and judgments used by management. This understanding enabled us to perform audit procedures on the computation and reasonableness/appropriateness of the ECL models. We have involved our subject matter experts to assist us in auditing the relevant ECL models as at 31 December 2024. We assessed the relevant controls in the abovementioned business process to determine if they were appropriately designed and implemented. We understood and evaluated the relevant ECL models by involving our subject matter experts to determine if they were in compliance with the requirements of IFRS Accounting Standards. We tested the mathematical integrity of the relevant ECL models by performing recalculations on a sample basis. We assessed the consistency of various inputs and assumptions used by the Group's management to determine impairment. For allowances against exposures classified as Stage 1 and Stage 2, we obtained an understanding of the Group's methodology to determine the allowance, assessed the underlying relevant assumptions and the sufficiency of the data used by management. We assessed the Group's determination of SICR and the resultant basis for classification of exposures into various stages. For samples of exposures, we assessed the Group's staging criteria, including the basis for movement between stages. Furthermore, we evaluated post – model adjustment and management overlay. We selected samples of Islamic financing and investing assets and assessed the accuracy of the EAD, appropriateness of the PD and calculations of the LGD used by management in their ECL calculations and verified the integrity of data used as inputs to the models for these samples.

Deloitte.

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Ajman Bank PJSC (continued)

Key Audit Matters (continued)

Key audit matter	**How our audit address the key audit matter**
Allowance for expected credit loss on Islamic financing and investing assets (continued)	
The measurement of ECL for exposures classified as Stage 1 and Stage 2 are carried out by the models with limited manual intervention. However, it is important that models and its parameters (Probability of Default (PD), Loss Given Default (LGD), Exposure at Default (EAD) and macroeconomic adjustments) are valid throughout the reporting period and are subject to a validation process. The exposures are classified as impaired as soon as there is doubt about the borrower's ability to meet payment obligations to the Group in accordance with the original contractual terms. Impaired Islamic financing and investing assets for the corporate portfolio are measured on the basis of the present value of expected future cash flows including observable market prices and the fair value of the collateral. The impairment loss is calculated based on the shortfall in the Islamic financing and investing assets carrying value compared to the net present value of future cash flows using the original effective profit rate. The factors considered when determining impairment losses on individually assessed accounts include the customer's aggregate borrowings, risk rating, value of the collateral and probability of successful repossession and the costs involved to recover the debts. Refer to note 4 to the consolidated financial statements for the accounting policy, note 5 for critical judgements and estimates and note 6 for disclosures on credit risk.	For exposures determined to be individually impaired i.e. stage 3, we tested samples of Islamic financing and investing assets and assessed management's estimates of future cash flows and the resultant allowance calculations. We challenged the assumptions underlying the expected credit loss allowance calculations, such as estimated credit risk mitigation through discounted cash flows including collateral and estimates of recovery as well as considered the consistency of the Group's application of its provisioning policy. We also assessed the relevant disclosures in the consolidated financial statements to determine if they were in compliance with the requirements of IFRS Accounting Standards.

Deloitte.

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Ajman Bank PJSC (continued)

Other Information

Management is responsible for the other information. The other information comprises the Board of Directors' report which we obtained prior to the date of this auditors' report and the Fatwa and Sharia Supervision Board's report which is expected to be made available to us after that date. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining information of the annual report of the Group, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Other Matter

The financial statements of the Group for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 14 February 2024.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Deloitte.

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Ajman Bank PJSC (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law and regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the UAE Federal Decree Law No. (32) of 2021, we report that for the year ended 31 December 2024:

- we have obtained all the information we considered necessary for the purposes of our audit;
- the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021;
- the Bank has maintained proper books of account;
- the financial information included in the Directors' report is consistent with the Bank's books of account;
- note 13 to the financial statements of the Bank discloses its investments in shares during the financial year ended 31 December 2024;

  note 31 to the financial statements of the Bank discloses material related party transactions, the terms under which they were conducted and principles of managing conflict of interests;
- note 35 to the financial statements discloses social contributions made during the financial year ended 31 December 2024; and
- based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Bank has contravened during the financial year ended 31 December 2024 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 or of its Articles of Association which would materially affect its activities or its financial position as at 31 December 2024.

Further, as required by Article (114) of the Decretal Federal Law No. (14) of 2018, we report that we have obtained all the information and explanations we considered necessary for the purpose of our audit.

Deloitte & Touche (M.E.)

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

Consolidated statement of financial position as at 31 December 2024

	Notes	2024 AED'000	2023 AED'000
ASSETS			
Cash and balances with the Central Bank	9	**2,459,522**	4,467,728
Due from banks and other financial institutions	10	**2,400,828**	1,714,027
Islamic financing and investing assets, net	11	**12,959,402**	13,775,993
Islamic investment securities at amortised cost	12	**-**	263,029
Islamic investment securities at fair value	13	**3,694,208**	2,781,228
Investment properties	14	**391,545**	385,755
Property and equipment	15	**136,414**	125,787
Other Islamic assets	16	**812,429**	1,421,985
Total assets		**22,854,348**	24,935,532
LIABILITIES AND EQUITY			
Liabilities			
Islamic customers' deposits	17	**18,061,567**	19,724,748
Due to banks and other financial institutions	18	**979,651**	1,604,754
Other liabilities	19	**701,320**	931,078
Total liabilities		**19,742,538**	22,260,580
Equity			
Share capital	20	**2,723,500**	2,723,500
Treasury shares	20	**(34,478)**	(27,675)
Statutory reserve	21	**277,753**	253,676
Investment fair value reserve		**(218,075)**	(276,735)
General impairment reserve	22	**-**	60,835
Retained earnings / (accumulated losses)		**363,110**	(58,649)
Total equity		**3,111,810**	2,674,952
Total liabilities and equity		**22,854,348**	24,935,532

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the consolidated financial statements present fairly, in all material respects, the financial position, financial performance and cash flows of the Group.

H.H. Sheikh Ammar Bin Humaid Al Nuaimi
Chairman

Mustafa Al Khalfawi
Chief Executive Officer

Consolidated statement of profit or loss for the year ended 31 December 2024

	Notes	2024 AED'000	2023 AED'000
Operating income			
Income from Islamic financing and investing assets	23	**1,172,374**	1,210,033
Income from Islamic investment securities	24	**138,072**	169,756
Fees, commission and other income	25	**190,708**	179,982
Total operating income before depositors' share of profit		**1,501,154**	1,559,771
Depositors' share of profits		**(764,947)**	(702,245)
Net operating income		**736,207**	857,526
Expenses			
Staff costs	26	**(251,410)**	(245,583)
General and administrative expenses	27	**(94,820)**	(95,878)
Depreciation of property and equipment	15	**(23,438)**	(28,520)
Impairment of associates		**-**	(88,703)
Write-back of / (provision for) expected credit losses on financial assets	28	**73,240**	(730,018)
Impairment loss on non-financial assets		**-**	(59,183)
Total expenses		**(296,428)**	(1,247,885)
Profit/(loss) before tax		**439,779**	(390,359)
Income tax expense	37	**(39,129)**	-
Profit/(loss) for the year		**400,650**	(390,359)
Basic and diluted earnings/(loss) per share (AED)	29	**0.163**	(0.153)

The accompanying notes 1 to 38 form an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income
for the year ended 31 December 2024

	2024 **AED'000**	2023 AED'000
Profit/(loss) for the year	**400,650**	(390,359)
Other comprehensive income/(loss):		
Items that will not be reclassified subsequently to the statement of profit or loss		
Fair value gain on equity securities at FVTOCI, net of current taxes	**1,893**	15,402
	1,893	15,402
Items that will be reclassified subsequently to the statement of profit or loss		
Fair value gain on Sukuk investment securities at FVTOCI, net of deferred taxes	**60,655**	50,189
Reclassification to the consolidated statement of profit or loss	**(3,549)**	(2,542)
	57,106	47,647
Other comprehensive income for the year	**58,999**	63,049
Total comprehensive income/(loss) for the year	**459,649**	(327,310)

The accompanying notes 1 to 38 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity
for the year ended 31 December 2024

	Share capital AED'000	Treasury shares AED'000	Statutory reserve AED'000	Investment fair value reserve AED'000	General impairment reserve AED'000	(Accumulated losses) retained earnings AED'000	Total AED'000
At 1 January 2023	2,100,000	-	286,331	(334,393)	105,810	357,329	2,515,077
Loss for the year	-	-	-	-	-	(390,359)	(390,359)
Other comprehensive income	-	-	-	63,049	-	-	63,049
Total comprehensive income (loss) for the year	-	-	-	63,049	-	(390,359)	(327,310)
Issuance of share capital (Note 20)	550,000	-	-	-	-	-	550,000
Issuance cost of share capital (Note 20)	-	-	-	-	-	(2,485)	(2,485)
Issuance of stock dividends (Note 20)	73,500	-	-	-	-	(73,500)	-
Treasury shares (Note 20)	-	(27,675)	(32,655)	-	-	-	(60,330)
Transfer on disposal of equity instruments at FVTOCI	-	-	-	(5,391)	-	5,391	-
Transfer from general impairment reserve (Note 22)	-	-	-	-	(44,975)	44,975	-
At 31 December 2023	2,723,500	(27,675)	253,676	(276,735)	60,835	(58,649)	2,674,952
Profit for the year	-	-	-	-	-	400,650	400,650
Other comprehensive income	-	-	-	58,999	-	-	58,999
Total comprehensive income for the year	-	-	-	58,999	-	400,650	459,649
Treasury shares (Note 20)	-	(6,803)	(15,988)	-	-	-	(22,791)
Transfer on disposal of equity instruments at FVTOCI	-	-	-	(339)	-	339	-
Transfer to statutory reserve (Note 21)	-	-	40,065	-	-	(40,065)	-
Transfer from general impairment reserve (Note 22)	-	-	-	-	(60,835)	60,835	-
At 31 December 2024	**2,723,500**	**(34,478)**	**277,753**	**(218,075)**	**-**	**363,110**	**3,111,810**

The accompanying notes 1 to 38 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows
for the year ended 31 December 2024

	Notes	2024 AED'000	2023 AED'000
Cash flows from operating activities			
Profit/(loss) before tax for the year		**439,779**	(390,359)
Adjustments for:			
Depreciation of property and equipment	15	**23,438**	28,520
Amortisation of discount on Islamic investment securities at amortised cost		**(187)**	(106)
(Write-back of) / provision for credit loss expense on financial assets	28	**(73,240)**	730,018
Income from Islamic investment securities		**(120,748)**	(165,018)
Write-off of property and equipment		**-**	446
Impairment loss on non-financial assets		**-**	59,183
Fair value gain on investment properties	14	**(3,700)**	(24)
Realized gain on disposal of Islamic investment securities		**(8,940)**	(4,620)
Impairment of associates		**-**	88,703
Gain on disposal of property and equipment		**-**	(7,130)
Operating cash flows before changes in operating assets and liabilities		**256,402**	339,613
Changes in operating assets and liabilities:			
Islamic financing and investing assets		**598,523**	(1,411,541)
Due from banks and other financial institutions		**(126,866)**	297,738
Statutory deposit with the Central Bank		**(212,425)**	(241,882)
International Murabahat with the Central Bank		**1,500,000**	(1,220,000)
Other Islamic assets		**610,022**	(198,713)
Islamic customers' deposits		**(1,663,181)**	3,392,772
Due to banks and other financial institutions		**(625,103)**	(387,019)
Other liabilities		**16,116**	211,477
Net cash generated from operating activities		**353,488**	782,445
Cash flows from investing activities			
Purchase of Islamic investment securities		**(1,387,090)**	(620,251)
Proceeds from sale of Islamic investment securities		**794,287**	104,984
Purchase of property and equipment	15	**(34,065)**	(31,081)
Proceeds from disposal of property and equipment		**-**	10,539
Profit income on Islamic investment securities		**134,300**	126,362
Additions to investment properties	14	**(2,090)**	(4,667)
Net cash used in investing activities		**(494,658)**	(414,114)
Cash flows from financing activities			
Issuance of share capital		**-**	550,000
Issuance cost of share capital		**-**	(2,485)
Treasury shares		**(22,791)**	(60,330)
Net cash (used in)/generated from financing activities		**(22,791)**	487,185
Net (decrease)/increase in cash and cash equivalents		**(163,961)**	855,516
Cash and cash equivalents as at 1 January		**1,981,413**	1,125,897
Cash and cash equivalents as at 31 December	30	**1,817,452**	1,981,413

The accompanying notes 1 to 38 form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements
For the year ended 31 December 2024

1. General information

Ajman Bank PJSC (the "Bank") was incorporated as a Public Joint Stock Company listed on Dubai Financial Market. 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 nine branches and three pay offices in the UAE. The consolidated financial statements combine the activities of the Bank's head office and its branches.

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 consolidated financial statements combines the activities of the Bank's head office, its branches and its subsidiary as disclosed below.

The Bank and its following subsidiary, which was incorporated by the Bank on 19 January 2024, form the "Group" and are together referred to as the "Group" in these consolidated financial statements. The subsidiary included in these consolidated financial statements, its principal activities and legal and beneficial ownership are set out below:

Name of Subsidiary	**Ownership interest**		**Country of incorporation**	**Principal activities**
	2024	2023		
Skyrise Properties (S.P.S - L.L.C)	**100%**	-	UAE	Real estate brokerage and property management services

2. Application of new and revised IFRS Accounting Standards

2.1 New and revised IFRS Accounting Standards applied on the consolidated financial statements

The following new and revised IFRS Accounting Standards, which became effective for annual periods beginning on or after 1 January 2024, have been adopted in these financial statements. The application of these revised IFRS Accounting Standards 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 1 Presentation of Financial Statements relating to classification of liabilities as current or non-current;
- Amendments to IFRS 16 Leases relating to lease liability in a sale and leaseback transaction;
- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information; and
- IFRS S2 Climate Related Disclosures.

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.

New and revised IFRS Accounting Standards	Effective for annual periods beginning on or after
Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* relating to Lack of Exchangeability	01 January 2025
IFRS 18 *Presentation and Disclosures in Financial Statements*	01 January 2027
Amendment to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* 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 financial statements for the period of initial application and adoption of these new standards, interpretations and amendments may have no material impact on the financial statements of the Bank in the period of initial application.

3. Definitions

The following terms are used in the consolidated financial statements with the meaning specified:

Murabaha

Murabaha in banking practice is a contract whereby the Group (the "Seller") sells an asset to its customer (the "Purchaser"), on a deferred payment basis, after purchasing the asset and gaining possession thereof and title thereto, where the Seller has purchased and acquired that asset, based on a promise received from the Purchaser to buy the asset once purchased according to specific Murabaha terms and conditions. The Murabaha sale price comprises the cost of the asset and a pre-agreed profit amount. Murabaha profit is internally accounted for on a time-apportioned basis over the period of the contract based on the principal amount outstanding. The Murabaha sale price is paid by the Purchaser to the Seller on an installment basis over the period of the Murabaha as stated in the contract.

Wakala

Wakala is an agreement between two parties whereby one party is a fund provider (the "Muwakkil") who provides a certain amount of money (the "Wakala Capital") to an agent (the "Wakeel"), who invests the Wakala Capital in a Shariah compliant manner and according to the feasibility study or investment plan submitted to the Muwakkil by the Wakeel. The Wakeel is entitled to a fixed fee (the "Wakala Fee") as a lump sum amount or a percentage of the Wakala Capital. The Wakeel may be granted any excess over and above a certain pre-agreed rate of return as a performance incentive. In principle the Wakala profit is distributed on declaration or distribution by the Wakeel. However, since the Wakala profit is always reliably estimated it is internally distributed on a time-apportioned basis over the Wakala tenure based on the Wakala Capital outstanding. The Wakeel would bear the loss in case of its misconduct, negligence or violation of any of the terms and conditions of the Wakala Agreement; otherwise the loss would be borne by the Muwakkil, provided the Muwakkil receives satisfactory evidence that such loss was due to force majeure and that the Wakeel neither was able to predict the same nor could have prevented the negative consequences of the same on the Wakala. Under the Wakala agreement the Group may act either as Muwakkil or as Wakeel, as the case may be.

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

3. Definitions (continued)

Istisna’

Istisna’ is a sale contract between two parties whereby the Group (the “Sani” or “Seller”) undertakes to construct, for its customer (the “Mustasni” or “Purchaser”), a specific asset or property (being “Al-Masnoo”) according to certain pre-agreed specifications to be delivered during a pre-agreed period of time in consideration of a pre-determined price, which comprises the cost of construction and a profit amount. The work undertaken is not restricted to be accomplished by the Sani’ alone and the whole or part of the construction or development can be undertaken by third parties under the control and responsibility of the Sani’. Under an Istisna’ contract, the Group could be the Sani’ or the Mustasni’. Istisna’a profit (difference between the sale price of Al-Masnoo to the customer and the Group’s total Istisna’a cost) is internally accounted for on a time-apportioned basis over the period of the contract based on the principal amount outstanding.

Mudaraba

Mudaraba is a contract between two parties whereby one party is a fund provider (the “Rab Al Mal”) who would provide a certain amount of funds (the “Mudaraba Capital”), to the other party (the “Mudarib”). Mudarib would then invest the Mudaraba Capital in a specific enterprise or activity deploying its experience and expertise for a specific pre-agreed share in the resultant profit, if any. The Rab Al Mal is not involved in the management of the Mudaraba activity. In principle the Mudaraba profit is distributed on declaration or distribution by the Mudarib. However, since the Mudaraba profit is always reliably estimated it is internally distributed on a time-apportioned basis over the Mudaraba tenure based on the Mudaraba Capital outstanding. The Mudarib would bear the loss in case of its misconduct, negligence or violation of any of the terms and conditions of the Mudaraba contract; otherwise the loss would be borne by the Rab Al Mal, provided the Rab Al Mal receives satisfactory evidence that such loss was due to force majeure and that the Mudarib neither was able to predict the same nor could have prevented the negative consequences of the same on the Mudaraba. Under the Mudaraba contract the Group may act either as Mudarib or as Rab Al Mal, as the case may be.

Musharaka

Musharaka is an agreement between the Group and its customer, whereby both parties contribute towards the capital of the Musharaka (the “Musharaka Capital”). The Musharaka Capital may be contributed in cash or in kind, as valued at the time of entering into the Musharaka. The subject of the Musharaka may be a certain investment enterprise, whether existing or new, or the ownership of a certain property either permanently or according to a diminishing arrangement ending up with the acquisition by the customer of the full ownership. The profit is shared according to a pre-agreed profit distribution ratio as stipulated under the Musharaka agreement. In principle Musharaka profit is distributed on declaration or distribution by the managing partner. However, since the Musharaka profit is always reliably estimated, it is internally distributed on a time-apportioned basis over the Musharaka tenure based on the Musharaka Capital outstanding. Whereas the loss, if any, is shared in proportion to their capital contribution ratios, provided in the absence of the managing partner’s negligence, breach or default, the Group receives satisfactory evidence that such loss was due to force majeure and that the managing partner neither was able to predict the same nor could have prevented the negative consequences of the same on the Musharaka.

Ijarah

Ijarah is an agreement whereby the Group (the “Lessor”) leases an asset to its customer (the “Lessee”) (after purchasing or acquiring the specified asset, either from a third party seller or from the customer itself, according to the customer’s request and based on his promise to lease), against certain rental payments for specific lease term or periods, payable on fixed or variable rental basis.

3. Definitions (continued)

Ijarah (continued)

The Ijarah agreement specifies the leased asset, duration of the lease term, as well as, the basis for rental calculation and the timing of rental payment. The Lessee undertakes under this agreement to renew the lease periods and pay the relevant rental payment amounts as per the agreed schedule and applicable formula throughout the lease term.

The Lessor retains the ownership of the asset throughout the lease term. At the end of the lease term, upon fulfillment of all the obligations by the Lessee under the Ijarah agreement, the Lessor will sell the leased asset to the Lessee at nominal value based on a sale undertaking given by the Lessor.

Ijarah rentals accrue upon the commencement of the lease and continues throughout the lease term based on the outstanding fixed rentals (which predominantly represent the cost of the leased assets).

Sukuk

Sukuk are certificates of equal value representing undivided shares in ownership of tangible assets, usufruct and services or (in the ownership of) the assets of particular projects or special investment activity. The Group may invest in Sukuk in the secondary market or participate in new Sukuk or issue Sukuk.

4. Material accounting policy information

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards and the applicable requirements of United Arab Emirates laws, including the UAE Federal Decree Law No. 32 of 2021 and Decretal Federal Law No.14 of 2018.

(b) Basis of preparation

The consolidated financial statements of the Group have been prepared on the historical cost basis except for certain financial instruments and investment properties that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for assets, goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account when pricing the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value such as value in use in IAS 36.

4. Material accounting policy information (continued)

(b) Basis of preparation (continued)

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than that quoted prices included within Level 1, that are observable for the asset or liability either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

The consolidated financial statements are presented in Arab Emirates Dirham (AED) and all values are rounded to the nearest thousands dirham, except when otherwise indicated.

The principal accounting policies are set out below:

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, unrestricted balances held with central and other banks and highly liquid financial assets with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of change in their fair value, and are used by the Group in the management of its short term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

(d) Due from banks

Due from banks are stated at cost less any amounts written-off and allowance for impairment, if any.

(e) Financial instruments

Financial assets and liabilities are recognised when Bank becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

4. Material accounting policy information (continued)

(e) Financial instruments (continued)

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular profit rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected
- The frequency, volume and timing of sales in prior periods, the reasons for such sales; and
- Its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at FVTPL. Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognised immediately in profit or loss.

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Specifically:

(i) financing instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and profit on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;

(ii) financing instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the instruments, and that have contractual cash flows that are SPPI, are subsequently measured at fair value through other comprehensive income (FVTOCI);

(iii) all other financing instruments (e.g. instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL. However, the Group may make the following irrevocable election/designation at initial recognition of a financial asset on an asset-by-asset basis;

(iv) the Group may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies, in other comprehensive income (OCI); and

(v) the Group may irrevocably designate a financing instruments that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

4. Material accounting policy information (continued)

(e) Financial instruments (continued)

Financial assets (continued)

Islamic financing and investing assets

Islamic financing and investing assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financing and receivables (including cash and cash equivalents, Islamic finance receivables, due from banks and other financial institutions, and other receivables) are measured at amortised cost using the effective profit method, less any impairment.

Profit income is recognised by applying the effective profit rate.

(i) Financing instruments at amortised cost or at FVTOCI

The Group assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Group's business model for managing the asset.

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are solely payments of principal and profit on the principal outstanding (SPPI).

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are payments of principal). Profit consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic financing risks and costs, as well as a margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic financing arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic financing arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

The Group's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Group has more than one business model for managing its financial instruments which reflect how the Group manages its financial assets in order to generate cash flows. The Group's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

At initial recognition of a financial asset, the Group determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Group reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the Group has not identified a change in its business models.

When a financing instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Financing instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

4. Material accounting policy information (continued)

(e) Financial instruments (continued)

Financial assets (continued)

(ii) Financial assets at FVTPL

Financial assets at FVTPL are:

(i) assets with contractual cash flows that are not SPPI; or/and
(ii) assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
(iii) assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement recognized in profit or loss.

Fair value option

A financial instrument with a reliably measurable fair value can be designated as FVTPL (the fair value option) on its initial recognition even if the financial instrument was not acquired or incurred principally for the purpose of selling or repurchasing. The fair value option can be used for financial assets if it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities, or recognizing related gains and losses on a different basis (an "accounting mismatch"). The fair value option can be elected for financial liabilities if: (i) the election eliminates an accounting mismatch; (ii) the financial liability is part of a portfolio that is managed on a fair value basis, in accordance with a documented risk management or investment strategy; or (iii) there is an embedded derivative in the financial or non-financial host contract and the derivative is not closely related to the host contract. These instruments cannot be reclassified out of the FVTPL category while they are held or issued. Financial assets designated as FVTPL are recorded at fair value and any unrealized gains or losses arising due to changes in fair value are included in investment income.

(iii) Reclassifications

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Group's financial assets. During the current period and previous accounting period, there was no change in the business model under which the Group holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on modification and derecognition of financial assets described below.

4. Material accounting policy information (continued)

(e) Financial instruments (continued)

Financial assets (continued)

(iv) Impairment

The Group recognises loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- Due from banks and other financial institutions
- Islamic investments securities at FVTOCI
- Islamic financing and investing assets
- Other Islamic assets
- Off balance sheet exposures subject to credit risk

No impairment loss is recognised on Islamic equity investments.

With the exception of purchased or originated credit impaired (POCI) financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).
- A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.
- ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Group under the contract and the cash flows that the Group expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EPR.
- for undrawn financial commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Group if the holder of the commitment draws down the finance and the cash flows that the Group expects to receive if the finance is drawn down; and
- for financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed financing instrument less any amounts that the Group expects to receive from the holder, the customer or any other party.

The Group measures ECL on an individual basis, or on a collective basis for portfolios of finances that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EPR, regardless of whether it is measured on an individual basis or a collective basis.

4. Material accounting policy information (continued)

(e) Financial instruments (continued)

Financial assets (continued)

(v) Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the customer or issuer;
- a breach of contract such as a default or past due event;
- the financer of the customer, for economic or contractual reasons relating to the customer's financial difficulty, having granted to the customer a concession that the financer would not otherwise consider;
- the financer of the customer has downgraded the ratings because of deterioration in financial condition of the customer; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event-instead; the combined effect of several events may have caused financial assets to become credit-impaired. The Group assesses whether financing instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if sovereign and corporate financing instruments are credit impaired, the Group considers factors such as delinquency, watchlist indication, restructuring flag, deterioration in credit ratings and the ability of the customer to raise funding.

A financial asset is considered credit-impaired when a concession is granted to the customer due to a deterioration in the customer's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikeliness to pay indicators and a backstop if amounts are overdue for 90 days or more. However, the cases where the impairment is not recognized for assets beyond 90 days overdue are supported by reasonable information.

(vi) Purchased or originated credit-impaired (POCI) financial assets

POCI financial assets are treated differently because the asset is credit-impaired at initial recognition. For these assets, the Group recognized all changes in lifetime ECL since initial recognition as a loss allowance with any changes recognized in profit or loss. A favourable change for such assets creates an impairment gain.

4. Material accounting policy information (continued)

(e) Financial instruments (continued)

Financial assets (continued)

(vii) Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Group considers the following as constituting an event of default:

- the customer is past due more than 90 days on any material credit obligation to the Group; or
- the customer is unlikely to pay its credit obligations to the Group in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets. Further, there are cases where the criteria of 90 days overdue are rebutted based on management assessment. When assessing if the customer is unlikely to pay its credit obligation, the Group takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate financing a qualitative indicator used is the 'watchlist flag', which is not used for retail financing. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis. The Group uses a variety of sources of information to assess default which are either developed internally or obtained from external sources.

(viii) Significant increase in credit risk

The Group monitors all financial assets, issued financial commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12-month ECL. The Group's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Group monitors all financial assets, issued financial commitments and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the internal risk rating of the financial instrument at the reporting date based on the remaining maturity of the instrument with the internal risk rating when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment including forward-looking information.

For corporate financing, forward-looking information includes the future prospects of the macroeconomic indicators like Crude Oil price, GDP growth rate, real estate price index, etc. obtained from regulatory guidelines, economic expert reports, financial analysts, governmental bodies and other similar organisations, as well as consideration of various internal and external sources of actual and forecast economic information. For retail, financing forward looking information includes the same economic forecasts as corporate financing with additional forecasts of local economic indicators.

4. Material accounting policy information (continued)

(e) Financial instruments (continued)

Financial assets (continued)

(viii) Significant increase in credit risk (continued)

The Group allocates its counterparties to a relevant internal credit risk grade depending on their credit quality. The Group considers the credit risk upon initial recognition of asset and whether there has been a significant increase in it on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal risk grade;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations;
- actual or expected significant changes in the operating results of the customer;
- significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customers in the group and changes in the operating results of the customer; and
- Macroeconomic information: in its models, the Group relies on a broad range of forward looking information as economic inputs, such as: average crude oil prices, real estate Dubai and Abu Dhabi, inflation, GDP growth rate etc. along with various transformations of the same. The inputs and models used for calculating expected credit losses may not always capture all characteristics of the market at the date of the consolidated financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments using expert credit judgement.

Regardless of the analysis above, a significant increase in credit risk is presumed if a customer is more than 30 days past due in making a contractual payment.

The qualitative factors that indicate significant increase in credit risk are reflected in PD models on a timely basis.

However, the Group still considers separately some qualitative factors to assess if credit risk has increased significantly. For corporate financing there is particular focus on assets that are included on a 'watch list' given an exposure is on a watch list once there is a concern that the creditworthiness of the specific counterparty has deteriorated.

For retail financing, when an asset becomes 30 days past due, the Group considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL.

(ix) Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing finance would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the profit rate that arises when covenants are breached).

4. Material accounting policy information (continued)

(e) Financial instruments (continued)

Financial assets (continued)

(ix) Modification and derecognition of financial assets (continued)

The Group renegotiates finances to customers in financial difficulty to maximise collection and minimise the risk of default. A finance forbearance is granted in cases where although the customer made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the customer is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the finance, changes to the timing of the cash flows of the finance (principal and profit payment), reduction in the amount of cash flows due (principal and profit forgiveness) and amendments to covenants. The Group has an established forbearance policy which applies for corporate and retail financing.

When a financial asset is modified the Group assesses whether this modification results in derecognition. In accordance with the Group's policy a modification results in derecognition when it gives rise to substantially different terms.

In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new finance is considered to be originated credit impaired. This applies only in the case where the fair value of the new finance is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Group monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the customer is in past due status under the new terms.

Where a modification does not lead to derecognition the Group calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Group measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

The Group derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised financing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

4. Material accounting policy information (continued)

(e) Financial instruments (continued)

Financial assets (continued)

(x) Write-offs

Financial assets are written off when there is no reasonable expectation of recovery, such as a customer failing to engage in a payment plan with the company. The company categorises a finance or receivable for write off after almost all possible avenues of payments have been exhausted. However where finances or receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Financial liabilities

(i) Classification and subsequent measurement

In both the current period and prior period, financial liabilities are classified and subsequently measured at amortised cost, except for:

- Financial liabilities at fair value through profit or loss: the classification is applied to Islamic derivatives and other financial liabilities designated as such at initial recognition. Gains and losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in fair value of the financial liability that is attributable to the changes in credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains or losses attributable to changes in the credit risk of the liability are also presented in the profit or loss;
- Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition or when the continuing involvement approach applies. When the transfer of financial assets did not qualify for derecognition, a financial liability is recognised for the consideration received for the transfer; and
- Financial guarantee contracts and financial commitments.

  Effective profit method

  The effective profit method is a method of calculating the amortised cost of a financial liability and of allocating profit expense over the relevant period. The effective profit rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective profit rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

4. Material accounting policy information (continued)

(e) Financial instruments (continued)

Financial liabilities (continued)

(ii) Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

The exchange between the Group and its original financer of financing instruments with substantially different terms, as well as substantial modifications of the terms of existing liabilities, are accounted for as an extinguishment of the original financial liability and a recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective profit rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

In addition, other qualitative factors such as, currency that the instrument is denominated in, changes in the type of profit rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of financing instruments or modification of terms is accounted for as an extinguishment, any cost or fees incurred as recognised as part of the gain or loss on extinguishment. If an exchange or modification is not accounted for as an extinguishment, any cost or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified customer fails to make payments when due in accordance with the terms of a financing instrument.

Financial guarantee contracts issued by a Bank entity are initially measured at their fair values and, if not designated as at FVTPL and not arising from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the Group’s revenue recognition policies.

Financial guarantee contracts not designated at FVTPL are presented as provisions on the statement of financial position and the remeasurement is presented in other revenue.

The Group has not designated any financial guarantee contracts as at FVTPL.

4. Material accounting policy information (continued)

(e) Financial instruments (continued)

Islamic derivative financial instruments

Islamic derivative financial instruments are primarily used in trading activities. These are also used to manage our exposure to profit, currency, credit and other market risks. All Islamic derivative financial instruments are recorded in statement of financial position at fair value.

When Islamic derivative financial instruments are used in trading activities, the realized and unrealized gains and losses on these Islamic derivative financial instruments are recognized in other income. Islamic derivative financial instruments with positive fair values are presented as asset and Islamic derivative financial instruments with negative fair values are reported as liabilities. In accordance with our policy for offsetting financial assets and financial liabilities, the net fair value of certain Islamic derivative assets and liabilities are reported as an asset or liability, as appropriate. Valuation adjustments are included in the fair value of Islamic derivative assets and Islamic derivative liabilities. Premiums paid and premiums received are part of Islamic derivative assets and Islamic derivative liabilities, respectively. When derivatives are used to manage our own exposures, we determine for each derivative whether hedge accounting can be applied.

(f) Investment in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date is regarded as its fair value on initial recognition in accordance with IFRS 9.

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

4. Material accounting policy information (continued)

(f) Investment in associates (continued)

The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. Gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the associate.

Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

(g) Property and equipment

Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Subsequent costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in the statement of profit or loss as incurred.

Depreciation

Depreciation is recognised in statement of income on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

	Years
Leasehold improvements	7
Computers equipment and software	3 to 7
Furniture, fitting and equipment	5
Vehicles	5
Right-of-use assets	2 to 5
Buildings	40

Depreciation methods, useful lives and residual values are reassessed at the reporting date. Gain and losses on disposals are determined by comparing proceeds with the carrying amount. The differences are included in the statement of profit or loss.

Capital work in progress is stated at cost. When commissioned, capital work in progress is transferred to the appropriate asset category and depreciated in accordance with the Group’s accounting policies.

4. Material accounting policy information (continued)

(h) Investment properties

Investment properties is held to earn rental income and/or capital appreciation. Investment properties includes cost of initial purchase, developments transferred from property under development, subsequent cost of development, and fair value adjustments. Investment properties is reported at valuation based on fair value at the end of the reporting period. The 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, regardless of whether that price is directly observable or estimated using another valuation technique. The fair value is determined on a periodic basis by independent professional valuers. Fair value adjustments on investment properties are included in the statement of profit or loss in the period in which these gains or losses arise.

All other repairs and maintenance costs are charged to the statement of profit or loss during the financial period in which they are incurred. The fair value of Investment properties is based on the nature, location and condition of the specific asset.

(i) Assets acquired in settlement of Islamic financing and investing assets

The Group occasionally acquires real estate and other collateral in settlement of Islamic financing and investing assets. Such real estate and other collateral are stated at the lower of the net recognized value of Islamic financing and investing assets and the current fair value of such assets at the date of acquisition. Gains or losses on disposal and recognized losses on revaluation are recognized in the statement of profit or loss.

(j) Islamic customers' deposits, due to banks and other financial institutions and other liabilities

Islamic customers' deposits, due to banks and other financial institutions and other liabilities are initially recognised at fair value and subsequently measured at amortised cost.

(k) Provisions and contingent liabilities

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities, which include certain guarantees and letters of credit pledged as collateral security, are possible obligations that arise from past events whose existence will be confirmed only by the occurrence, or non-occurrence, of one or more uncertain future events not wholly within the Group's control. Contingent liabilities are not recognized in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements.

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

4. Material accounting policy information (continued)

(l) Acceptances

Acceptances are recognised as financial liabilities in the statement of financial position with a contractual right of reimbursement from the customer as a financial asset. Therefore, commitments with respect to acceptances have been accounted for as financial assets and financial liabilities.

(m) Revenue recognition

Income from Islamic financing and investing assets and Islamic investments securities, including fees which are considered an integral part of the effective profit of a financial instrument, are recognized in the statement of profit or loss using the effective profit rate method.

(n) Fees, commission and other income

Fees, commission and other income from banking services provided by the Group are recognized on an accrual basis when the service has been provided.

(o) Dividend income

Dividend income is recognised when the Group's right to receive the payment is established.

(p) Employees' benefits

The Group provides end of service benefits for its expatriate employees. The entitlement to these benefits is based upon the employees' length of service and completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Pension and national insurance contributions for the U.A.E. citizens are made by the Group in accordance with the applicable laws and regulations for U.A.E. citizens.

(q) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that have suffered an impairment loss are reviewed for possible reversal of impairment at each reporting date.

4. Material accounting policy information (continued)

(r) Taxation

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the parent company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets arising from deductible temporary differences, unused tax losses, or unused tax credits are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

4. Material accounting policy information (continued)

(r) Taxation (continued)

Deferred tax (continued)

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The directors reviewed the group's investment property portfolios and concluded that none of the group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the ‘sale’ presumption set out in the amendments to IAS 12 is not rebutted. As a result, the group has not recognised any deferred taxes on changes in fair value of the investment properties as the group is not subject to any income taxes on the fair value changes of the investment properties on disposal.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination."

(s) Foreign currency transactions

Transactions denominated in foreign currencies are translated into AED at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into AED at the foreign exchange rates ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated into AED at the foreign exchange rates ruling on the date of the transaction. Realised and unrealised exchange gains and losses have been dealt within the statement of profit or loss.

(t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is a person or group of persons that allocates resources and assesses the performance of the operating segments of an entity. The Group has determined the Executive Committee as its chief operating decision maker. All transactions between business segments are conducted on an arm´s length basis, with intra-segment revenue and costs being eliminated in head office. Income and expenses directly associated with each segment are included in determining business segment performance.

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

4. Material accounting policy information (continued)

(u) Fiduciary activities

The Group acts as trustee/manager and in other capacities that result in holding or placing of assets in a fiduciary capacity on behalf of trusts or other institutions. Such assets and income arising thereon are not included in the Group's consolidated financial statements as they are not assets of the Group.

(v) Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and reported net in the statement of financial position only when there is a legally enforceable right to set off the recognised amounts or when the Branches intend to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(w) Fair value measurement principles

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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognized in the statement of profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Group on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position for a particular risk exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

4. Material accounting policy information (continued)

(w) Fair value measurement principles (continued)

The fair value of a demand deposit is not less than the amount payable on demand, using the present value from the first date on which the amount could be required to be paid.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

5. Critical accounting judgments and key sources of estimation uncertainty

The Group's consolidated financial statements and its financial result are influenced by accounting policies, assumptions, estimates and management judgment, which necessarily have to be made in the course of preparation of the consolidated financial statements.

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. All estimates and assumptions required in conformity with IFRS are best estimates undertaken in accordance with the applicable standard. Estimates and judgments are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events. Accounting policies and management's judgments for certain items are especially critical for the Group's results and financial situation due to their materiality.

Critical judgments in applying the Group's accounting policies

The following are the critical judgments, apart from those involving estimations, that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in consolidated financial statements:

Business model assessment

Business model assessment: Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continue to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

5. Critical accounting judgments and key sources of estimation uncertainty (continued)

Critical judgments in applying the Group's accounting policies (continued)

Significant increase of credit risk

Significant increase of credit risk: As explained in Note 6, ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. However, in assessing whether the credit risk of an asset has significantly increased the Group takes into account reasonable and supportable qualitative and quantitative forward looking information to classify portfolio into respective stages.

Establishing groups of assets with similar credit risk characteristics

ECL is measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics e.g. instrument type, credit risk, stage classification etc.. The Group monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that if there is a credit risk characteristics change there is appropriate re-segmentation of the assets is performed. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets.

Models and assumptions used

The Group uses various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

a) Classification and measurement of financial assets and liabilities

The Group classifies financial instruments, or its component parts, at initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement and the definitions of the instruments. The substance of the financial instrument, rather than the legal form, governs its reclassification in the statement of financial position.

The Group determines the classification at initial recognition and, when allowed and appropriate, re-evaluates this designation at every statement of financial position date.

In measuring financial assets and liabilities, some of the Group's assets and liabilities are measured at a fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages independent professionally qualified valuers to perform the valuation. The Group works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

b) Fair value measurement

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. The judgments include considerations of liquidity and model inputs such as volatility for longer dated derivatives and discount rates, prepayment rates and default rate assumptions for asset backed securities. The management believes that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of financial instruments.

5. Critical accounting judgments and key sources of estimation uncertainty (continued)

Critical judgments in applying the Group's accounting policies (continued)

Key sources of estimation uncertainty

The following are key estimations that the management has used in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements:

- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and determining the forward looking information relevant to each scenario: When measuring ECL the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.
- Probability of default (PD): PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.
- Loss Given Default (LGD): LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the financier would expect to receive, considering cash flows from collateral and integral credit enhancements.
- Determination of appropriate rate to discount the lease payments.

6. Financial risk management

The Group's activities expose it to a variety of financial risks and involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial services business, and the operational risks are an inevitable consequence of being in business. The Group's aim is, therefore, to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Group's financial performance.

Risk is inherent in the Group's activities but it is managed through a process of ongoing identification, measurement and monitoring, and is subject to risk limits and other controls.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of realizable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in market conditions, products and emerging best practice. The Risk management tone is set right at the top from the Board of Directors ("Board") and gets implemented through a well-defined risk management structure and framework.

6.1 Risk management Framework

The Group's Risk Management Framework is comprised of a collection of principles designed to help the Group anticipate and handle risks more effectively. Core objective of risk management framework is to provide a reasonable degree of assurance to the Board that the risks threatening to the Bank's achievement of its core purpose are being identified, measured, monitored and controlled through an effective integrated risk management framework.

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

6. Financial risk management (continued)

6.1 Risk management Framework (continued)

The Group manages risks using three lines of defence. Business departments along with support and control divisions, as the first line of defence, identify, control and manage risk in their day-to-day activities by ensuring that activities are within the Group's risk appetite and follow all relevant internal policies and processes. Risk, Compliance and Internal Shariah Control departments, as the second line of defence, monitors and facilitates the implementation of effective risk management practices and assists the first line of defence in risk-related matters. Internal audit and internal Shariah audit, as the third line of defence, provides assurance to management and the Board of the effectiveness of risk management practices employed by the first two lines of defence.

6.2 Risk management structure

The Board oversees the affairs of the Group, including approving and overseeing the implementation of the Group-wide Risk Management framework. To ensure Risk Management is accorded specialized attention, the Board has established and delegated various authorities to the Board Risk Committee.

Board of Directors

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. Board ensure appropriate risk management framework, internal control, compliance and reporting systems are in place and operating efficiently.

Board Executive Committee ("BEC")

The BEC is to assist the Board in fulfilling its responsibilities with respect to overseeing the implementation of the overall strategy, business plan and objectives.

Board Audit Committee ("BAC")
The purpose of the BAC shall be to assist the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, and the Group's process for monitoring compliance with laws and regulatory requirements and the code of conduct/fraud policy.

Board Risk Committee ("BRC")
The BRC mandate is to assist the Board in ensuring that the Group manages risk in accordance with its risk management framework including the Board approved risk appetite limits for all relevant risk categories and risk concentrations through policies, procedures, and process by providing governance, oversight and strategic direction.

Board Compliance Committee ("BCC")
The BCC is to assist the Board in fulfilling its responsibilities with respect to overseeing the management of the Group's compliance with applicable laws and regulations issued by the Central Bank and other applicable authorities, and reviewing the implementation of compliance and financial crime management policy framework across Ajman Bank.

Board Nomination and Compensation Committee ("BNCC")
The BNCC assists the Board in overseeing the affairs related to the Group's human capital including implementation of the overall compensation and performance management framework and ensures its alignment with Bank's long-term interests.

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

6. Financial risk management (continued)

6.2 Risk management structure (continued)

Internal Shariah Supervision Committee ("ISSC")

The ISSC is responsible for Shariah governance in terms of overview and approval of products and documentation in relation to Shariah compatibility and overall Shariah compliance as mentioned in Standard Re. Shariah Governance – issued by Central Bank of UAE under the notice No. CBUAE/BSD/N/2020/2123.

Risk Department ("RD")

The RD is responsible for implementing and maintaining risk related procedure to ensure independent control process. RD monitor portfolio credit risk, market & liquidity risk, operational & fraud risk against the risk appetite framework established for the Group.

Internal Audit

Management processes at the Group are audited periodically by the internal audit function, which examines both the adequacy of the procedures and the Group's compliance with the procedures. Internal audit discusses the results of its assessments with management, and reports its findings and recommendations directly to the Board Audit Committee.

6.2.1 Risk measurement and reporting systems

The Group measures credit risk losses using current IFRS-9 regulations, where macro-economic models are used to do the early recognition of impairment. Whereas market, liquidity and operational risks are measured using standards currently enforced under regulatory guidelines. Further, the Group uses quantitative analysis and methods to estimate business risk and revise risk strategies based on risk appetite. These analysis and methods reflect the expected loss likely to arise in normal course of business where as Bank also estimate unexpected losses which might occur due to unforeseen events based on statistical techniques and probabilities associated with it.

The Group also runs multiple stress scenarios based on extreme macroeconomic events which are likely to occur, as well as idiosyncratic risk factors which are specific to the Group. This helps the Group in doing its own internal assessment of the capital requirement and in turn establish the risk appetite framework of the Group.

Monitoring and controlling risks are primarily performed in relation to limits established by the Group. These limits reflect the business strategy and market environment of the Group as well as the level of risk that the Group is willing to accept, with additional emphasis on selected industries.

Model Risk Management
The Group uses a number of quantitative models in a many of its business and regulatory activities. The extensive use of models in decision making, under-writing a credit facility, provisioning requires to oversee this process and manage risk arising from this process called 'model risk'.

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

6. Financial risk management (continued)

6.2 Risk management structure (continued)

6.2.1 Risk measurement and reporting systems (continued)

Model Risk Management (continued)

The Group has established a framework to manage the development, implementation, approval, validation and ongoing use of modeling processes. It sets out an effective governance and management structure with clearly defined roles and responsibilities, policies and controls for managing model risk across the model lifecycle. The Framework is reviewed on a regular basis to ensure it meets regulatory standards and international practices.

The calculation process, the methodology and the results are reviewed and approved by the committee responsible for the oversight of provisions. This is formally reviewed and presented by the Chief Risk Officer at such a committee.

6.2.2 Credit risk and concentrations of risk

Credit risk is defined as the risk that the Group's customers, clients or counter parties fail to perform or are unwilling to pay profit, repay the principal or otherwise to fulfil their contractual obligations under finance agreements or other credit facilities, thus causing the Group to suffer a financial loss.

Credit risk also arises through the downgrading of counter parties, whose credit instruments are held by the Group, thereby resulting in the value of the assets to fall. As credit risk is the Group's most significant risk, considerable resources, expertise and controls are devoted to managing this risk within the core departments of the Group.

Management of credit risk

The Group's credit risk management framework and monitoring includes:

- Establishment of an authorization structure and limits for the approval and renewal of credit facilities;
- Reviewing and assessing credit exposures in accordance with the authorization structure and limits, prior to facilities being sanctioned to customers; renewals and reviews of facilities are subject to the same review process;
- Diversification of financing and investment activities;
- Limiting concentrations of exposure to industry sectors, geographic locations and counterparties; and
- Reviewing compliance, on an ongoing basis, with agreed exposure limits relating to counterparties, industries and countries and reviewing limits in accordance with the Group's risk management strategy and market trends.

6.2.3 Significant increase in credit risk

The Group monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12-month ECL.

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

6. Financial risk management (continued)

6.2 Risk management structure (continued)

6.2.3 Significant increase in credit risk (continued)

Internal credit risk ratings

In order to adequately assess the credit exposure profile, the Group has acquired a globally acclaimed system for obligor and facility internal risk rating. It facilitates the analysis of credit proposals by putting a robust risk rating system as well as structurally supports to the Group in estimating various elements of risk. The system is comprised of 22 notch obligor risk rating in ten scales from 1 to 10. Such a credit risk grades are defined using both quantitative and qualitative factors that are indicative of default. The table below provides a mapping of the Group's internal credit risk grades to external ratings.

Bank's credit risk grades	*Agency rating*	*Description*
1	AAA	Minimal Risk
2	AA+ to AA-	Very Low credit risk
3	A+ to A-	Low credit risk
4	BBB+ to BBB-	Moderate credit risk
5	BB+ to BB-	Substantial credit risk
6	B+ to B-	High credit risk
7	CCC+ to C	Very High credit risk
8	DDD	Substandard
9	DD	Doubtful
10	D	Loss

The credit risk grades are designed and calibrated to reflect the risk of default as credit risk deteriorates. As the credit risk increases the difference in risk of default between grades changes. Each exposure is allocated to a credit risk grade at initial recognition, based on the available information about the counterparty. The exposures are monitored and the credit risk grade is updated to reflect current information. The monitoring procedures followed are both general and tailored to the type of exposure.

The following data are typically used to monitor the Group's exposures:

- Payment record, including payment ratios and ageing analysis;
- Extent of utilization of granted limit;
- Forbearances (both requested and granted);
- Changes in business, financial and economic conditions;
- Credit rating information supplied by external rating agencies; and
- Information obtained by periodic review of customer files including audited financial statements review, market data such as prices of credit default swaps (CDS) or quoted bonds/sukuk where available, changes in the financial sector the customer operates etc.

The Group monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12-month ECL.

Bank assessed significant increase in credit risk for group of assets and moved from stage 1 to stage 2 based on following factors:

- Credit risk rating change beyond the Group's established threshold related to initial recognition;
- Instrument is past due beyond 30 days; and
- Instrument's credit risk is considered higher based on qualitative criteria of the Group.

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

6. Financial risk management (continued)

6.2 Risk management structure (continued)

6.2.4 Measurement of ECL

The Group calculates ECL using statistical models and based on probability-weighted scenarios. IFRS9 considers the calculation of ECL by multiplying the probability of default (PD), loss given default (LGD) and exposure of default (EAD). The Group has developed methodologies and models taking into account the relative size, quality and complexity of the portfolios.

These risk parameters are generally derived from developed statistical models and other historical data and are adjusted to reflect forward-looking information.

The key elements used in the computation of ECL are as follows:

Probability of default (PD): is an estimate of the likelihood of default over a given time horizon;
- Loss given default (LGD): is an estimate of the loss arising in the case where default occurs at a given time;
- Exposure at default (EAD): is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date.

These elements are derived from internally developed statistical models based on our historical data and the macroeconomic data provided by the Moody's Analytics. They are adjusted to reflect probability-weighted forward-looking information.

Macroeconomic factors, scenarios and forward looking information

IFRS9 requires an unbiased and probability weighted estimate of credit losses by evaluating a range of possible outcomes that incorporates forecasts of future economic conditions. When estimating the ECL, the Group considered three scenarios (baseline, upturn and downturn) with a weightage of 40%, 30% and 30% respectively.

Macroeconomic factors and forward looking information are required to be incorporated into the measurement of ECL. Measurement of ECL at each reporting period should reflect reasonable and supportable information at the reporting date about past events, current conditions and forecasts of future economic conditions.

The table below summarises the principal macroeconomic indicators included in the economic scenarios used for UAE which is the country where the Group operates and therefore is the country that has a material impact on ECLs.

- Annualized Current Account Balance to GDP ratio
- Augmented economic composite indicator - non-oil
- General government debt to GDP ratio
- Real Imports of Goods and Services
- Government Finance: Expenditure
- Augmented economic composite indicator
- Real Exports of Goods and Services
- General Government Gross Debt
- Crude oil Dubai Fateh

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

6. Financial risk management (continued)

6.2 Risk management structure (continued)

6.2.4 Measurement of ECL (continued)

PD is an estimate at certain point in time which is derived based on model output of regression of historical observed default rates against macro-economic variables. These outputs are calibrated against through the cycle (TTC) PD which is currently used by the Group, and assessed using rating tools tailored to various categories of counterparties and exposures. These statistical models are based on market data, as well as internal data compromising both quantitative and qualitative factors. PDs are estimated considering the contractual maturities of exposures by building term structure of default using the cumulative survival probability.

LGD is an estimate of the loss magnitude arising on in case the customer defaults. It is based on the difference between the contractual cash flows due and those that the financier would expect to receive, taking into account cash flows from any collateral. The LGD models for secured assets consider forecasts of future collateral valuation taking into account sale discounts, time to realization of collateral, cost of realization of collateral and cure rates (i.e. exit from non-performing status). LGD models for unsecured assets consider time of recovery and recovery rates. The calculation is on a discounted cash flow basis, where the cash flows are discounted by the original effective profit rate (EPR) of the finance.

EAD represent the expected exposures in the event of a default. The Group derives the EAD from the current exposures to the counterparty and the potential changes to the current amount allowed under the contract including amortization. The EAD for the on balance sheet items are its gross carrying amount whereas for off balance sheet items such as letters of credits, financial and general guarantees undrawn non-cancellable finance commitments are estimated by applying credit conversion factors on the committed exposures.

The measurement of loss allowance is done on individual basis for corporate portfolio whereas it is measured on collective basis for retail portfolio (measurement on collective basis is more practical for retail portfolio where portfolio constituents similar portfolio attributes). In relation to the assessment of whether there has been a significant increase in credit risk it is necessary to perform the assessment on a collective basis as noted below.

Groupings based on shared risks characteristics:

When ECL are measured on a collective basis, the financial instruments are grouped based on shared risk characteristics, such as:

- Instrument type;
- Credit risk grade;
- Collateral type.

The groupings are reviewed on a regular basis to ensure that each group is comprised of homogenous exposures.

The Group has in place policies, which govern the determination of eligibility of various collaterals, to be considered for credit risk mitigation, which includes the minimum operational requirements that are required for the specific collateral to be considered as effective risk mitigation. The Group's major collaterals are mortgaged properties, investments, vehicles and deposits under lean.

The collateral is valued periodically, depending on the type of collateral. Specifically for mortgaged property, a framework for valuation of mortgaged properties is established to ensure adequate policies and procedures are in place for efficient and proper conduct of valuation of mortgaged properties and other related activities in relation to the interpretation, monitoring and management of valuation of mortgaged properties.

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

6. Financial risk management (continued)

6.2 Risk management structure (continued)

6.2.4 Measurement of ECL (continued)

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:

2024	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total AED'000
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**
Total maximum exposure	**19,243,669**	**1,767,270**	**1,648,095**	**22,659,034**
Expected credit loss allowance (Note 28)	**(117,129)**	**(274,448)**	**(505,179)**	**(896,756)**
Total	**19,126,540**	**1,492,822**	**1,142,916**	**21,762,278**

2023	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total AED'000
Balances with the Central Bank	4,322,845	-	-	4,322,845
Due from banks and other financial institutions	1,724,825	-	-	1,724,825
Islamic financing and investing assets	10,188,344	1,908,374	2,313,095	14,409,813
Islamic investment securities at amortised cost	265,467	-	-	265,467
Islamic investment securities at FVTOCI*	2,498,904	-	-	2,498,904
Other Islamic financial assets	831,326	247	36,031	867,604
Financial commitments and financial guarantees (off balance sheet exposures)	316,207	73,557	345,082	734,846
Total maximum exposure	20,147,918	1,982,178	2,694,208	24,824,304
Expected credit loss allowance (Note 28)	(92,817)	(90,560)	(819,077)	(1,002,454)
Total	20,055,101	1,891,618	1,875,131	23,821,850

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

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

6. Financial risk management (continued)

6.2 Risk management structure (continued)

6.2.4 Measurement of ECL (continued)

Risks relating to credit-related commitments

The Group makes available to its customers, guarantees and letters of credit which require that the Group makes payments in the event that the customer fails to fulfil certain obligations to other parties. These instruments expose the Group to a similar risk to financing and investing assets and these are monitored by the same control processes and policies.

6.3 Credit risk and concentrations of risk

Concentration of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. The Group monitors concentrations of credit risk by industry sectors and geographic location. Identified concentration of credit risk is controlled and managed accordingly.

By geographic location

Based on the domicile of the counterparties, the following table sets out the Group's main credit exposures at their carrying amounts, categorized by geographical region:

On balance sheet items

2024	UAE AED'000	GCC AED'000	Other AED'000	Total AED'000
Balances with the Central Bank	**2,284,795**	**-**	**-**	**2,284,795**
Due from banks and other financial institutions	**393,370**	**755,685**	**1,259,306**	**2,408,361**
Islamic financing and investing assets:				
- Consumer banking	**6,229,352**	**31,776**	**5,555**	**6,266,683**
- Wholesale banking	**7,276,139**	**60,262**	**201,988**	**7,538,389**
- Treasury	**673**	**-**	**-**	**673**
Islamic investment securities at amortised cost	**-**	**-**	**-**	**-**
Islamic investment securities at FVTOCI	**1,166,980**	**2,065,998**	**182,900**	**3,415,878**
Other Islamic financial assets	**258,982**	**-**	**-**	**258,982**
Total	**17,610,291**	**2,913,721**	**1,649,749**	**22,173,761**

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

6. Financial risk management (continued)

6.3 Credit risk and concentrations of risk (continued)

Concentration of credit risk (continued)

By geographic location (continued)

On balance sheet items (continued)

2023	**UAE AED'000**	**GCC AED'000**	**Other AED'000**	**Total AED'000**
Balances with the Central Bank	4,322,845	-	-	4,322,845
Due from banks and other financial institutions	753,473	1,666	969,686	1,724,825
Islamic financing and investing assets:				
- Consumer banking	3,858,068	-	5,999	3,864,067
- Wholesale banking	10,214,548	-	330,525	10,545,073
- Treasury	673	-	-	673
Islamic investment securities at amortised cost	119,158	-	146,309	265,467
Islamic investment securities at FVTOCI	991,821	1,391,806	111,314	2,494,941
Other Islamic financial assets	867,604	-	-	867,604
Total	21,128,190	1,393,472	1,563,833	24,085,495

Off balance sheet items

2024	**UAE AED'000**	**GCC AED'000**	**Other AED'000**	**Total AED'000**
Letters of credit and guarantee	**431,521**	**18,363**	**26,036**	**475,920**
Total	**431,521**	**18,363**	**26,036**	**475,920**

2023	UAE AED'000	GCC AED'000	Other AED'000	Total AED'000
Commitments	311,742	-	-	311,742
Letters of credit and guarantee	404,741	18,363	-	423,104
Total	716,483	18,363	-	734,846

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

6. Financial risk management (continued)

6.3 Credit risk and concentrations of risk (continued)

Credit risk exposure per class of financial asset, internal rating and stage

An analysis of the Group's credit risk exposure per class of financial asset (subject to impairment), internal rating and stage without taking into account the effects of any collateral or other credit enhancements is provided in the following tables. These amounts in the table represent gross carrying amounts. For financial commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

- **Due from banks and other financial institutions**

	2024					2023
	Stage 1 12 months ECL AED'000	**Stage 2 Life time ECL AED'000**	**Stage 3 Life time ECL AED'000**	**POCI Life time ECL AED'000**	**Total AED'000**	Total AED'000
Normal	2,408,361	-	-	-	2,408,361	1,724,825
Gross carrying amount	**2,408,361**	**-**	**-**	**-**	**2,408,361**	1,724,825
Impairment allowance	(7,533)	-	-	-	(7,533)	(10,798)
Carrying amount	**2,400,828**	**-**	**-**	**-**	**2,400,828**	1,714,027

- **Islamic financing and investing assets**

	2024					2023
	Stage 1 12 months ECL AED'000	**Stage 2 Life time ECL AED'000**	**Stage 3 Life time ECL AED'000**	**POCI Life time ECL AED'000**	**Total AED'000**	Total AED'000
Normal	10,553,677	845,303	-	-	11,398,980	11,261,933
Watchlist	-	829,235	-	-	829,235	834,785
Substandard	-	-	161,943	-	161,943	926,815
Doubtful	-	-	299,336	-	299,336	801,295
Loss	-	-	1,116,251	-	1,116,251	584,985
Gross carrying amount	**10,553,677**	**1,674,538**	**1,577,530**	**-**	**13,805,745**	14,409,813
Impairment allowance	(96,137)	(271,903)	(478,303)	-	(846,343)	(633,820)
Carrying amount	**10,457,540**	**1,402,635**	**1,099,227**	**-**	**12,959,402**	13,775,993

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

6. Financial risk management (continued)

6.3 Credit risk and concentrations of risk (continued)

- **Islamic investment securities at amortised cost**

	2024 Stage 1 12 months ECL AED'000	Stage 2 Life time ECL AED'000	Stage 3 Life time ECL AED'000	POCI Life time ECL AED'000	Total AED'000	2023 Total AED'000
Normal	-	-	-	-	-	265,467
Gross carrying amount	**-**	**-**	**-**	**-**	**-**	265,467
Impairment allowance	-	-	-	-	-	(2,438)
Carrying amount	**-**	**-**	**-**	**-**	**-**	263,029

- **Islamic investment securities at FVTOCI**

	2024 Stage 1 12 months ECL AED'000	Stage 2 Life time ECL AED'000	Stage 3 Life time ECL AED'000	POCI Life time ECL AED'000	Total AED'000	2023 Total AED'000
Normal	3,402,625	22,606	-	-	3,425,231	2,498,904
Gross carrying amount	**3,402,625**	**22,606**	**-**	**-**	**3,425,231**	2,498,904
Impairment allowance	(9,247)	(106)	-	-	(9,353)	(3,963)
Carrying amount	**3,393,378**	**22,500**	**-**	**-**	**3,415,878**	2,494,941

- **Other Islamic financial assets**

	2024 Stage 1 12 months ECL AED'000	Stage 2 Life time ECL AED'000	Stage 3 Life time ECL AED'000	POCI Life time ECL AED'000	Total AED'000	2023 Total AED'000
Normal	191,608	26	-	-	191,634	831,326
Watchlist	-	26,038	-	-	26,038	247
Substandard	-	-	185	-	185	97
Doubtful	-	-	249	-	249	392
Loss	-	-	40,876	-	40,876	35,542
Gross carrying amount	**191,608**	**26,064**	**41,310**	**-**	**258,982**	867,604
Impairment allowance	(118)	(359)	(24,208)	-	(24,685)	(25,582)
Carrying amount	**191,490**	**25,705**	**17,102**	**-**	**234,297**	842,022

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

6. Financial risk management (continued)

6.3 Credit risk and concentrations of risk (continued)

- **Financial commitments and financial guarantees**

	2024					2023
	Stage 1 12 months ECL AED'000	**Stage 2 Life time ECL AED'000**	**Stage 3 Life time ECL AED'000**	**POCI Life time ECL AED'000**	**Total AED'000**	Total AED'000
Normal	402,603	43,806	-	-	446,409	389,508
Watchlist	-	256	-	-	256	256
Substandard	-	-	806	-	806	29,883
Loss	-	-	28,449	-	28,449	315,199
Gross carrying amount	**402,603**	**44,062**	**29,255**	**-**	**475,920**	734,846
Impairment allowance	(4,094)	(2,080)	(2,668)	-	(8,842)	(325,853)
Carrying amount	**398,509**	**41,982**	**26,587**	**-**	**467,078**	408,993

As discussed above in the significant increase in credit risk section, under the Group's monitoring procedures, a significant increase in credit risk is identified before the exposure has defaulted, and at the latest when the exposure becomes 30 days past due. This is the case mainly for Islamic financing and investing assets to customers and more specifically for retail financing exposures because for corporate financing and other exposures, there is more customer specific information available which is used to identify significant increase in credit risk. The table below provides an analysis of the gross carrying amount of Islamic financing and investing assets to customers by past due status:

	2024		2023	
	Gross carrying amount AED'000	**ECL AED'000**	Gross carrying amount AED'000	ECL AED'000
Normal or Past due up to 30 days	**12,049,470**	**411,171**	12,705,105	382,299
Past due 31 - 60 days	**148,346**	**10,919**	183,825	7,542
Past due 61 - 90 days	**185,095**	**19,661**	218,413	56,297
Past due 91 - 180 days	**254,803**	**63,899**	479,651	25,354
Past due of more than 180 days	**1,168,031**	**340,693**	822,819	162,328
	13,805,745	**846,343**	14,409,813	633,820

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

6. Financial risk management (continued)

6.3 Credit risk and concentrations of risk (continued)

Collateral held as security and other credit enhancements

The Group holds collateral or other credit enhancements to mitigate credit risk associated with financial assets. The Group holds financial instrument of AED 3.4 billion for which regulatory minimum LGD is applied (i.e. 1% for fully cash secured or 5% fully collateralised other than cash) at 31 December 2024 (31 December 2023: AED 3.5 billion).

Mortgage financing

The Group holds residential and commercial properties as collateral for the mortgage financing it grants to its customers. The Group monitors its exposure to retail mortgage financing using the LTV ratio, which is calculated as the ratio of the gross amount of the finance, or the amount committed for financing commitments, to the value of the collateral. The valuation of the collateral excludes any adjustments for obtaining and selling the collateral. At 31 December 2024, the carrying amount of credit impaired mortgage financing was AED 132 million (2023: AED 134 million) and the value of the respective collateral was AED 243 million (2023: AED 272 million).

Personal financing

The Group's personal financing portfolio consists of unsecured financing and credit cards.

Corporate financing

The Group requests collateral and guarantees for corporate financing. The most relevant indicator of corporate customers' creditworthiness is an analysis of their financial performance and their liquidity, leverage, management effectiveness and growth ratios. The valuation of collateral is closely monitored especially if the performance of financing deteriorates.

For credit-impaired financing the Group obtains appraisals of collateral to inform its credit risk management actions. At 31 December 2024, the net carrying amount of credit impaired Islamic financing and investing assets to corporate customers was AED 1,384 million (2023: AED 1,998 million) and the value of the respective collateral was AED 1,732 million (2023: AED 1,709 million).

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

6. Financial risk management (continued)

6.3 Credit risk and concentrations of risk (continued)

Islamic investment securities

Islamic investment securities

Islamic investment securities comprise of investment in Sukuk and equity shares.

The table below presents analysis of investments by external rating agency at 31 December 2024 and 2023:

	2024 AED'000	2023 AED'000
AAA	**336,944**	-
AA to AA-	**135,955**	328,043
A+ to A-	**754,702**	594,165
BBB+ to BBB-	**244,287**	830,689
BB+ to BB	**691,324**	87,099
B+ to B-	**401,771**	327,264
CCC	**50,762**	187,362
Unrated	**1,078,463**	692,073
	3,694,208	3,046,695

Assets obtained by taking possession of collateral

The Group obtained the following financial and non-financial assets during the year by taking possession of collateral held as security against Islamic financing and investing assets and held at the year end. The Group has done revaluation of these properties and there is no indication of any impairment as of 31 December 2024. The Group's policy is to realise collateral on a timely basis. The Group does not use non-cash collateral for its operations.

	2024 AED'000	2023 AED'000
Property	**-**	174,650
Total assets obtained by taking possession of collateral	**-**	174,650

6.4 Market risk

Market risk arises from changes in market rates such as market price, foreign exchange and profit rate. Market risk management is designed to limit the amount of potential losses on open positions which may arise due to unforeseen changes in profit rates, currency rates and price movements. The Group uses appropriate models, based on standard market practice, for the valuation of its positions and receives regular market information in order to regulate market risk.

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

6. Financial risk management (continued)

6.4 Market risk (continued)

The trading market risk framework comprises the following elements:

- Limits to ensure that risk-takers do not exceed aggregate risk and concentration parameters set by senior management.
- Independent mark-to-market valuations, reconciliation of positions and tracking of stop-losses for trading positions are performed on a timely basis.

The policies, procedures and the trading limits are set to ensure the effective implementation of the Group's market risk policies. These policies are reviewed periodically to ensure they remain in line with the Group's overall market risk policies.

Profit rate risk

Profit rate risk arises from the possibility that changes in profit rates will affect future profitability or the fair values of financial instruments. The Group is exposed to profit rate risk as a result of mismatches or gaps in the amounts of assets, liabilities and off-balance sheet instruments that mature or re-price in a given period.

The Group is exposed to the effects of fluctuations in the prevailing levels of profit rates which arise from the Islamic financing and investing assets amounting to AED 12,959 million (2023: AED 13,776 million), investment securities amounting to AED 3,416 million (2023: AED 2,758 million), International Murabaha with Central bank AED 1,200 million (2023: AED 3,080 million), due from banks and financial institutions AED 2,384 million (2023: AED 1,572 million), customer deposits amounting to AED 13,241 million (2023: AED 14,588 million) and AED 956 million (2023: AED 1,477 million) from due to banks and other financial institutions.

Sensitivity analysis

The amount mentioned in the table below reflect an equal but opposite potential effect on profit or loss based on assumed 50 basis point negative or positive movement in profit rates with all other variables being constant.

	2024		2023	
	Total AED'000	**Effect on profit/(loss) AED'000**	Total AED'000	Effect on profit/(loss) AED'000
Profit based assets	**19,222,424**	**50,867**	19,557,709	58,749
Profit based liabilities	**14,331,543**	**35,847**	14,961,411	39,893

Currency risk

The Group is not significantly exposed to movements in foreign currency exchange rates as its assets and liabilities are mainly denominated in AED, GCC currency or USD.

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

6. Financial risk management (continued)

6.4 Market risk (continued)

Price risk

Price risk is the possibility that investment pricing will fluctuate, affecting the fair value of investments and other instruments that derive their value from a particular instrument or index of price.

The Group manages the price risk by maintaining a diversified portfolio in terms of geographical and industry distribution.

The amount mentioned in the table below reflect an equal but opposite potential effect on profit before tax and investments based on assumed 5% strengthening or weakening prices with all other variable constant.

		Impact on equity	
	Benchmark	**2024 AED'000**	2023 AED'000
Islamic investments securities at fair value	± 5%	**184,710**	139,061

6.5 Liquidity risk management

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit this risk, management has arranged diversified funding sources in addition to its core deposit base, manages assets with liquidity in mind, and monitors future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and availability of high quality liquid asset which could be used as collateral to secure additional funding, if required.

The primary tool for monitoring liquidity is the maturity mismatch analysis, which is monitored over successive time bands and across functional currencies. Guidelines are established for the cumulative negative cash flow over successive time bands.

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

6. Financial risk management (continued)

6.5 Liquidity risk management (continued)

Maturity profile:

The maturity profile of the assets and liabilities at 31 December 2024 based on the remaining period from the end of the reporting period to the contractual maturity date is as follows:

	Within 3 months AED'000	Over 3 to 6 months AED'000	Over 6 to 12 months AED'000	Over 1 to 5 years AED'000	Over 5 years AED'000	Undated AED'000	Total AED'000
Assets							
Cash and balances with Central Bank	2,109,522	350,000	-	-	-	-	**2,459,522**
Due from banks and other financial institutions	1,027,837	424,844	317,176	630,971	-	-	**2,400,828**
Islamic financing and investing assets, net	1,064,218	2,052,662	773,007	4,630,366	4,439,149	-	**12,959,402**
Islamic investments securities at amortised cost	-	-	-	-	-	-	**-**
Islamic investments securities at fair value	19,881	-	406,649	1,865,909	1,123,439	278,330	**3,694,208**
Investment properties	-	-	-	-	-	391,545	**391,545**
Property and equipment	-	-	-	-	-	136,414	**136,414**
Other Islamic assets	214,705	5,187	-	-	-	592,537	**812,429**
Total assets	**4,436,163**	**2,832,693**	**1,496,832**	**7,127,246**	**5,562,588**	**1,398,826**	**22,854,348**
Liabilities and equity							
Islamic customers' deposits	4,425,176	3,177,843	7,239,343	2,977,415	241,790	-	**18,061,567**
Due to banks and other financial institutions	479,651	-	-	500,000	-	-	**979,651**
Other liabilities	564,072	5,187	-	-	-	132,061	**701,320**
Equity	-	-	-	-	-	3,111,810	**3,111,810**
Total liabilities and equity	**5,468,899**	**3,183,030**	**7,239,343**	**3,477,415**	**241,790**	**3,243,871**	**22,854,348**

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

6. Financial risk management (continued)

6.5 Liquidity risk management (continued)

Maturity profile:

The maturity profile of the assets and liabilities at 31 December 2023 based on the remaining period from the end of the reporting period to the contractual maturity date is as follows:

	Within 3 months AED'000	Over 3 to 6 months AED'000	Over 6 to 12 months AED'000	Over 1 to 5 years AED'000	Over 5 years AED'000	Undated AED'000	Total AED'000
Assets							
Cash and balances with Central Bank	2,487,728	880,000	1,100,000	-	-	-	4,467,728
Due from banks and other financial institutions	1,303,228	23,331	360,874	26,594	-	-	1,714,027
Islamic financing and investing assets, net	2,409,453	1,200,286	2,105,618	4,209,145	3,851,491	-	13,775,993
Islamic investments securities at amortised cost	-	-	18,152	244,877	-	-	263,029
Islamic investments securities at fair value	-	721	104,465	1,670,377	719,378	286,287	2,781,228
Investment properties	-	-	-	-	-	385,755	385,755
Property and equipment	-	-	-	-	-	125,787	125,787
Other Islamic assets	152,774	15,140	-	-	-	1,254,071	1,421,985
Total assets	6,353,183	2,119,478	3,689,109	6,150,993	4,570,869	2,051,900	24,935,532
Liabilities and equity							
Islamic customers' deposits	5,706,586	2,359,074	8,207,619	3,188,865	262,604	-	19,724,748
Due to banks and other financial institutions	1,491,173	73,248	40,333	-	-	-	1,604,754
Other liabilities	378,086	97,815	-	-	-	455,177	931,078
Equity	-	-	-	-	-	2,674,952	2,674,952
Total liabilities and equity	7,575,845	2,530,137	8,247,952	3,188,865	262,604	3,130,129	24,935,532

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

6. Financial risk management (continued)

6.5 Liquidity risk management (continued)

During the year, the key measure used by the Group for managing liquidity risk is the ratio prescribed by Central Bank. For this purpose, only high quality liquid assets were considered, which include cash and cash equivalents, Murabaha with Central Bank and Shariah compliant securities (Sukuk) with 0% risk weight with a liquid market. Denominator comprise of total liabilities excluding provisions from total liabilities. This prescribed ratio was more stringent and comprehensive in managing the Group's liquidity positions. The liquidity ratio at the reporting dates were as follows:

	2024	2023
At 31 December	**17%**	25%

6.6 Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations and are faced by all business entities.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage, to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The Group has established an Operational Risk framework of policies and procedures to identify, assess, control, manage and report risks to the BRC and senior management. The primary responsibility to ensure these risks are managed and monitored, resides with the businesses within the Group. The Group's businesses are supported by embedded risk resources and Operational Risk Management as a second line of defence to ensure robust risk management.

Compliance with policies and procedures is supported by periodic reviews undertaken by the Internal Audit Department. The results of these reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the BAC and senior management of the Group.

6.7 Climate-related matters

The Group and its customers may face significant climate-related risks in the future. These risks include the threat of financial loss and adverse non-financial impacts that encompass the political, economic and environmental responses to climate change. The key sources of climate risks have been identified as physical and transition risks. Physical risks arise as the result of acute weather events such as hurricanes, floods and wildfires, and longer-term shifts in climate patterns, such as sustained higher temperatures, heat waves, droughts and rising sea levels and risks. Transition risks may arise from the adjustments to a net-zero economy, e.g., changes to laws and regulations, litigation due to failure to mitigate or adapt, and shifts in supply and demand for certain commodities, products and services due to changes in consumer behaviour and investor demand. These risks are receiving increasing regulatory, political and societal scrutiny, both within the country and internationally. While certain physical risks may be predictable, there are significant uncertainties as to the extent and timing of their manifestation. For transition risks, uncertainties remain as to the impacts of the impending regulatory and policy shifts, changes in consumer demands and supply chains.

6. Financial risk management (continued)

6.7 Climate-related matters (continued)

The Group is in the process of embedding climate risk in its risk framework, including the development of a comprehensive sustainable finance and climate risk framework. The Board Risk Committee is responsible for the oversight over management of climate risk. In addition, the Group will start assessing its model landscape to incorporate climate-related risks and their impact on borrower’s credit risk. The Group will also make significant progress in building the knowledge and capacity of its workforce in matters relating to climate-related risk. Despite the progress, the Group acknowledges the need for further efforts to fully integrate climate in the Group’s risk assessments and management protocols.

Therefore, the impact of this matter remains uncertain and depends on future developments that cannot be accurately predicted at this stage, and a reliable estimate of such an impact cannot be made at the date of authorisation of these consolidated financial statements. Notwithstanding, these developments could impact the Group’s future financial results, cash flows and financial position.

6.8 Capital management

In February 2017, the Central Bank of the UAE adopted 'Basel III' and published enhanced regulatory capital requirements rules vide notifications 52 and 60/2017. In addition to the minimum capital requirements, Basel III introduces capital conservation buffer (CCB) and countercyclical buffers (CCyB) to induce banking organizations to hold capital in excess of regulatory minimums.

After adoption of Basel III, the regulatory capital is computed under the following items:

(i) Tier 1 capital, which is composed of;

a - Common equity tier 1 (CET 1) - comprise of share capital, statutory reserves, retained earnings and accumulated other comprehensive income reserves,

b - Additional tier 1 (AT 1)- comprise of any instrument which is not included in CET1.

(ii) Tier 2 capital, which includes general provisions (after implementation of IFRS - 9, the ECL classified that is classified under stage 1 and 2).

In addition to the above, all banks are required to maintain a capital conservation buffer (CCB) to encourage the banks to hold capital over and above the minimum requirements.

6. Financial risk management (continued)

6.8 Capital management (continued)

As per current requirement of the Central Bank of UAE, banks are required to maintain minimum capital levels as below:

	2024	2023
Capital element		
Minimum common equity tier 1 (CET 1) ratio	**7%**	7%
Minimum Tier I capital ratio	**8.5%**	8.5%
Minimum capital adequacy ratio	**10.5%**	10.5%
Capital conservation buffer (CCB)	**2.5%**	2.5%

The Group's assets are risk weighted as to their relative credit, market, and operational risk. Credit risk and market risk includes both on and off-balance sheet risks. Credit risk is defined as the risk of default on a financial obligation that may arise from a customer failing to make required payments. Such risk includes loss of principal and profit, disruption to cash flows, and increased collection costs. Market risk is defined as the risk of losses in on and off-balance sheet positions arising from movements in market prices and includes profit rate risk, foreign exchange risk, equity exposure risk, commodity risk, and options risk. Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events.

For Central Bank reporting purposes, the Group is currently following the standardised measurement approach for credit, market and operational risk, as per Pillar 1 of Basel II.

The Group's policy is to maintain a strong capital base so as to maintain market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position. Historically the Group has followed a conservative dividend policy to increase capital from internal resources to meet future growth.

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the year.

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

6. Financial risk management (continued)

6.8 Capital management (continued)

The Group is required to report capital resources and risk-weighted assets under the Basel III Pillar 1 framework, as shown in the following table:

	2024	2023
	AED'000	AED'000
Tier 1 capital		
Share capital	**2,723,500**	2,723,500
Reserves	**213,805**	(159,137)
	2,937,305	2,564,363
Tier 2 capital		
General provision and fair value reserve	**185,815**	203,511
Total regulatory capital	**3,123,120**	2,767,874
Risk weighted assets		
Credit risk	**14,865,025**	16,280,881
Market risk	**86,777**	71,115
Operation risk	**1,400,108**	1,363,687
Total risk weighted assets	**16,351,910**	17,715,683
Capital adequacy ratio on regulatory capital	**19.10%**	15.62%
Capital adequacy ratio on Tier 1 capital	**17.96%**	14.48%

Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by the optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based on the inherent risk it carries. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the operation, by Finance and Risk Department, and is subject to review by the Group's Assets and Liabilities Committee (ALCO) as appropriate.

Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Group to particular operations or activities, it is not the sole basis used for decision making. Account also is taken of synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Group's longer term strategic objectives. The Group's policies in respect of capital management and allocation are reviewed regularly by the Board.

7. Classification of financial assets and liabilities

(a) The table below sets out the Group's classification of each class of financial assets and liabilities and their carrying amounts as at 31 December:

	At fair value AED'000	Amortised cost AED'000	Total AED'000
2024			
Financial assets:			
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**
Total	**3,694,567**	**18,054,049**	**21,748,616**
Financial liabilities:			
Islamic customers' deposits	**-**	**18,061,567**	**18,061,567**
Due to banks and other financial institutions	**-**	**979,651**	**979,651**
Other liabilities	**56**	**564,016**	**564,072**
Total	**56**	**19,605,234**	**19,605,290**
2023			
Financial assets:			
Cash and balances with the Central Bank	-	4,467,728	4,467,728
Due from banks and other financial institutions	-	1,714,027	1,714,027
Islamic financing and investing assets, net	-	13,775,993	13,775,993
Islamic investment securities at amortised cost	-	263,029	263,029
Islamic investments securities at fair value	2,781,228	-	2,781,228
Other Islamic assets	80	842,022	842,102
Total	2,781,308	21,062,799	23,844,107
Financial liabilities:			
Islamic customers' deposits	-	19,724,748	19,724,748
Due to banks and other financial institutions	-	1,604,754	1,604,754
Other liabilities	2,659	554,587	557,246
Total	2,659	21,884,089	21,886,748

8. 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).

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

8. Fair value measurement (continued)

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 statement of financial position.

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
At 31 December 2024				
Financial assets				
Islamic investments securities at fair value	**3,569,401**	**-**	**124,807**	**3,694,208**
Positive fair value of Islamic derivative financial instruments	**359**	**-**	**-**	**359**
	3,569,760	**-**	**124,807**	**3,694,567**
Financial liabilities				
Negative fair value of Islamic derivative financial instruments	**56**	**-**	**-**	**56**
	56	**-**	**-**	**56**
At 31 December 2023				
Financial assets				
Islamic investments securities at fair value	2,608,285	-	172,943	2,781,228
Positive fair value of Islamic derivative financial instruments	80	-	-	80
	2,608,365	-	172,943	2,781,308
Financial liabilities				
Negative fair value of Islamic derivative financial instruments	2,659	-	-	2,659
	2,659	-	-	2,659

Notional amount of Islamic derivative financial instruments is AED 0.6 billion as at 31 December 2024 (2023: AED 3.55 billion).

There were no transfers between Level 1 and 2 during the year. Below is reconciliation of Level 3 fair value measurement of financial assets:

	2024 AED'000	2023 AED'000
Balance at 1 January	**172,943**	125,238
Purchases during the year	**-**	20,000
Fair valuation (loss)/gain	**(38,136)**	53,570
Disposals during the year	**(10,000)**	(25,865)
Total	**124,807**	172,943

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

8. Fair value measurement (continued)

The effect of unobservable input on fair value measurement

Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used by ± 10% to reasonably possible alternative assumptions would have the following effects.

	Effect on OCI	
	Favorable AED'000	**Unfavorable AED'000**
31 December 2024	**12,481**	**(12,481)**
31 December 2023	17,294	(17,294)

- 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 profit rates. However, this technique is subject to inherent limitations, such as estimation of the appropriate risk-adjusted profit 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.

9. Cash and balances with the Central Bank

(a) The analysis of the Group's cash and balances with the Central Bank as at 31 December 2024 and 2023 is as follows:

	2024 AED'000	2023 AED'000
Cash on hand	**174,727**	144,883
Balances with the Central Bank:		
Current accounts	**152,995**	523,470
Reserve requirements with the Central Bank (*)	**931,800**	719,375
International Murabahat with the Central Bank	**1,200,000**	3,080,000
Total	**2,459,522**	4,467,728

Cash and balances with the Central Bank as at 31 December 2024 and 2023 were held within the U.A.E.

(*) 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.

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

10. Due from banks and other financial institutions

(a) The analysis of the Group's due from banks and other financial institutions as at 31 December 2024 and 2023 is as follows:

	2024 **AED'000**	2023 AED'000
Current accounts	**23,807**	153,278
Islamic deposits with banks and financial institutions	**2,384,554**	1,571,547
	2,408,361	1,724,825
Less: Impairment loss allowance (Note 28)	**(7,533)**	(10,798)
Total	**2,400,828**	1,714,027

(b) The geographical analysis of due from banks and other financial institutions as at 31 December 2024 and 2023 is as follows:

	2024 **AED'000**	2023 AED'000
Within the U.A.E.	**375,513**	753,473
Outside the U.A.E.	**2,025,315**	960,554
Total	**2,400,828**	1,714,027

11. Islamic financing and investing assets, net

(a) The analysis of the Group's Islamic financing and investing assets, net, as at 31 December 2024 and 2023 is as follows:

	2024 **AED'000**	2023 AED'000
Islamic financing assets		
Vehicles murabahat	**71,793**	43,530
Commodities murabahat	**5,726,859**	5,472,404
Total murabahat	**5,798,652**	5,515,934
Ijarahs	**7,753,164**	8,852,914
Istisna'a	**-**	347
Islamic credit cards	**90,391**	46,478
	13,642,207	14,415,673
Deferred income	**(631,257)**	(685,993)
Total Islamic financing assets	**13,010,950**	13,729,680
Islamic investing assets		
Wakala	**794,795**	680,133
Total Islamic investing assets	**794,795**	680,133
Total Islamic financing and investing assets	**13,805,745**	14,409,813
Less: Impairment loss allowance (Note 28)	**(846,343)**	(633,820)
Total Islamic financing and investing assets, net	**12,959,402**	13,775,993

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

11. Islamic financing and investing assets, net (continued)

(b) The Group, in the ordinary course of providing finance, holds collateral as security to mitigate credit risk associated with Islamic financing and investing assets. The collaterals include mortgage on land and buildings and lien on savings and investment deposits and equity. The estimated value of collaterals for Islamic financing and investing assets other than retail assets which are mainly asset-based financing, is as follows:

	2024 AED'000	2023 AED'000
Property and mortgages	**8,104,515**	8,583,217
Deposits and equities	**2,361,286**	1,888,478

(c) Analysis of Islamic financing and investing assets, net, by industry group and geography as at 31 December 2024 and 2023 are as follows:

	Within the U.A.E. AED'000	**Outside the U.A.E. AED'000**	**Total AED'000**
2024			
Economic sector			
Government	**482,405**	**262,250**	**744,655**
Manufacturing and services	**3,116,486**	**31,776**	**3,148,262**
Trade	**607,137**	**-**	**607,137**
Real estate	**5,429,546**	**-**	**5,429,546**
Consumer home finance	**2,162,193**	**5,555**	**2,167,748**
Consumer financing	**1,708,397**	**-**	**1,708,397**
	13,506,164	**299,581**	**13,805,745**
Impairment loss allowance			**(846,343)**
Total			**12,959,402**

	Within the U.A.E. AED'000	Outside the U.A.E. AED'000	Total AED'000
2023			
Economic sector			
Government	448,362	330,525	778,887
Manufacturing and services	3,302,534	-	3,302,534
Trade	1,357,878	-	1,357,878
Real estate	6,317,583	-	6,317,583
Consumer home finance	1,222,783	5,999	1,228,782
Consumer financing	1,424,149	-	1,424,149
	14,073,289	336,524	14,409,813
Impairment loss allowance			(633,820)
Total			13,775,993

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)
11. Islamic financing and investing assets, net (continued)

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

	Stage 1 AED'000	**Stage 2 AED'000**	**Stage 3 AED'000**	**Total AED'000**
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)	(305,256)	(4,085,135)
Write-offs	-	-	(5,545)	(5,545)
As at 31 December 2024	**10,553,677**	**1,674,538**	**1,577,530**	**13,805,745**

	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total AED'000
As at 1 January 2023	7,307,578	3,615,644	2,202,577	13,125,799
- Transfer to stage 1	1,492,346	(1,492,346)	-	-
- Transfer to stage 2	(632,994)	976,181	(343,187)	-
- Transfer to stage 3	(182,118)	(515,197)	697,315	-
Change in exposure	229,484	(204,714)	110,302	135,072
New financial assets recognized	2,748,074	51,988	810	2,800,872
Financial assets derecognized	(774,026)	(523,182)	(227,195)	(1,524,403)
Write-offs	-	-	(127,527)	(127,527)
As at 31 December 2023	10,188,344	1,908,374	2,313,095	14,409,813

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

11. Islamic financing and investing assets, net (continued)

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

	Stage 1 12-month ECL AED'000	**Stage 2 Life time ECL AED'000**	**Stage 3 Lifetime ECL AED'000**	**Total AED'000**
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)	(78,224)	(96,873)
Write-offs and other transfers	-	-	(5,545)	(5,545)
Loss allowance as at 31 December 2024	**96,137**	**271,903**	**478,303**	**846,343**

	Stage 1 12-month ECL AED'000	Stage 2 Life time ECL AED'000	Stage 3 Lifetime ECL AED'000	Total AED'000
Loss allowance as at 1 January 2023	26,115	80,805	384,761	491,681
Changes in the loss allowance				
- Transfer to stage 1	31,152	(31,152)	-	-
- Transfer to stage 2	(1,513)	15,371	(13,858)	-
- Transfer to stage 3	(477)	(11,981)	12,458	-
Change in credit risk	9,058	40,707	312,597	362,362
New financial assets recognized	7,077	1,753	759	9,589
Financial assets derecognized	(2,508)	(6,906)	(92,871)	(102,285)
Write-offs and other transfers	-	-	(127,527)	(127,527)
Loss allowance as at 31 December 2023	68,904	88,597	476,319	633,820

12. Islamic investment securities at amortised cost

	2024 AED'000	2023 AED'000
Sukuk instruments	**-**	265,467
Less: Impairment loss allowance (Note 28)	**-**	(2,438)
	-	263,029

13. Islamic investment securities at fair value

	2024 AED'000	2023 AED'000
Islamic investment securities at FVTOCI		
Sukuk instruments*	**3,415,878**	2,494,941
Equity instruments	**210,311**	216,432
	3,626,189	2,711,373
Islamic investment securities at FVTPL		
Equity instruments	**68,019**	69,855
	3,694,208	2,781,228

(a) The geographical analysis of the Islamic investment securities at fair value as at 31 December 2024 is as follows:

	Within the U.A.E. AED'000	Other G.C.C. countries AED'000	Rest of the world AED'000	Total AED'000
2024				
Sukuk instruments at FVTOCI				
Quoted	**1,179,621**	**2,030,857**	**182,900**	**3,393,378**
Unquoted	**22,500**	**-**	**-**	**22,500**
	1,202,121	**2,030,857**	**182,900**	**3,415,878**
Equity instruments at FVTOCI				
Quoted	**156,913**	**-**	**-**	**156,913**
Unquoted	**10,096**	**-**	**43,302**	**53,398**
	167,009	**-**	**43,302**	**210,311**
Equity instruments at FVTPL				
Quoted	**19,110**	**-**	**-**	**19,110**
Unquoted	**48,909**	**-**	**-**	**48,909**
	68,019	**-**	**-**	**68,019**
Total	**1,437,149**	**2,030,857**	**226,202**	**3,694,208**

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

13. Islamic investment securities at fair value (continued)

(a) The geographical analysis of the Islamic investment securities at fair value as at 31 December 2023 is as follows:

	Within the U.A.E. AED'000	Other G.C.C. countries AED'000	Rest of the world AED'000	Total AED'000
2023				
Sukuk instruments at FVTOCI				
Quoted	963,321	1,391,806	111,314	2,466,441
Unquoted	28,500	-	-	28,500
	991,821	1,391,806	111,314	2,494,941
Equity instruments at FVTOCI				
Quoted	140,094	-	-	140,094
Unquoted	21,250	-	55,088	76,338
	161,344	-	55,088	216,432
Equity instruments at FVTPL				
Quoted	1,750	-	-	1,750
Unquoted	68,105	-	-	68,105
	69,855	-	-	69,855
Total	1,223,020	1,391,806	166,402	2,781,228

(b) Analysis of Islamic investment securities at fair value by industry group as at 31 December 2024 and 2023 is as follows:

	2024 AED'000	2023 AED'000
Government	**1,391,843**	1,071,684
Manufacturing and services	**803,541**	343,240
Real estate	**53,397**	113,487
Financial institutions	**1,445,427**	1,252,817
Total	**3,694,208**	2,781,228

***Islamic investment securities at FVTOCI – Sukuk instruments**

The significant changes in the gross carrying amount of Islamic investment securities at FVTOCI - Sukuk instruments during the year that contributed to changes in the loss allowance, is provided in the table below:

	Stage 1 AED'000	**Stage 2 AED'000**	**Stage 3 AED'000**	**Total AED'000**
As at 1 January 2024	2,498,904	-	-	2,498,904
- Transfer to stage 2	(28,521)	28,521	-	-
Change in exposure	712,385	(5,915)	-	706,470
New financial assets recognised	476,068	-	-	476,068
Financial assets derecognized	(256,211)	-	-	(256,211)
As at 31 December 2024	**3,402,625**	**22,606**	**-**	**3,425,231**

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)
13. Islamic investment securities at fair value (continued)

***Islamic investment securities at FVTOCI – Sukuk instruments (continued)**

	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total AED'000
As at 1 January 2023	2,077,608	-	54,506	2,132,114
Change in exposure	269,972	-	-	269,972
New financial assets recognised	151,324	-	-	151,324
Write-offs	-	-	(54,506)	(54,506)
As at 31 December 2023	2,498,904	-	-	2,498,904

The tables below analyse the movement of the ECL allowance during the year per class of Islamic investment securities at FVTOCI - Sukuk instruments.

	Stage 1 12-month ECL AED'000	**Stage 2 Life time ECL AED'000**	**Stage 3 Lifetime ECL AED'000**	**Total AED'000**
Loss allowance as at 1 January 2024	3,963	-	-	3,963
- Transfer to stage 2	(21)	21	-	-
Change in credit risk	5,636	85	-	5,721
New financial assets recognised	600	-	-	600
Financial assets derecognized	(931)	-	-	(931)
Loss allowance as at 31 December 2024	**9,247**	**106**	**-**	**9,353**

	Stage 1 12-month ECL AED'000	Stage 2 Life time ECL AED'000	Stage 3 Lifetime ECL AED'000	Total AED'000
Loss allowance as at 1 January 2023	4,631	-	54,506	59,137
Change in credit risk	(1,177)	-	-	(1,177)
New financial assets recognised	509	-	-	509
Write-offs	-	-	(54,506)	(54,506)
Loss allowance as at 31 December 2023	3,963	-	-	3,963

14. Investment properties

(a) Movement in investment properties during the years ended 31 December 2024 and 2023 is as follows:

	2024 AED'000	2023 AED'000
As at 1 January	**385,755**	381,064
Additions during the year	**2,090**	4,667
Change in fair value during the year (Note 25)	**3,700**	24
As at 31 December	**391,545**	385,755

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)
14. Investment properties (continued)

(b) Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2024 and 31 December 2023 are as follows:

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Fair value AED'000
31 December 2024	**-**	**-**	**391,545**	**391,545**
31 December 2023	-	-	385,755	385,755

The Group's investment properties consist of four commercial properties in the Emirate of Ajman. As at 31 December 2024 and 2023, the fair values of the properties are based on valuations performed by an accredited independent valuer who is a specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied. The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Using the discounted cash flow (DCF) method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate. The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behavior that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Significant increases (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in the long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value. Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and discount rate (and exit yield), and an opposite change in the long-term vacancy rate.

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

15. Property and equipment

	Leasehold improvements AED'000	Furniture, fittings and equipment AED'000	Vehicles AED'000	Computer equipment and software AED'000	Right-of-use assets AED'000	Capital work in progress* AED'000	Land and buildings AED'000	Total AED'000
Cost								
At 1 January 2023	67,055	52,621	1,667	125,542	20,875	20,471	68,886	357,117
Additions	158	652	469	3,723	6,162	19,917	-	31,081
Transfers	2,676	53	-	19,965	-	(22,694)	-	-
Disposals	-	(10,775)	(877)	(4,277)	(6,911)	-	-	(22,840)
Write offs	(1,312)	-	-	-	-	-	-	(1,312)
At 31 December 2023	68,577	42,551	1,259	144,953	20,126	17,694	68,886	364,046
Additions	1,077	412	-	4,510	8,725	19,341	-	34,065
Transfers	643	1,768	-	5,956	-	(8,367)	-	-
Disposals	-	(9)	-	-	(9,568)	-	-	(9,577)
Write offs	(23,532)	-	-	-	-	-	-	(23,532)
At 31 December 2024	**46,765**	**44,722**	**1,259**	**155,419**	**19,283**	**28,668**	**68,886**	**365,002**
Accumulated depreciation								
At 1 January 2023	57,728	45,003	744	102,988	11,840	-	11,733	230,036
Charge for year	2,769	2,222	210	16,239	5,564	-	1,516	28,520
Disposals	-	(7,899)	(347)	(4,274)	(6,911)	-	-	(19,431)
Write offs	(866)	-	-	-	-	-	-	(866)
At 31 December 2023	59,631	39,326	607	114,953	10,493	-	13,249	238,259
Charge for year	2,852	1,491	150	13,256	4,694	-	995	23,438
Disposals	-	(9)	-	-	(9,568)	-	-	(9,577)
Write offs	(23,532)	-	-	-	-	-	-	(23,532)
At 31 December 2024	**38,951**	**40,808**	**757**	**128,209**	**5,619**	**-**	**14,244**	**228,588**
Net book value								
At 31 December 2024	**7,814**	**3,914**	**502**	**27,210**	**13,664**	**28,668**	**54,642**	**136,414**
At 31 December 2023	8,946	3,225	652	30,000	9,633	17,694	55,637	125,787

* Capital work in progress comprises cost incurred on IT projects.

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

16. Other Islamic assets

	2024 AED'000	2023 AED'000
Accrued income on Islamic financing and investing assets	**75,363**	116,850
Accrued income on Islamic investment securities	**29,903**	29,298
Prepaid expenses	**8,060**	8,153
Staff advances	**15,197**	15,631
Acceptances (Note 19)	**5,797**	1,126
Foreign currency forward contracts	**359**	80
Assets acquired in settlement of Islamic financing and investing assets (*)	**530,050**	530,050
Financial assets acquired in settlement of Islamic financing and investing assets (**)	**-**	644,383
Rent receivable	**19,373**	14,797
Other	**153,012**	87,199
	837,114	1,447,567
Less: Impairment loss allowance (Note 28)	**(24,685)**	(25,582)
	812,429	1,421,985

(*) 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 32.3). The fair value of these assets amounted to AED 355 million (2023: AED 355); accordingly, during 2023, the Group booked an impairment loss of AED 63 million against these assets.

(**) During the period, the Group has disposed off the assets to a related party for a consideration of AED 650 million which resulted in a gain recognized in the statement of profit or loss of AED 6 million.

17. Islamic customers' deposits

(a) The analysis of the Islamic customers' deposits as at 31 December 2024 and 2023 is as follows:

	2024 AED'000	2023 AED'000
Current accounts	**4,356,089**	4,750,220
Mudarba deposits:		
Savings accounts	**468,233**	381,772
Term deposits	**25,700**	29,760
	4,850,022	5,161,752
Wakala deposits	**12,747,429**	14,176,456
Escrow accounts	**386,266**	315,954
Margin accounts	**77,850**	70,586
	18,061,567	19,724,748

All Islamic customers' deposits as at 31 December 2024 and 2023 were held within the U.A.E.

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

18. Due to banks and other financial institutions

(a) The analysis of the due to banks and other financial institutions as at 31 December 2024 and 2023 is as follows:

	2024 AED'000	2023 AED'000
Current accounts	**23,196**	128,025
Investment deposits	**956,455**	1,476,729
Total	**979,651**	1,604,754

(b) The geographical analysis of the Group's due to banks and other financial institutions as at 31 December 2024 and 2023 is as follows:

	2024 AED'000	2023 AED'000
Within the U.A.E.	**809,055**	855,517
Outside the U.A.E.	**170,596**	749,237
Total	**979,651**	1,604,754

19. Other liabilities

	2024 AED'000	2023 AED'000
Accrued profit on Islamic customers' deposits and placements by banks	**332,876**	391,640
Provisions for staff salaries and benefits	**39,084**	24,921
Managers' cheques	**120,095**	65,459
Acceptances (Note 16)	**5,797**	1,126
Lease liability	**12,446**	10,010
Provision for income tax (Note 37)	**39,129**	-
Deferred tax liabilities (Note 37)	**5,526**	-
Impairment loss allowance on financial commitments and financial guarantees (Note 28)	**8,842**	325,853
Other	**137,525**	112,069
	701,320	931,078

20. Share capital and treasury shares

Share capital	2024 AED'000	2023 AED'000
2,723,500,000 (31 December 2023: 2,723,500,000) shares of AED 1 each, issued and fully paid	**2,723,500**	2,723,500

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

20. Share capital and treasury shares (continued)

The Board of Directors has proposed a cash dividend of AED 0.0725 per share (7.25% of paid-up capital) at their meeting held on 22 January 2025.

The annual general meeting of the shareholders in its meeting held on 19 April 2023 approved to distribute dividends in the form of bonus shares of 3.5% of the Group's current paid-up capital by issuing 73,500,000 bonus shares amounting to AED 73,500,000. Further, AED 2.5 million as directors' remuneration was also approved during 2023.

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 December 2024, the Market Maker held 34,478,543 of Ajman Bank's shares (31 December 2023: 27,674,759 shares) on behalf of the Group, which are classified under equity as treasury shares at par value of AED 1 at 31 December 2024 and 31 December 2023. During the year, AED 16 million (year ended 31 December 2023: AED 33 million) has been utilised from share premium reserve (included under statutory and other 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.

21. Statutory reserve

The U.A.E. Commercial Companies Law and the Articles of Association of the Group, require that 10% of the profit attributable to the shareholders is transferred to a non-distributable statutory reserve until this reserve equals 50% of the paid-up share capital. This reserve is not available for distribution other than in circumstances stipulated by law. Included under statutory reserve is a share premium reserve amounting to AED'000 126,357 as at 31 December 2024 (2023: AED'000 142,345).

22. 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.

23. Income from Islamic financing and investing assets

	2024 **AED'000**	2023 AED'000
Income from Ijarahs	**569,695**	638,905
Income from Murabahat	**493,595**	463,485
Income from Wakala	**109,081**	107,551
Income from Istisna'a financing	**3**	92
	1,172,374	1,210,033

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

24. Income from Islamic investment securities

	2024 AED'000	2023 AED'000
Income from Islamic investment securities at FVTOCI	**123,443**	93,528
Realized gain/(loss) on disposal of Islamic investment securities at FVTOCI	**8,940**	1,874
(Loss)/gain on Islamic investment securities at FVTPL	**(9,480)**	51,900
Income from Islamic investment securities at amortised cost	**15,169**	22,454
Total	**138,072**	169,756

25. Fees, commission and other income

	2024 AED'000	2023 AED'000
Processing and evaluation fees	**18,476**	22,391
Arrangement fee	**13,494**	6,465
Foreign exchange income	**39,923**	35,234
Trade related commission and fees	**4,850**	4,738
Investment agent fees	**12,056**	5,855
Account and credit card related fees	**14,427**	5,294
Rental Income	**61,856**	72,059
Fair value gain on investment properties (Note 14)	**3,700**	24
Other	**21,926**	27,922
Total	**190,708**	179,982

26. Staff costs

	2024 AED'000	2023 AED'000
Salaries and allowances	**162,312**	149,969
Other staff related cost	**89,098**	95,614
	251,410	245,583

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

27. General and administrative expenses

	2024 AED'000	2023 AED'000
Premises and equipment maintenance costs	**26,176**	20,716
Communication expenses	**5,100**	6,459
Legal, professional and consultancy fees	**28,008**	9,888
Security services including cash in transit services	**3,652**	3,878
Software license	**4,802**	2,545
License fees	**2,818**	3,710
Printing and stationary	**715**	1,497
Marketing, designing and product development expenses	**2,143**	1,329
Rental expenses	**1,510**	1,055
Finance lease charges	**327**	261
Operational loss	**276**	10,700
Others	**19,293**	33,840
	94,820	95,878

28. Impairment allowance of financial assets

The movement in impairment allowance by financial asset category is as follows:

	Opening balance AED'000	Net charge during the year AED'000	Write-off, net of recoveries and other transfers AED'000	Closing balance AED'000	Net charge 31 December 2023 AED'000
Due from banks and other financial institutions (Note 10)	**10,798**	**(3,265)**	**-**	**7,533**	5,034
Islamic financing and investing assets (Note 11)	**633,820**	**218,068**	**(5,545)**	**846,343**	269,666
Islamic investment securities at amortised cost (Note 12)	**2,438**	**(2,438)**	**-**	**-**	(443)
Islamic investment securities at FVTOCI (*)	**3,963**	**5,390**	**-**	**9,353**	(668)
Other Islamic assets (Note 16)	**25,582**	**(466)**	**(431)**	**24,685**	8,365
Financial commitments and financial guarantees (Note 19)	**325,853**	**(290,529)**	**(26,482)**	**8,842**	448,064
Total	**1,002,454**	**(73,240)**	**(32,458)**	**896,756**	730,018

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

The credit impairment provisions calculated in accordance with CBUAE requirements were in excess of ECL allowance calculated under IFRS 9 as explained in note 22.

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

29. Basic and diluted earnings/(loss) per share

Earnings/(loss) per share are computed by dividing the profit/(loss) for the year by the weighted average number of shares outstanding during the year as follows:

	2024	2023
Basic earnings/(loss) per share		
Profit/(loss) before tax for the year (AED'000)	**439,779**	(390,359)
Weighted average number of shares outstanding At 1 January (in thousands)	**2,692,424**	2,100,000
Effect of bonus shares issued in 2024 (in thousands)	**-**	73,500
Effect of rights issue of shares (in thousands)		
Bonus element	**-**	-
New shares issued	**-**	383,954
Weighted average number of shares outstanding at 31 December (in thousands)	**2,692,424**	2,557,454
Basic and diluted earnings/(loss) per share (AED)	**0.163**	(0.153)

As at 31 December 2024 and 2023, there were no potential dilutive shares outstanding.

30. Cash and cash equivalents

	2024 AED'000	2023 AED'000
Cash and balances with the Central Bank (Note 9)	**2,459,522**	4,467,728
Due from banks and other financial institutions (original maturity less than three months)	**989,730**	433,060
	3,449,252	4,900,788
Less: Statutory deposit with the Central Bank (Note 9)	**(931,800)**	(719,375)
Less: International Murabahat with the Central Bank (original maturity more than three months)	**(700,000)**	(2,200,000)
	1,817,452	1,981,413

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

31. Related parties transactions

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. Such related party transactions are disclosed below.

The Group is controlled by Ajman Government who owns 28% (2023: 26%) of the issued and paid capital.

Transactions

Transactions with related parties are shown below:

	2024			2023		
	Major shareholders AED'000	**Director and other related parties AED'000**	**Total AED'000**	Major shareholders AED'000	Director and other related parties AED'000	Total AED'000
Depositors' share of profit	**304,341**	**7,730**	**312,071**	204,114	5,606	209,720
Income from Islamic financing and investing assets	**5,215**	**10,067**	**15,282**	5,949	14,268	20,217

During the year, nil (31 December 2023: AED 2.5 million) was approved as Directors' remuneration by the shareholders at the annual general meeting held on 19 April 2023 and recorded in the consolidated statement of profit or loss.

Balances

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

	2024			2023		
	Major shareholders AED'000	**Director and other related parties AED'000**	**Total AED'000**	Major shareholders AED'000	Director and other related parties AED'000	Total AED'000
Islamic financing and investing assets	**209,395**	**335,337**	**544,732**	235,891	333,102	568,993
Customers' deposits	**6,241,218**	**184,883**	**6,426,101**	5,436,438	181,766	5,618,204

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

31. Related parties transactions (continued)

Compensation of management personnel

Key management compensation is as shown below:

	2024	2023
	AED'000	AED'000
Short term employment benefits	**9,780**	8,663
Terminal benefits	**339**	514
Total	**10,119**	9,177

32. Contingencies and commitments

32.1 Capital commitments

At 31 December 2024, the Group had outstanding capital commitments of AED 47 million (31 December 2023: AED 45 million), which will be funded within the next twelve months.

32.2 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 as at 31 December:

	2024	2023
	AED'000	AED'000
Investment commitments	**-**	26,500
Letters of credit	**34,643**	30,541
Letters of guarantee	**441,277**	392,563
Legal claim (Note 32.3)	**-**	285,242
	475,920	734,846

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

32. Contingencies and commitments

32.2 Credit related commitments and contingencies (continued)

Significant changes in the gross carrying amount of Financial commitments and financial guarantees during the year that contributed to changes in the loss allowance, is provided in the table below:

	Stage 1 AED'000	**Stage 2 AED'000**	**Stage 3 AED'000**	**Total AED'000**
As at 1 January 2024	316,207	73,557	345,082	734,846
- Transfer to stage 1	16,885	(16,885)	-	-
- Transfer to stage 2	(900)	900	-	-
Change in exposure	(40,501)	(10,270)	(4,085)	(54,856)
New financial commitments and financial guarantees recognized	140,913	-	-	140,913
Financial commitments and financial guarantees derecognised	(30,001)	(3,240)	(285,260)	(318,501)
Write-offs	-	-	(26,482)	(26,482)
As at 31 December 2024	**402,603**	**44,062**	**29,255**	**475,920**

	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total
As at 1 January 2023	477,341	83,699	30,213	591,253
- Transfer to stage 1	11,884	(11,884)	-	-
- Transfer to stage 2	-	256	(256)	-
- Transfer to stage 3	(166,025)	-	166,025	-
Change in exposure	(715)	1,486	(1,076)	(305)
New financial commitments and financial guarantees recognized	99,535	-	285,242	384,777
Financial commitments and financial guarantees derecognised	(105,813)	-	(135,066)	(240,879)
As at 31 December 2023	316,207	73,557	345,082	734,846

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

32. Contingencies and commitments (continued)

32.2 Credit related commitments and contingencies (continued)

The tables below analyse the movement of the ECL allowance during the year per class of Financial commitments and financial guarantees.

	Stage 1 12-month ECL AED'000	**Stage 2 Life time ECL AED'000**	**Stage 3 Lifetime ECL AED'000**	**Total AED'000**
Loss allowance as at 1 January 2024	2,329	1,837	321,687	325,853
Changes in the loss allowance				
- Transfer to stage 1	475	(475)	-	-
Change in credit risk	(80)	916	(7,277)	(6,441)
New financial commitments and financial guarantees recognized	1,493	-	-	1,493
Financial commitments and financial guarantees derecognised	(123)	(198)	(285,260)	(285,581)
Write-offs	-	-	(26,482)	(26,482)
Loss allowance as at 31 December 2024	**4,094**	**2,080**	**2,668**	**8,842**

	Stage 1 12-month ECL AED'000	Stage 2 Life time ECL AED'000	Stage 3 Lifetime ECL AED'000	Total AED'000
Loss allowance as at 1 January 2023	626	2,766	9,463	12,855
Changes in the loss allowance				
- Transfer to stage 1	1,632	(1,632)	-	-
- Transfer to stage 3	(3)	-	3	-
Change in credit risk	25	703	162,046	162,774
New financial commitments and financial guarantees recognized	116	-	285,241	285,357
Financial commitments and financial guarantees derecognised	(67)	-	(135,066)	(135,133)
Loss allowance as at 31 December 2023	2,329	1,837	321,687	325,853

32.3 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 consolidated financial statements.

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

32. Contingencies and commitments (continued)

32.3 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 16). 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.

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.

33. Segment analysis

Following the management approach of IFRS 8, 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:

- 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;
- 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
- 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 consolidated financial statements
For the year ended 31 December 2024 (continued)

33. Segment analysis (continued)

Segment results of operations

The segment information provided to the Board of Directors for the reportable segments is as follows:

	Consumer banking AED'000	Wholesale banking AED'000	Treasury AED'000	Others AED'000	Total AED'000
At 31 December 2024					
Net income from Islamic financing and investing assets	279,453	248,654	(120,680)	-	407,427
Income from Islamic investment securities	-	-	138,072	-	138,072
Write-back of / (provision for) expected credit losses on financial assets	(21,520)	97,637	(2,877)	-	73,240
Fees, commission and other income	14,686	116,793	56,421	2,808	190,708
Staff costs	(153,035)	(88,014)	(7,507)	(2,854)	(251,410)
General and administrative expenses and depreciation of property and equipment	(73,456)	(41,077)	(3,345)	(380)	(118,258)
Income tax expense	(4,019)	(29,716)	(5,394)	-	(39,129)
Operating profit/(loss)	42,109	304,277	54,690	(426)	400,650
Segment assets	6,036,321	9,603,456	5,495,033	1,719,538	22,854,348
Segment liabilities	11,949,693	6,613,354	2,980	1,176,511	19,742,538

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

33. Segment analysis (continued)

Segment results of operations (continued)

	Consumer banking AED'000	Wholesale banking AED'000	Treasury AED'000	Others AED'000	Total AED'000
At 31 December 2023					
Net income from Islamic financing and investing assets	208,711	386,235	(87,158)	-	507,788
Income from Islamic investment securities	-	65,491	104,265	-	169,756
Impairment of associates	-	(88,703)	-	-	(88,703)
Impairment charges on financial and non-financial assets	4,785	(794,592)	606	-	(789,201)
Fees, commission and other income	43,116	111,803	25,063	-	179,982
Staff costs	(160,723)	(58,668)	(26,192)	-	(245,583)
General and administrative expenses and depreciation of property and equipment	(92,999)	(22,086)	(9,313)	-	(124,398)
Operating profit/(loss)	2,890	(400,520)	7,271	-	(390,359)
Segment assets	3,773,772	13,383,178	5,836,205	1,942,377	24,935,532
Segment liabilities	6,318,865	14,258,606	745,440	937,669	22,260,580

Revenue from major products and services

Revenue from major products and services are disclosed in Note 24 in the consolidated financial statements.

Information about major customers

No single customer contributed 10% or more to the Group's revenue for both years ended 31 December 2024 and 2023.

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

34. Maturity profile of financial liabilities

		2024	
	Up to 1 year AED'000	**1 - 5 years AED'000**	**Total AED'000**
Islamic customers' deposits	**14,842,362**	**3,219,205**	**18,061,567**
Due to banks and other financial institutions	**479,651**	**500,000**	**979,651**
Other liabilities	**564,072**	**-**	**564,072**
	15,886,085	**3,719,205**	**19,605,290**
Commitments and contingent liabilities	**142,104**	**333,816**	**475,920**

		2023	
	Up to 1 year AED'000	1 - 5 years AED'000	Total AED'000
Islamic customers' deposits	16,273,278	3,451,470	19,724,748
Due to banks and other financial institutions	1,604,754	-	1,604,754
Other liabilities	557,246	-	557,246
	18,435,278	3,451,470	21,886,748
Commitments and contingent liabilities	408,820	326,026	734,846

35. Social contributions

The social contribution (including donations and charities) made during the year amounted to AED 1.6 million (2023: AED 0.3 million).

36. Comparative information

Certain comparative amounts in these consolidated financial statements have been adjusted to confirm with the current period's presentation.

37. Taxation

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime is effective from 1 June 2023 and accordingly, it has an income tax related impact on the financial statements for accounting periods beginning on or after 1 June 2023.

Notes to the consolidated financial statements
For the year ended 31 December 2024 (continued)

37. Taxation (continued)

The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted from the perspective of IAS 12 – Income Taxes. A rate of 9% will apply to taxable income exceeding AED 375,000 and a rate of 0% will apply to taxable income not exceeding AED 375,000 and a rate of 0% on qualifying income of free zone entities.

During the year ended 31 December 2024, the Group has recorded a provision for current income tax amounting AED 39.1 million (31 December 2023: nil) in accordance with the CT Law, representing an effective tax rate of 8.9% and deferred taxation liability arising from investment securities amounting AED 5.5 million (31 December 2023: nil).

38. Approval of consolidated financial statements

The consolidated financial statements were approved by the Board of Directors and authorized for issue on 22 January 2025.

CORPORATE GOVERNANCE REPORT - 2024

مصرف عجمان
Ajman Bank

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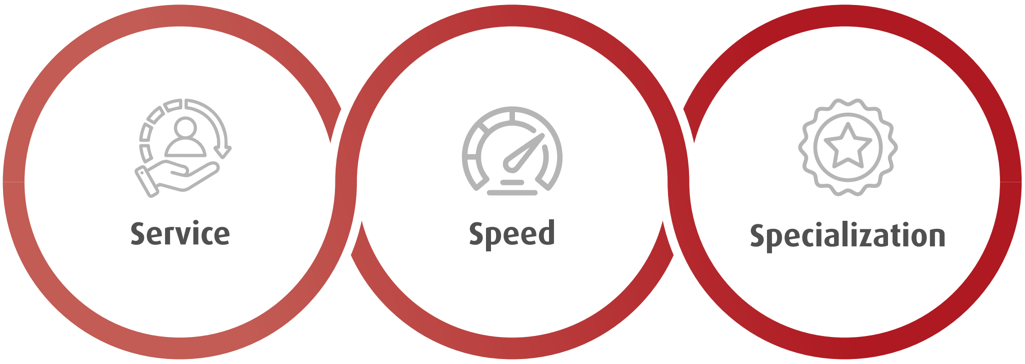
Inspiring Shari'ah Values | قيمنا مستمدة من الشريعة السمحاء

Our vision

To be one of the favorite financial services brands in the UAE and the entire region.



The pillars of our success

Service: building lasting relationships

At the heart of Ajman Bank's transformation journey is our unwavering commitment to service excellence. Banking is not just about transactions; it is about building lasting relationships based on trust, integrity, and mutual respect. Our focus on service is reflected in every interaction with our customers, from branch greetings to personalized support through our contact centers.

To deliver exceptional service, we invest in our most valuable asset – our people. Our employees drive our success, and we are committed to their continuous development and empowerment. By listening to our customers and understanding their needs, we create a banking experience that is both convenient and rewarding

Speed: accelerating growth and innovation

In today's fast-paced world, speed is a necessity. At Ajman Bank, we recognize the importance of staying ahead in a rapidly evolving financial landscape. Our approach to speed encompasses technological advancements, process optimization, and swift decision-making.

We have invested heavily in cutting-edge technology to enhance our digital capabilities. Our mobile and online banking platforms offer seamless, user-friendly experiences. From instant fund transfers to real-time account monitoring, our digital solutions ensure our customers can manage their finances with ease and efficiency.

Specialization: delivering tailored solutions

One size does not fit all. Our commitment to specialization drives us to develop tailored solutions for different customer segments. Whether you are an individual seeking personalized financial advice, a small business aiming for growth, or a large corporation needing sophisticated banking solutions, we have the expertise to support your goals.

Our specialized teams understand the specific needs of each customer segment. This enables us to design products and services that are relevant and highly effective in meeting their financial objectives.

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A message from the Chairman

On behalf of the Board of Directors, I am pleased to present to you the Corporate Governance Report of Ajman Bank for the year 2024.

Good governance has always been a priority for Ajman Bank, reaffirming our integrity, discipline, and responsibility across all aspects of our operations. The Bank's outstanding performance this year is a testament to the success of our strategic initiatives and the strength of the UAE economy.

The Bank's growth and prosperity reflect our commitment to supporting economic development in Ajman and the UAE while ensuring the delivery of exceptional services with the highest standards of integrity. I would like to extend my sincere gratitude to the Board of Directors, senior management, and all employees for their dedication, exceptional efforts, and continuous support, which have been instrumental in our success.

All our financial achievements have been made possible through the continuous development of the Bank's management approach in line with best practices. As the Board remains committed to protecting the interests of stakeholders—including shareholders, the local community, customers, and our environment—numerous strategic initiatives have been implemented to embed the highest corporate governance standards across all Bank functions.

The Board of Directors of Ajman Bank consists of seven members, each possessing extensive experience and diverse perspectives that contribute to shaping the Bank's overall strategy.

This year, we are delighted to welcome the first female member to our Board, further enhancing diversity within the Board as a whole. We firmly believe that diversity in all its forms plays a vital role in fostering innovation and supporting decision-making processes that serve the best interests of all stakeholders.

At the structural level, the Board continued to operate through five subcommittees. However, the frequency of meetings and the breadth of topics discussed with management have increased significantly this year. This enhanced collaboration has provided more effective guidance on some of the Bank's most important strategic initiatives.

From evaluating new growth opportunities to overseeing key digital transformation projects, the Board's engagement has been crucial in steering the Bank's direction and ensuring that its strategies align with market conditions and long-term vision. With the addition of the new Board member, the composition of certain subcommittees has been adjusted to ensure a well-balanced distribution of skills and expertise across different committees.

The Board remains fully focused on responsibly implementing the Bank's strategies, effectively managing risks, and consistently adhering to regulatory requirements. Recognizing its responsibility, the Board is committed to guiding the Bank's overall strategy, upholding its core values, and safeguarding the interests of all stakeholders.

Ajman Bank adheres to Sharia and regulatory guidelines, including those issued by the Central Bank of the United Arab Emirates (CBUAE), the Securities and Commodities Authority (SCA) of the UAE, and the Dubai Financial Market (DFM). The Bank's Corporate Governance Manual aligns with relevant regulatory requirements.

The Board is fully responsible for ensuring Ajman Bank's compliance with Sharia principles, with support from the Internal Sharia Supervisory Committee (ISSC). The Bank continuously reviews its policies—particularly in corporate governance, risk management, internal control, compliance, internal auditing, financial reporting, external auditing, and outsourcing—to ensure full adherence to all relevant regulatory requirements. The Board also approves necessary developments and amendments should any fundamental changes be required.

Effective corporate governance is an ongoing journey, and we will continue to enhance our practices and engage with stakeholders to ensure we meet and exceed the standards expected of us.

Thank you for your continued trust and support.

H.H. Sheikh Ammar Bin Humaid Bin Rashid Al Noaimi

Chairman of the Board of Directors
Ajman Bank

Our Board of Directors

H.H. Sheikh Ammar Bin Humaid Bin Rashid Al Noaimi

Chairman of the Board of Directors
Ajman Bank

H.H Sheikh Rashid Bin Humaid Bin Rashid Al Noaimi

Vice Chairman

Mr. Abdullah Mohammed Hassan Alhosani
Board Member

Mr. Ali Rashid Humaid Almazroei
Board Member

Mr. Faisal Hassan Ibrahim Galadari
Board Member

Mr. Mahmood Khaleel Alhashmi
Board Member

Mrs. Sarah Ahmed Al Jarman
Board Member

Mr. Abdulla Mohammed Hassan Mohammed Alhosani

Board Member

Mr. Abdulla Mohammed Hassan Mohammed Alhosani serves as a Board Member at Ajman Bank and is the Vice Chairman of Amanat Holdings PJSC. Mr. Alhosani is a seasoned banking professional with 30 years of experience in the industry.

Throughout his career, Mr. Alhosani has consistently contributed to the development of the banking industry with his in-depth knowledge and expertise, spanning diverse areas such as retail banking, commercial banking, business research, and quality assurance. His contributions have significantly aided the growth and advancement of the UAE's banking sector.

Mr. Alhosani has held key leadership positions in renowned banking institutions across the UAE, including the National Bank of Abu Dhabi, First Gulf Bank, Commercial Bank of Dubai, and Bank of Oman / Mashreq Bank.

In addition to his achievements in the banking sector, Mr. Alhosani has played a notable role in the growth of Al Salem Company Ltd as an investment firm in the UAE market.

Mr. Alhosani currently sits on the boards of several leading organisations including Ajman Bank, Insurance Company, and Gulf Cement Company. He holds a bachelor's degree in accounting and economics from UAE University in the United Arab Emirates.

Mr. Ali Rashed Hamid Al Mazrouei

Board Member

Mr. Ali Rashed Hamid Al Mazrouei is a distinguished board member at Ajman Bank and the current CEO of Al Bahri and Al Mazrouei Group, a conglomerate with a diverse portfolio established in 1968 in Dubai. His leadership extends across a spectrum of industries, including trade, real estate, industry, tourism, and travel, demonstrating a versatile and dynamic approach to business management.

His career in finance and management began at Citibank Group in Dubai, where from 2000 to 2007, he excelled as Vice President of Financial Management. In this role, he was instrumental in overseeing small and medium enterprise projects and leading the planning and analysis department for a significant region encompassing Turkey, the Middle East, and Africa.

Mr. Al Mazrouei's governance and strategic insight are further evidenced by his active participation on various boards, including his previous role as a Board Member of the Dubai Financial Market PJSC, Taaleem Holding PJSC, and currently chairman of Board Emirates NBD REIT, member of board of trustees at Canadian University in Dubai. Emirates NBD REIT, where he contributes significantly to audit and investment committees.

Mr. Al Mazrouei has a solid educational foundation with a Bachelor of Business Administration from the American University in Dubai, and a MBA from Southern New Hampshire University, USA. His academic background, combined with his extensive professional experience, positions him as a leader capable of navigating complex business landscapes and contributing to the growth and sustainability of his ventures.

Mr. Faisal Hassan Ibrahim Galadari

Board Member

Mr. Faisal Hassan Ibrahim Galadari, serving as a Board Member for Ajman Bank, is a prominent figure in the banking industry with an illustrious career spanning over 35 years. His guidance has been instrumental in navigating Ajman Bank through the competitive and fastevolving banking landscape, highlighting his capacity for strategic innovation and organizational development.

As the Chief Executive Officer at Al Masraf Bank, Abu Dhabi, UAE, Mr. Galadari brings a wealth of experience in Corporate, Consumer, and Islamic Banking, as well as Branch Management.

Mr. Galadari's tenure is characterized by his dynamic and results-oriented approach, effectively transforming various operational and distribution channels, and significantly enhancing customer service and satisfaction. His expertise in financial services, coupled with a profound understanding of consumer marketing, branding, and customer loyalty, has led to the transformation of underperforming units into high-paced organizations under his guidance.

Mr. Galadari holds a Bachelor of Commerce from Cairo University, Egypt, and has participated in several advanced management programs at IMD Switzerland. His strategic leadership, profound industry knowledge, and commitment to excellence have established him as a key influencer and thought leader in the UAE's banking sector.

Mr. Mahmood Khalil Al Hashmi

Board Member

Mr. Mahmoud Khalil Al Hashmi, serves as a Board Member at Ajman Bank. He is an illustrious Emirati national, who has carved a special niche for himself with professional excellence in the finance, economy, and media sectors. With an outstanding career spanning over three decades, Mr. Al Hashmi has made significant contribution to both established and emerging entities.

Mr. Al Hashmi's broad experience spans government, semi-government, and private sectors, making notable strides in economic zones, free zones, industrial zones, and logistics areas. His profound knowledge in strategic planning, business development, and international investment has been a cornerstone of his success.

Currently, Mr. Al Hashmi is the Director-General of the Tourism Development Department in Ajman, working tirelessly to enhance Ajman's appeal as a premier destination for tourism and commercial investments. He is also at the forefront of establishing the Coordination Office for Special Education Affairs in the Emirate and serves as the Chairman of the Board of Trustees of the Arab Network for Communication and Public Relations, reflecting his commitment to broad-scale development.

Previously, Mr. Al Hashmi co-founded and led the Ajman Media City Free Zone from 2017 to 2022 and directed the Ajman Free Zone before that. His leadership extended to the Economic Development Department in Ajman, further showcasing his versatility and commitment to Ajman's growth. His early roles included Deputy CEO for Business Development at Jafza in Dubai and various capacities at the Central Bank of the United Arab Emirates, laying a solid foundation for his illustrious career.

Mr. Al Hashmi's academic background includes a bachelor's degree in accounting from the United Arab Emirates University.

Mrs. Sarah Ahmed Aljarman

Board Member

Ms Sarah Al Jarman is a Board at Ajman Bank. She stands out as a pioneering Emirati female professional in the broadcast media industry within the UAE. She currently holds the position of VP of TV Channels and Radio at Dubai Media Inc (DMI), where her leadership extends across the national and international spectrum of media, business, and governmental engagements. Her career began at Dubai Media Inc, progressing rapidly to significant roles including the Channel Manager of Dubai One TV in 2012. Ms. Al Jarman has been instrumental in the launch of the Dubai One TV startup project, and her evolving role over the years has encompassed content creation, execution, programming, business development, and production.

In 2016, Ms. Al Jarman was promoted to Director of General Channels, and her expertise was further recognized in 2022 when she was appointed as VP following a restructure by the Dubai Media Council. She has played a crucial role in collaborating with both government and private entities, significantly impacting the portrayal of the UAE´s humanitarian, economic, business, health, social, and entertainment sectors through media.

With a strong academic background, Ms. Al Jarman is a distinguished alumna of Sorbonne University, where she earned a Master´s degree in Communications, Media, and Management. She is also a certified graduate from the inaugural Dubai Leaders Program under the Mohammed bin Rashid School for Leadership Development, and the Media Leaders Program in collaboration with the Civil Defense College in Abu Dhabi.

An active participant in media panels, her notable contributions include speeches at TEDx, the Knowledge Summit, World Future Energy Summit, Arab Media Forum, and New York TV Week. Ms. Al Jarman has also served as a jury member for the International Emmys Awards. Her extensive career and educational achievements highlight her profound impact on both the media and financial sectors, making her a key figure in shaping public perception and media strategy in the region.

A message from our CEO

I am pleased to share that our strong performance in 2024 is a testament to the success of our transformation strategy, which is rooted in **Service, Speed and Specialization.** This accomplishment is further supported by our relentless commitment to innovation, customer-centric solutions, and, most importantly, robust corporate governance.

As we look back on the year, I would like to extend my deepest gratitude to the Board of Directors, senior management, and all our dedicated employees for their exceptional efforts and unwavering support. Their collective drive has been instrumental in propelling us forward, and together, we have achieved remarkable milestones.

Looking ahead, we remain steadfast in our commitment to creating long-term value for our shareholders and stakeholders, while reinforcing our position as a leading force in the UAE's Islamic banking sector. Our strategic initiatives will continue to focus on sustainable growth, underpinned by innovative financial services that evolve with the needs of our customers.

Under the visionary leadership of H.H. Sheikh Ammar bin Humaid Al Noaimi, Chairman of the Board of Directors, and H.H. Sheikh Rashid bin Humaid Al Noaimi, Vice Chairman of the Board, along with our esteemed Board members, 2024 marked a year of significant progress in enhancing our corporate governance framework. Notably, we achieved a significant milestone with the appointment of Mrs. Sarah Al Jarman as the Bank's first female Board member, further strengthening our commitment to diversity. Additionally, female representation in the Executive Committee increased with two new members, and diversity across age, religion, and ethnicity flourished within the organization.

We take immense pride in our Emiratization efforts, which continue to be among the highest in the UAE financial sector. Our dedication to this cause was honored with the prestigious 'NAFIS Award' in 2024. Furthermore, we launched numerous empowerment initiatives aimed at developing female talent, enhancing the prospects of UAE nationals, and fostering career growth within our middle management through training, coaching, career advancement rotations, and delegation opportunities.

An essential element of effective governance is the delegation of authority, which ensures that our daily operations are managed efficiently and transparently. In alignment with this principle, we conducted a comprehensive review of our delegation of authority framework. This review resulted in the implementation of an updated, streamlined matrix to enhance control and operational efficiency across critical processes. This initiative coincides with the UAE's national Zero Bureaucracy drive and will continue into 2025 and beyond to ensure that our governance structure remains agile and adaptable to the ever-changing business and operational landscape.

To strengthen decision-making and improve transparency, we undertook a strategic transformation of our management committees. This included eliminating overlapping forums, reinforcing the empowerment of key committees, and establishing new committees where necessary. A robust framework has been implemented to ensure the smooth functioning of these committees, fostering better regulatory compliance, improved control, and collective decision-making.

In 2024, we also took an important step in our real estate strategy by launching Skyrise Properties, a wholly owned subsidiary. This new entity will allow us to focus more intensively on our core banking operations, while ensuring expert management of Ajman Bank's diverse real estate portfolio. With its independent identity, Skyrise Properties is committed to providing best-in-class services in property management, sales, leasing, brokerage, third-party evaluations, and facilities management, all while adhering to the highest governance standards in line with Central Bank regulations.

As we reflect on our achievements, I am confident that our strong governance framework and structures are well-positioned to support our vision for the future. With a foundation built on transparency, accountability, and continuous improvement, we are poised to accelerate our progress towards achieving our strategic goals.

Thank you for your continued trust and support. Together, we will continue to build a sustainable and prosperous future.

Mustafa Mohammed Saeed Al Khalfawi

Chief Executive Officer
Ajman Bank

Ajman Bank executive management

Mustafa Al Khalfawi
Chief Executive Officer

Salem Al Shamsi
Chief Operating Officer

Ediz Ozsoy
Chief Financial Officer

Adrian Hodges
Treasurer

Kashif Raza
Head of Wholesale Banking

Faizal Kundil
Head of Consumer Banking

Rahul Talwalkar
Chief Credit Officer

Rana Saud Khalid
Chief Risk Officer

Hend Al Ali
Chief Human Resources Officer

Badreldin Elmogadam
General Counsel & Board Secretary

Majdi Darwish
Chief Internal Auditor

Maryam Al Shorafa
Chief Corporate Communications Officer

Thaera Taryam
Chief Customer Excellence Officer

Zohaib Ali Zahid
Head of Enterprise Project Management Office & ESG

Muhammed Iqtadar
Head of Compliance

Dr. Fazal Rahim
Head Of Internal Sharia Control & ISSC Secretary

Abdul Naser Al Mannaee
Head of Internal Shaira Audit

Mustafa Al Khalfawi

Chief Executive Officer

Mustafa Al Khalfawi, is the Chief Executive Officer of Ajman Bank leading a team of senior executive bankers. He is a renowned figure in the UAE banking landscape. With over two decades of deep-rooted experience in the sector, he has carved a special niche for himself through his extensive expertise and visionary leadership. Prior to his appointment at Ajman Bank, Mustafa was a pivotal figure at First Abu Dhabi Bank (FAB), holding the dual roles of Head of Global Banking UAE and Global Head of Government, Sovereigns & Public Sectors. In these capacities, he led a dynamic team of senior bankers and relationship managers, overseeing a vast array of strategic investment banking clients across various industries. His tenure at FAB was marked by his adept handling of the UAE GREs, Government Sovereign, and extensive conglomerate groups.

Additionally, Mustafa's role at FAB extended to being the Chief Executive Officer of the bank's ADGM branch, where he was instrumental in aligning the branch's offshore operations with FAB's strategic vision. He also contributed significantly as a Board Member of FAB Islamic and MAGNATI Company, and actively participated in the Wholesale Banking Committee of the Union Banking Federation of the UAE.

Mustafa's journey in the banking world began at Al Futtaim Group, followed by a notable period in consumer banking as the regional manager at Emirates NBD's Deira Branch, before his transition to FAB in 2008. His career is adorned with numerous accolades and recognitions, reflecting his substantial contributions to the banking sector through various groundbreaking projects and transactions. In his new role at Ajman Bank, Mustafa is set to usher in a new era of growth and innovation, leveraging his profound industry knowledge, commitment to customercentricity, and operational excellence. His leadership is poised to steer Ajman Bank towards unprecedented heights in the realm of Sharia-compliant financial solutions and services.

Mustafa holds an Executive Masters in Big Data and Business Analytics from ESCP Business School (Ecole Superieure de Commerce de Paris) as well as a Bachelors in 'Marketing and Management' from the Ajman University of Science and Technology (AUST). In addition, he has also completed various prestigious leadership programmes including: Frontiers in Finance from Yale School of Management and Leadership Program in Eras of Disruption from Said Business School, Oxford University.

Salem Al Shamsi

Chief Operating Officer

Salem Abdulla Hamad Rashid Al Shamsi is the Chief Operating Officer at Ajman Bank. He oversees critical departments including Operations, Information Technology, Continuous Improvement, Administration, Internal Control, Digital Banking, PMO & BI, as well as Real Estate & Asset Management. His role emphasizes his passion for creating innovative strategies and expanding technological solutions in the banking sector. His responsibilities showcase his collaborative efforts in refining the bank's strategic direction and supporting unit implementations to achieve bank-wide objectives.

Salem has over 23 years of extensive professional experience in the banking and finance sector, enriched by a global perspective gained from his education in the United States. Salem's leadership journey also includes significant contributions as the Group Head of Retail Banking and Head of Government Business at Ajman Bank where he demonstrated exceptional skills in business management, client negotiations, and the development of segmentation strategies. His earlier roles at Emirates Islamic Bank and the National Bank of Dubai highlight his adaptability and proficiency in managing corporate banking operations and establishing strong business relationships.

As a graduate of Eckerd College Florida, specializing in International Business Management, Mr. Salem has a keen acumen for strategic planning, data-driven decision-making, and the implementation of innovative banking technologies and cost optimization strategies. His proficiency in Arabic and English has facilitated his effective communication and relationship-building within diverse professional settings.

Ediz Ozsoy

Chief Financial Officer

Ediz Ozsoy recently joined Ajman Bank as the Group Chief Financial Officer. Ediz is a senior Finance professional with extensive finance leadership experience spanning over more than 30 years all in the Banking sector. His areas of expertise include financial control, financial planning and analysis, strategy, taxation, budgeting, balance sheet management and performance monitoring.

Prior to joining Ajman bank, Ediz was the UAE Country CFO for all UAE entities of Citibank in the UAE including onshore, DIFC and ADGM branches. He was also a board member of Citi Bahrain and Qatar. Prior to that he was country CFO for Citibank Turkey. Ediz also possesses significant business and product side experience including strategic planning, partnership and alliance execution, sales, relationship and product management. Academically, Ediz is a graduate in Economics from Istanbul University.

Adrian Hodges

Treasurer

Adrian P.L. Hodges is the Treasurer at Ajman Bank. He brings a rich tapestry of experience in treasury and global markets, with a career highlighted by transformative leadership and strategic innovation across multiple continents including the Middle East, Asia, and Australia.

Prior to joining Ajman Bank, Adrian was the Head of Global Markets Solutions at the Commercial Bank of Dubai, where he was instrumental in transforming a passive client FX execution business into a dynamic, solution-driven global markets service. Under his leadership, the bank saw a significant increase in fee revenues and diversified its financial products, contributing extensively to the bank's acclaim on the Forbes List of the World's Best Banks in 2022.

Adrian holds a BSc in Economics from Southampton University, United Kingdom, and has furthered his professional education with several high-profile certifications, including Strategic ALM from London Financial Studies and leadership training from INSEAD in Singapore. His global experience is complemented by a hands-on approach to strategic agenda setting, regulatory compliance, and corporate governance, making him an asset in his new role at Ajman Bank.

His career is defined by a robust track record of building client P&L businesses, spearheading organizational change, and delivering substantial financial results within a defined vision and risk tolerance work. Adrian is known for his dynamic interpersonal skills, ambition, and a strong capability to lead, motivate, and drive team success, marking him as a leader equipped to navigate the complexities of today's global financial markets.

Kashif Raza

Head of Wholesale Banking

Kashif Raza is the Head of Wholesale Banking at Ajman Bank. He has over 25 years of banking experience, out of which 18 years are in large banks in UAE. Kashif has served leading Islamic banks in various capacities and has a proven track record in client coverage, syndicated financing, project finance and DCM mandates. He played a leading role in multiple complex, innovate and landmark financing transactions in the UAE/GCC.

Prior to joining Ajman Bank, Kashif was the Head of Corporate Finance and Investment at ADIB. His role was mainly to deliver optimal and sustainable revenue growth, as well as provide senior strategic client/investor coverage for corporate finance and investment banking deals with a specific focus on regional sovereigns, large corporate and financial institutions. His other notable positions include Director of Capital Markets and Syndications at DIB Capital, and other senior roles at Standard Chartered Bank, United Bank Limited, Grant Thronton, and MCB Bank Limited.

Kashif's educational background complements his experience in strategic client coverage, corporate finance, investment banking and asset management. He holds a bachelor's degree in commerce from S.M Commerce College, Pakistan, as well as an MBA degree from the Institute of Business Administration, Pakistan.

Faizal Kundil

Head of Consumer Banking

Faizal Kundil is leading the Bank's Consumer Business covering consumer and business banking segments. He joined Ajman Bank in January 2021 and has overall 25+ years of experience in retail/ consumer banking. Under Faizal's leadership the Bank's consumer banking portfolio has seen healthy growth on both asset and liability sides. He combines deep product knowledge, including Islamic Finance, with strategic approach to value creation which has resulted in enhancing client satisfaction, trust and loyalty, and client engagement levels.

Faizal's possess diverse experience in consumer business strategic planning, product and marketing strategy and execution, sales & distribution expansion, product development, alternative channels, digital and payment solutions modernization and sales development. Under his leadership, the Bank has systematically delivered on ambitious budgets and has consistently increased its standards for innovation and performance.

Faizal previously worked with Citibank, Standard Chartered Bank, Dubai Islamic Bank, Emirates Islamic Bank and FAB Group in consumer banking related roles.

He holds a Certificate in Accelerate Leadership Program from Harvard Business School and Bachelor's Degree in Commerce from Delhi University, India

Rahul Talwalkar

Chief Credit Officer

Rahul Talwalkar is the Chief Credit Officer at Ajman Bank UAE. With over 25 years of extensive banking experience, Rahul has served leading banks in various capacities and has a proven track record in strategic transformation and risk management. His professional journey is marked by significant achievements having worked across key financial markets in Asia, the Middle East, and Europe, including positions in India, UK, Singapore, KSA and the UAE.

Prior to joining Ajman Bank, Rahul was the EVP – Risk and Compliance Director at Saudi Global Enterprise engaged in SGE program under Vision 2030. His other notable positions include Senior VP/Managing Director & Head of Credit Investment Banking at First Abu Dhabi Bank (FAB) as well as well as senior roles at ING Bank in various capacities that contributed to enhancing his expertise in credit risk management and corporate finance.

Rahul's educational background is as diverse and robust as his professional experience. He holds a Bachelor of Engineering degree in Electrical Engineering from the College of Engineering, Pune, India, and an MBA with an emphasis on Finance from the Indian Institute of Management, Ahmedabad (IIMA), one of the top business schools in Asia. Additionally, he has earned the prestigious Chartered Financial Analyst (CFA) designation from the Association for Investment Management & Research (AIMR), USA.

In addition to his professional accomplishments, Rahul is deeply committed to personal development and community engagement. Mr. Talwalkar is a global citizen with a local commitment, dedicated to excellence in the financial sector.

Rana Saud Khalid
Chief Risk Officer

Rana M Saud Khalid has been leading the Bank's Risk Department as CRO since April 2022 and served as the Deputy CRO for over 2 years before appointment as CRO. He joined Ajman Bank in 2013 and has more than 20 years of experience in risk management, direct investments and private equity and investment banking.

Reporting independently to the Board Risk Committee, Rana Saud has the overall responsibility for risk management including financial and non-financial risks as well as ESG risks. Rana Saud has played a lead role in establishing and consistently enhancing the Bank's risk management infrastructure. Under his leadership, the Bank has instituted a strong three lines of defence model which enables collaborative management, monitoring and timely mitigation of risks.

The Bank's Risk Appetite framework has been consistently enhanced to ensure Board's active oversight over material risks and timely action to mitigate risk events across the Bank's risk taxonomy. The three lines of defence model is further strengthened by a strong risk culture and promoting a balanced risk/reward approach across the Bank.

Rana Saud chairs the Bank's Executive Risk Committee and Model Oversight Committee and is a member of ALCO and IT Steering Committee, and a non-voting member of Credit Execution Committee. He is also a member of the UAE Bank Federation Risk Management Advisory Committee. Prior to joining Ajman Bank, he worked at some reputed local and global banks. Rana Saud is a graduate from King's College, London.

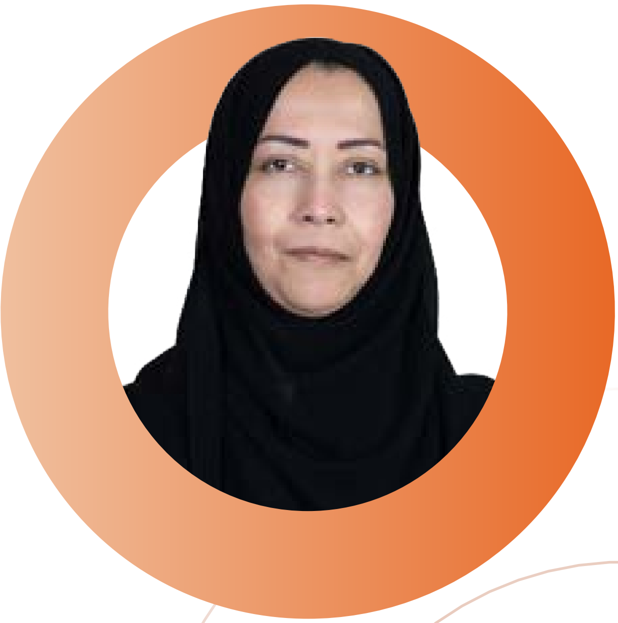
Hend Al Ali
Chief Human Resources Officer

Hend Al Ali is the Chief Human Resources Officer (CHRO) at Ajman Bank. An accomplished Emirati leader, Hend brings over 24 years of experience in the banking industry with proven capabilities in Strategic HR, Change Management, and Business and HR Transformation, as well as a strong background in handling startups, mergers and acquisitions, and IPOs.

Prior to joining Ajman Bank, Hend served as the Group Chief Human Resources Officer at Network International LLC, where she successfully managed the overall HR function, driving key initiatives in compensation, benefits, and HR strategies, particularly during the company's significant expansion and acquisition phases. Her previous roles include Executive Vice President and Human Capital Head at Dunia Finance LLC, where she was instrumental in overseeing the human resources functions, contributing to the company's rapid growth.

Hend's educational background includes a Bachelor's degree in Management Information Systems from Dubai Women's College, complemented by specialized courses in Human Resources Management. Her expertise and leadership will be pivotal in building a High-Performance Culture and enhancing Ajman Bank's human capital strategy, further positioning the bank for sustainable growth and success.

We look forward to the transformative impact Hend will bring to Ajman Bank, and we invite you to join us in extending a warm welcome to Hend as she embarks on this journey with us.



Badreldin Elmogadam

General Counsel & Board Secretary

Badreldin Eltahir Elmogadam is the General Counsel & Board Secretary at Ajman Bank. A high-profile legal professional with 25 years of specialized experience in the realm of banking and advisory services, Mr. Elmogadam has been instrumental in establishing and managing the bank´s legal processes and requirements. As a seasoned legal expert, Badreldin's competencies span drafting and vetting legal documents, providing legal consultancy and litigation support, ensuring statutory and regulatory compliance, and addressing Islamic banking legal matters. He possesses exceptional expertise and experience analyzing complex legal scenarios, providing advisory on intricate legal issues, and demonstrating skills in corporate litigation and international law.

His journey in the legal field is marked by a deep understanding and handling of a wide range of legal matters, including legal consultancy, documentation, administrative legal functions, and specifically, Islamic banking legal issues. He is known for his proactive and energetic approach, combined with a results-oriented mindset.

Prior to his current role Badreldin was the SVP - Head of Legal Affairs Division & Deputy General Counsel at Ajman Bank from 2008 to 2021, where he played a key role in the establishment of Ajman Bank. His responsibilities encompass a wide array of functions from managing board matters and corporate governance to overseeing legal department activities, affirming his versatile skill set in both strategic and operational legal aspects.

His career also includes significant roles at Qatar Islamic Bank as a Legal Advisor, and at the law firm of M. Al-Abdulla in cooperation with David, Arnold & Co-Opper as a Senior Legal Counsel, where he honed his skills in handling legal cases, drafting contracts, and providing legal opinions.

Educationally, Badreldin holds a Bachelor of Laws (LL.B "Honors") from the University of Khartoum, and various other certifications, including a Bar Examination Certificate and a Certified Board Secretary qualification. His training and qualifications cover English Legal System, Sudanese Law, Islamic Laws, and international arbitration, providing a robust foundation for his legal expertise.

Majdi Darwish

Chief Internal Auditor

Majdi H. Darwish, CPA, CIA, CISA, CISM, CFE, CBA, CRP, CICA, holds the position of EVP - Chief Internal Auditor, bringing a wealth of experience in Internal Audit, Risk Management, and Governance with a focus on the banking sector. With 18 years dedicated to internal audit roles within banks and an additional four years of external audit experience with Ernst & Young (EY), Mr. Darwish has established himself as a leader in his field. Prior to joining Ajman Bank, he served as Deputy of CIA at Sharjah Islamic Bank,

In his current role at Ajman Bank, Mr. Darwish spearheads internal audit function, focusing on strategic planning, risk management, and governance processes. His achievements include the automation of processes leading to significant efficiency improvements and cost reductions, obtaining quality assurance certificates with exceptional ratings, and being recognized globally for the internal audit functions under his leadership.

Mr. Darwish is also an accomplished speaker and trainer, sharing knowledge at international audit conferences and through professional training programs. He is in the process of publishing a book on internal audit best practices, showcasing his commitment to advancing the profession.

Mr. Darwish masters strong leadership and analytical skills with an innovative approach to solving complex problems. His professional qualifications are equally impressive and includes industry's top certifications such as Certified Information Systems Auditor (CISA), Certified Information Security Manager (CISM), Certified Public Accountant (CPA), Certified Internal Auditor (CIA), Certified Fraud Examiner (CFE), and several others, underscoring his comprehensive expertise in his field.

Mr. Darwish's vision for the internal audit function emphasizes agility, digitalization, and strategic alignment with organizational goals, aiming to position internal audit as a value-added activity that enhances operational efficiency and governance.

Maryam Al Shorafa

Chief Corporate Communications Officer

Maryam Al Shorafa is the Chief Corporate Communication Officer at Ajman Bank. As a member of the executive committee, she is responsible for the strategic market positioning of Ajman Bank and leads the enterprise-wide brand and media strategy for both consumer and wholesale banking products and services. In addition, she overseas customer research and analytics as well as wealth management marketing programs for the organization.

With an outstanding all-round experience of nearly two decades, Maryam represents the successful leadership model at Ajman Bank who has been playing an instrumental role in supporting the bank's vision and long-term growth through her strategic marketing perspective and innovative policy acumen in the most critical areas. She joined Ajman Bank in 2008 and made a major contribution in the launch of the bank in 2009. Ever since, she has progressively risen in her career holding various senior executive positions including Head of Ladies Banking.

Over the years, Maryam has been widely recognized for her professional excellence as well as contribution to society by several prestigious publications and professional accolades. Most recently she was named the 'Banking Corporate Communications & Marketing Expert of the Year' by the Corporate Vision Magazine.

A firm believer in the significant role women play in the growth and development of the community, Maryam has been at the forefront of supporting numerous women's activities and causes serving both corporate and non-profit initiatives. She played an active role as a board member of Ajman Business Women's Council (operating under the umbrella of Ajman Chamber of Commerce and Industry) for three years that led her to being elected to the position of Secretary General of the council in March 2012. She has also been a board member for the UAE Girls Guides as well as the Pink Caravan Ambassador since 2011.

An Emirati national well-versed in Arabic and English languages, Maryam earned her Higher Diploma in Information Administration from Dubai Women's College – Higher Colleges of Technology. In 2004 she was presented with a Post Graduate Degree in Educational / Instructional Technology from the University of Southern Queensland.

Thaera Taryam

Chief Customer Officer

Thaera Hamad Omran Taryam is the Chief Customer Officer at Ajman Bank and have been promoted from the position of Head of PMO and Business Intelligence. With over 20 years' experience in banking, Thaera specializes in Islamic banking.

Her comprehensive understanding of the banking sector, combined with leadership skills honed over years of managing high-pressure situations and teams, positions her as a distinguished figure in the industry. Thaera's ambition extends beyond her extensive banking experience; she seeks opportunities to apply her knowledge and skills in new sectors, contributing to organizational growth and national development.

Prior to joining Ajman Bank, she was the Senior Branch Manager at Emirates Islamic Bank´s Umm Al Quwain and Ajman Bank branches where she demonstrated exceptional leadership and management capabilities.

Thaera's journey in the banking sector began in retail banking, progressing from a Retail Banking Executive to a Team Leader at Emirates Islamic Bank, where she managed high net worth clients and royal family accounts with excellence. Her career foundation was laid at Emirates Bank International as a Customer Service Supervisor, developing her skills in retail banking operations and customer service.

Thaera's skill set encompasses managerial, supervisory, and leadership abilities, combined with strong problem-solving, organizational, and time management capabilities. Her commitment to excellence is evidenced by awards recognizing her as the top branch and branch manager in audits and for best service in Emirates Islamic Bank.

Educated at Al Ain University with a high school diploma from Al Gubaiba High School, Mrs. Thaera has complemented her academic background with numerous training courses, including Business English, Islamic Banking Operations, and various customer service and financial products courses from prestigious institutions such as the University of Cambridge and the Emirates Institute for Banking & Financial Studies.

Zohaib Ali Zahid

Head of Enterprise Project Management Office & ESG

Zohaib Ali Zahid is the Head of Enterprise Project Management Office & ESG at Ajman Bank, bringing with him over 15 years of extensive experience in strategy formulation, corporate governance, ESG and regulatory compliance.

In his current role, Zohaib reports directly to the CEO and is responsible for overseeing executive monitoring, transformation management and execution of Bank-wide projects, He also leads business management and development for the CEO's office and ensures the successful implementation of the bank's Strategy, making him a key figure in driving strategic projects and sustainability initiatives at the bank. With the Bank's commitment to the global and national sustainability agenda, Zohaib is leading extensive bank-wide efforts to implement the Bank's ESG Strategic work that comprehensively covers sustainability and corporate social responsibility.

Zohaib joined the Bank in May 2023 as the Head of Corporate Governance and undertook a number of strategic initiatives to enhance corporate governance standards, including setting up and operationalizing the Corporate Governance division which he has later expanded to spearhead wider EPMO and ESG efforts across the Bank. Zohaib led enhancement and implementation of enterprise policy delegation work, transformation of management decision making forums/ committees, implementing governance controls, enhancement of the Bank's annual Corporate Governance and ESG disclosures, and advising stakeholders in remediating gaps and implementing best practices.

Prior to joining Ajman Bank, Zohaib served as Director in one of the largest global consulting firms, where he was leading the firm's Financial Services advisory practice focusing on Corporate Governance and Regulatory Compliance across the Middle East.

Zohaib holds double masters in finance including an MS from United Kingdom, and an MBA. He also holds a specialization in Sustainable Investing from Harvard University. Additionally, he is a Certified Corporate Governance Specialist (CGS), Certified Project Management Professional (PMP) and a Certified Anti-Money Laundering Specialist (CAMS).

Muhammed Iqtadar

Head of Compliance

Muhammed Khalid Iqtadar is the Head of Compliance at Ajman Bank. Muhammed is a highly experienced and versatile senior executive with over 25 years of expertise in internal audit, risk management, and compliance within the banking sector.

Muhammed ´s core competencies are deeply rooted in establishing and re-engineering processes for audit divisions, developing and executing robust audit strategies, and leading operations in compliance and risk management. At Ajman Bank, he has played pivotal roles, leading the creation and implementation of comprehensive compliance works in line with CBUAE regulations, focusing on AML, KYC, and Sanctions.

His tenure as Vice President and Head of Operational, BCM & Fraud Risk Management at Ajman Bank involved developing and implementing enterprise-wide strategies for operational risk, fraud, and business continuity management. He has a track record of managing and maintaining effective work in line with regulatory guidelines and best practices.

Previously, as Vice President and Head of Operational & Financial Audit at Ajman Bank, Mr. Iqtadar demonstrated his expertise in auditing, compliance, FCC, AML/Sanctions, credit/market risk management, investment & private banking, and corporate governance.

Prior to joining Ajman Bank Mr. Iqtadar held senior roles at Commercial Bank International, Habib Bank AG Zurich – United Arab Emirates.

Mr. Iqtadar holds an array of professional qualifications, including CAMS, CFE, ACMA, CGMA, ACPA, AFA, MIPA, PMP, CISA, CISM, CGEIT, CRISC, CPDSE, GRCP, GRCA, CACM, CICA, and an MBA. His skillset is further enhanced by numerous certifications in areas like information security, risk control, internal auditing, data privacy, and governance.

His academic credentials include an MBA from the University of Northampton, UK, and a Bachelor of Commerce from the University of Karachi, along with several other prestigious certifications and diplomas in strategic management, leadership, and banking.

Dr. Fazal Rahim

Head Of Internal Sharia Control & ISSC Secretary

Dr. Fazal Rahim Abdul Rahim holds the position of Head of Sharia Control & ISSC Secretary at Ajman Bank. Dr. Fazal is a renowned Shari'ah scholar and a leading figure in Islamic banking and finance, with an impressive career spanning over 26 years.

Dr. Fazal is a distinguished figure in the Islamic banking world, whose vast experience and deep knowledge have significantly contributed to the growth and development of Islamic finance both in the UAE and internationally. He is highly respected for his deep knowledge and expertise in Sharia advice relating to Islamic products, services, and transactions across the Islamic banking and finance industry.

Dr. Fazal's contributions extend beyond his role at Ajman Bank. He is a member of the Sharia Board of several Islamic Investment and Financing companies and plays a significant role in the Islamic Banking Committee of the UAE Banking Federation (UAEBF). His involvement in various committees and boards, both within Ajman Bank and in the wider Islamic finance community, showcases his commitment to advancing the field of Islamic finance. Prior to joining Ajman Bank, Dr. Rahim had numerous senior positions in Noor Islamic Bank, Doha Islamic and Doha Bank.

Throughout his career, Dr. Fazal has been instrumental in the development and structuring of Sharia-compliant products and services. His major areas of expertise include Sharia Board Coordination, Sharia Consultancy, Compliance, Training, Research and Development, Sharia Audit, Sharia Remedial Management, Takaful, Investment Funds, and Sukuk.

Dr. Fazal has an illustrious academic background, holding a PhD in Islamic Economics from the University Sains Islam Malaysia (USIM), a master's degree in economics, and a Bachelor's degree in Islamic Studies & Arabic from the University of Karachi, Pakistan. He further augmented his expertise with a Postgraduate Diploma in Islamic Banking and Insurance from IIBI, London, and is a certified Sharia Adviser and Auditor by AAOIFI, Bahrain.

His research work is extensive, with numerous papers and presentations at international forums, covering a wide range of topics in Islamic finance. These contributions highlight his commitment to advancing knowledge and practice in the sector.

Abdul Naser Al Mannaee

Head of Internal Shaira Audit

Abdul Nasser Ahmed Ibrahim Al Mannaie is the Head of Internal Sharia Audit at Ajman Bank since May 2020. With a rich career spanning 22 years, specializing in Sharia Control and Sharia Audit, Abdul Nasser plays a pivotal role in developing and updating internal Sharia audit manuals, creating annual Sharia audit plans, and ensuring Islamic Sharia compliance across all bank activities.

Prior to his current role, he was the Senior Vice President and Head of Sharia Compliance at Ajman Bank from 2009 to 2020, where he was responsible for implementing works based on Fatwas and Sharia Board rulings, supervising Sharia-compliant product structuring, and providing ongoing Sharia consultancy.

Before Joining Ajman Bank Abdul Nasser served as the Vice President and Sharia Coordinator at Noor Islamic Bank developing investment contract policies and contributing to the Noor Waqf Project. At Sharjah Islamic Bank, he led the Sharia Compliance Division, ensuring bank-wide Sharia compliance and serving as the Secretary to the Sharia Board.

Abdul Nasser 's significant contributions include participating in the conversion of Sharjah Bank to Sharjah Islamic Bank, the establishment of Noor Bank, and the National Bonds establishment. He has also held various chairmanships and memberships on numerous Sharia Boards namely Chairman SSC, Gulf Navigation, Dubai, UAE; Chairman SSC, Drake & Scull, Dubai, UAE; Chairman SSC, Tasweek Real Estate and Development, Dubai; Chairman SSC, Wahat Azzawiah, Dubai, UAE; Chairman SSC, Takaful Emarat, Dubai, UAE; Member SSC, Meethaq Takaful Insurance, Dubai, UAE; Member SSC, Awqaf and Minors Affairs Foundation, Dubai, UAE (Previously) and Member SSC, SIRAJ FINANCE.

His professional qualifications include a Bachelor of Islamic Studies from the College of Islamic & Arabic studies. Alongside, he has attained numerous certifications in Sharia and Financial Control, Ijarah Finance, Murabaha Contracts, and is a Certified Zakat Accounting Specialist among others. His professional memberships include AAOIFI and several fellowships from the Saudi Judicial Scientific Society.

2024 - A year of accelerated growth and transformation

Key activities in 2024

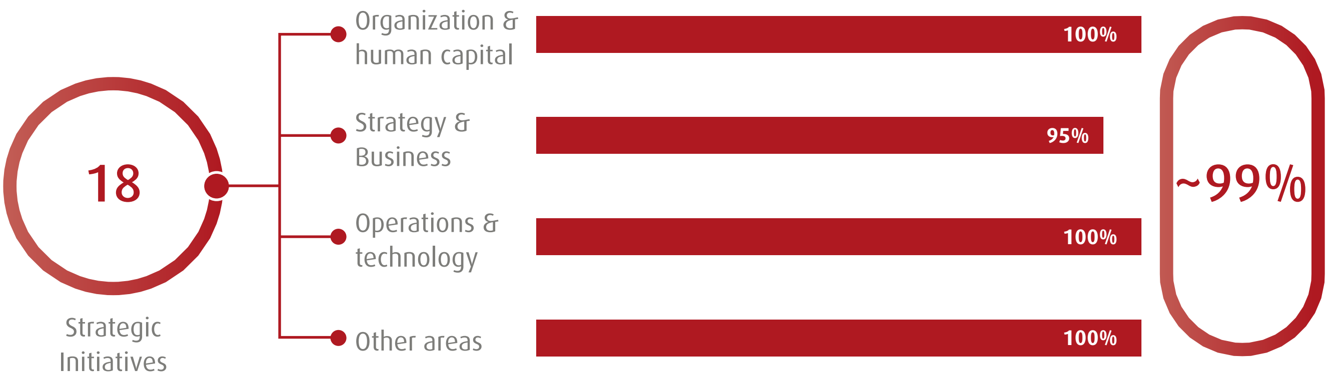
Completion of Ajman Bank 2.0 Plan

99% of the immediate transformation priorities set in the Ajman Bank 2.0 plan were completed in 2024, setting the Bank on path towards achieving short, medium and long-terms aspirations.

The plan outlined a series of transformative and high impact initiatives, aimed at positioning the Bank on a clear and sustainable path to future aspirations.

Ajman Bank 2.0

Service | Speed | Specialization



Through extensive Bank-wide efforts over the year, the Bank made remarkable strides towards the ambitious aspirations set in the Ajman Bank 2.0 plan achieving highest ever Annual "profit before tax" of AED 440 million, up by 213%. Key drivers of performance:

- Enhanced operational resilience, expanding customer base, enhanced the credit quality, risk management, portfolio diversification and focus on recoveries.
- Building and enhancing the technology infrastructure and focus on digital transformation.

Key indicators that recorded improvement

Indicator	Dec 31, 2024	Direction
ROA	1.8%	▲
Non-Funded income ratio	13.0%	▲
NPL amount	1.6 BN	▲
NPL ratio	9.9%	▲
NPL coverage	55.0%	▲
Net NPL amount	1.13 BN	▲
Net NPL ratio	7.1%	▲
CAR	19.1%	▲
Total capital	AED 3.1 BN	▲
CET-1 capital ratio	18.0%	▲
Total equity T1	AED 2.9 BN	▲

Highlights of key/ strategic initiatives in 2024

1. Regulatory relations:

Concerted organization-wide effort to enhance regulatory performance and coordination mechanism pertaining to the Central Bank of UAE and Securities and Commodities Authority (SCA).

2. Strategic business partnerships:

The Bank continued to establish and enhance relationships with relevant eco-system players, following strategic partnerships/ MoU were executed in 2024:

magnati
Payments into Possibilities

Magnati

AB Partners with Magnati to Leverage Merchant Acquiring Services for its Customers.

VISA

Visa

Launch of Ajman Bank AccelRight Business Credit Card in collaboration with Visa.

mastercard

Mastercard solutions

Collaboration with Mastercard aimed at leveraging the technology giant's innovative solutions to drive sustainability.

EDB
مصرف الإمارات للتنمية
Emirates Development Bank

Emirates development bank

EDB and AB to partner to Drive SME Financing and Innovation in UAE.

ABU DHABI GLOBAL MARKET
سوق أبوظبي العالمي

ADGM

MoU with Abu Dhabi Global Market (ADGM), to support the growth needs of its global financial community.

منطقة عجمان الحرة
Ajman Free Zone

Ajman Free Zone Authority

Agreement with the Ajman Free Zone Authority (AFZA) worth AED 54 million. The agreement provides a form of Islamic finance, known as Ijarah.

CarbonSifr

CarbonSifr

Partnership to pioneer sustainable finance and advance the Bank's Net Zero progress.

Market positioning and eminence

Participated in various coveted global events / conferences

IMF

Privileged to join the UAE delegation at the UAE Banks Reception, hosted by the Ministry of Finance and the Central Bank.

COP29

Ajman Bank was proud to be part of the UAE's official delegation to COP29.

Future Sustainability Forum

Proud sponsor of the Future Sustainability Forum in Dubai, a platform that reflects our unwavering commitment to supporting sustainable growth and innovation.

Gitex Participation

Ajman Bank participated in the annual Gitex Global Conference for 2024, reinforcing the Bank's growing presence in the region.

3. Establishment of skyrise properties (wholly owned subsidiary of Ajman Bank):

The Bank established a new subsidiary to provide property management services. The new company will enhance Ajman Bank's strategic focus on core business while enhancing the services and management related to the Bank's varied real estate portfolio. The Entity is Governed following Group Structure approach, inline with CBUAE regulations. Ajman Bank exercises complete oversight over the affairs of the entity through nomination of the Board of Directors, Corporate Governance Manual, Board approved Delegation of Authority Matrix and working relationship between the entity and Ajman Bank's Real Estate & Engineering Division. The Board of Skyrise is chaired by the CEO of Ajman Bank, with four board members nominate from the Ajman Bank ExCo.

4. Enhancements to human capital:

During the year, the Bank welcomed various strategic hires in key areas across various departments that resulted in enhancing the skills and capabilities across the bank. This included appointment of experienced head of business segments in line with the bank's strategy to ensure Specialization. Strategic intake of talent in business lines has been supported by proportionate enhancement of capabilities in support, control and back-office functions. The Bank also enhanced its compensation and performance management policies and practices in line with leading market practices.

5. Specialization and focus across our business segments

The Bank enhanced the implementation of clear business segments that streamlines business structure to ensure specialized focus on key customer segments.

Wholesale banking:

- Large Corporate
- Commercial banking
- Privileged Client Group

Consumer banking:

- Business banking
- Priority Banking
- Wealth Center
  - Elite Banking
  - Wealth Management

6. Innovative enhancements to the bank's flagship 'Ajman Bank Connect' mobile app

The Bank launched various enhancements to the Consumer Banking Digital App "Ajman Bank Connect" such as introduction of family banking feature, digital onboarding, comprehensive customer relationship view of all accounts/ facilities with the Bank, salary advance, card activation, UAE Pass integration, Aani Payments Platform integration, Digital Eideya, Market Place, UIUX Enhancements and many other features. The success of enhancements has been reflected in the App's rating which rose to one of the highest-rated banking apps in the UAE.

Bank-wide delegation of authorities review and enhancement

The Bank reviewed the Delegation of authority across 500+ activities, processes and transactions, and completed the enhancement of DOAs for priority transformation areas.

Objectives of the exercise – Enhance Control and efficiency

1. Enhance control

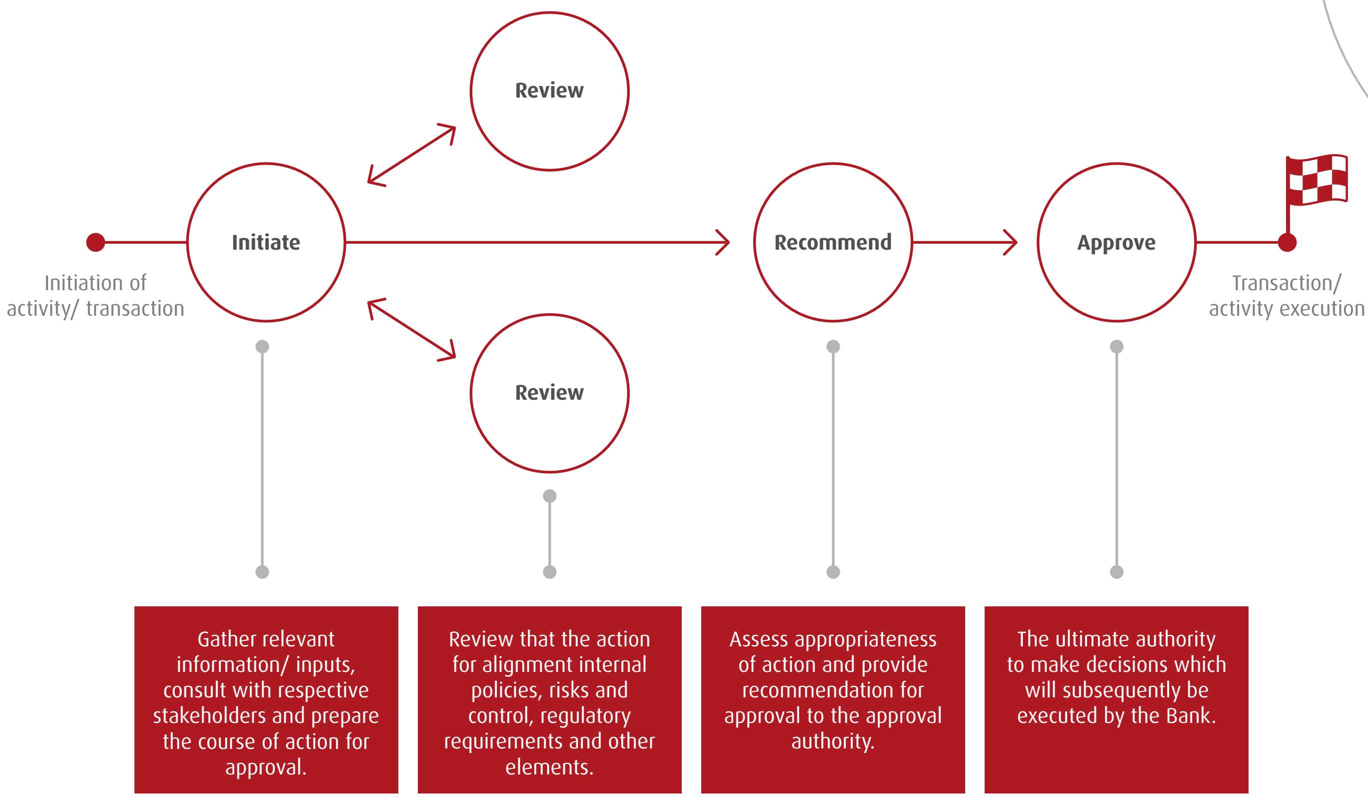
- **Review and maker/ checker:** Review of transactions/ actions by relevant stakeholders before being presented for approval.
- **Consolidation:** eliminate overlaps and gaps in authorities by consolidating all delegation in a single source document.
- **Risk-based delegations:** escalated approvals for high risk/ high value transactions.
- **Committee based approvals:** utilize committees for collective decision making in high risk/ high impact delegations.
- **Established rules for delegation and monitoring:** clear rules/ conditions for exercising delegated authority, and their monitoring to prevent mis-use of authority.
- **Org Structure alignment:** update delegations in line with Departmental structure.

2. Promote empowerment and efficiency

Promote empowerment of senior/ mid management. Eliminate unnecessary multiple approvals where required, and reduce TATs.

Best practice methodology for DOA implemented

DOA Model



Annual board assessment

The Board conducts Annual Board Assessment Exercise in line with regulatory requirements. In 2024, the Bank engaged an external party to carry out independent assessment under the direction of the Board. The exercise will cover the entire year 2024 from January 1 to December 31, 2024. The exercise will conclude in Q1 2025, and will cover the following:

- Board structure
- Board size and composition
- Board procedures and documentation
- Board strategic planning
- Board meetings and discussions
- Relationship between the board and its committees
- Board oversight of risk and controls
- Board training

The recommendations stemming from the annual assessment will be implemented, and a follow-up review on the recommendations will be conducted in the next Board Assessment.

Board member identification, selection and induction policy

Ajman Bank is aware of the importance of the role of the Board of Directors in ensuring the protection of the shareholders' and other stakeholders' interests, ensuring that the Bank is governed and directed to its purpose while complying with the applicable regulatory requirements and promoting long-terms success of the Bank. The achievement of these objectives is linked to maintaining the right composition of the Board that comprises of members who collectively bring together the right balance of skills required for an effective Board. In 2024, the Board approved an enhanced Board member identification, selection and induction policy. The policy is meant to bring together regulatory requirements and leading industry practices to ensure a clear and rigorous process for identifying, selecting, and inducting new members to the Board. More details on the policy are presented in subsequent sections of the report.

Board code of conduct

Ajman Bank's Code of Conduct for The Members of the Board of Directors conforms with the applicable Corporate Governance Regulations of the UAE. It provides guiding principles for the Directors of Ajman Bank to follow and enables each director individually to identify and understand aspects of their conduct that may have a potential legal, regulatory, reputational, financial or other type of impact on the bank, its stakeholders or the members of the Board personally. Further details on Code of Conduct for the members of the Board are presented in subsequent sections of the report.

Code of conduct for third party service providers

Ajman Bank is committed to maintaining high standards of professional, ethical, responsible, and well governed business practices in all its activities. Procurement of services from third parties is a key activity, in which the Bank wishes to ensure that the Bank's standards and expectations, and applicable legal and regulatory requirements, are meticulously applied.

The Code of Conduct for Third Party Service Providers was updated and approved by the Board. Enhancements included extending the Bank's whistle-blower channels to third party service providers. The Code sets forth the principles and standards of conduct that the Bank expects third party suppliers, their staff, and if applicable the supplier's subcontractors and sub-suppliers to meet during the provision of services to the Bank. Further details about the Code of Conduct for Third Party Service Providers can be found in subsequent sections of the report.

Outsourcing materiality assessment

Ajman Bank has a robust outsourcing materiality assessment process in place which is implemented to systematically assess all procurement activities across the bank. This Model enables the Bank to assess its outsourced activities objectively and consistently. The model also enables the bank to effectively manage its material outsourced arrangements and conduct enhanced due diligence (where required) in line with regulatory requirements.

Corporate governance disclosures

Ajman Bank is committed to providing timely, consistent, and accurate information to its stakeholders. It always ensures that consistent disclosure practices are applied and that all members of the business community, including individual investors, have prompt and simultaneous access to the disclosed information. Accordingly, in its efforts to continuously enhance transparency and disclosures, in line with regulatory requirements and industry practices, Ajman Bank has updated its disclosure requirements as evident in both the corporate governance and ESG report to cover the key quantitative and qualitative information related to financial performance and financial stability, risk management factors, remuneration, corporate governance, sustainability, related-party transactions, and others.

Corporate culture built on our core commitment to Service, Speed, Specialization and Sustainability

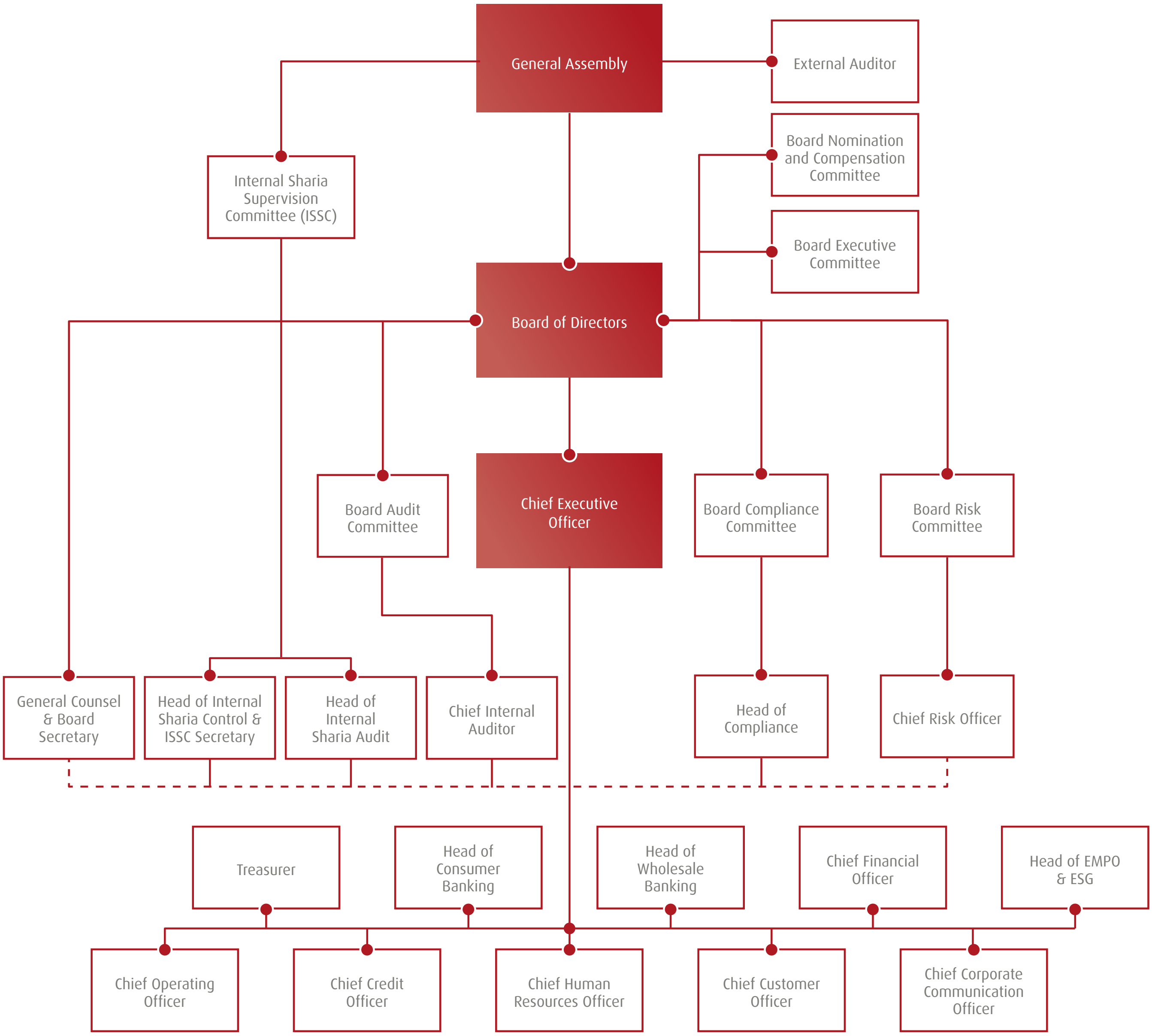
We are committed to continuously improving our Corporate Governance approach to ensure we remain at the forefront of best practice, adapting to changes in the regulatory, policy and business environment. In 2024, we concluded multiple initiatives to improve our overall governance awareness across the bank. Various initiatives/ events were undertaken during 2024 to enhance corporate culture including ExCo offsites, Business Townhalls, Human Capital Town Hall, Reward and recognition ceremonies, graduation celebrations, top leaders summit with CEO, Ramadan suhoor and iftar gatherings and other staff engagement and team building events. These events have contributed to a systematic enhancement in staff engagement, awareness and cohesive work environment across the Bank to promote our core commitment to Service, Spead, Specialization and Sustainability. Those initiatives ensure that a two-way dialogue is maintained between the senior management of Ajman Bank and its employees and foster and build our corporate culture.

Information security & data privacy

Customer data protection and privacy being one of the material topics under our ESG program, continued to be an area of continuous improvement and enhancement. In 2024, the Bank undertook efforts to enhance the implementation of Consumer Data Protection Framework to ensure protection of data, including adopting new technologies/ tools that monitor the banks digital footprint, external surface, and brand protection.

OUR GOVERNANCE

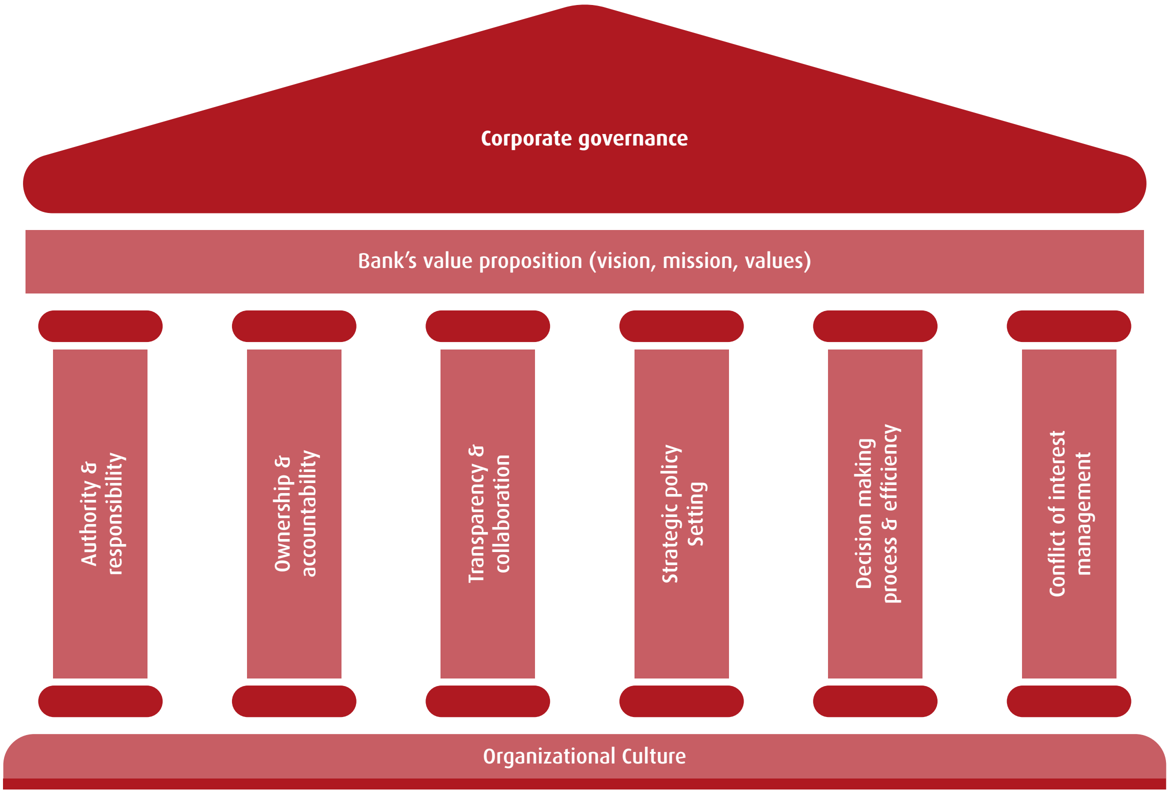
Our governance structure



Our corporate governance framework

Ajman Bank maintains a robust corporate governance framework modelled on the highest Industry practices and global standards. We are committed to continuously reviewing and improving our approach to ensure we remain at the forefront of best practice, adapting to changes in the regulatory, policy and business environment.

Our Corporate Governance Framework comprises of six (6) key pillars: Authority & Responsibility, Ownership & accountability, Transparency & collaboration, Policy setting, decision making & efficiency, as well as, conflict of Interest management. The approach in which we assess and manage the six (6) pillars is documented in our corporate Governance Manual that establishes the minimum standards of Ajman Bank's approach to corporate governance with a view to ensure a clear value proposition, and a sound organizational culture. The Corporate Governance additionally outlines a clear and appropriate apportionment of responsibilities between the Board and the management and ensures that their individual responsibilities are clearly demarcated, and that the affairs of the bank can be adequately monitored and controlled by the Board and senior management of the bank.



The Board periodically reviews the Ajman Bank's Corporate Governance framework (or elements thereof) to ensure it remains appropriate to the Bank's operational structure and the risks that it faces, as well as its size, complexity, business strategy, risk profile, markets, and regulatory requirements.

Corporate governance division

Ajman Bank believes in and is committed to good corporate governance, to provide a basis for its future development and sustainable growth, to support trust in its activities and to enable it to contribute to the successful development of the financial system of the UAE. The bank has a dedicated Corporate Governance Division to promote and ensure maintenance of highest standards of corporate governance, aimed at safeguarding the interests of stakeholders, promote informed, objective, and transparent decision making at all levels, and foster ethical and compliant practices in the Bank. The role of the Corporate Governance Division can be summarized under three (3) main areas:

Board empowerment:

To ensure that the Board's oversight over the Bank's affairs is enhanced and the Board is enabled to take informed and objectives decisions that uphold the interests of the Bank as well as its stakeholders.

Organizational governance:

To enhance management oversight and decision making at senior management level. This entails streamlining the functioning of management committees, reviewing functional structure, roles and responsibilities, and key policies to promote ownership, accountability, responsibility, and functional performance.

Corporate governance operations:

To facilitate implementation and monitor adherence to a comprehensive corporate governance framework across the Bank, encompassing policies and guidelines, monitoring conflicts of interests, remediating corporate governance issues and providing advisory to all stakeholders of the Bank in relation to corporate governance.

Code of conduct for the members of the board of directors

Integrity is a cornerstone of the Ajman Bank's governance principles and one of its core behaviors. Directors should act honestly and fairly with high ethical standards, due skill, care, and attention in their dealings with all stakeholders. The Board Code of Conduct conforms with the applicable Corporate Governance Regulations of the UAE. The guiding principles of the board code of conduct entail the below Seven (7) principles:

- **Compliance with legislative & regulatory directives**
- **Stewardship**
- **Duty of care & diligence**
- **Duty of loyalty & confidentiality**
- **Management of conflict of interests**
- **Combatting bribery, corruption & criminal conduct**
- **Consumer protection**

Employee code of conduct

Ajman Bank believes that every employee has a responsibility to live up to the expectations set forth in the Employee code. By adhering to our code of conduct, we build a culture of trust, respect, and responsibility. It is through this kind of behavior that we can build strong relationships with our clients, partners, and the broader community. Ajman Bank being committed to the teachings of the Sharia 'a principles, it is the policy of the Bank to conduct business by maintaining the highest standards of professional ethics and code of conduct.

Professional ethics

Ajman Bank's employee code of conduct outlines the directives and standards which employees are required to maintain while performing their duties on behalf of the bank. Conducting the business to the highest standards of professional ethics is crucial to the preservation of the Bank's corporate image.

Integrity

Ajman Bank employees must act with Integrity and in a fair, honest and professional manner with due skill, care and diligence at all times in their relationship with Customers. All Employees must work with due skill, care and diligence, act at all times with integrity i.e. treat every customer equally, keep their commitments, provide high quality service act in a fair, honest and professional manner with Customers, etc.

Fair treatment of customers

Without any discrimination, all employees, with due skill, care and diligence, act fairly, honestly and professionally in their relationship with all Customers, regardless of their religion, gender, age, income level, and marital status. Ajman Bank maintains a control framework that articulates and clearly demonstrates Its values and culture with respect to treating the Consumer fairly and address such matters as:

- Good ethics, values and transparency in promoting and selling Financial Products and/or Services to Consumers;
- Positive Consumers relations, Complaint management and Complaint resolution;
- Assisting People of Determination;
- Equal, Fair treatment of all Consumers;
- Confidentiality and safeguarding of Consumers' information and assets;
- Addressing conflicts of interest; and
- Service performance standards that provide timely delivery of Financial Products and/or Services.

Code of conduct for third party service providers

Ajman Bank is committed to maintaining high standards of professional, ethical, responsible, and well governed business practices in all its activities. Procurement of services from third parties is a key activity, in which the Bank wishes to ensure that the Bank's standards and expectations, and applicable legal and regulatory requirements, are meticulously applied. Accordingly, Ajman Bank recently introduced a standalone Code of Conduct for Third Party Service Providers. The Code sets forth the principles and standards of conduct that the Bank expects third party suppliers, their staff, and if applicable the supplier's subcontractors and sub-suppliers to meet during the provision of services to the Bank. By agreeing to provide services to Ajman Bank or by entering into a contractual arrangement to provide services to Ajman Bank, the Supplier undertakes to comply with the code at all times.

Conflict of interest

The code of conduct mandates suppliers to act in a way that ensures conflicts of interest are avoided to the extent possible, disclosed to the Bank with complete transparency, and appropriately managed to ensure that the Bank's interests are always upheld. In case a conflict of interest arises, at any time, the supplier must promptly disclose the same to the Bank and provide all necessary information to the Bank as required by the Bank to understand, investigate, and manage the conflict of interest.

Bribery corruption and criminal conduct

Ajman Bank has zero tolerance for corrupt and criminal conduct and such behavior will not be tolerated in any form. Ajman Bank suppliers must not engage in any form of corruption or criminal misconduct, including fraud, breach of sanctions, money-laundering, insider trading, anti-competitive practices, bribery and corruption, and the violation of consumer and human rights.

Insider trading policy

Ajman Bank aims to operate at the highest levels of integrity and transparency. It prohibits the misuse of Material and Nonpublic information in the trading of financial instruments. The Bank has an approved Insider Trading Policy that applies to all persons (including Ajman Bank's Board of Directors, and Executive management) who have access or come into possession of Material, Non-public information or Inside Information before its public release. The policy aims to:

Assure adherence to the highest ethical standards of conduct.

Reduce potential risks arising from the Bank's employee (and other insiders) dealing in the Banks's securities.

Identify sanctions penalties of non-compliance to the Insider Trading policy.

Minimize the risk of contravening any relevant legal or regulatory requirements, and conflicts of interest with the Bank and/or its clients by ensuring the Bank's securities are traded only when there is no conflict of interest.

Our risk governance model

The Board of Directors and Senior management are collectively responsible for establishing Ajman Bank's objectives, and high-level strategies to achieve said objectives, and establishing governance structures to manage risks. The Board of Directors provides oversight of the Bank's internal control system, risk management processes, and financial reporting integrity and establishes the Bank's ethical tone, culture, and code of conduct. The Board also oversees the design, implementation, and monitoring of internal controls to support organizational objectives.

The Senior Management of Ajman Bank implements the strategies and objectives approved by the Board, ensuring the presence of appropriate processes and controls. Additionally, the senior management provide regular and timely reports to the Board on the Bank's performance, including risk exposures, internal control effectiveness, and compliance status. Ajman Bank's Risk Governance Model is designed to meet regulatory requirements as well as best industry practices. Our Risk Model is based on the three lines of defense model as set out below:

- Model risk
- Strategic risk
- Compliance risk
- Credit concetration risk
- Conduct risk
- Credit risk
- Profit rate risk
- Operational risk
- Market risk
- Liqudity risk
- Reputational risk
- ESG risk
- Information security

1st line of defence

- Wholesale banking
- Consumer banking
- Credit
- Treasury
- Operations
- Legal affairs
- Marketing & communications
- Human resources
- Information technology
- Finance

2nd line of defence

- Risk
- Internal shariah control
- Compliance

3rd line of defence

- Internal shariah audit
- Internal audit

First line of defense

The first line of defense consists of the front-line employees of Business Units and Support Functions who conduct day-to-day operations of the Bank and are the key sources of risk. The Business Units and Support Functions at Ajman Bank follow a systematic risk process and implement internal controls and other risk responses to treat the risks associated with the Bank's operations. It is the responsibility of Business Units and Support Functions to actively manage risks and periodically report on identified risks. The Business Units for Ajman Bank include Consumer and Wholesale Banking and Treasury, whereas support functions include functions such as Credit, Finance, Operations, Information Technology, etc. As the Bank's first line of defense these functions:

- Collaborate with other lines of defense, share information, coordinate efforts, and ensure a comprehensive approach to risk management.
- Identify and assess risks associated with their operational activities including understanding potential risks, their likelihood, and potential impacts on the Bank's objectives.
- Implement and adhere to internal control policies and procedures to mitigate risks.
- Comply with relevant laws, regulations, and internal policies including risk appetite related to their operational activities.
- Upon occurrence of any risk event, support second line of defense with investigating the incident, root causes analysis, and implement corrective measures to prevent recurrence.

Second line of defense

The second line of defense for the Ajman Bank includes the Bank's Risk Department, Compliance, and Internal Shariah Control. The second line of defense ensures that the controls and risk management processes implemented by the first line of defense are designed appropriately.

The Risk Department led by the Chief Risk Officer provides an independent oversight on the Risk Management of the Bank. The key responsibilities of the Risk Department include the establishment of policies and procedures, development of models for estimation of risk, and management of risks in a holistic manner across the Bank. Risk Department also performs tasks related to identification of risk, conducting risk analysis, conducting data analytics and reporting observations/insights.

Ajman Bank's Compliance Department led by Head of Compliance, provides an independent oversight on the Bank's compliance with applicable rules, regulations, and guidelines. Compliance is also responsible to undertake tasks pertaining to anti-money laundering, and countering financing of terrorism including, examination of suspicions transactions, assessment of Bank's anti-money laundering, and countering financing of terrorism framework, and required reporting to CBUAE.

Bank's Internal Shariah Control, led by Head of Internal Shariah Control provides consultation related to contracts and documents and other aspects related to the Bank's products and services, including products manual, policies, internal procedures.

Third line of defense

The third line of defense including Internal Audit and Shariah Audit work alongside the first and second lines to strengthen internal controls and risk management practices across the Bank leading to enhanced accountability, transparency, and governance. The Internal Audit Department performs the independent review of the Bank's Risk Management processes and activities of Ajman Bank's Business Units and Support Functions. By acting as an independent and objective function, the internal audit provides assurance to senior management and the Board of Directors regarding the Bank's risk management and control processes.

Ajman Bank's Internal Shariah Audit, undertakes Shariah audits, monitors the Bank's compliance with Islamic Shariah, and ensures the adequacy of internal procedures and Shari'ah governance frameworks. To ensure independence, the Internal Shariah Audit shall report findings directly to the ISSC and Board Audit Committee.

Audit and internal control

Oversight of financial reporting and integrity of Ajman Bank's financial disclosures are also key roles performed by the Board. The Board ensures that comprehensive and independent risk management, compliance, and audit functions, as well as an effective overall system of internal controls are in place. The Board Audit Committee assists the Board in discharging its responsibilities with regards to ensuring an effective internal controls environment and approves the annual internal audit plan, as well as monitoring the effectiveness of Internal Audit and the committed measures to address identified deficiencies.

External Auditor	
a. Overview of Ajman Bank's auditor	
Profile of the Bank's Auditor	Deloitte UAE has over +2,200 professionals based within five practice offices in Abu Dhabi, Dubai, Fujairah, Ras Al Khaimah and Sharjah. Deloitte is a full-service firm in the UAE and have well developed practices serving diverse industries.
b. Statement of fees and costs related to the audit or services provided by the external auditor	
Audit Office Name	Deloitte & Touche M.E.
Name of Audit Partner	Julie Kassab
Number of years the Audit Office was assigned as the external auditor of the Bank	1 Year
Number of years the Audit Partner was assigned to Audit the Bank	1 Year
Total Audit Fees for 2024 (AED)	770,000 AED
Details and nature of the other services provided by the Bank's auditor (if any) and in the absence of other services	Not applicable
The value of fees and costs of special services other than auditing the financial statements for the year 2024 (AED), if any, and in the absence of other fees	Not applicable
Internal Control	
How the Internal Audit Department deals with any issues identified within the bank (if any).	Audit findings if any are communicated by Internal Audit Division to the respective departments within the bank and the Senior Management. The Board Audit Committee is updated on the status of the actions taken to re-mediate the audit findings in the quarterly meeting.
Number of reports issued by the Internal Control Department of the Board of Directors of the company.	58 reports were issued during the Year 2024
Compliance	
Details of the Fines (if any) in 2024 and how to avoid their recurrence in the future.	Not applicable

BOARD INFORMATION

Overview of the board

The Board of Ajman Bank aims to set the tone from the top and establish culture of clear and effective Corporate Governance across the Bank, as well as ensure high standards and best practices in Corporate Governance, taking into consideration all applicable laws, regulations, and regulatory requirements.

The Board of Ajman Bank is vested with powers to conduct the Bank's operations and to achieve its Shariah compliant goals. Only the provisions of applicable laws, Ajman Bank's Articles of Association (AoA), or a resolution taken by the Bank's General Assembly, supersede and limit the authority and powers of the Board. The Board has the primary responsibility for the welfare of Ajman Bank by guiding and monitoring the business and affairs of the Bank.

The Board of Ajman Bank is responsible for approving the overall strategic direction and policy framework for Ajman Bank. This responsibility is discharged through Board's oversight of Ajman Bank's management, which is responsible for the day-to-day conduct of the business. The Board also sets standards of conduct, including the Bank's general moral and ethical tone, compliance with applicable laws and regulations, standards for financial practices and reporting, qualitative standards for operations and services, and other standards that reflect the views of the Board as to the conduct of the business in the best interests of the Bank.

The Board is also responsible for ensuring that management maintains a system of internal control which provides assurance of effective and efficient operations, accurate financial reporting and compliance with law and regulations. In carrying out this responsibility, the Board shall consider what is appropriate for the bank's business and reputation, the materiality of the financial and other risk inherent in the business and the relative cost and benefits of implementing such controls.

Gender diversity at board level

Election of First ever Female member of the Board - Mrs. Sarah Al Jarman

The Board recognizes the importance of gender, social and ethnic diversity, and the strengths diversity brings to Board effectiveness. Diversity is considered when considering appointments at both Board and senior management level.

The Three (3) years term of the board came to an end in 2024, board member elections were held in the Annual General Meeting of Shareholders which was held in April 2024. Mrs. Sarah Al Jarman was elected as Board member replacing Mr. Faisal Aqeel Bastaki. The bank is proud to welcome Mrs. Sarah Al Jarman as the first ever female Board member.

Mrs. Sarah Al Jarman brings a wealth of experience to the Board with her diverse background and experience. She is a pioneering Emirati female professional in the broadcast media industry, where her leadership extends across the national and international spectrum of media, business, and governmental engagements.

Selection of board members

Ajman Bank's Board Member Identification, Selection and Induction Process Standards outlines the framework of the selection process for Directors. Candidates to be appointed as members of the Board of Directors must meet requirements of trustworthiness, knowledge, experience, compatibility, and dedication, all in accordance with applicable regulations.

The process of board member appointment starts with identification of potential candidates, which may be triggered as and when a position in the Board becomes vacant, or if a new board member is required to be appointed upon completion of the Board's term or succession in case of a scheduled retirement of an existing member.

The Board Nomination and Compensation Committee (BNCC) may identify/ nominate candidates for board membership, who shall be assessed in line with the fit and proper criteria and other regulatory requirements pertaining to board membership and composition. Qualified candidates who meet the bank's requirements, fit and proper criteria and other regulatory requirements shall then be nominated for election by the General Assembly.

The Board through the BNCC continue to monitor that the areas of the relevant expertise are covered in the existing composition of the Board.

Board member induction

Ajman Bank provides an extensive and robust Director's induction program for all newly appointed Directors, which is tailored to fit their role, experience, and skillset. The induction program includes meetings with other Directors, executive management, as well as comprehensive guidance on the duties and responsibilities of Directors, as well as the following topics:

- Bank's Governance & Organization
- Bank's Code of Conduct for Board Members
- Business & Strategy
- Policy Framework
- Risk Management
- Regulatory Environment
- Other Matters of Significance

In 2024, Mrs. Sarah Al Jarman joined the Board. As per Ajman Bank Policy and in line with regulatory requirements, a comprehensive Board member induction session was conducted with her covering the above agenda. Mrs. Jarman was provided with an induction pack that contained key induction materials and Code of Conduct for members of the Board.

Board trainings program - tamkeen program 2024

Ajman Bank continuously assesses the expertise and competencies of its Board members through a mapping exercise that is annually updated to ensure the skills and experience of Directors remain relevant to the Bank's strategy and operating environment. Upon the completion of the mapping exercise a training program is developed that aims to:

1. Establish a clear direction for the planning and implementation of Board of Directors training;

2. Empower and equip the Board Members with skills and attitudes required to perform their challenging role according to the best corporate governance practices;

3. Promote better understanding of professional requirements as well as sensitization to professional, socio-economic and political environment in which the Bank operates; and

4. Promote an environment promoting learning and development by the Board by serving as a role model for all the other employees in the Bank.

An annual review of training program is conducted to ensure that Board members acquire, maintain, and enhance knowledge and skills relevant to their responsibilities. The Board also regularly engages with executive management on specialist topics, as and when required.

The Board dedicates sufficient time, budget and other resources to an ongoing training and development program and draws on external expertise, as and when required. The Board has access to independent external professional advice and may request an opinion to support in fulfilling its responsibilities, including the conduct or direction of any investigation in relation to the Bank's affairs.

The Annual Board Training Program named as "Tamkeen Program" is a thematic training program. The program was executed as planned through a series of trainings workshops delivered over the year. The program, distinctly covered trainings as per the board approved curriculum covering following topics.

Corporate Governance and the Board's role in strategic planning

Environmental, Social & Governance Practices and Framework

Changing Regulatory and Technological Landscape for Banks

Upon completion of the 2024 Curriculum, the Board approved curriculum for 2025.

Annual board assessment

The Board conducts a rigorous annual performance evaluation of the Board and Board Committees, with a view to constructively identify achievements as well as improvement areas. Annual Board assessment is conducted under the direction of the Board as a whole and each of its committees. The assessment focuses on assessing key areas which are considered as key indicators of an effective Board including board structure, board size and composition, board meetings and discussions, relationship between the board and its committees, board procedures and documentation, board strategic planning, board training & development, as well as Board oversight of risks and controls. For 2024, the Board Nomination and Compensation Committee approved an External party to conduct the assessment covering the period from Jan 1, 2024 to Dec 31, 2024. As at the time of publication of the report, the assessment exercise is in progress.

Internal Board Evaluation Process

Start

1. Develop the plan and create awareness of the assessment among the Board Members.
2. Carry out Board member survey through questionnaires to identify strengths and weaknesses.
3. Review the documentation of the functioning of the Board and Board Committees and identify areas of improvements in documentation.
4. Conduct workshop with the Board to discuss results of step 2 & 3, finalize the report, and obtain formal approval.
5. Initiate remediation actions and prepare follow up checklist for next years' assessment.

Completion of the Board Assessment Exercise.

Upon the completion of the Board Assessment Exercise FY 2024, the recommendations stemming from the annual assessment will be implemented, and a follow up review on the recommendations will be conducted in the next Board Assessment in 2025.

Related party transactions

Ajman Bank has a Related Party Transactions Policy that establishes the guiding principles to identify and manage actual and potential conflicts of interest in Ajman Bank. This policy sets the ground rules that ensure that the Bank's decisions in connection with such Related Party Transactions are entered into in the best interests of Ajman Bank, its shareholders and its customers.

Board members are required to disclose to the Bank all interests and relationships which could or might be seen to affect his/her ability to perform duties as a Board member. Any such interests declared are recorded in the Board's Register of Interests, which is maintained by the ESG Division. Where a Board member has a personal interest in any matter which is to be considered by the Board, he will declare it at the earliest opportunity whether that interest is already set out in the Register of Interests or not. All transactions in which a director and/or other related parties might have potential interests are provided to the Board for its review and approval. Any Director that is an interested party neither participates in the discussions nor votes on such matters.

During 2024, all related party transactions were approved by and were all conducted on an arm's-length basis. Directors with potential conflicts did not participate in relevant discussions or vote. These transactions were undertaken as part of Ajman Bank's day-to-day operations.

I. Transactions

	FY 2024			FY 2023		
	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	304,341	7,730	312,071	204,114	5,606	209,720
Income from islamic financing and investing assets	5,215	10,067	15,282	5,949	14,268	20,217

During the year, nil (31 December 2023: aed 2.5 Million) was approved as directors' remuneration by the shareholders at the annual general meeting held on 19 april 2023 and recorded in the consolidated statement of profit or loss.

II. Balances

	FY 2024			FY 2022		
	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	209,395	335,337	544,732	235,891	333,102	568,993
Customers' deposits	6,241,218	184,883	6,426,101	5,436,438	181,766	5,618,204

III. Board member related party shareholdings

There were no transactions for board members, their spouses, and their children in the Bank's securities during 2024.

BOARD MEETINGS

Board of directors

I. Board mandate

- The Board is responsible for approving the overall strategic direction and policy framework for Ajman Bank. This responsibility is discharged through Board's oversight of Ajman Bank's management, which is responsible for the day-to-day conduct of the business.
- Sets standards of conduct, including the Bank's general moral and ethical tone, compliance with applicable laws and regulations, standards for financial practices and reporting, qualitative standards for operations and services, and other standards that reflect the views of the Board as to the conduct of the business in the best interests of the Bank.
- Establishes policy direction and the fundamental objectives of the Bank.
- Supervises the management of the business and affairs of the Bank.
- Ensures that the principal risks facing the Bank are identified, assessed, and mitigated, and that there are systems in place to effectively monitor and manage these risks.
- Approves and thereafter review at least annually, the Bank's operational risk strategies, policies, and processes, including disaster recovery and business continuity plans.
- Assumes responsibility for the appointment of and performance evaluation of the Chief Executive Officer.
- Provides leadership and direction for the Bank in establishing and maintaining a high standard of corporate ethics and integrity.

II. Board attendance

The Board regularly discuss topics that are fundamental to the direction of Ajman Bank, including business performance, long-term planning, strategy, risk appetite and management, succession planning, and human resources. Please refer to the table below for the board meetings conducted in 2024:

Meeting date	No. of attendees	Number of director attendees by proxy	Name of absent member	No. of resolutions passed
Feb 14, 2024	5/7	N/A	Ali Almazroae Mahmood AlHashm	10
May 09, 2024	7/7	N/A	-	9
Jul 18, 2024	5/7	N/A	H.H Sheikh Rashid Bin Humaid Al Noaimi Sarah Aljarman	12
Oct 21, 2024	6/7	N/A	Mahmood Alhashmi	15
Nov 26, 2024	7/7	N/A	-	11
Dec 12, 2024	6/7	N/A	Faisal Galadari	5

Board audit committee

I. Committee mandate:

- Provides an open avenue of communication between Bank, the external auditors and the Board of Directors.
- Reviews the external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit.
- Reviews the performance of external auditor's service and recommending the appointment/re-appointment or discharge of external auditor duties to the Board of Directors while the final decision rests with Annual general meeting. No objection to be obtained from UAE CB for dismissal or change of external auditors.
- Ensures that the bank has an independent, permanent and effective Internal Audit function.
- Reviews and approves Internal Audit Plan and all major changes to the plan, its scope and budget for Internal Audit function to ensure that audit plan is prepared based on robust risk assessment including inputs from Senior Management and the Board and updated at least every year.
- Ensures that Internal Audit Plan scope is covering and including evaluation of effectiveness and efficiency of Internal Control, Risk Management, Compliance Function and Governance System and the entire banks' activities including Branches and Risk measurement framework elements such as risk limits and internal models.
- Reviews Internal Audit reports including the response and the results of follow up by Senior Management to ensure that timely and effective actions are taken to address audit finding.
- Reviews and approves the performance appraisal of the Chief Internal Auditor and concur with the annual compensation and salary adjustment.
- Reviews interim and annual audited financial statements with the management to ensure that such financial statements have been prepared in accordance with and complies with the requirements of applicable International Financial Reporting Standards.
- Assesses the appropriateness of accounting policies, practices, and disclosures and whether the quality of financial reporting is adequate.
- Considers the effectiveness of the Bank's Internal Control System, including Information Technology Security and Controls.
- Understands the scope of Internal and external auditors' review of internal control over financial reporting, and obtain reports in significant finding and recommendations, together with management's response.

III. Committee memberships:

Board committee	Member name	Member position
Board Audit Committee	• Faisal Hassan Galadari • Mahmood Khaleel Alhashmi • Ali Rashid Almazroei	• Chairman* • Member • Member

* The Chairman of the Board Audit Committee acknowledges his responsibility documented in the committee charter, and his constant review of the committee's effectiveness.

IV. Committee attendance:

Meeting date	No. of attendees	Name of absent member	Additional comments
February 7, 2024	3/3	-	-
February 22, 2024	3/3	-	-
May 1, 2024	3/3	-	-
May 20, 2024	3/3	-	-
June 26, 2024	3/3	-	-
July 17, 2024	3/3	-	-
August 29, 2024	3/3	-	-
September 5, 2024	3/3	-	-
October 18, 2024	3/3	-	-
December 10, 2024	3/3	-	-

Annual board audit committee report 2024

Major resolutions and directives

As part of the approved Board Audit Committee (BAC) Charter, the Committee played a major oversight role during the year 2024 in enhancing the governance and control pertaining to bank's operations, policies, procedures, systems and bank's financial statement in coordination with internal audit, external audit and sharia audit.

The audit committee shall perform the following:

- Review the audited financial statement , significant matters and external auditors' scope.
- Review the performance of external auditor's service and recommending the appointment/re-appointment or discharge of external auditor duties to the Board of Directors.
- Ensure and evaluate the independence and effectiveness of the external auditor.
- Ensure that the bank has an independent and effective Internal Audit function.
- Review and approve Internal Audit Plan, strategy, audit manual, organization structure, staffing and budget for Internal Audit function
- Review Internal Audit reports including the response and the results of follow-up to ensure that timely and effective actions are taken to address audit findings.
- Review and approve the performance appraisal of the Chief Internal Auditor and the annual compensation and salary adjustment.
- Review internal Sharia' audit plan and reports.
- Hold regular meetings with Head of internal Sharia' audit.

During the year 2024 BAC issued many resolutions and directives to different stakeholders as follows:

Resolutions and directives pertaining to external audit

- Recommended to approve the bank's financial statement for the year ended 2023 along with interim financial statements for Q1,Q2,Q3 and Q4-2024.
- Recommended to appoint Deloitte as external auditor for the audit and review of the bank financial statement for the year 2024 (Q2,Q3 and Q4-2024 and Q1-2025) along with other related services with AED 770,000 excluding VAT and subsidiary audit.
- Recommended to approve the revised accounting policy and disclosure related to useful life of fixed assets.

Resolutions and directives pertaining to executive management

- Mitigating all risks pertaining to large exposure facilities and enhancing the credit function and related policy.
- Reducing Real Estate Exposure.
- Limiting the deferral items for critical securities and re-assess the current Delegation of Authorities (DOA's) related to Corporate and Consumer Credit to enhance the control and mitigate all relevant risks.
- Complying with the approved Delegation of Authorities (DOA's)
- Reassessing the customer classification and provision in line with CBUAE's regulations.
- Closing all customer complaints within approved TAT without delay in line with CBUAE's requirements.
- Completing the annual review of all expired credit limits and facilities.
- Enhancing the Human Resource Management System.
- Enhancing the control over the fixed assets reconciliation.
- Enhancing the control over customer due diligence process and risk rating along with quality of data.
- Enhancing the control over compliance function including AML/CFT and sanctions.
- Enhancing the control over IT applications and information security.
- Closing all CBUAE observations as per the agreed target date.
- Closing all internal audit overdue observations mainly related to wholesale Banking, Human Capital, Consumer Banking and Compliance and to reach to zero overdue observations .
- Enhancing the Turn Around Time (TAT) for all bank services provided to customers and presenting or submitting periodic dashboard in this regard to the Board.
- Re-assessing the control over signature verification process mainly on security items e.g. FOL and finance agreements for more enhancement and better control.

Resolutions and directives pertaining to internal audit

- Reviewed and Approved the risk-based audit plan for the year 2024
- Assessed the performance of Chief Internal auditor for the year 2023
- Reviewing and approved the KPI's for the Chief Internal Auditor for the year 2024
- Reviewed and Approved the risk-based audit plan for the three years (2025-2027)
- To avoid any impact on audit plan progress and completion BAC directed to limit IAD's role in consultation and advisory services related to special assignments and tasks assigned by the Executive Management.

Resolutions and directives pertaining to sharia audit

- Reviewed Internal Sharia audit plan for the year 2024.
- Directed the Executive Management to Rectify all findings and observations which were reported in internal sharia audit.
- Directed the Executive Management to Rectify all CBUAE observations pertaining to Sharia Control.

Board compliance committee

I. Committee Mandate:

- Ensures appropriate compliance framework is in place and is operating effectively.
- Adherences to the internal policy and procedures, local regulatory requirements & regulations, as well as International Best Practices.
- Performs ongoing assessment of Ajman Bank's Compliance Function.
- Review s Ajman Bank's compliance with the regulatory, as well as financial crime compliance requirements. Identification, measurement, monitoring and controlling Ajman Bank's principal business risk with regards to financial crimes and regulatory risks.
- Reviews the findings of any internal or external review/examination reports (related to financial crimes) prepared by Compliance Division,
- Internal Audit or any external entity.
- The Committee reviews all the matters associated with the compliance function and areas that pose any potential risk or threat to Ajman Bank's compliance to regulatory requirements. The Committee evaluates compliance related matters and put an immediate action plan to ensure that controls are in place to mitigate such risks.

II. Committee membership:

Board committee	Member name	Member position
Board Compliance Committee	• Mahmood Khaleel Ahmed Alsayed Alhashmi • Abdullah Mohammed Hassan Alhosani • Ms. Sarah Ahmed Abdulrahman Aljarman	• Chairman* • Member • Member

* The Chairman of the Board Compliance Committee acknowledges his responsibility documented in the committee charter, and his constant review of the committee's effectiveness.

Meeting date	No. of attendees	Name of absent member	Additional comments
March 21,20z24	3/3	-	-
July 2, 2024	3/3	-	-
October 17, 2024	3/3	-	-
December 18, 2024	3/3	-	-

Board executive committee

I. Committee mandate:

- Assists the Board in carrying out its responsibilities, especially for tasks delegated by the Board when timing is critical, except for the matters reserved for the Board.
- Develops and implement Bank's overall strategy, business plan and objectives;
- Oversees the implementation of the Bank's governance framework and periodically reviewing it to ensure that it remains appropriate in the light of material changes to the Bank's size, complexity, business strategy, markets, and regulatory requirements
- Approves loans and credit proposals to the bank clients, as per the Bank's Delegation of Authority (DoA) Manual, in line with rules and regulations for granting loans and credit proposals;
- Monitors and receives reports on the execution and completion of the Bank's major projects/expansions;
- Monitors the performance of the Bank and shall seek explanations for any departures or deviations from the approved plans, budgets and expectations
- Recommends to the Board whether the Joint Ventures (JV) and Merger and Acquisition (M&A) are in-line with investment plans;
- Assists the Board Audit Committee (BAC) and Board Risk Committee with the Committees' activities, issues, and related recommendations, when deemed necessary;
- Regularly receives management reports through the CEO and/or management Committees on the Bank's financial and operating performance, and assess the same prior to presenting to the Board or approving as per Ajman Bank's internal DoA Manual;
- Regularly reviews policies and changes to the existing policies and the recommended changes when deemed necessary
- Approvs Annual capital expenditures and Disposal of capital assets as per Ajman Bank's internal DoA matrix.

II. Committee membership:

Board Committee	Member name	Member position
Board Executive Committee	• H.H Sheikh Rashid Bin Humaid Al Noaimi • Abdullah Mohammed Alhosani • Faisal Hassan Galadari	• Chairman* • Member • Member

* The Chairman of the Board Executive Committee acknowledges his responsibility documented in the committee charter, and his constant review of the committee's effectiveness

III. Committee attendance:

Meeting date	No. of attendees	Name of absent member	Additional comments
January 26, 2024	3/3	-	-
February 23, 2024	3/3	-	-
March 8, 2024	2/3	Mr. Faisal Galadari	-
March 28, 2024	3/3	-	-
May 17, 2024	3/3	-	-
May 31, 2024	2/3	H.H Sheikh Rashid Bin Humaid Al Noaimi	-
June 14, 2024	2/3	Mr. Faisal Galadari	-
July 12, 2024	3/3	-	-
Aug 21, 2024	3/3	-	-
Sept 6, 2024	3/3	-	-
Sept 20, 2024	3/3	-	-
Oct 4, 2024	3/3	-	-
Oct 18, 2024	3/3	-	-
Nov 1, 2024	2/3	Mr. Faisal Galadari	-
Nov 15, 2024	3/3	-	-
Nov 12, 2024	3/3	0	-
Dec 6, 2024	3/3	0	-
Dec 13, 2024	3/3	0	-

Board nomination & compensation committee

I. Committee mandate:

- Establishes procedures for the recommendation and selection of candidates as executive, non-executive and independent directors of the Board.
- Assists in ensuring that an appropriate mix of skills, experience and expertise is held by Board members and Committee members who are enabled to discharge the responsibilities of a Director.
- Verifies ongoing independence of independent Board members.
- Assists in ensuring that appropriate compensation and remuneration policies for the Board and management in accordance with CBUAE's rules, applicable laws, and regulations, designed to meet the needs of the Bank and to enhance corporate and individual performance.
- Reviews and evaluates the performance of CEO, and annually evaluates the performance of the Board, Board Committees and Senior Management.
- Recommends/oversees the succession plan formulation and implementation process for the Board and Senior management.
- Supervises the Human Resources department's functions and activities.
- Reviews Human Resources Policies.
- Reviews, approves and oversees the implementation of the overall compensation framework and ensure alignment with Bank's long-term interests, sustainability, and financial soundness.

II. Committee membership:

Board committee	Member name	Member position
Board Nomination and Compensation Committee	• H.H Sheikh Rashid Bin Humaid Al Noaimi • Faisal Hassan Galadari • Ali Rashid Almazroei	• Chairman* • Member • Member

* The Chairman of the Board Nomination & Compensation Committee acknowledges his responsibility documented in the committee charter, and his constant review of the committee's effectiveness.

III. Committee attendance:

Meeting date	3/3	Name of absent member	Name of absent member
April 4, 2024	3/3	-	-
May 24, 2024	3/3	-	-
June 28, 2024	3/3	-	-
November 29,2024	3/3		

Board risk committee

I. Committee mandate:

- Ensures that the Bank manages risk in accordance with its risk management framework including, limits for all relevant risk categories and risk concentrations through policies, procedures, and process by providing governance oversight and strategic direction.
- Ensures that Bank has an adequately resourced Risk Management Function headed by CRO. The function shall be independent of the management and decision-making of the Bank's risk-taking functions and have a reporting line to the BRC.
- Ensures that the risk culture is disseminated across the bank through relevant management Risk Committee, as well as through the risk management function.
- Verifies the independence of the Risk Management employees from activities that may expose the Bank to risk.
- Reviews, discusses, and provides recommendations to the management on risk management practices and guidance on strategies adopted by management.

II. Committee memberships:

Board committee	Member name	Member position
Board Risk Committee	• Abdullah Mohammed Alhosani • Mahmood Khaleel Alhashmi • Faisal Hassan Galadari	• Chairman* • Member • Member

* The Chairman of the Board Risk Committee acknowledges his responsibility documented in the committee charter, and his constant review of the committee's effectiveness

III. Committee attendance:

Meeting date	No. of attendees	Name of absent member	Additional comments
March 6, 2024	3/3	-	-
May 14, 2024	3/3	-	-
June 24, 2024	3/3	-	-
September 25, 2024	3/3	-	-
December 4, 2024	3/3	-	-

General Counsel & Board Secretary

Name: Badreldin Eltahir Elmogadam

Appointment Date: November, 2021

Email: belmogadam@ajmanbank.ae

The special resolutions presented at the general assembly in 2024: No special resolutions.

INTERNAL SHARIA SUPERVISION COMMITTEE

Internal sharia supervision committee

I. Committee mandate:

- To independently undertake Shari'ah supervision of all businesses, activities, products, services, contracts, documents and business charters of the Institution; as well as, the Bank's policies, accounting standards, operations and activities in general, memorandum of association, charter, financial statements, allocation of expenditures and costs, and distribution of profits between holders of investment accounts and shareholders ("Institution's Activities") and issue Shari'ah resolutions in this regard, and
- Determine Shari'ah parameters necessary for the Bank's Activities, and the Bank's compliance with Islamic Shari'ah within the framework of the rules, principles, and standards set by the Higher Shari'ah Authority ("HSA") to ascertain compliance of the Institution with Islamic Shari'ah.

Committee	Member name	Member position
Internal Sharia Supervision Committee	• Prof. Dr. Jassim Ali Al-Shamsi • Dr. Ibrahim Ali Al-Mansoori • Dr. Yasser Hassan Ali Shihab Al Hosani	• Chairman & Executive Member* • Member • Member

Professor Dr. Jassim Ali Salem Al Shamsi

Professor Dr. Jassim Ali Salem Nasser Al Shamsi served as a Dean of the College of Shariah and Law (now College of Law) from 2006 to 2013 at the United Arab Emirates University. He obtained a doctorate in Law and Islamic Shariah. He started his academic career in 1990 and achieved professorship in 2001. He has been a member of the Higher Shariah Authority of the UAE Central Bank since its inception. He is also a Chairman of the Board of Trustees of the International Islamic Centre for Reconciliation and Arbitration since 2017. He serves as a chairman and a panel member on several Shariah Committees of Islamic financial institutions in UAE. He has also worked as a consultant for the United Arab Emirates University for several years and held several positions at the university and the College of Law and Shariah. He also serves as a member of the "Minister of the Interior Award for Scientific Research" committee in the country since 2011. He is an advisor to the Federation of Chambers of Commerce & Industry and has participated in developing and amending some laws in the United Arab Emirates. He is a recipient of several awards inside and outside the country, such as the Shoman Award for Arab Scientists in Jordan in 1996 awarded by the International Islamic Chamber for his achievement of the system and regulations. He was also awarded with the Al Owais Award for Scientific Innovation from the President and His Highness Sheikh Mohammed bin Zayed Al Nahyan – "The state's federal personality for the year 2012". He works as an arbitrator and lawyer and appears before all levels of courts. He has written several books on technical topics, such as: "Guarantee of Exposure and Entitlement," "Contract of Sale; A Comparison of Islamic Jurisprudence and Law," "The Theory of Right: A Comparison of Islamic Jurisprudence and Law," and "The Theory of Law." Also, he has many scientific research papers published in prestigious university journals to his name and has participated in many scientific conferences locally and internationally.

Dr. Ibrahim Ali Al-Mansoori

Dr Ibrahim Ali Abdullah Al Mansoori, a Shariah scholar with more than 25 years of experience, has a Master's and PhD degrees in Islamic Banking and Economics. He served as a Director of Sharjah Center for Islamic Economy at Al Qasimia University from 2013 until 2023. He has been a faculty member in the College of Shariah and Islamic Studies at the Al Qasimia University. He is currently a member of the several Internal Shariah Supervision Committee of Islamic Financial institutions in UAE. He is an author of several research papers and carries out research on the contemporary matters relating to Islamic Banking and various Shariah matters.

Dr. Yasser Hassan Ali Shihab Al Hosani

Dr. Yasser Al Hosani is a Shariah scholar who holds a PhD in Islamic Shariah. He currently serves as a Director of the Sharjah Center for Islamic Economics at Al Qasimia University. In addition, he is also attached as an Assistant Professor at the College of Shariah and Islamic Studies, Department of Jurisprudence at Al Qasimia University. He is a preacher at the General Authority of Islamic Affairs and Endowments, and a Certified Shariah Auditor and Advisor from the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). He is an author of several research papers and conducts research on the jurisprudence of Islamic transactions and contemporary jurisprudential issues.

III. Duties fulfilled by the ISSC during the financial year

The ISSC conducted Shari'ah supervision of the Institution's Activities by reviewing those activities and monitoring them through the internal Shari'ah control division or section, internal Shari'ah audit, in accordance with the ISSC's authorities and responsibilities, and pursuant to the Regulatory Requirements in this regard. The ISSC convened six (6) meetings during the year, and its activities included the following:

- Convening (7) meetings during the year.
- Issuing fatwas, resolutions and opinions on matters presented to the ISSC in relation to the Institution's Activities.
- Monitoring compliance of policies, procedures, accounting standards, product structures, contracts, documentation, business charters, and other documentation submitted by the Institution to the ISSC for approval.
- Ascertaining the level of compliance of allocation of expenditures and costs, and distribution of profits between investment accounts holders and shareholders and between the investment accounts holders with parameters set by the ISSC.
- Supervision through the internal Shari'ah control division or section, internal Shari'ah audit, of the Institution's Activities including supervision of executed transactions and adopted procedures on the basis of samples selected from executed transactions, and reviewing reports submitted in this regard.
- Providing guidance to relevant parties in the Institution – to rectify (where possible) incidents cited in the reports prepared by internal Shari'ah control division or section, internal Shari'ah audit, and issuing of resolutions to set aside revenue derived from transactions in which non-compliances were identified for such revenue to be disposed towards charitable purposes.
- Approving corrective and preventive measures related to identified incidents to preclude their reoccurrence in the future.
- Specifying the amount of Zakat due on each share of the Institution.
- Communicating with the Board and its subcommittees, and the senior management of the Institution (as needed) concerning the Institution's compliance with Islamic Shari'ah.

The ISSC sought to obtain all information and interpretations deemed necessary in order to reach a reasonable degree of certainty that the Institution is compliant with Islamic Shari'ah.

IV. Charity contributions

According to the Internal Shari'ah Supervision Committee (the "ISSC"), Ajman Bank is not permissible to earn income from the Shari'ah non-compliant activities/transactions and need to identify if there is any non Shari'ah-compliant income generated from such activities/transaction. All the Shari'ah Non-compliant income is set aside in a separate charity account to be disposed by the Ajman Bank under the supervision of the ISSC.

In year 2024, The ISSC has approved under the recommendations of the Charity Distribution Committee (the "CDC") the amount of AED 1,555,486.69 to be disbursed to the charity which covers the following areas:

- Medical treatment,
- Education (school fees),
- Rents of Ajman Shelter (Malaz) - Women and children protection house
- Prisoner's release campaign of Ajman Police
- Helping needy individuals, and
- Others

REMUNERATION

Board remuneration

Board remuneration is comprised of a fixed payment in relation to membership on committees and attendance fees. The total remuneration for the members of the Board of Directors for year 2024 is presented in the table below.

Meeting date	No. of meetings attended	Payment received excluding VAT in AED
Abdullah Mohammed Hassan Mohammed Al Hosani	27	295,000
Mahmood Khaleel Ahmed Alsayed Al Hashmi	19	205,000
Faisal Hassan Ibrahim Galadari	29	340,000
Ali Rashid Humaid Al Mazroei	14	140,000
Sarah Ahmed Aljarman	7	70,000

- H.H Sheikh Ammar Bin Humaid Bin Rashid Al Noaimi (Board Chairman) and H.H Sheikh Rashid Bin Humaid Bin Rashid Al Noaimi (Vice- Chairman) did not receive any remuneration payments.
- Faisal Aqil Mohamed Noor Al Bastaki received AED 25,000 as remuneration in 2024 , thereafter Sarah Ahmed Aljarman has been elected to the Board in April 2024.

Executive management remuneration

Ajman Bank acknowledges that its employees are a valuable asset and is committed to maintaining a fair and competitive remuneration system that supports the Bank's strategic objectives, aligns with regulatory requirements, and attracts and retains high-quality talent. Ajman Bank's Remuneration Policy is based on the principles of transparency, fairness, and performance and aims to ensure that the Bank's remuneration practices are consistent with the Bank's risk management framework and aligned with industry best practices. The Policy sets out the principles and framework for remuneration, review and amendment process, and compliance with legal and regulatory requirements.

Ajman Bank's Remuneration Policy is approved and overseen by the Board of Directors, with support from the Board Nomination & Compensation Committee (BNCC) and other stakeholders and is subject to review and amendment to ensure its ongoing effectiveness and compliance with legal and regulatory requirements.

I. Compensation of key management personnel

	FY 2024 (AED '000)	FY 2023 (AED '000)
Short term employment benefits	9,780	8,663
Terminal benefits	339	514
Total	10,119	9,177

MANAGEMENT COMMITTEES

Ajman Bank management committees

Empowerment and Transparency through transformed Management Committees

The role of the management committees is to assist the Group CEO in discharging the day-to-day responsibilities for managing the Bank, and they represent the most elevated level of oversight and decision making in the Bank after the Board and the Board Committees. These Committees provide forums for expertise, challenge and decision making within the authority granted by the Bank's Delegation of Authority (DOA) Manual.

The Committees act as a day-to-day check and balance to ensure power and authority within the Bank is adequately diversified to ensure a robust decision-making process.

Empowerment and transparency through transformed management committees

The Committees act as a day-to-day check and balance to ensure power and authority within the Bank is adequately diversified to ensure a robust decision-making process.

Executive Committee (EXCO)

EXCO's provides a forum to discuss decisions on the overall Bank affairs. Including the bank's strategy, governance, budgets, etc.

Credit Execution Committee (CEC)

CEC Monitors the growth of the Bank's wholesale business, collaboratively takes timely, efficient, and effective decisions on material credit, treasury and investment proposals and management of existing exposures.

Disciplinary Committee (DC)

DC is the committee responsible of assessing and overseeing internal cases requiring disciplinary action by the bank.

Executive Compliance Committee (ECC)

ECC oversees and supports effective and efficient management of Financial Crimes and Regulatory Compliance, including AML/CFT, Sanctions Risk Management, etc.

Executive Risk Committee (ERC)

ERC oversees and monitors the Board approved risk appetite and Enterprise Risk Framework. It defines, develops, and periodically monitors the Bank's risk appetite metrics along with its related methodology, parameters, and tolerances.

Human Recourse Committee (HRC)

HRC assists EXCO and the Board to implement strategic and operational HR initiatives. It provides a forum to discuss and approve HR initiatives and actions.

Asset & Liability Committee (ALCO)

ALCO Monitors and establishes, limits and guidelines within which ALM strategies are to be executed according to the limits set by the Board of Directors.

Model Oversight Committee (MOC)

MOC oversees the objective and strategy of the models employed within the Bank, ensuring these are fit for purpose.

New Products & Services Committee (NPSC)

Provides active oversight and takes decisions pertaining to the launch of new Product and Service or material changes in existing products/services.

Vendor Management Committee (VMC)

Oversees strategic vendor management and third-party suppliers.

IT Steering Committee (ITSC)

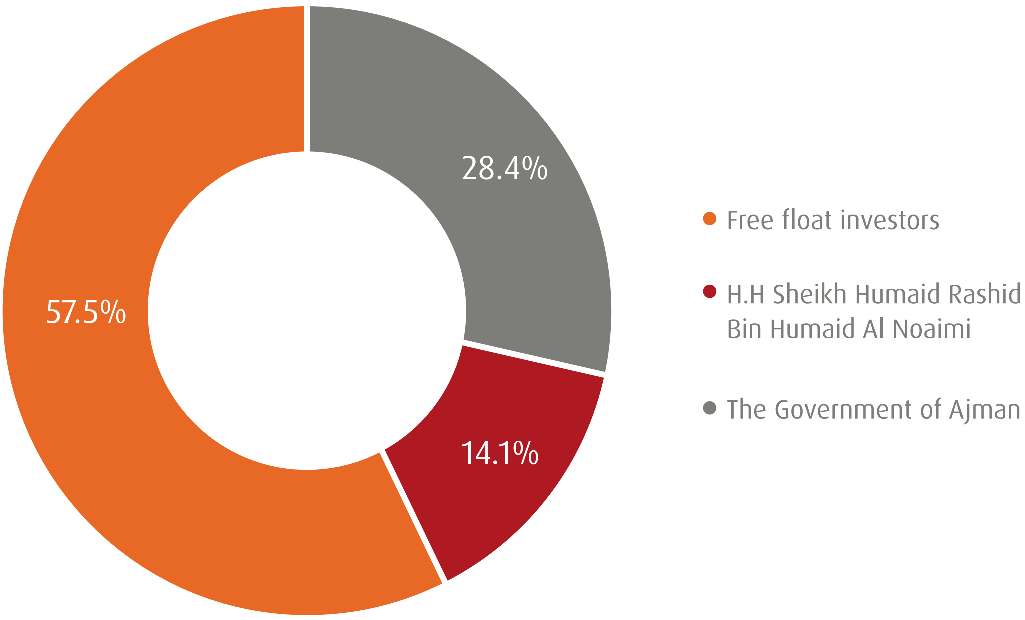
Recommends and oversees IT strategic related matters/ projects.

SHARE INFORMATION & PERFORMANCE

Share information & performance

I. Shareholding ownership structure (as of december 2024):

Shareholder Ownership Percentage



The table below presents the distribution of ownership of Ajman Bank shares as of 31 December 2024.

Percentage of owned shares				
Shareholder classification	Individuals	Companies	Government	Total
UAE	36.6102	26.385	28.4348	91.43
GCC	0.7836	0.2048	0	0.99
Arab	1.2128	0.0165	0	1.23
Others	1.3599	4.9925	0	6.35
Total	39.97%	31.60%	28.43%	100%

The below presents the Ajman Bank Shareholders Pursuant to Size of the Ownership as of December 2024.

Share(s) ownership	Number of shareholders	Number of owned shares	Percentage of owned shares of Ajman Bank's capital
Less than 50,000	59,283	179,196,864	6.58%
From 50,000 to less than 500,000	574	86,229,310	3.17%
From 500,000 to less than 5,000,000	133	207,720,151	7.63%
More than 5,000,000	46	2,250,353,675	82.63%

II. Share performance

The table below presents the comparative performance of the Bank's shares with the general market index and the sector index to which the Bank belongs during the year (2024).

Month	Ajman Bank	DFMGI	Banking
January	2.05	4,169.08	2,994.64
February	1.80	4,308.77	3,177.61
March	1.85	4,246.27	2,996.04
April	1.88	4,155.77	2,904.37
May	1.76	3,977.93	2,806.37
June	1.71	4,030.00	2,892.02
July	1.87	4,268.05	3,123.49
August	1.79	4,325.45	3,170.42
September	1.77	4,503.48	3,285.28
October	1.74	4,591.05	3,278.13
November	1.79	4,847.34	3,381.63
December	1.71	5,158.67	3,478.95

III. Share price

The table below presents Ajman Bank Share Price (Closing price, High Price, Low Price) at end of each month during financial year 2024.

Month	Low (AED)	High (AED)	Closing price (AED)
January	2.03	2.23	2.05
February	1.66	2.05	1.80
March	1.79	1.96	1.85
April	1.80	1.92	1.88
May	1.73	1.99	1.76
June	1.67	1.76	1.71
July	1.70	1.92	1.87
August	1.74	1.88	1.79
September	1.73	1.88	1.77
October	1.66	1.83	1.74
November	1.67	1.81	1.79
December	1.66	1.82	1.71

Investor Relations & Board Affairs
Hothaifa Marwan

Email: investors@ajmanbank.ae

Contact Number: +971 55 295 5155, +971 6 701 8188

Investor Relations website: www.ajmanbank.ae/site/investor-relations.html

Appendix 1 – board member details and external positions

Board Member Name	Nationality	Qualifications	Appointment date	Experience	Membership and position in any other joint stock companies	Position in any other important regulatory, governmental, or commercial positions
H.H Sheikh Ammar Bin Humaid Bin Rashid Al Noaimi	UAE	College of Police Sciences – Dubai	16-04-2008		1.Chairman of the Board of Trustees of the Humaid Bin Rashid Charity Foundation.	1.Crown Prince of Ajman - Chairman of the Executive Council
H.H Sheikh Ammar Bin Humaid Bin Rashid Al Noaimi	UAE	Bachelor of Business Administration	16-04-2008		1.Chairman of the Board of Directors of Aqar Foundation 2.Vice Chairman of the Board of Trustees of Ajman University of Science and Technology	1.Head of the Municipality and Planning Department - Ajman
Faisal Hassan Ibrahim Galadari	UAE	Bachelor's degree in commerce	24-05-2021	More than 40 years of experience in banking.	Member of the Board of Directors of Noor Capital.	N/A
Ali Rashid Humaid Almazroei	UAE	MBA	24-05-2021	More than 15 years of commercial experience.	1.Chairman of the Board of Directors of Emirates NBD Real Estate Investment Trust 2.Member of the Board of Directors of National Bonds Corporation, 3.Member of the Board of Directors & Group CEO of Bahri & Mazroei Holding Company	N/A
Abdullah Mohammed Hassan Alhosani	UAE	Bachelor's degree in Accounting and Economics.	21-03-2018	More than 30 years of banking experience	1.Member of the Board of Directors – Union Insurance Company 2.Member of the Board of Directors - Gulf Cement Company 3.Vice Chairman- Amanat Holding Company	N/A
Mahmood Khalil Al Hashmi	UAE	Bachelor's degree in Accounting	05-04-2021	More than 30 years of banking - Experience in Central Bank and Free Zones - Economic Department	N/A	General Manager, Ajman Tourism and Development Department
Sarah Ahmed Aljarman	UAE	Masters degree in Media & Business	17-04-2024	with more than over 18 years of experience	Dubai Media Incorporated- SVP TV Channels and Radio	N/A

Appendix 2 – Head of corporate governance contact information

Head of Environmental, Social and Governance (ESG) & EPMO

Name: Zohaib Ali Zahid

Email: zohaib.zahid@ajmanbank.ae

Contact Number: +971 6 747 9999, +971 6 701 8279

مصرف عجمان
Ajman Bank

600 5555 22   www.ajmanbank.ae

Inspiring Shari'ah Values | قيمنا مستمدة من الشريعة السمحاء

التقرير الشرعي السنوي للجنة الرقابة الشرعية الداخلية

ANNUAL SHARI'AH REPORT OF INTERNAL SHARI'AH SUPERVISION COMMITTEE*

مصرف عجمان ش م ع

AJMAN BANK PJSC

Annual Report of the Internal Shari'ah Supervision Committee (the "ISSC") of Ajman Bank PJSC

Issued on: 14th Jan 2025

To: Shareholders of Ajman Bank PJSC ("the Institution")

Assalam u Alaikum Wa Rahmat u Allah Wa Barakatuh

Pursuant to requirements stipulated in the relevant laws, regulations and standards ("the Regulatory Requirements"), the Internal Shari'ah Supervision Committee of the Institution ("ISSC") presents to you the ISSC's Annual Report for the financial year ending on 31 December 2024 ("Financial Year").

1. **Responsibility of the ISSC**

In accordance with the Regulatory Requirements and the ISSC's charter, the ISSC's responsibility is stipulated as to:

a. undertake Shari'ah supervision of all businesses, activities, products, services, contracts, documents and business charters of the Institution; and the Institution's policies, accounting standards, operations and activities in general, memorandum of association, charter, financial statements, allocation of expenditures and costs, and distribution of profits between holders of investment accounts and shareholders ("Institution's Activities") and issue Shari'ah resolutions in this regard, and

b. determine Shari'ah parameters necessary for the Institution's Activities, and the Institution's compliance with Islamic Shari'ah within the framework of the rules, principles, and standards set by the Higher Shari'ah Authority ("HSA") to ascertain compliance of the Institution with Islamic Shari'ah.

The senior management is responsible for compliance of the Institution with Islamic

التقرير السنوي للجنة الرقابة الشرعية الداخلية ("اللجنة") لمصرف عجمان ش م ع

صدر في: 2025/01/14م

إلى السادة المساهمين في مصرف عجمان ("المؤسسة")

السّلام عليكم ورحمة الله تعالى وبركاته، وبعد:

إن لجنة الرقابة الشرعية الداخلية المؤسسة ("اللجنة") ووفقا للمتطلبات المنصوص عليها في القوانين والأنظمة والمعايير ذات العلاقة ("المتطلبات الرقابية")، تقدم تقريرها للسنة المالية المنتهية في 31 ديسمبر من عام (2024م) ("السنة المالية").

1. **مسؤولية اللجنة**

إن مسؤولية اللجنة وفقا للمتطلبات الرقابية ولائحتها التنظيمية تتحدد في:

أ. الرقابة الشرعية على جميع أعمال، وأنشطة، ومنتجات، وخدمات، وعقود، ومستندات، ومواثيق عمل المؤسسة، والسياسات، والمعايير المحاسبية، والعمليات والأنشطة بشكل عام، وعقد التأسيس، والنظام الأساسي، والقوائم المالية للمؤسسة، وتوزيع الأرباح وتحميل الخسائر والنفقات والمصروفات بين المساهمين وأصحاب حسابات الاستثمار ("أعمال المؤسسة") وإصدار قرارات شرعية بخصوصها،

ب. ووضع الضوابط الشرعية اللازمة لأعمال المؤسسة والتزامها بالشريعة الإسلامية في إطار القواعد والمبادئ والمعايير التي تضعها الهيئة العليا الشرعية ("الهيئة")، لضمان توافقها مع أحكام الشريعة الإسلامية.

وتتحمل الإدارة العليا مسؤولية التزام المؤسسة

Shari'ah in accordance with the HSA's resolutions, fatwas, and opinions, and the ISSC's resolutions within the framework of the rules, principles, and standards set by the HSA ("Compliance with Islamic Shari'ah") in all Institution's Activities, and the Board bears the ultimate responsibility in this regard.

2. **Shari'ah Standards**

In accordance with the HSA's resolution (No. 18/3/2018), and with effect from 01/09/2018, the ISSC has abided by the Shari'ah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) as minimum Shari'ah requirements, in all fatwas, approvals, endorsements and recommendations, relating to the Institution's Activities without exception.

3. **Duties Fulfilled by the ISSC During the Financial Year**

The ISSC conducted Shari'ah supervision of the Institution's Activities by reviewing those Activities and monitoring them through the internal Shari'ah control division or section, internal Shari'ah audit, in accordance with the ISSC's authorities and responsibilities, and pursuant to the Regulatory Requirements in this regard. The ISSC's activities included the following:

a. Convening (7) meetings during the year.
b. Issuing fatwas, resolutions and opinions on matters presented to the ISSC in relation to the Institution's Activities.
c. Monitoring compliance of policies, procedures, accounting standards, product structures, contracts, documentation, business charters, and other documentation submitted by the Institution to the ISSC for approval.
d. Ascertaining the level of compliance of allocation of expenditures and costs, and distribution of profits between investment accounts holders and shareholders and

بالشـــريعة الإسلامية وفقا لقرارات، فتاوى، وآراء الهيئة، وقرارات اللجنة في إطار القواعد والمبادئ والمعايير التي تضعها الهيئة ("الالتزام بالشريعة الإسلامية") في جميع أعمـالها والتأكـد مـن ذلك، ويتحمـل مجلس الإدارة المسـؤولية النهائية في هـذا الشـان.

2. **المعايير الشرعية**

اعتمدت اللجنةُ على المعايير الشرعية الصادرة عن هيئة المحاسبة والمراجعة للمؤسسات المالية الإسلامية ("أيوفي") معايير للحد الأدنى للمتطلبات الشرعية والتزمت بها في كل ما تفتي به أو تعتمده أو توافق عليه أو توصي به فيما يتعلق بأعمال المؤسسة خلال السنة المالية المنتهية دون استثناء وفقا لقرار الهيئة رقم 2018/3/18.

3. **الأعمال التي قامت بها اللجنة خلال السنة المالية**

لقد قامت اللجنة بالرقابة الشرعية على أعمال المؤسسة، من خلال مراجعة أعمال المؤسسة ومراقبتها من خلال إدارة الرقابة الشرعية الداخلية وإدارة التدقيق الشرعي الداخلي، وفقا لصلاحيات اللجنة ومسؤولياتها والمتطلبات الرقابية في هذا الشأن. ومن الأعمال التي قامت بها اللجنة ما يأتي:

أ. عقد (7) اجتماعات خلال السنة المالية،
ب. إصدار الفتاوى والقرارات وإبداء الأراء فيما يتعلق بأعمال المؤسسة التي عرضت على اللجنة.
ج. مراجعة السياسات، واللوائح الإجرائية، والمعايير المحاسبية، وهياكل المنتجات، والعقود، والمستندات، ومواثيق العمل، والوثائق الأخرى المقدمة من قبل المؤسسة للجنة للاعتماد/الموافقة.
د. التأكد من مدى توافق توزيع الأرباح وتحميل النفقات والمصروفات بين أصحاب حسابات الاستثمار والمساهمين من جانب وبين أصحاب

between the investment accounts holders with parameters set by the ISSC.

e. Supervision through the internal Shari'ah control division or section, internal Shari'ah audit, of the Institution's Activities including supervision of executed transactions and adopted procedures on the basis of samples selected from executed transactions, and reviewing reports submitted in this regard.

f. Providing guidance to relevant parties in the Institution – to rectify (where possible) incidents cited in the reports prepared by internal Shari'ah control division or section, internal Shari'ah audit, and issuing of resolutions to set aside revenue derived from transactions in which non-compliances were identified for such revenue to be disposed towards charitable purposes.

g. Approving corrective and preventive measures related to identified incidents to preclude their reoccurrence in the future.

h. Specifying the amount of Zakat due on each share of the Institution.

i. Communicating with the Board and its subcommittees, and the senior management of the Institution (as needed) concerning the Institution's compliance with Islamic Shari'ah.

حسابات الاستثمار من جانب آخر مع الضوابط الشرعية المعتمدة من قبل اللجنة.

هـ. الرقابة من خلال إدارة أو قسم الرقابة الشرعية الداخلية، والتدقيق الشرعي الداخلي، على أعمال المؤسسة بما في ذلك المعاملات المنفذة والإجراءات المتبعة، وذلك على أساس اختيار عينات من العمليات المنفذة، ومراجعة التقارير المقدمة في هذا الخصوص.

و. تقديم توجيهات إلى الجهات المعنية في المؤسسة بتصحيح ما يمكن تصحيحه من الملاحظات التي وردت في التقارير المقدمة من قبل إدارة أو قسم الرقابة الشرعية الداخلية، والتدقيق الشرعي الداخلي، وإصدار قرارات بتجنيب عوائد المعاملات التي وقعت مخالفات في تطبيقها لصرفها في وجوه الخير.

ز. اعتماد التدابير التصحيحية/الوقائية فيما يتعلق بالأخطاء التي تم الكشف عنها لمنع حدوثها مرة أخرى.

ح. بيان مقدار الزكاة الواجبة على السهم الواحد من أسهم المؤسسة.

ط. التواصل مع مجلس الإدارة واللجان التابعة له والإدارة العليا للمؤسسة، حسب الحاجة، بخصوص التزام المؤسسة بالشريعة الإسلامية.

The ISSC sought to obtain all information and interpretations deemed necessary in order to reach a reasonable degree of certainty that the Institution is compliant with Islamic Shari'ah.

وقد سعت اللجنة للحصول على جميع المعلومات والتفسيرات التي اعتبرتها ضرورية للتأكد من التزام المؤسسة بالشريعة الإسلامية.

4. Independence of the ISSC

The ISSC acknowledges that it has carried out all of its duties independently and with the support and cooperation of the senior management and the Board of the Institution. The ISSC received the required assistance to access all documents and data, and to discuss all amendments and Shari'ah requirements.

4. استقلالية اللجنة

تؤكد اللجنة بأنها أدت مسؤولياتها وقامت بجميع أعمالها باستقلالية تامة، وقد حصلت على التسهيلات اللازمة من المؤسسة وإدارتها العليا ومجلس إدارتها للاطلاع على جميع الوثائق والبيانات، ومناقشة التعديلات والمتطلبات الشرعية.

5. The ISSC's Opinion on the Shari'ah Compliance Status of the Institution

Premised on information and explanations that were provided to us with the aim of ascertaining compliance with Islamic Shari'ah, the ISSC has concluded with a reasonable level of confidence, that the Institution's Activities are in compliance with Islamic Shari'ah, except for the incidents of non-compliance observed, as highlighted in the relevant reports. The ISSC also provided directions to take appropriate measures in this regard.

The ISSC formed its opinion, as outlined above, exclusively on the basis of information perused by the ISSC during the financial year.

We ask Allah Almighty to grant everyone guidance and strength.

Assalam u Alaikum Wa Rahmat u Allah Wa Barakatuh

5. رأي اللجنة بخصوص التزام المؤسسة بالشريعة الإسلامية

بناء على ما حصلنا عليه من معلومات وإيضاحات من أجل التأكد من التزام المؤسسة بالشريعة الإسلامية، فقد خلصت اللجنة بدرجة مقبولة من الاطمئنان إلى أن أعمال المؤسسة خلال السنة المالية متوافقة مع الشريعة الإسلامية إلا ما لوحظ من مخالفات تم رفع تقارير بشأنها، وقد وجهت اللجنة باتخاذ الإجراءات المناسبة في هذا الخصوص.

ورأي اللجنة، المذكور أعلاه، مبني على المعلومات التي اطلعت عليها خلال السنة المالية حصراً.

نسأل الله العلي القدير أن يحقق للجميع الرشاد والسداد

والسلام عليكم ورحمة الله وبركاته

Members of the Internal Shari'ah Supervision Committee of Ajman Bank PJSC

H.E. Prof. Dr. Jassem Ali Al-Shamsi,

Chairman and Executive Member of ISSC

H.E. Dr. Ibrahim Ali Al-Mansoori

Member ISSC

H.E. Dr. Yasser Ali Shehab Al-Hosani

Member ISSC

أعضاء لجنة الرقابة الشرعية الداخلية لمصرف عجمان ش م ع

فضيلة الأستاذ الدكتور/ جاسم علي الشامسي

الرئيس والعضو التنفيذي

فضيلة الدكتور/ إبراهيم علي المنصوري

عضو اللجنة

فضيلة الدكتور/ ياسر علي شهاب الحوسني

عضو اللجنة

مصرف الإمارات العربية المتحدة المركزي
CENTRAL BANK OF THE U.A.E.

United Arab Emirates

التاريخ : 2025/01/28
المرجع : CBUAE/BIS-HSAS/2025/509
التصنيف: محظور

قرار الهيئة العليا الشرعية رقم: 1/بالتمرير/2025

السادة / مصرف عجمان المحترمين
السلام عليكم ورحمة الله وبركاته،

الموضوع: التقرير الشرعي السنوي الصادر عن لجنة الرقابة الشرعية الداخلية لمصرف عجمان

يهديكم المصرف المركزي أطيب التحيات والتمنيات... أما بعد،

راجعت الهيئة العليا الشرعية التقرير الشرعي السنوي الصادر عن لجنة الرقابة الشرعية الداخلية لمصرف عجمان للسنة المالية 2024، وقررت أنه لا مانع من إصدار التقرير ضمن إفصاحات البنك.
وتبقى لجنة الرقابة الشرعية الداخلية المصدرة للتقرير هي المسؤولة حصراً عن صحة الوارد فيه.

وللاستفسار، يمكن التواصل مع أمانة سر الهيئة العليا الشرعية من خلال البريد الإلكتروني:

shariaauthority@cbuae.gov.ae

وتفضلوا بقبول فائق الاحترام والتقدير،

د. سعد البقالي
أمين سر الهيئة العليا الشرعية

E-mail uaecb@cbuae.gov.ae البريد الإلكتروني
www.centralbank.ae الموقع الإلكتروني

T +971 2 6652220 هاتف
F +971 2 6652504 فاكس
ص.ب. 854، أبوظبي، الإمارات العربية المتحدة
PO Box 854, Abu Dhabi, United Arab Emirates

Federal Institution | مؤسسة اتحادية

Zakat of Ajman Bank Shares for a Financial Period from 1st Jan 2024 to 31st Dec 2024	زكاة الأسهم لمصرف عجمان عن الفترة المالية من 1 يناير 2024 م إلى 31 ديسمبر 2024 م
Zakat of Shares to be calculated as per the following way:	تحسب زكاة الأسهم على النحو التالي:
• **Shares purchased for the purpose of trading i.e. for sale when the market price increases:**	• **الزكاة المفروضة على الأسهم المشتراة بقصد الاتجار فيها أي البيع عند ارتفاع قيمتها السوقية:**
Zakat Base for one share = Market rate of a share Zakat of one share = Zakat base X 2.5775% Total Zakat Due = Number of shares x Zakat of one share	وعاء الزكاة للسهم الواحد = قيمة السهم السوقية زكاة السهم الواحد = وعاء الزكاة للسهم الواحد x %2,5775 إجمالي الزكاة المستحقة = عدد الأسهم X زكاة السهم الواحد
• **Zakat Due on Shares purchased for the purpose of receiving dividends (profit) [Not for Trading]**	• **الزكاة المفروضة شرعاً على الأسهم المشتراة للحصول على أرباحها ودون قصد الاتجار**
0.011398 *Fills Emarati* on each share	0.011398 فلس إماراتي زكاة عن السهم الواحد

Internal Shariah Supervision Committee لجنة الرقابة الشرعية الداخلية

فضيلة أ. د. جاسم علي الشامسي
الرئيس والعضو التنفيذي

فضيلة د. ياسر علي حسن الحوسني
عضو اللجنة

فضيلة د. ابراهيم علي المنصوري
عضو اللجنة

Note: Zakat % for Hijri Year: 2.5%, Gregorian Year: 2.5775%

ملاحظة: مقدار الزكاة للسنة الهجرية 2,50 % و للسنة الميلادية %2,5775

Issued on: *31st Jan 2025.*

صدر بتاريخ: *31 يناير 2025م*

SUSTAINABILITY
REPORT - 2024

مصرف عجمان
Ajman Bank

600 555 22 www.ajmanbank.ae

Inspiring Shari'ah Values | قيمنا مستمدة من الشريعة السمحاء

As a leading Islamic bank in UAE, Ajman Bank (AB) is committed to publishing regular updates and performance data in relation to environmental, social and governance (ESG) through our latest Sustainability Reports. Ajman Bank presented its inaugural sustainability report in year 2023, highlighting our sustainability-related initiatives, activities, areas for development, and ambitions. This year, the report pertains to the period from 1 January 2024 to 31 December 2024. The information presented has been prepared in line with the Dubai Financial Market (DFM) Sustainability Reporting Guidance for listed entities that utilize the Global Reporting Standard (GRI) 2021 metrics.

The report covers our operations across the UAE, including our head office and branches in Ajman, as well as branches in Dubai, Sharjah, Ras Al Khaimah, and Abu Dhabi. For GHG emissions reporting, Ajman Bank follows an operational control approach as it aligns best with our organizational structure and the nature of our operations.

Ajman Bank recognizes the importance of validity and accuracy of data and employs robust internal audit controls on its non-financial information. At this time, the sustainability indicators presented in this report have not undergone third-party assurance. However, Ajman Bank will seek to build readiness for this exercise as we mature in our sustainability journey.

Contact Ajman Bank about this report

As we embark on our sustainability journey, we encourage our stakeholders to engage with Ajman Bank on its sustainability progress and plans.

If you have any queries or feedback regarding this report, please do not hesitate to send your feedback to sustainabilitycoe@ajmanbank.ae

A message from our chairman

Ajman Bank continues to move steadily forward in its mission to create a tangible economic, social, and environmental impact while upholding the principles of Islamic finance. This commitment was reflected in the strides made in environmental, social, and governance (ESG) initiatives throughout 2024.

These efforts reaffirm the Board of Directors full support and the bank's unwavering commitment to sustainability, innovation, and responsible growth.

Ajman Bank has aligned its strategies with the UAE's vision and its commitment to achieving net-zero emissions by 2050, as well as Ajman Vision 2030, which has set a national path for sustainable progress. The bank has taken significant steps to enhance sustainability within its operations, actively supporting initiatives that contribute to climate neutrality and environmental preservation.

Over the past year, the Board has adopted numerous initiatives that promote digital transformation, responsible governance, and environmental stewardship. The bank's commitment to technological advancements and sustainable practices solidifies its position as a financial partner that actively contributes to the UAE's progressive ambitions.

Furthermore, the bank's investments in community engagement, Emiratization, talent development, and diversity have reinforced its role in building a resilient and inclusive economy. This reflects our dedication to fostering a culture of remarkable growth, operational resilience, continuous improvement, and an exceptional customer experience embodied in our RACE framework.

Our overall success and progress in sustainability would not have been possible without the trust and commitment of our stakeholders. I would like to express my deepest gratitude to our shareholders, Board members, executive management, employees, and customers for their continuous support and confidence in our vision. Together, we are laying the foundation for a sustainable future.

As we embark on this journey toward climate neutrality and beyond, Ajman Bank remains committed to long-term value creation while staying true to our core values and making a positive impact on the environment, economy, and society.

H.H. Sheikh Ammar Bin Humaid Bin Rashid Al Noaimi

Chairman of the Board of Directors
Ajman Bank

A message from our CEO

This year has marked significant progress in our journey towards sustainability, innovation, and responsible leadership. At Ajman Bank, we remain steadfast in our commitment to creating long-term value for our stakeholders while contributing meaningfully to the UAE's broader environmental and economic goals.

One of the year's standout achievements has been the development of Ajman Bank's Sustainability Framework, that highlights our strategic objectives across multiple workstreams, and outlines Ajman Bank's roadmap for the next five (5) years. By implementing this framework, Ajman Bank ensures consistent progression towards its sustainability transformation agenda, and contribution to the strategic direction set by Ajman Vision 2030 and the UAE Net Zero 2050 commitment.

This year, under the sustainable finance program, the Bank extended sustainable finance and sustainability linked financing facilities to customers across corporate, financial institutions and consumer segments. The Bank also signed a memorandum of understanding with the Emirates Development Bank (EDB) that focuses on offering strategic financing solutions to SMEs – one of the economic pillars of the UAE. Ajman Bank also signed an MOU with the Ministry of Energy and Infrastructure (MoEI), represented by Sheikh Zayed Housing Program, offering enhanced home finance solutions for the Program's customers. This collaboration facilitates end-to-end financing solutions for UAE citizens eligible under the housing program, contributing to the nation's vision of providing sustainable housing options for its citizens.

One of the most impactful highlights of this past year was the launch of Ajman Bank's Sustainability Center of Excellence (COE). Our Sustainability CoE comprises of experts from our Corporate Banking, Treasury, Commercial Banking, Business Banking, Consumer Banking who work with the Central ESG and Credit team to provide bespoke advisory to our clients and provide advice to support clients address ESG challenges, help carbon transition, mitigate physical climate risks, and support sustainable, inclusive growth.

In line with our strategy to foster knowledge and explore pathways toward a greener and more sustainable future, Ajman Bank was honored to be a part of UAE Party Delegation to COP29. The UAE pavilion hosted critical discussions on climate finance for the Global South, the Global Climate Finance Framework, the global Islamic Finance Program and other topics. We were also proud to be one of the key sponsors of the Future Sustainability Forum 2024, a global platform organized by DIFC. We are aware of the importance of consistent collaborative action towards sustainability and the value of maintaining the dialogue between all stakeholders to collectively explore the pathways, challenges, and opportunities of the journey to net zero.

Ajman Bank additionally collaborated on a mangrove planting initiative in Al Zorah Nature Reserve in our home Emirate of Ajman. This initiative reflects our dedication to environmental preservation, as mangroves are critical to reducing carbon emissions and protecting biodiversity. Furthermore, Ajman Bank partnered on a climate compensation program that aims to compensate Ajman Bank's CO2 from its printing operations, this initiative further highlights our ongoing efforts to actively support the UAE's Net Zero by 2050 vision.

None of this would have been possible without the hard work of our exceptional teams and the trust of our valued stakeholders. I extend my deepest gratitude to our customers, employees, shareholders, and partners for their unwavering support as we continue this transformative journey. As a responsible financial institution, we remain committed to continuously improving our ESG performance, and to delivering sustainable growth and driving positive social impact.

Mustafa Mohammed Saeed Al Khalfawi

Chief Executive Officer
Ajman Bank

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ABOUT AJMAN BANK

Our history

Ajman Bank, guided by a robust vision centered on principles of integrity, trust, and transparency, aims to deliver an extensive array of Sharia-compliant banking solutions of exceptional quality to individuals, corporations, and governmental entities throughout the UAE. With our path beginning in 2007, we are proud to be the first Islamic bank incorporated in Ajman.

Headquarters

Ajman Bank is proudly headquartered in Ajman and is a key contributor to the economic development of the Emirate.

Ownership

Ajman Bank enjoys the strong support of the ruler and government of Ajman, with collective ownership rising to 42.58%. The Bank has been listed on the DFM since 2008.

Leadership

The Board of Directors of Ajman Bank comprises seven (7) members who collectively provide strategic leadership to the Bank.

Ajman Bank's CEO, Mustafa Al Khalfawi, holds over 20 years of experience with large, recognized entities, including several leading banks in the UAE. Ajman Bank's Management Executive Committee, led by the CEO, comprises seasoned bankers holding extensive experience in their respective domains.

Wholesale banking

Product offerings include Sharia Compliant investment and corporate finance, corporate banking, transaction banking, trade finance, payments and cash management services.

Our offering

Consumer banking

Targets individuals and Business Banking entities.

Product ranges offered include Sharia Compliant banking products such as current accounts, deposits, cards, finance, etc.

Treasury & capital markets

Expertise in Shari'a compliant transactions including FX, rates, hedging, money markets, equity and sukuk execution.

Providing innovative Islamic investment products

- IPO Finance
- Sukuk Trading
- Islamic Investment Funds
- Secured Share Finance

Supporting the vibrant corporate landscape in the UAE

- Corporate Financing
- Government Financial Institution & Syndication
- Financial Institutions
- Structured Finance

Fulfilling the widespread needs of our customers

- Accounts
- Credit Cards
- Takaful
- Wealth Management
- Business Banking
- Consumer Finance

Our values

Our brand embodies a commitment to our clients, community and climate, reflecting our company's essence and organizational commitment to '**Service, Speed, Specialization, and Sustainability**'. Every interaction with our clients serves as a platform to showcase our brand character, which is intricately shaped by our values.

Excellence

We believe in and demonstrate outstanding service and we commit to being the best.

Knowledge

We know, as well as skills and experience, to deliver information or to respond to your questions quickly and reliably.

Friendliness

We are friendly and approachable people who have the time to listen to you. Our attitude is a true expression of a modern society: fresh, warm, and welcoming.

Clarity

We explain our products and services simply, clearly, and accurately to help you make the right decision.

Fairness

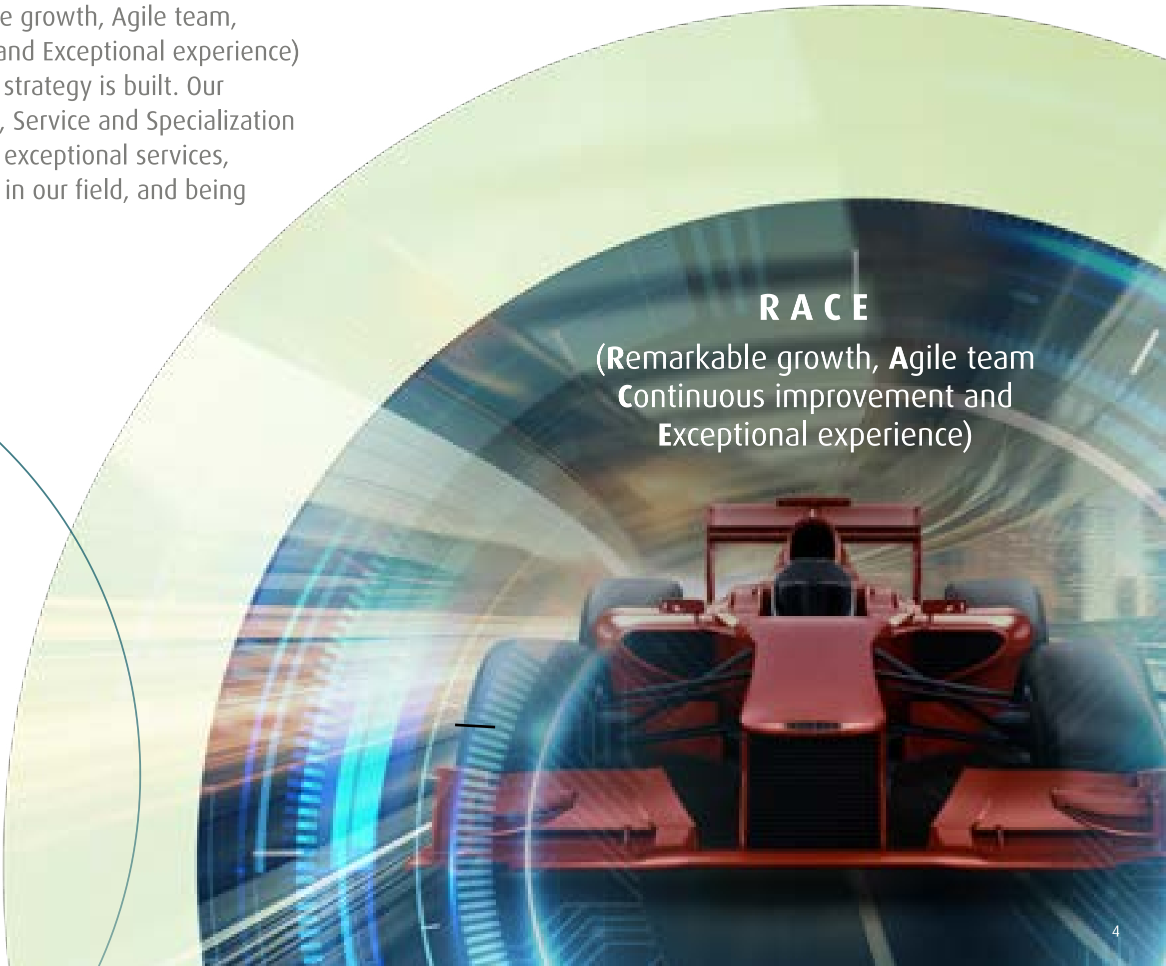
We believe in an honest, fair, and equal partnership – irrespective of ethnic, social, and religious backgrounds.

Creativity

We strive to develop new ideas, modern systems, and innovative products and services. We believe in continuous development and improvement.

Our human capital values

Our human capital values represented by the acronym RACE (Remarkable growth, Agile team, Continuous improvement and Exceptional experience) are pillars upon which our strategy is built. Our strategy focuses on Speed, Service and Specialization with the goal of providing exceptional services, maintaining specialization in our field, and being responsive in our actions.



Our awards and certifications

This year the Bank received various critical certifications and our achievements were recognized in the form of various awards.

Awarding organization	Received Award/ certification	Achievements celebrated
The European Global Banking & Finance Awards	Emerging Bank in ESG Banking in UAE 2024	Based on the Bank's transparent annual disclosures and inaugural efforts in the ESG space, the Bank was recognized as the recipient of best emerging ESG Bank in the UAE.
MEA Finance Banking Technology Summit and Awards	The Best Islamic Digital Banking Service Provider of the Year	This recognition is a testament to our relentless pursuit of innovation, our customer-centric approach, and our commitment to providing superior digital banking solutions that adhere to the principles of Islamic finance.
International Organization for Standardization (ISO)	ISO 20000-1:2018 (Service Management System)	This certification sets standardized standards for managing IT services within the bank, ensuring smooth service delivery and improving overall customer satisfaction.
International Organization for Standardization (ISO)	ISO 9001:2015 (Quality Management System)	By implementing this framework, Ajman Bank ensures steady quality in its products and services. The system emphasizes customer satisfaction, process enhancement, and effective leadership within the organization.
International Organization for Standardization (ISO)	ISO 10002:2018 (Customer Satisfaction)	This certification highlights the bank's commitment to addressing customer issues quickly and effectively. It focuses on fostering a customer-oriented environment that encourages feedback and ensures timely resolution of complaints.
International Organization for Standardization (ISO)	ISO 22301:2019 certification for Business Continuity Management Systems (BCMS)	This demonstrates the bank's commitment to maintaining smooth operations and being ready for any potential disruptions. The certification further strengthens the bank's dedication to meeting international standards.

	IDC	IDC CSO 30 award	This esteemed recognition was awarded to Ajman Bank's Head of Information Security for his leadership in implementing innovative security practices at Ajman Bank and for demonstrating outstanding business value in the face of a constantly evolving threat landscape
	Swift	SWIFT CSP (Consumer certification program) Certification	The SWIFT CSP certification ensures strong security measures to protect infrastructure, prevent cyber threats, and safeguard financial data, reflecting our commitment to a secure operational environment.
	Payment Card Industry Security Standards Council (PCI SSC)	PCI-DSS Certification	This internationally recognized certification highlights our dedication to protecting cardholder data and upholding the highest security standards in our payment processes.
	NAFIS Award	The NAFIS Award was launched in 2022 under the patronage of His Highness Sheikh Mansour bin Zayed Al Nahyan, Vice President of the UAE, Deputy Prime Minister, Minister of the Presidential Court, and Chairman of the Emirati Talent Competitiveness Council.	Ajman Bank was recognized with the second-place award in the prestigious NAFIS Award for Emiratization in the medium sized entities category, This accomplishment highlights our dedication to fostering Emirati talent and supporting the goals of national development.
	Mastercard	Ethical Bank Award	Ajman Bank was recognised as an Ethical Islamic Bank by Mastercard for its initiatives in sustainability.

The Year 2024 at a glance

Measuring our carbon footprint

We continued to calculate and monitor our direct operational emissions. Using globally recognized GHG Protocol methodologies marks the start of efforts to quantify and reduce our impact.

Scope 1 and Scope 2 emissions (tCO2e): 2,232

Sustainable finance and investment

We continuously aim to promote environmentally and socially responsible investment. Priority areas for the Bank in Sustainable Finance include sustainability-linked Finance, Sustainable Project and Syndicated Finance, Sustainable Infrastructure Finance, Green Transportation and Home Finance.

Sustainable finance framework

Starting this year, the Bank enhanced its focus on Sustainable Finance and Investments.
The Bank prioritizes and manages financial resources through responsible banking services and products to support our clients in transitioning towards a more sustainable future.

Supporting our clients in their sustainability journey

We partner with our clients to help them transition to sustainable business models efficiently. We have established a Sustainability CoE that comprises of experts from our Corporate Banking, Treasury, Commercial Banking, Business Banking, Consumer Banking and Government Segment who work with the Central ESG and Credit teams to provide bespoke advisory to our clients and structure their sustainable funding strategy. The CoE provides advice to support clients address ESG challenges, help carbon transition, mitigate physical climate risks, and support sustainable, inclusive growth.

Enhancing community impact

This year we continued supporting the thriving local community in the Emirate through our charity contributions.

Around AED 1,555,480 disbursed in charity contributions

Fostering emiratization

Ajman Bank aligns with the UAE's strategic focus on enhancing the representation of the national population within the workforce. Our targeted recruitment, retention, training, and development programs for Emirati citizens work towards that collective goal.

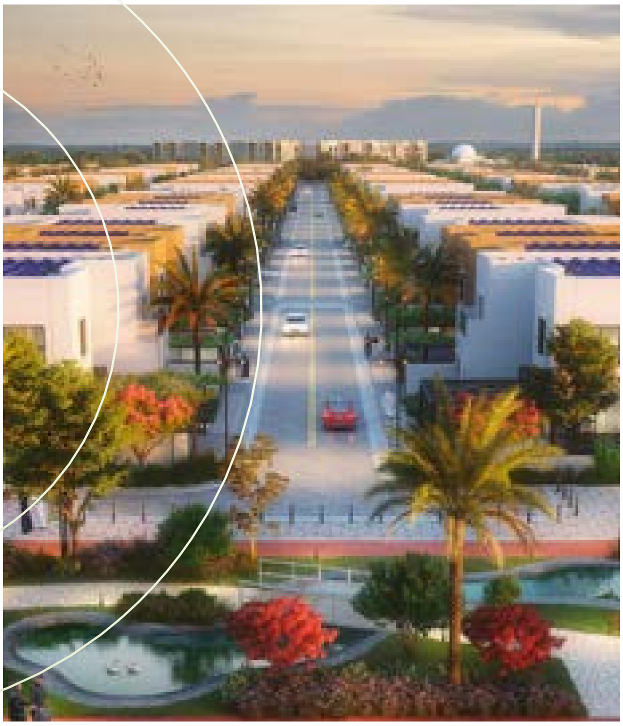
39% of Ajman Bank's full-time workforce are Emirati nationals. Ajman bank was recognized with the second-place award in the prestigious NAFIS award for Emiratization in the medium sized entities category.

Leveraging the power of partnerships and engagement

We initiated several collaborations and partnerships to empower our customers to make more environmentally conscious choices, as well as to enhance the accessibility of financial services. Some of our key investment, engagement, and partnership initiatives have been highlighted below:

MOU with the Ministry of Energy and Infrastructure- sustainable housing

On World Habitat Day 2024, celebrated on October 7, the Ministry of Energy and Infrastructure (MOEI), represented by Sheikh Zayed Housing Program, and Ajman Bank signed a landmark Memorandum of Understanding (MOU), where the bank offers enhanced home finance solutions for the Program's customers. This collaboration aims to facilitate end-to-end financing solutions for UAE citizens eligible under the housing program, contributing to the nation's vision of providing sustainable housing options for its citizens.



MOU with Sharjah Sustainable City – sustainability linked financing

Ajman Bank partnered with Sharjah Sustainable City, the first fully sustainable city in Sharjah, to offer exclusive financing options for properties in Phase (2) of the development. This collaboration was aimed at providing customers with special rates and discounts on processing fees and profit rates for purchasing properties in the city. As part of the partnership, Sharjah Sustainable City included Ajman Bank among its preferred banks for mortgage financing and actively promoted these offerings to potential investors. This agreement reflects both parties' shared commitment to sustainable development and to supporting residents in achieving their homeownership

MOU with the Emirates Development Bank (EDB)- strategic financing solutions to SMEs

In line with our commitment to boost the SME ecosystem and the industrial sector in the UAE and thus increase our contribution to the country's GDP, Ajman Bank signed a memorandum of understanding with the Emirates Development Bank (EDB), a key financial enabler of the country's economic diversification and industrial transformation agenda, to offer credit guarantee and co-lending for Small and Medium-sized Enterprises (SMEs) in the UAE. The EDB-Ajman Bank MoU focuses on offering strategic financing solutions to SMEs – one of the economic pillars of the UAE.

MOU with Ajman Free Zone Authority (AFZA)- financial services to support small and medium enterprises

Ajman Bank signed a (MOU) with AFZA to strengthen economic ties and support the Emirate's development. The agreement aims to boost trade and investment by offering enhanced financial services to support Small and Medium enterprises (SMEs) based out of Ajman to open their account and obtain credit facilities.

Partnership with Magnati - innovative finance solution aimed at supporting SMEs

Ajman Bank partnered with Magnati a leading payment solutions provider to introduce an innovative finance solution aimed at supporting SMEs in the UAE. This collaboration provides SME merchants with access to Shari'ah compliant financial services enabling them to scale their businesses and contribute to the country's economic growth. Through this partnership SMEs can use real-time POS transaction data to access various financing options such as equipment, receivables, and POS financing tailored to meet their specific needs. The platform ensures seamless financial support aligned with Shari'ah principles.

Sponsorship of the Future Sustainability Forum 2024- Collaborative action towards sustainability

Ajman Bank was one of the key sponsors of the Future sustainability forum 2024 held in UAE. The forum featured a series of engaging panel discussions, keynote addresses, fireside chats, and engaging discussions that are reshaping the sustainable financing landscape in the region. Topics of deliberations ranged from navigating the landscape of sustainable and Islamic finance to integrating ESG into decision-making empowering sustainability through digital transformation and more. Our participation in this forum fortifies our position in the sustainable finance market, and further drives us towards achieving meaningful environmental and social impact.

Collaboration with Bloomberg and Goumbook – Mangrove planting initiative

In an effort to contribute to UAE's commitment to plant 100 million mangrove trees by 2030, A select number of employees from Ajman Bank participated in a mangrove planting initiative organized by Bloomberg, Goumbook, and Quest for Adventure on Nov, 2024. The Mangrove trees were planted in Ajman's AL Zorah Natural Reserve. This initiative reflects our dedication to environmental preservation, as mangroves are critical to reducing carbon emissions and protecting biodiversity. Ajman Bank employees were thrilled to take part in this impactful initiative, embracing the opportunity to give back to the environment, contribute to UAE's Green Agenda 2030, as well as foster a culture of sustainability within the community.

Partnership with Canon EMEA- Climate Compensation Program

Ajman Bank partnered with Canon EMEA on a climate compensation program that aims to compensate the greenhouse gas emissions that arise during the use of a Canon product (printers) by investing in internationally recognized offset projects that are certified according to the Gold Standard and comply with the standards for carbon foot printing set by ISO16759.This initiative further highlights our ongoing efforts to actively support sustainability.

Achieving digital transformation

We aim to continuously leverage technology to evolve with the goal of creating an Islamic bank that is ready for the future, focused on its customers, and delivers a more intelligent customer experience. We have undertaken multiple initiatives for digitalization within bank operations and in the customer journey.

Best islamic digital banking award

Ajman Bank achieved a significant milestone by being awarded the Best Islamic Digital Banking Service Provider of the Year at the Middle East and Africa Financial Services Technology Summit Awards 2024. This prestigious recognition highlights Ajman Bank's commitment to innovation and customer-centric digital solutions that align with Islamic finance principles.

Integration with the Aani instant payment platform

Additionally, Ajman announced its integration with the Aani Instant Payment Platform. This significant development positions Ajman Bank as one of the few Islamic banks in the region to become a part of the Aani platform, underscoring the bank's commitment to banking innovation and excellence. The Aani Instant Payment Platform revolutionizes the way transactions are conducted for Ajman Bank customers, offering real-time funds transfers between Ajman Bank and other local financial institutions within the Aani network.

Compliance with international standards

Ajman Bank successfully obtained/maintained the following International Organization for Standardization (ISO) certifications: ISO 20000-1:2018 (Service Management System), ISO 22301:2019 certification for Business Continuity Management Systems (BCMS), ISO 9001:2015 (Quality Management System), and ISO 10002:2018 (Customer Satisfaction).This reflects the bank's commitment to ensuring consistent quality in its products and services as well as its dedication to upholding international standards.

SUSTAINABILITY AT AJMAN BANK

Our key stakeholders at Ajman Bank

In line with Ajman Bank's values of trust and transparency, we recognize the significance of thoroughly understanding the perspectives and expectations of our key stakeholders. We aim to generate outcomes that positively impact our internal team and external partners. We prioritize ongoing engagement and dialogue with our stakeholders, fostering an atmosphere where diverse ideas and perspectives can converge. Below we provide a glimpse into Ajman Bank's key stakeholder groups and channels of engagement.

Stakeholder group	Ajman Bank engagement channels
Employees Our employees are central to delivering our vision of being the favorite Islamic Bank in the UAE through our commitment to Service, Speed, Specialization, and Sustainability.	• Ajman Bank's Employee Engagement Program, allows our employees to interact and share ideas in an informal setting that fosters open dialogue. • CEO breakfasts with middle management, division heads, and senior managers across the bank. • Regular meetings between Executive Committee (ExCo) members and their respective staff. • Townhalls and off-site events at different levels of management to brainstorm on strategic direction. • Newsletters and corporate communication emails on key updates and initiatives.
Customers Customer satisfaction of individual, retail, and corporate clients is of utmost priority to Ajman Bank, and we ensure that customer feedback is captured and addressed.	• Customer Care Helpline that operates 24/7. • Ajman Bank's branches across the UAE. • Customer education initiatives, with which customers engage through Ajman Bank's social media channels. • We are rolling out a customer satisfaction survey via a dedicated online platform, presenting results in a real-time dashboard. • Planning to arrange gatherings between the senior management of key clients, ExCo Members, and the Wholesale Banking team to deliberate on advancing products/services and addressing evolving client needs.
Local communities We recognize ourselves as a prominent community member of Ajman and UAE, engaging in efforts to foster well-being and prosperity in communities around our operations.	• We support a range of community organizations, both through sponsorships and employee volunteering.
حكومة عجمان Government of Ajman **Ajman government** As a trusted partner of the Ajman government, we maintain a continuous dialogue on various initiatives of mutual interest.	• Ajman Bank maintains close coordination with Ajman Freezone, Municipality, Chamber of Commerce, Municipality and Planning Department, Financial and Administrative Affairs Department, Ajman Police, and other key governmental bodies to support various local initiatives.
UAE regulators Engagement with regulators helps us ensure we track and provide feedback on any potential regulatory changes that might affect our business and operations.	• Ajman Bank has two key channels of engagement with central banks. The first one is focused on active coordination with the CBUAE Banking Supervision Department. The Chief Internal Auditor, Chief Risk Officer, and Head of Compliance represent the Bank in coordination with the Central Bank on various supervision initiatives. • Ajman Bank is an active member of the UAE Banks Federation (UBF), proactively participating in various CBUAE and industry-level initiatives and projects. • The CEO is a member of the UBF CEOs Advisory Council, the CRO is a member of UBF's risk committee, and the bank is represented in various other CBUAE committees. Ajman Bank's active participation at the UBF level contributes to the Bank's and the wider sector's efforts towards a sound and stable financial sector in the Country.

Investors

As an entity listed on the DFM, we engage with our shareholders on financial and non-financial performance.

- We interact with shareholders through our public website, financial reports and performance, publications, annual highlights, signed consolidated financial accounts, Annual General Meetings (AGMs), as well as the sustainability report.

Suppliers and vendors

We want to ensure that our supply chain partners align with Ajman Bank's values while being selected fairly and impartially.

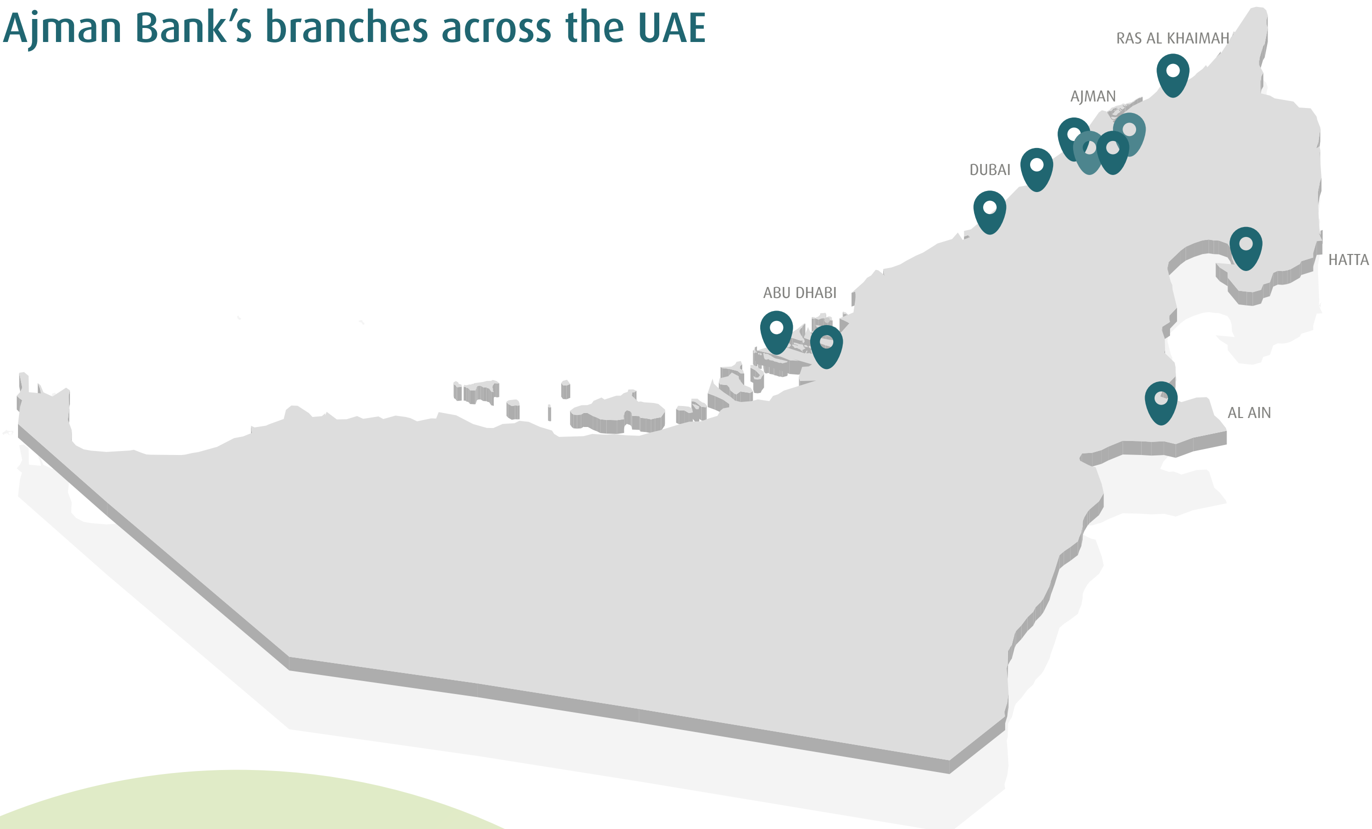
- A transparent and equal opportunity procurement process based on open bidding against detailed Requests for Proposals (RFP) to seek support from vendors that are the right fit for our organization.
- Regular business reviews, email, and phone communications.

Environment

We recognize the environment as a stakeholder, emphasizing the importance of environmental stewardship within our business and operations.

- Assessment of Ajman Bank's environmental impacts. This year, we continued to calculate and monitor our Scope 1 and Scope 2, laying the foundation for future efforts.

Ajman Bank's branches across the UAE



Multi-level stakeholder engagement

As we embark on the sustainability journey, we recognize that the active voices of our key stakeholders are valuable contributions to shaping our focus areas, ambitions, and paths to long-term improvement. For us, a successful sustainability journey starts with bringing internal stakeholders from across departments on board, encouraging the exchange of ideas, and fostering buy-in and alignment around the importance of embedding sustainability into our business practices.

To this effect, we have established the ESG Group reporting to our ExCo, comprised of representatives across Treasury, Wholesale Banking, Consumer Banking, Risk, Credit, Admin, Shari'ah, and Corporate Governance. The Group worked closely to brainstorm Ajman Bank's sustainability progress and future focus, and coordinated the sustainability data collection exercise, enabling Ajman Bank to form a snapshot of our sustainability performance.

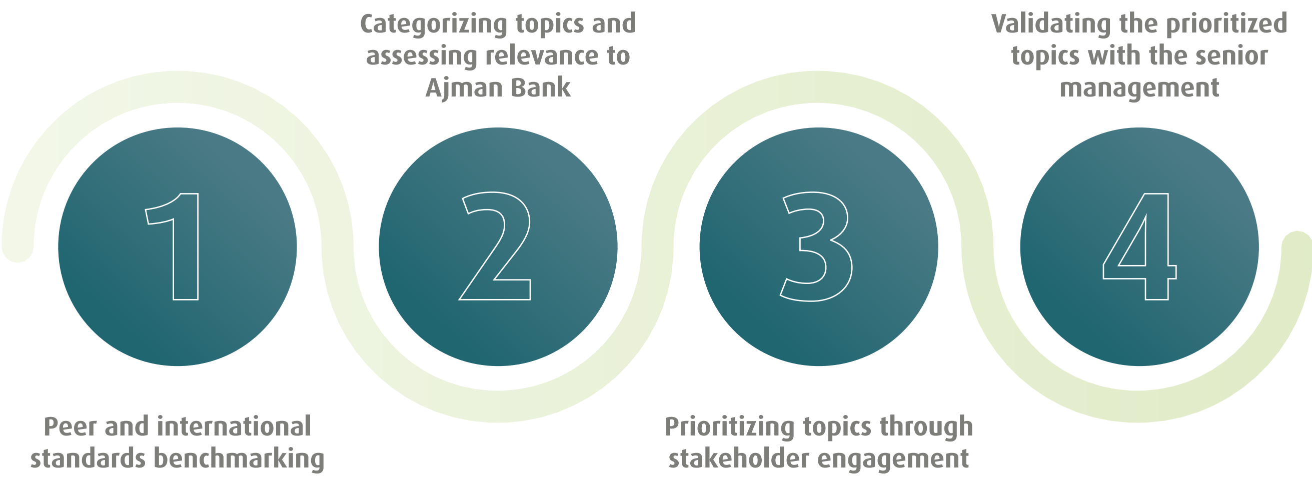
Ajman Bank ExCo plays a pivotal role in guiding the ESG Working Group, offering strategic direction for the ESG materiality assessments and the bank's sustainability framework. In addition, the Board Risk Committee holds the responsibility for overseeing ESG risks including climate-related financial risks as defined in our Risk Management Framework. This integrated approach ensures a robust and comprehensive strategy for managing and mitigating ESG risks through our recent sustainability efforts.

Materiality assessment

A key pillar of stakeholder engagement on sustainability is a materiality assessment, enabling us to gather valuable views of our internal stakeholders on a range of environmental, social, and governance impacts. As per the GRI standards, material topics are topics that represent an organization's most significant impacts on the economy, environment, and people, including impacts on their human rights.

The exercise allowed us to gain a deeper understanding of which topics across the sustainability landscape matter most to Ajman Bank's business and our stakeholders. Recognizing that we can deliver the most long-term value across sustainability focus areas that are particularly relevant to the Bank, the identified material issues will inform not only our disclosures but also our strategic approach to sustainability going forward.

With emphasis on stakeholder consultation, Ajman Bank's materiality process comprised the following steps:



1. Peer and international standards benchmarking

We completed a thorough mapping of material topics considered in the most recent disclosures of our regional peers. To understand the expectations of investors in the UAE, we also consulted the sustainability metrics outlined in the DFM guidance. Referencing international best practices, we cross-referenced frameworks such as Sustainability Accounting Standards Board (SASB) standards for Commercial Banks and GRI. This process allowed us to identify a long list of potentially material areas to assess with our stakeholders.

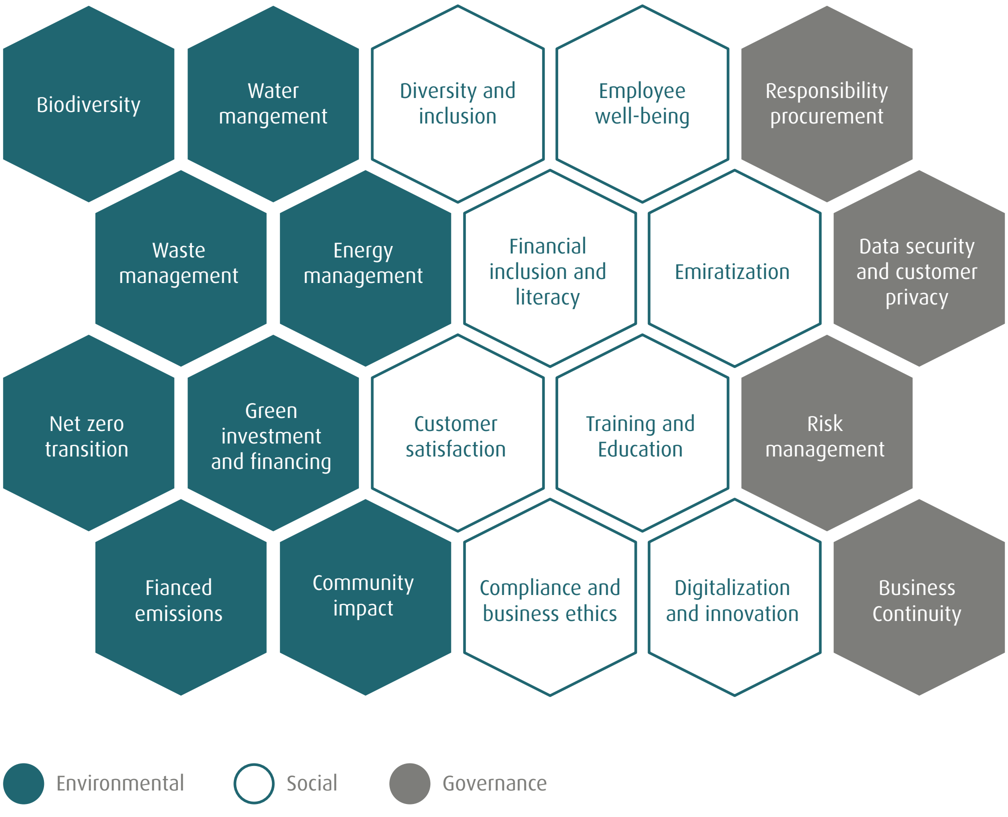
2. Categorizing topics and assessing relevance to Ajman Bank

Subsequently, we refined the long list by aggregating similar topics into thematic areas and filtering out those with limited relevance to our business context.

3. Prioritizing topics through stakeholder engagement

The refined list of 20 topics was presented to our internal stakeholders who were requested to prioritize them based on impact.

Ajman Bank Pool of ESG Topics



4. Validating the prioritized topics with the senior management.

The final list of topics based on stakeholder prioritization was shared with the ExCo members to validate the results and ensure alignment at the highest management decision-making level.

The following stakeholders were consulted through dedicated workshops as part of this assessment:

ESG working group

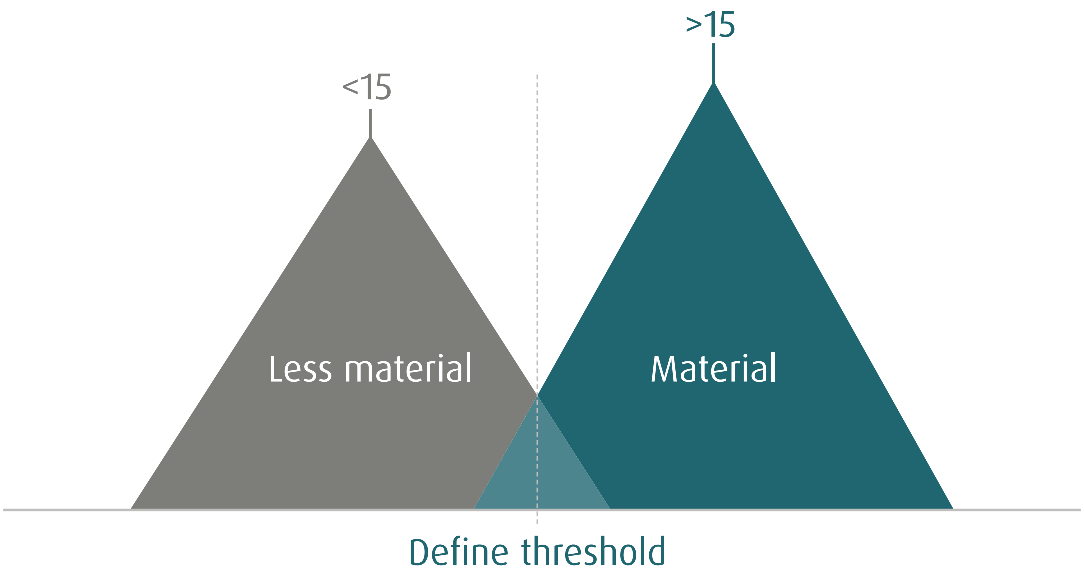
As a group of stakeholders representing the key functions of our business and actively engaged in the sustainability agenda at the Bank, the Group provided insights from the perspective of the day-to-day operations of Ajman Bank.

Executive committee

The Executive Committee provided valuable input based on additional visibility into Ajman Bank's strategic direction and priorities.

The assessment followed the methodology recommended by the GRI 3: Material Topic 2021 standard:

- Through interactive workshop sessions, stakeholders voted on each topic using a 5-point rating scale, with 5 indicating the highest priority in terms of impact, and 1 indicating the lowest.
- The stakeholder's inputs helped determine the severity and likelihood of impact relating to each topic.
- The severity and likelihood results enabled us to determine the significance (scored out of 25) of impact relating to each topic, as per the GRI approach.
- Acknowledging that significance is relative, stakeholders were further asked to rank the topics against each other, enabling us to validate their prioritization. The inputs of the ranking helped determine the final adjusted list of topics ranked by significance.
- Consider the inaugural stage of materiality assessment the Materiality Threshold was set at 60% (15/25). The assessment resulted in identifying an optimal number of topics Ajman Bank will encompass in our sustainability disclosure as well as subject to ambition setting over the coming years.



Significance scores were analyzed (based on severity as determined by stakeholders, and likelihood).

Threshold was set at 15 out of 25, based on:

a) Overall spread of significance scores

b) Inclusion of topics considered most critical by stakeholders groups

c) Recommended range of materials topics for ajman bank to take ownership of as discussed with internal stakeholders

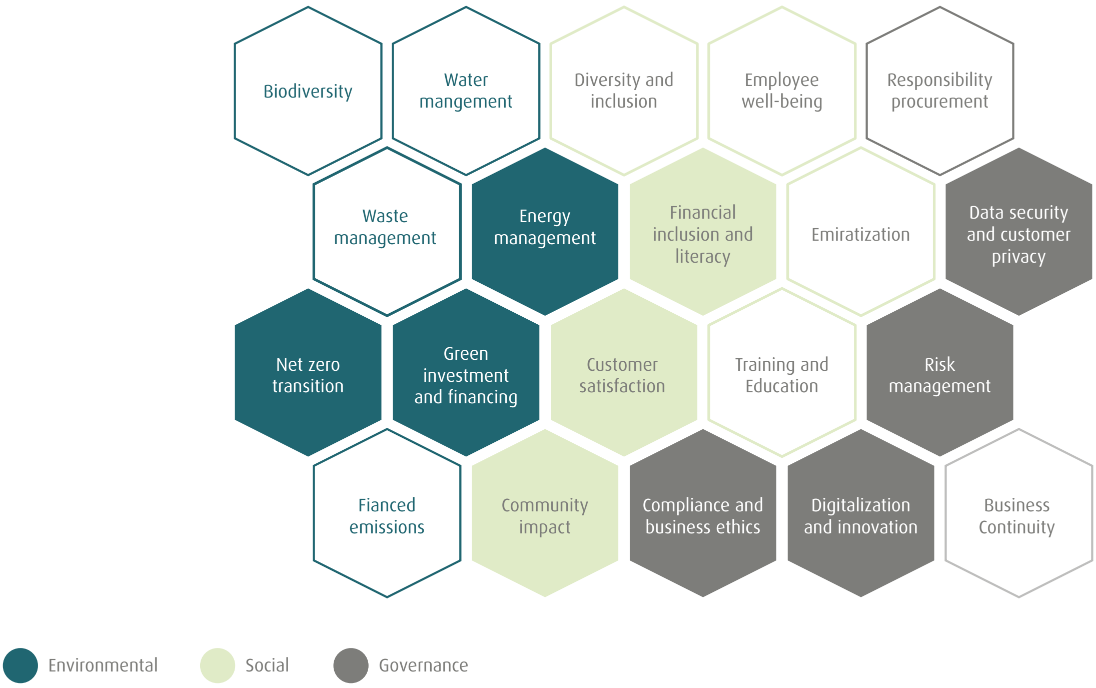
This resulted in the prioritizing of **10 material topics for Ajman Bank.**

Our Material topics

The assessment identified 10 topics material to Ajman Bank, reflecting the careful consideration of views shared by our internal stakeholders, as well as the inherent importance of these topics to Ajman Bank's accelerating sustainability agenda:

ESG topic ranking as per the results of materiality assessment

Identified material topics



The materiality assessment considered the views of internal stakeholders, as the priority for Ajman Bank in our first sustainability reporting, concerning GRI reporting, the year was to spark engagement and build internal alignment on the sustainability agenda. Reflecting our commitment to broaden stakeholder engagement on sustainability, in the future we will engage with a broader range of stakeholders, including external entities, to gain their insights and expectations on material areas. In line with the view presented in GRI standards, we see the materiality assessment as an evolving exercise that should be 'refreshed' regularly to ensure that the topics maintain relevance to the business and our stakeholders.

Ajman Bank's sustainability ambition

Leveraging the understanding of the sustainability areas most material to Ajman Bank and our stakeholders, we have translated these areas into actionable strategic ambitions. We have developed our Sustainability Framework that will helped formalize our approach and initiatives around key material areas.

We have developed an agile and evolving roadmap to progress the integration of sustainability into our products and services, along with effective management of ESG and climate-related risk across our financing and finally guide our sustainability disclosure and engagement with our stakeholders.

Below is a glimpse of the process unfolding at the Bank to make this a reality:

1) Peer benchmarking

We have analyzed the leading peers in our market to identify best practices defined in their strategic approach to sustainability, pulling relevant inspiration as Ajman Bank shapes our sustainability vision.

2) Ambition-setting exercise

We have consulted with our internal as well as external stakeholders to identify sustainability areas of strategic priority and accompanying commitments and vision that will drive our efforts.

3) Developing our approach

We have developed a Sustainability Framework which will define our commitments and accompanying action points to realize Ajman Bank's sustainability ambition across our operations and products to bolster the bank's vision. This will be accompanied by an internal implementation plan that sets timeframes and assigns supporting departments.

Upon the completion of the above steps we have defined the core component of the framework:

Ajman Bank defined the core components of the framework

- ESG materiality assessment results
- ESG vision
- 3 Key fields of play
- 12 Strategic objectives
- 6 Workstreams and 58 Action points
- 3-5 years Implementation roadmap

Our alignment with national standards

The initiative ‘We the UAE 2031’ strives to materialize the future vision outlined by His Highness the President of the UAE, transforming it into palpable progress. We share the view that every institution within the UAE is dedicated to realizing this vision, ultimately advancing towards the goals outlined in the UAE Centennial Plan 2071 and adhering to the Principles of the 50. Ajman Bank is proud to be one of the entities aiming to contribute towards this shared ambitious vision through our sustainability initiatives.

We the UAE 2031 pillar	‘We the UAE 2031’ dimension	Highlight of Aman Bank’s contribution
Forward society	A nation, proud of its identity, that supports the prosperity of its citizens	Ajman Bank has a goal of developing UAE nationals to equip critical roles by providing necessary training/ coaching and mentoring. The Bank has an Emiratization Program spanning recruitment, retention, training and development, educational assistance, and career progression.
	A cutting-edge education catering for lifelong learners	Ajman Bank provides a comprehensive training program to our employees, in line with a training calendar released each year.
Forward economy	The most dynamic and competitive economy	Ajman Bank aims to play a pivotal role in driving the economic development of Ajman and actively contributes sustainable transformation of the UAE.
Forward diplomacy	A supportive power for the global environmental sustainability agenda	Ajman Bank is embarking on a journey to assess and develop implementation plans to mitigate our environmental impact, both within operations and the portfolio.
Forward ecosystem	The most secure and safe country in the world	Ajman Bank is improving its data security and customer privacy efforts by engaging with leading third-party providers.

The UAE has developed a Net Zero by 2050 strategic initiative as a national drive to achieve net-zero emissions by 2050. Having completed a preliminary climate stress testing exercise and planning a qualitative climate risk analysis of our portfolio, we acknowledge the opportunity to contribute to this goal. As we mature on our sustainability journey, we will strive to develop an approach to further understand our climate impact and decarbonize our operations and portfolio.

ENVIRONMENTAL SUSTAINABILITY

As a responsible bank and driving force in our Emirate, we have the recognition for our role as a catalyst for a world where economic prosperity harmonizes with environmental sustainability for generations to come. With this understanding, in 2024 we continued our journey towards a more sustainable future.

ESG governance

In year 2024, We have enhanced our ESG governance structure under the supervision of the Chief Executive Officer, drawing inspiration from best practices identified through our comprehensive benchmarking study of peer banking institutions within the UAE and global best practices. Our governance structure fosters accountability and strategic decision-making in our sustainability initiatives and long-term value creation for our people, customers, community, and environment. Sound corporate governance is vital for sustainable growth and safeguarding the interests of all stakeholders, including shareholders and clients. It establishes clear guidelines for how the board, management, and stakeholders interact and work together.

Board and board committees

Provide oversight for the bank-wide ESG and climate initiatives.

CEO

Make major ESG decisions and act as the main point of communication between the board of directors and corporate operations.

ESG working group

Wholesale	Treasury	Consumer banking	Credit	Admin
Integrate sustainable products and services into wholesale banking.	Construct an ESG-driven treasury portfolio and initiate ESG fundraising for the bank.	Embed sustainable products and services into consumer banking.	Assess the bank's exposure to ESG and climate risk stemming from its clients.	Drive the bank's ESG ambition in own operations and facilities.

Sharia'h	Risk	Compliance	Internal audit
Make sure the bank's ESG efforts are aligned with the Sharia'h principles.	Develop ESG risk management frameworks, tools, and methodologies.	Keep up-to-date with applicable regulations and guidelines, and support the bank's alignment.	Monitoring and assurance of the bank's disclosure and ESG performance.

Human capital	Corp. comms & marketing	Customer experience & education	Finance
Provide necessary ESG upskilling and deploy new required talent.	Circulate the bank's ESG efforts with the external stakeholders.	Raise awareness about ESG topics among customers, and identify their expectations.	Allocate sufficient budgeting for each function to drive the ESG action points.

ESG & PMO department

Coordinate the bank-wide ESG efforts.

ESG framework

Ajman Bank's ESG Framework holistically defines our bank's ESG vision, key fields of play, prioritized material ESG areas, as well as our strategic ESG objectives. Our strategic objectives enable us to set clear actions that drive us towards our ESG ambition across our three (3) defined key fields of play including business, own operations and communities. These strategies encompass well-defined goals, precise targets, and actionable plans for both mitigation and adaptation.

Ajman Bank sustainability framework overview

Ajman Bank ESG vision	**Ajman Bank is keen on progressing its sustainability transformation agenda, and contributing to the strategic direction set by Ajman Vision 2030 and the UAE Net Zero 2050 commitment.**		
Key fields of play	**BS - Business**	**OS - Own operations**	**CS - Communities**
Priortizing material ESG topic covered	• Green Investment and Financing • Net zero transition • Compliance and business ethics • Risk management • Customer satisfaction	• Energy management • Net zero transiton	• Community impact • Financial inclusion and literacy
	BS1: Increase Sustainable Finance volume BS2: Enhance resilience and manage ESG risks BS3: Decarbonize portfolio over time BS4: Increase positive impact of the financing activities	OS1: Achieve decarbonization of own operations OS2: Foster employee wellbeing OS3: Build capacity on ESG and climate OS4: Advance diversity and inclusion OS5: Improve resource efficiency across facilities OS6: Embrace responsible sourcing criteria within supply chain management practices	CS1: Enhance community impact CS2: Foster transparency on ESG and climate
Workstreams & Action Points	Products and services ESG risk management	Human capital Operational resilience	Community engagement Data and reporting

Green investment and financing

While climate change presents substantial risks requiring targeted risk management, the evolving economy and business landscape also unveil a myriad of opportunities for Ajman Bank. Recognizing the critical role that financial institutions play in the transition to a sustainable future; we are strategically positioning ourselves as the catalyst for this transformation among our clients. This comprehensive approach involves close collaboration with key stakeholders, including government bodies, environmental organizations, and industry leaders, aiming to make a significant contribution to national net-zero efforts.

This strategic approach is the core of our upcoming Sustainability Framework. Designed to be a guiding compass, the framework identifies and strategically capitalize on opportunities for financing green and sustainable transformations. It reflects our commitment to embedding sustainability across all facets of our operations. In line with this commitment, Ajman Bank is channeling its strategic thinking into the development of Shari’ah Compliant green products. These encompass tailor-made financing and investment adhering to international sustainability standards while catering to the specific needs of our clients. These financial products respond to the growing demand from our clients, allowing them to seamlessly align with the UAE’s banking sector’s sustainable finance commitments.

Sustainability products and services

Green & Sustainability linked Financing:

We aim to support our customers that have set ambitious and material sustainability goals, by offering Shari’ah compliant sustainable finance solutions. Our sustainable finance program is aimed at financing and refinancing projects which enable the transition to a low carbon and climate resilient economy and provide positive social impact. Sustainable finance allows our customers to:

- Reap financial rewards for sustainable behavior by getting more affordable and competitive terms when achieving ESG objectives.
- Meet sustainable agendas, by actively attributing funds to green projects and building profile within the Green Finance market.
- Have our bank asyour partner/advisor as you incorporate Environmental, Social, and Governance (ESG) criteria into your strategy and assist you in setting specific targets and track their progress.

Green vehicle finance:

We encourage the transition to sustainability by supporting electric and hybrid vehicle finance in line with our sustainability strategy, further demonstrating our bank's commitment to support the UAE's transformation into a green and sustainable economy. Our green vehicle finance is offered under the Sharia Complaint Structure of Murabaha for affordable and competitive installment terms. Green Vehicles can:

- Reduce Emissions
- Reduce costs of running Business especially transportation costs
- Reduce Fuel Expenses for fleet

Green building financing:

We finance Projects related to acquisition, development, construction and refurbishment of buildings that support energy efficiency that align with our internal green building eligibility criteria. Our Green building finance is offered under a Sharia Complaint Structure and offers affordable and competitive installment terms.

- Get more competitive rates if you're purchasing a building that's Platinum or Gold LEED certified.
- Reduce the cost of running your home with a more energy efficient property.
- Receive advice over the phone from our green building financing advisor who can give you the su

Sustainability Center of Excellence:

We partner with our clients to help them transition to sustainable business models efficiently. Our Sustainability CoE comprises of experts from our Corporate Banking, Treasury, Commercial Banking, Business Banking, Consumer Banking and Government Segment who work with the Central ESG and Credit team to provide bespoke advisory to our clients and structure their sustainable funding strategy. The CoE provides advice to support clients address ESG challenges, help carbon transition, mitigate physical climate risks, and support sustainable, inclusive growth.

The Sustainability CoE can help businesses in:

- Defining their ESG ambitions and in identifying their key challenges/opportunities in pursuing their ambition.
- Combined with our financing solutions, we offer a range of advisory support, including ESG strategic assessments, strategy development, and reporting assistance.
- We customize our approach to meet the needs of different clients and sectors.
- We Leverage our in-house 'CarbonAware House Model' for our client's own sustainability journey. The CarbonAware program is aimed at systematically neutralizing the bank's own carbon footprint through environmental stewardship efforts and promotes use of biodegradable materials, reuse and recycle programs, and energy-efficient practices.

Offering products targeted at financial inclusion:

Integral to our approach is the effort to incorporate financial inclusion considerations within our offering as a Bank, working towards increasing accessibility for disadvantaged groups. According to the latest available data, around 15% of the global population experience some form of disability, constituting the largest minority group in the world. Ajman Bank in collaboration with Mastercard launched the World's first Touch Card – ULTRACASH Credit Card. The new ULTRACASH Credit Card is an accessible payment card that allows blind and partially sighted people to easily facilitate payments and distinguish between their cards.

There are few effective ways for those who are blind or who have reduced vision to quickly determine whether they're holding a credit, debit, or prepaid card, particularly as more cards move to flat designs without embossed names and numbers. Ajman Bank in collaboration with Mastercard is addressing this challenge with a simple innovation and has introduced a system of notches on the side of the card to help consumers use the right card, the right way. As well as blind and partially sighted consumers, anyone in a low-light environment or reaching into a wallet or purse one-handed can benefit from the Touch Card design.

Mastercard's concept has been vetted and endorsed by The Royal National Institute of Blind People (RNIB) in the UK and Visions/Services for the Blind and Visually Impaired in the US. The card was co-designed by IDEMIA, the global leader in Augmented Identity, providing trusted solutions in the physical as well as digital space.

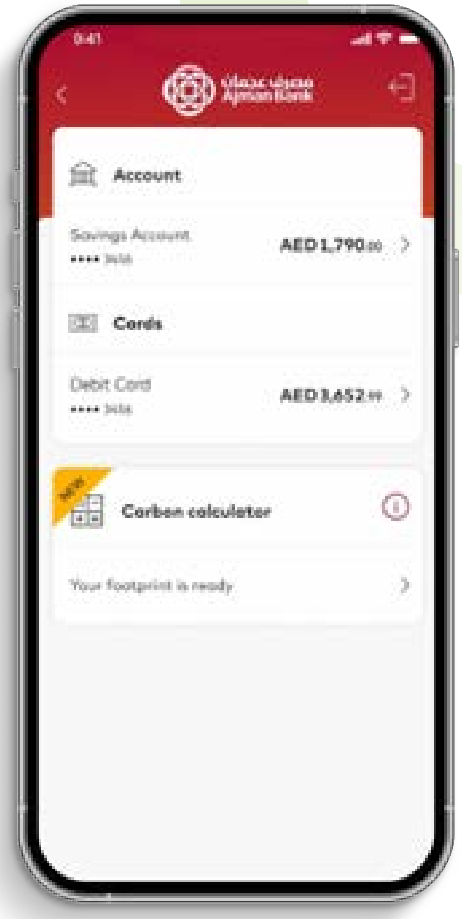
The Touch Card has received several recognitions for its innovative concept and design, namely:

- Touch Card was named a finalist in Fast Company's prestigious World Changing Ideas Awards in the "General Excellence" category.
- The Royal National Institute of Blind People (RNIB) honored Touch Card as a finalist in the "Design for Everyone" category in their annual awards program.
- Disability: IN awarded the 2022 Marketplace Innovator of the Year Award to Mastercard for Touch Card
- Touch Card won two Silver and 1 Bronze at the Cannes Lions Awards
- Earlier this year, the card design itself was named a finalist at the International Card Manufacturers Association (ICMA) Elan Awards

Carbon calculator tool:

As the primary financier of our community, we believe in our duty to foster awareness among our customers about the environmental impact of their purchases. With this responsibility in mind, we partnered with Mastercard to integrate its Carbon Calculator tool into our retail banking services.

This tool is designed to help our customers understand and reduce their carbon footprint associated with their spending habits. By analyzing transaction data, the calculator estimates the environmental impact of their purchases. It then offers personalized suggestions for reducing emissions, such as opting for greener alternatives or supporting carbon offset projects.
With this initiative, Ajman Bank aims to promote environmental consciousness and empower our customers to make informed decisions that reduce their carbon footprint and support a more sustainable future.



Energy management

As the host of the Climate Conference in 2023, the UAE has elevated its commitment to achieving net zero by 2050. Understanding that energy consumption stands as a primary driver of global emissions, we acknowledge our responsibility to align with this pivotal agenda. To have comprehensive visibility of our energy consumption patterns, we regularly monitor our energy consumption across our physical assets. As we progress with our sustainability agenda, this tracking will allow us to identify areas of opportunity and implement necessary reduction and efficiency initiatives to align with the UAE's net zero agenda.

	Unit	2023	2024
Direct energy consumption			
Diesel consumption from power generators	Liter	3,780	0
Petrol consumption from vehicles	Liter	7,976	4,700
Fuel (diesel & petrol) consumption intensity	Liter/FTE	15	8.7
Indirect energy consumption			
Electricity consumption (offices, branches, etc.)	MWh	5,011	5,080
Electricity consumption intensity	MWH/FTE	9.4	9.4

Baseline operational emissions to guide minimization of environmental impact from our operations.

At Ajman Bank, we proceeded with the monitoring of our operational carbon emissions in 2024. This marks our commitment to annually assess our emission profile, aiming to comprehensively understand our carbon footprint. Our longer-term objective is to strategically minimize our environmental impact across our operations in alignment with the UAE's ambitious decarbonization goals in the years ahead.

We have adopted the **GHG Protocol Operational Control Approach,** distinguishing between Scope 1 and Scope 2 emissions. To derive our calculations, we have employed emission factors sourced from recognized global benchmarks, along with local data on carbon intensity for electricity production.

For Scope 1 emissions, which include mobile and stationary combustion sources, we have referenced established emission factors delineated in the 2006 IPCC Guidelines for National GHG Inventories and IPCC Assessment Reports. Conversely, for Scope 2 emissions, we have utilized electricity emission factors sourced from reputable documents such as the DEWA Sustainability Report 2022 and the Abu Dhabi Department of Energy's Greenhouse Gas Inventory and Projections for Abu Dhabi Emirate: Fourth Cycle.

Ajman Bank operates across 3 offices and 11 branches. Due to the unavailability of electricity consumption data for one office and three branches, where billing is managed directly by the landlord, we faced a challenge. To mitigate this, we computed emissions for the 10 accessible assets and estimated emissions for the remaining 4 assets using internal emission factors. Going forward, we are committed to addressing this data gap in future reporting cycles to enhance the accuracy of our assessments.

	Unit	2023	2024
Scope 1 emission source			
Refrigerants	tCO2e	76	233
Petrol	tCO2e	19	11
Diesel	tCO2e	10	0
Scope 2 emissions source			
Electricity	tCO2e	1,959	1987

	Unit	2023	2024
Emission profile			
Scope 1	tCO2e	105	244
Scope 2	tCO2e	1,959	1,987
Total	tCO2e	2,064	2,232
Emission intensity	tCO2e/FTE	3.9	4.1

Environmental initiatives in our operations

Energy efficiency project

In 2023, our commitment to environmental sustainability led us to initiate a groundbreaking project focused on enhancing energy efficiency and savings in collaboration with a reputable third-party solution provider. This strategic partnership aimed to leverage innovative technologies and practices to optimize our operational efficiency while reducing our environmental footprint.

The anticipated outcomes of this endeavor are substantial, encompassing significant efficiency gains, notable energy savings, and measurable reductions in emissions. These achievements underline our dedication to fostering a greener future and align with our broader sustainability objectives. As part of our commitment to transparency and accountability, the results of these efforts will undergo a rigorous investment-grade audit in the coming years. This will serve as a comprehensive evaluation, showcasing the concrete strides we have made towards sustainability. In the upcoming reporting year, we are planning to highlight the quantified benefits realized through this initiative.

In 2024, an Investment Grade Audit (IGA) was completed, and our HQ building was assessed on energy efficiency parameters. Post completion of IGA, a complete retrofit project was executed and equipment to measure and control energy consumption was installed.

We took the initiative to identify and define the key climate risks in our corporate portfolio.

Climate risks, as a subset of environmental risks, span a range of potential dangers that can appear in diverse manifestations, primarily divided into physical and transition risks.

- Physical risks involved, including but not limited to, consequences from climate-induced events like storms, floods, wildfires, and rising sea levels, leading to asset damage, supply chain interruptions, and economic disruptions, particularly in susceptible areas.
- Transition risks stem from the movement toward a low-carbon economy, including stringent regulations, technological advancements, market fluctuations, and changes in consumer behavior.

Banks face exposure to these climate risks through their clients' vulnerability to both physical and transition risks.

Climate risk assessment

As we remain steadfast in our dedication to proactive risk management and the advancement of our sustainable business practices, this rigorous exercise will facilitate the identification of key transition and physical risks inherent in our portfolio. Moreover, it will enable us to discern climate opportunities for financing and investment to mitigate our risk exposure in the identified sectors.

Accordingly, we will integrate the outcomes of this assessment into our ongoing discussions surrounding ambition setting. By doing so, we will ensure to build an insightful base for effective ESG and climate risk management through an evolving Sustainability Framework in line with the expectations of CBUAE.

SOCIAL SUSTAINABILITY

Our people

Ajman Bank boasts a dynamic workforce of motivated and committed employees who embody our core values in every client experience. We value their contributions and aim to create a culture that fosters their personal and professional growth towards a shared vision and mission of the bank. Ajman Bank aims to be an employer that attracts and retains talent strives towards excellence and is inspired by the opportunity to impact local communities in Ajman and UAE.

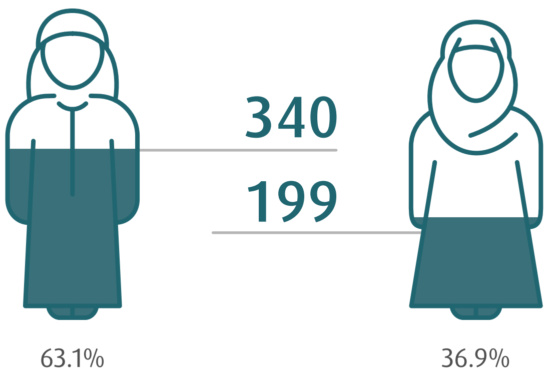
Our workforce boosts a vibrant mix of male and female employees across age groups.

Total enterprise headcount held by full-time employees

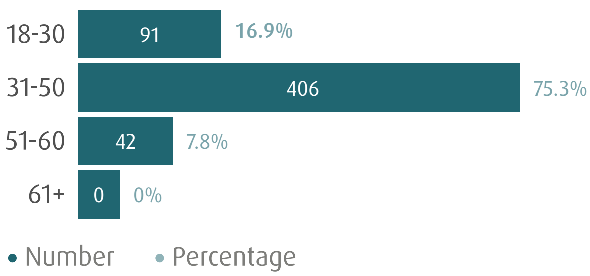
Total of full-time employees

539

Total enterprise headcount held by full-time employees (by gender)

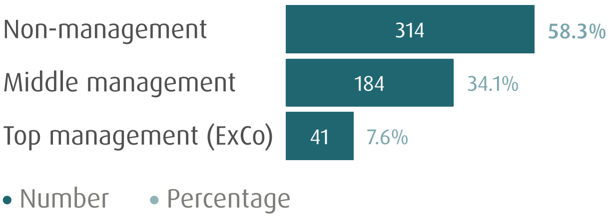


Total enterprise headcount held by full-time employees (by age)



Most of our employees are in middle management and non-management positions, making a key contribution to driving Ajman Bank's day-to-day success:

Total enterprise headcount held by full-time employees (by seniority level)



We emphasize the importance of developing internal talent, with a relatively low reliance on external contractors and/or consultants:

Total enterprise headcount held by contractors and/or consultants

Contractors and/or consultants

Number	Percentage
196	36%

In 2024, **16 new employees** joined the Ajman Bank team, representing a **3% boost to our workforce.** We monitor our workforce changes, with granular data split by gender, age, and seniority level, which enables the Bank to maintain the focus on continuously fostering the acquisition and retention of talent:

Year-over-year change for full-time employees (by gender)

	2023	2024	
	333	340	+7 (+2.1%)
	190	199	+9 (+4.7%)

Year-over-year change for full-time employees (by age)

	2023	2024	
18-30	87	91	+4 (+4.6%)
31-50	389	406	+17 (+4.4%)
51-60	45	42	-3 (+6.7%)
61+	2	0	-2 (-100%)

In 2024, as a testament to our commitment to supporting gender diversity we hired (106) employees, out of which 69 are female new hires:

Year-over-year change of new hires (by gender)

	2023	2024	
	134	37	-97 (-72.4%)
	41	69	+28 (+68.3%)

Year-over-year change for full-time employees (by seniority)

	2023	2024	
Non-Management	93	314	+221 (+237.6%)
Middle Management	428	184	-244 (-57%)
Top Management	2	41	+39 (+950%)

Year-over-year change for new hires (by age)

	2023	2024	
18-30	38	27	-11 (-28.7%)
31-50	130	76	-54 (-41.5%)
51-60	7	3	-4 (57.1%)

Year-over-year change of new hires (by seniority)

	2023	2024	
Non-Management	47	53	+6 (+12.8%)
Middle Management	127	40	-87 (-68.5%)
Top Management	1	13	+12 (+1200%)

Training and education

Recognizing that our greatest asset is in the expertise and capabilities of our people, we prioritize providing comprehensive training and education initiatives that empower our employees to achieve their goals and navigate the dynamic banking landscape. By equipping our teams with the necessary knowledge and skills, we not only enhance their professional growth and job satisfaction but also ensure that Ajman Bank can adapt to evolving market demands and regulatory requirements.

Our approach to training and education is based on a thorough Training Needs Analysis (TNA) to ensure that the most relevant skills and knowledge areas are addressed. The courses are delivered through a combination of in-house training in Ajman Bank's Training Center facilities and via online platforms, as well as external training programs with specialized experts. Recognizing the importance of maximizing upskilling opportunities, we also offer overseas programs for some functions where domestic courses are not available.

Ajman Bank ensures that the training program covers not only technical skills and mandatory areas, such as Shari'ah Principles, Information Security, and Anti-Money Laundering, but also interpersonal development aspects - Time management, Communication, and Management Styles. Our team develops a comprehensive annual training calendar in line with the TNA.

Embracing a culture of learning enables us to cultivate innovative solutions, foster ethical decision-making, and ultimately, live up to our core value of 'Knowledge'. Going forward, Ajman Bank aims to enhance our data processes to ensure that training hours across employee categories are captured to monitor continuous improvements.

As a bank at the beginning of an exciting sustainability journey, we recognize the importance of sustainability capacity building among our internal stakeholders. We have planned four targeted training sessions mapped to our employees' needs and responsibilities. These sessions will serve as a steppingstone in bringing consistent and widespread sustainability awareness throughout Ajman Bank.

Emiratization

Our goal:

Develop UAE Nationals to equip critical roles by providing necessary training, coaching, and mentoring.

Ajman Bank is actively dedicated to advancing the Emiratization initiative, which focuses on increasing the participation of UAE nationals in the private sector with a primary goal of empowering local talent. Here's how Ajman Bank contributes to this important Emiratization vision:

Emiratization programs

Ajman Bank focuses on recruiting, retaining, and developing UAE nationals, ensuring their representation across all levels and creating pathways for leadership roles in the bank.

Recruitment initiatives

The bank attracts qualified Emiratis by participating in job fairs, collaborating with local universities, offering internships, and promoting banking careers in various fields.

Retention and career development

Ajman Bank supports career growth for UAE nationals through clear progression paths, mentorship, coaching, and competitive salary packages tailored to retain top talent.

Training and skill development

The bank invests in training programs to enhance Emirati skills in banking, management, and leadership, including specialized programs like the National Trainee initiative.

Nationalization targets and benefits

Ajman Bank meets government-set nationalization quotas and offers educational benefits, including funding for further studies, as part of its commitment to Emiratization.

In 2024, we demonstrated strong national representation within our workforce as an illustration of the effectiveness of our continuous Emiratization efforts:

Total of national employees

Total of full-time national employees	
Number	Percentage (of total full-time employees)
208	39%

Ajman Bank has introduced a specific KPI for the Executive Committee Members capturing a specific percentage of hiring, retention, and training of Emirati employees. As we continuously progress with our reporting, we will look to consolidate and share this information with our stakeholders.

Employee wellbeing

Ajman Bank's dedication to our people also manifests in fostering a workplace environment that prioritizes employee wellbeing. This not only reflects our commitment to ethical business practices but also serves as a cornerstone for sustainable growth. By investing in the physical, mental, and emotional health of our workforce, we demonstrate our dedication to creating a supportive workplace culture and cultivating a more engaged and productive team.

Ajman Bank Employee Engagement Program as a comprehensive tool to foster employee engagement.

Ajman Bank meets government-set nationalization quotas and offers educational benefits, including funding for further studies, as part of its commitment to Emiratization.

Ajman Bank's Employee Well-being program consists of seven (7) pillars :

My fitness program

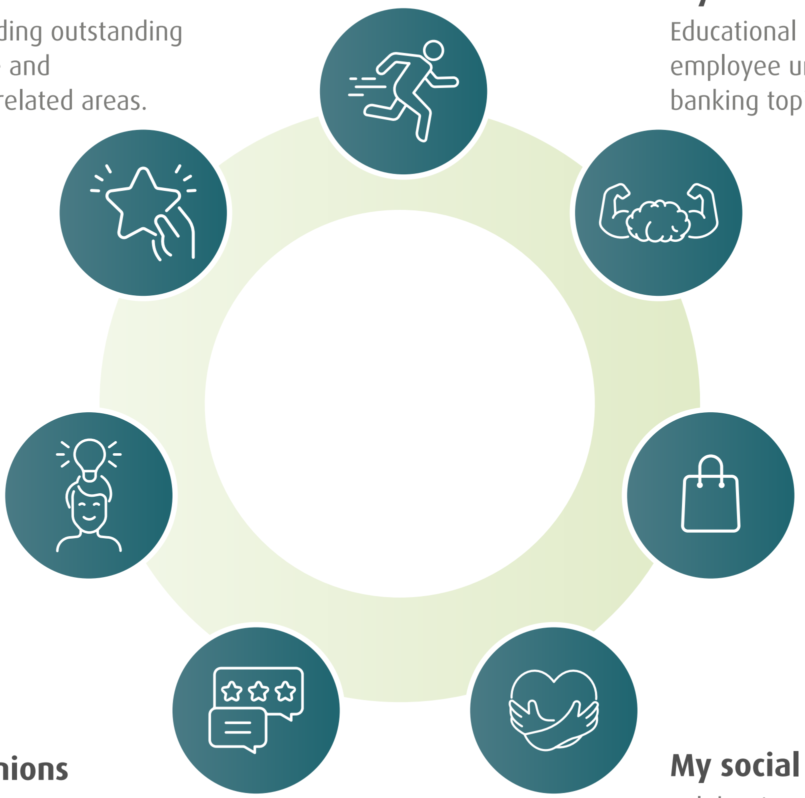
Providing our employees with opportunities to improve and maintain their physical health, while engaging in team-building activities.

My rewards program

Recognizing and rewarding outstanding employee performance and achievements in work-related areas.

My knowledge program

Educational sessions fostering employee understanding of various banking topics and processes.



My voice Program

A platform encouraging employees to share innovative ideas and contribute to the organization's growth and improvement.

My offers Program

Curated offers from diverse establishments, including shops, markets, gyms, salons, and schools, are available exclusively to employees.

My opinions Program

Implementation of enhancement surveys to gather and consider employees' valuable feedback and suggestions.

My social program

Celebrating employees' milestones, such as graduations or new arrivals (childbirth), and providing support during challenging times, like sending flowers when sick.

Taking care of our employees through a range of benefits.

The benefits offered to our employees are also a crucial part of our approach towards fostering employee wellbeing. Our emphasis on employee benefits aligns with our broader corporate responsibility objectives, demonstrating our commitment to supporting the holistic needs of our workforce and their families.

Ajman Bank's benefits are in line with the best practices in the market, and a glimpse into some of the benefits offered is outlined below:

Medical insurance

Ajman Bank provides private medical insurance to all employees, as well as their eligible family members.

Airfare allowance

We ensure that our employees have an opportunity to travel by providing an annual airfare allowance.

Mobile phone allowance

Ajman Bank's employees are entitled to a mobile phone allowance on a business needs basis.

Pension plan

Ajman Bank operates in line with UAE Labor Law, providing a pension scheme to all UAE and GCC nationals as per the eligibility criteria.

Social care

To showcase care and compassion towards our employees, on special occasions, the Bank sends a representative to personally convey wishes and prayers for the individual and their family.

Education allowance

Ajman Bank provides an allowance covering tuition fees, school transport charges, and the cost of books to the children of its eligible employees.

Maternity, paternity, and parental leave

Acknowledging the importance of allocating due attention to family matters, Ajman Bank offers three benefit categories in this realm for employees who have been confirmed of service.

Haj leave

As an Islamic Bank, we honor our employees' dedication to the faith by offering 15 days of Pilgrimage leave upon completion of one year of service.

Our commitment to consumer satisfaction

By empowering our employees, we empower them to serve our customers with an engagement to excellence and integrity, working to become the favorite Islamic Bank in UAE for our customers, people, and communities. This vision is supported by our commitment to the utmost standards of Service, Speed, Specialization, and Sustainability. Central to our mission is the unwavering dedication to exceeding the expectations of our customers within the community. By prioritizing customer satisfaction, we demonstrate our accountability to the individuals and businesses who entrust us with their financial needs.

Starting in 2024, we are beginning the implementation of a new survey system where the customers share their satisfaction rating based on their experience during a service provided in each branch. The survey system will be able to present the results in the real-time dashboard for Ajman Bank to get timely comprehensive insights to underpin the continuous effort to improve customer experience solutions.

Our financial inclusion and literacy efforts

Delivering consumer education through targeted initiatives.

A key accompanying component to our focus on providing a positive customer experience is ensuring that our clients have the necessary awareness of how to access and derive the most value from financial products and services. Financial literacy is fundamental to empowering individuals and fostering financial inclusion within our local communities. By equipping individuals with the knowledge and skills needed to make informed financial decisions, we enhance their financial well-being and contribute to the overall economic stability and prosperity of society. Our commitment to customer financial literacy education reflects our belief in responsible banking practices and our dedication to building long-term relationships based on trust and transparency.

We have a dedicated Consumer Education Program, the initiatives, and activities within which are reported to CBUAE as part of our mandate. Ajman Bank has a Consumer Education and Awareness team that overlooks this focus area, underpinned by a detailed procedure outlining the planning, delivering, and measuring of consumer education initiatives. At a strategic level, the initiatives aim to enhance customer understanding of banking services, promote financial literacy, and strengthen security awareness. Our teams follow a thorough approach to ensure that the themes we focus on are of utmost relevance:

1 **Needs assessment:**

This process helps Ajman Bank understand requirements, challenges, and opportunities within the current context to identify areas that would benefit from specific attention.

2 **Data analysis:**

Ajman Bank processes the gathers relevant data to obtain insights. This can be based on the customer's previous engagement with educational content on social media sites, as well as any customer feedback received.

3 **Stakeholder engagement:**

Our internal stakeholders share ideas based on gathered insights to come up with the best education materials throughout the year.

4 **Objectives setting:**

Ajman Bank defines measurable goals to track the customer education initiatives' effectiveness in line with the understanding of our customer's needs.

In 2024, Ajman Bank continued its commitment to enhancing consumer education and awareness by executing a wide range of initiatives aligned with our corporate responsibility and governance goals. Below is an overview of our efforts, categorized by focus areas and delivery methods.

Over the course of the year, we conducted (41) educational initiatives, meticulously planned and delivered under three primary categories:

1

Mandatory information / market conduct

Focused on promoting transparency, fairness, and ethical banking practices.
Examples: Code of Fair Treatment, Banking Fees and Charges, Product Suitability, and KYC Awareness.

2

Financial literacy

Designed to enhance customers' understanding of financial concepts and tools.
Examples: Credit Counseling, Understanding Financial Terms (e.g., Murabaha, Ijara), and Responsible Use of Financial Products.

3

Risk & security / fraud awareness

Prioritized consumer protection against fraud and security risks.
Examples: Cybersecurity Awareness, Social Engineering Fraud, Card Skimming, and Mobile Banking Security Tips.

4

Sustainability-focused initiatives

In Q2, Q3, and Q4 of 2024, we expanded our educational outreach by incorporating content related to sustainability.
Examples: Awareness of sustainable banking products and services, and
Encouraging responsible financial behavior aligned with sustainability principles

Ajman Bank actively participated in the Central Bank Fraud Awareness Campaign, further reinforcing our role in the national effort to combat fraud and safeguard customers. We also employed a multi-channel approach to ensure maximum outreach and accessibility, utilizing:

- Social Media: Engaging posts for instant connectivity.
- Website: Detailed articles and resources available for customers.
- Email Campaigns: Personalized communication with relevant information.
- ATM Screens: On-the-go awareness tips during transactions.

Our consumer education initiatives aim to:

- Enhance customer knowledge and confidence in financial decision-making.
- Strengthen fraud prevention and security awareness.
- Promote sustainable banking practices in alignment with our corporate governance goals.

This comprehensive approach reflects Ajman Bank's dedication to creating an informed and empowered customer base, contributing to the broader objectives of market integrity, financial inclusion, and sustainability.

Community impact

Ajman Bank plays a vital role in the community within the emirate of Ajman and across the UAE. We take pride in contributing to society as responsible citizens, not only through our business operations but also through meaningful charitable initiatives. Charity is deeply rooted in Islamic banking, particularly through the redistribution of wealth via zakat, sadaqah, waqf, and qardh al-hasan. Our CSR programs align with Shari'ah principles, emphasizing support for individuals in need, particularly in the areas of education and physical well-being. As we advance our CSR efforts, Ajman Bank is committed to expanding our focus on environmental stewardship through targeted programs and initiatives.

In line with the guidance of the Internal Shari'ah Supervision Committee (ISSC), Ajman Bank ensures that income derived from Shari'ah non-compliant activities or transactions is identified and excluded. All such income is deposited into a separate charity account and utilized for charitable purposes under the supervision of the ISSC.

In 2024, based on the recommendations of the Charity Distribution Committee (CDC), the ISSC approved the disbursement of AED 1,555,486.69 to charity, addressing the below key areas:

1. Rents of Ajman shelter (Malaz) a protection house for women and children

2. Education (school fees)

3. Prisoner's release campaign of Ajman Police

6. Helping needy individuals, and

5. Others

AED 1,555,486.69 disbursed to charity in 2024

GOVERNANCE

At Ajman Bank, we recognize that effective governance is fundamental to our long-term success and our ability to create value for all stakeholders. Our commitment to sound corporate governance practices is deeply ingrained in our culture and guides every aspect of our operations.

By aligning our governance practices with the interests of our shareholders, customers, employees, and the communities we serve, we aim to foster trust, mitigate risks, and drive sustainable growth.

Our corporate governance overview

Ajman Bank's Board of Directors steers our corporate governance, supported by six specialized committees for rigorous oversight in shaping our strategic direction, regulatory and Shari'ah compliance along robust relations with internal and external stakeholders. To uphold board independence, the CEO is prohibited from serving as the Board Chair, fostering a clear separation of roles and responsibilities, and ensuring effective decision-making processes. This structure underscores the bank's commitment to accountable governance practices.

Please refer to our Corporate Governance Report 2024 for details of our Board Governance, Organization, and Corporate Governance Framework.

Risk management, compliance, and business ethics

At the heart of Ajman Bank's values lie our principles across five key domains to ensure the highest ethical and legal standards in our day-to-day operations:

Fair dealing

All employees and directors must conduct business with fairness, integrity, and compliance with regulations, avoiding manipulation, concealment, or unfair advantage.

Conflicts of interest

Ajman Bank ensures safeguards against any damage that can stem from conflicts of interest to the clients.

Payments, inducements, and other business courtesies

The bank prohibits improper payments to or from officials or business partners, and employees cannot accept gifts that may influence them.

Corporate opportunities

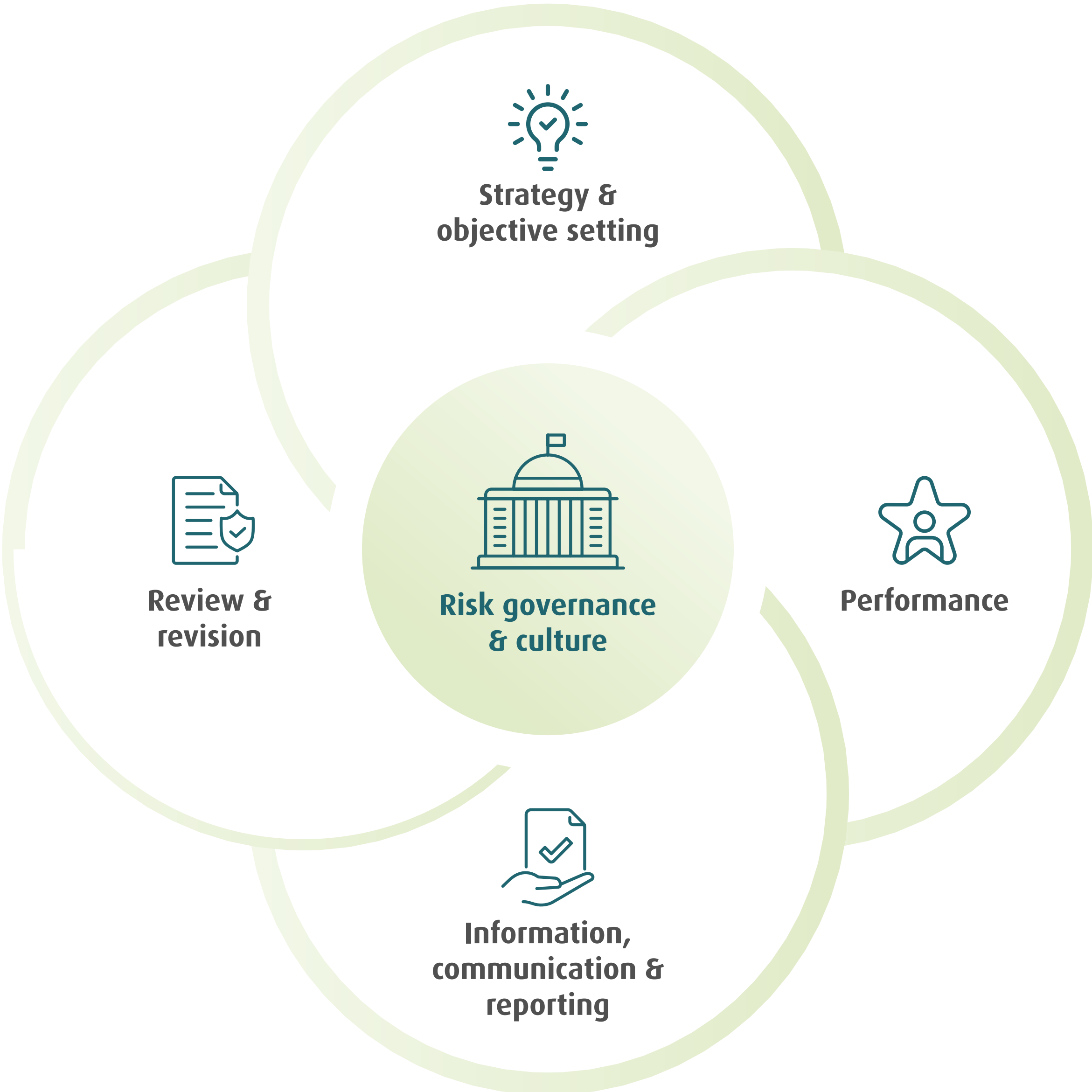
Ajman Bank forbids our employees and directors from using corporate property, information, or positions for personal gain, including insider trading.

Reporting ethical violations

Ajman Bank promptly addresses ethical violations against our employees or the bank itself by taking appropriate action.

In our ongoing commitment to responsible banking, risk management remains a central focus at Ajman Bank. Our Risk Management Framework approach prioritizes the identification, assessment, and mitigation of risks across all aspects of our operations through 5 principles: Governance & Culture, Strategy & Objective Setting; Performance; Review & Revision; Information, Communication & Reporting. These principles are integrated across the three lines of defense to maintain the highest standards of integrity and reliability in all our endeavors, thus safeguarding the trust and confidence of our customers, investors, and communities.

Risk management framework



Our Risk Management Framework also defines ESG risk as "...potential negative impacts stemming from ESG factors that can affect a company's long-term sustainability and performance. Environmental risks include issues like resource scarcity, pollution, and climate change, whereas social risks involve aspects such as labor practices, human rights, etc. Governance risks on the other hand pertain to leadership, transparency, and compliance.".

To enhance our identification of potential ESG risks, Ajman Bank intends to undertake a qualitative climate risk assessment focusing on sectors within our corporate portfolio with significant financial exposure. We will ultimately aim to develop distinct ESG risk policies to support the governance and monitoring of ESG risks in our financing via dedicated ESG risk mapping and analysis across the other traditional risk categories.

Our Risk Management Framework addresses the key risk categories identified in the Bank's risk taxonomy. Risks are addressed through a comprehensive set of risk mitigation tools, supported by initiatives to foster a culture of risk awareness and accountability across our three lines of defense. Through the rigorous implementation of our policies, we bolster resilience and foster long-term value creation.

Risk management framework

Risk governance

Risk appetite policy

Risk universe

Credit risk	Market risk	Liquidity risk	Operational risk	Regulatory & financial crime risk
Market conduct risk	Information security risk	Fraud risk	Outsourcing / third party risk	Business continuity risk

Climate related financial risk / ESG risks

Risk management pillars

Market conduct risk	Information security risk	Fraud risk	Outsourcing / third party risk

Risk culture

Our engagement for data security and customer privacy

At Ajman Bank, our Information Security Policy stands as a testament to our steadfast commitment to protecting the confidentiality, integrity, and availability of our assets. Anchored in industry best practices, this policy serves as a comprehensive framework that guides our efforts in mitigating risks and fortifying our defenses against evolving threats.

To ensure the ongoing relevance and effectiveness of our Information Security Policy, we conduct regular reviews aligned with leading industry standards and frameworks. Annually, our policy undergoes rigorous updates by PCI-DSS and SWIFT CSP. Through a culture of continuous improvement and compliance, we reinforce our commitment to safeguarding the trust and confidence of our stakeholders while positioning Ajman Bank as a resilient and trusted institution in today's dynamic digital landscape.

In alignment with our commitment to robust consumer data protection, Ajman Bank has a Consumer Data Protection Framework that encompasses a comprehensive suite of policies and procedures tailored to the requirements of the UAE's Consumer Protection Regulation. By implementing stringent measures, we mitigate the risks associated with data exposure.

Furthermore, the framework provides customers with greater control over the information they share with the bank. This emphasis on transparency and customer empowerment reinforces our dedication to safeguarding their privacy and fostering long-term relationships built on integrity and mutual respect.

Ajman Bank has also achieved multiple awards and certifications pertaining to data security:

- **PCI-DSS Certification**

Ajman Bank has achieved the Payment Card Industry Data Security Standard (PCI DSS) Certification. This globally recognized certification underscores our commitment to safeguarding cardholder data and maintaining the highest security standards in our payment processes.

The PCI DSS is a set of security standards established to protect card information during and after financial transactions. It is governed by the Payment Card Industry Security Standards Council (PCI SSC), which was formed by major payment card brands including Visa, MasterCard, Discover, American Express, and JCB International.

By obtaining this certification, Ajman Bank demonstrates adherence to the following key security requirements:

- Building and maintaining a secure network and systems
- Protecting cardholder data
- Maintaining a vulnerability management program
- Implementing strong access control measures
- Regularly monitoring and testing networks
- Maintaining an information security policy

These measures are designed to prevent fraud and protect sensitive payment card data throughout the transaction process.

Achieving the PCI DSS Certification reinforces Ajman Bank's dedication to providing secure and reliable financial services. It assures our customers and partners that we adhere to the highest standards of data security, thereby fostering trust and confidence in our payment systems.

- **SWIFT CSP (Consumer certification program) Certification**

Ajman bank is delighted to highlight that it has been awarded the prestigious SWIFT Customer Security Programme (CSP) Certification. This certification is a globally recognized standard aimed at enhancing the security of financial institutions connected to the SWIFT network.

The SWIFT CSP framework ensures institutions implement robust security controls to safeguard their infrastructure, prevent cyber threats, and protect sensitive financial data. Compliance with these stringent standards reflects our commitment to maintaining a secure and resilient operational environment.

By achieving this certification, Ajman Bank reinforces its dedication to cybersecurity excellence, fostering trust and confidence among our customers, partners, and stakeholders. This accomplishment highlights our proactive efforts to align with global best practices, ensuring the security and integrity of our financial operations.

- **IDC CSO 30 award**

Ajman Bank is proud to announce that its Head of Information Security, has been recognized among the top 30 security leaders at the IDC CSO30 Awards in the UAE. This prestigious recognition celebrates individuals and organizations that have demonstrated exceptional leadership in cybersecurity and the implementation of effective risk management strategies.

Organized by IDC, the CSO30 Awards highlight innovation, resilience, and forward-thinking approaches to safeguarding digital ecosystems. The IDC CSO30 Awards are a testament to Ajman Bank's dedication to aligning with global best practices and staying ahead of emerging cybersecurity challenges. This achievement further reinforces our role as a leader in the financial sector, committed to delivering secure and reliable services while building a resilient digital infrastructure.

Digitalization and innovation at the heart of our strategic priorities

At Ajman Bank, we are dedicated to continually enhancing the convenience and efficiency of our banking services through digitalization. Our online banking platform serves as a cornerstone in delivering seamless experiences to our valued customers, making it our primary channel for service delivery. We prioritize refining and enhancing this platform to ensure the provision of superior and expedited services, ultimately bolstering customer satisfaction.

Ajman Bank achieved a significant milestone by being awarded the Best Islamic Digital Banking Service Provider of the Year at the Middle East and Africa Financial Services Technology Summit Awards 2024. This prestigious recognition highlights Ajman Bank's commitment to innovation and customer-centric digital solutions that align with Islamic finance principles.

Moreover, we embark on strategic digitalization initiatives to increase our operational excellence and customer satisfaction. In this commitment, in 2024, Ajman Bank embarked on the following digitalization initiatives.

- Ajman Bank was the First Bank in UAE launched such Digital service in a unique way that facilitated sending Eideya to anyone inside & outside UAE.
- Ajman Bank implemented a robust and state of art system for Operational risk, Business Continuity and Information security. This system has helped automate important processes such as incident management, action plan tracking, and key risk indicator monitoring. These updates have made the bank's risk management more efficient, streamlined, and responsive, while also strengthening overall governance.
- Ajman Bank successfully obtained/maintained the following International Organization for Standardization (ISO) certifications: ISO 20000-1:2018 (Service Management System), ISO 22301:2019 certification for Business Continuity Management Systems (BCMS), ISO 9001:2015 (Quality Management System), and ISO 10002:2018 (Customer Satisfaction).This reflects the bank's commitment to ensuring consistent quality in its products and services as well as its dedication to upholding international standards.

Creating a digital banking strategy with mobile first approach – Ajman Bank digital app

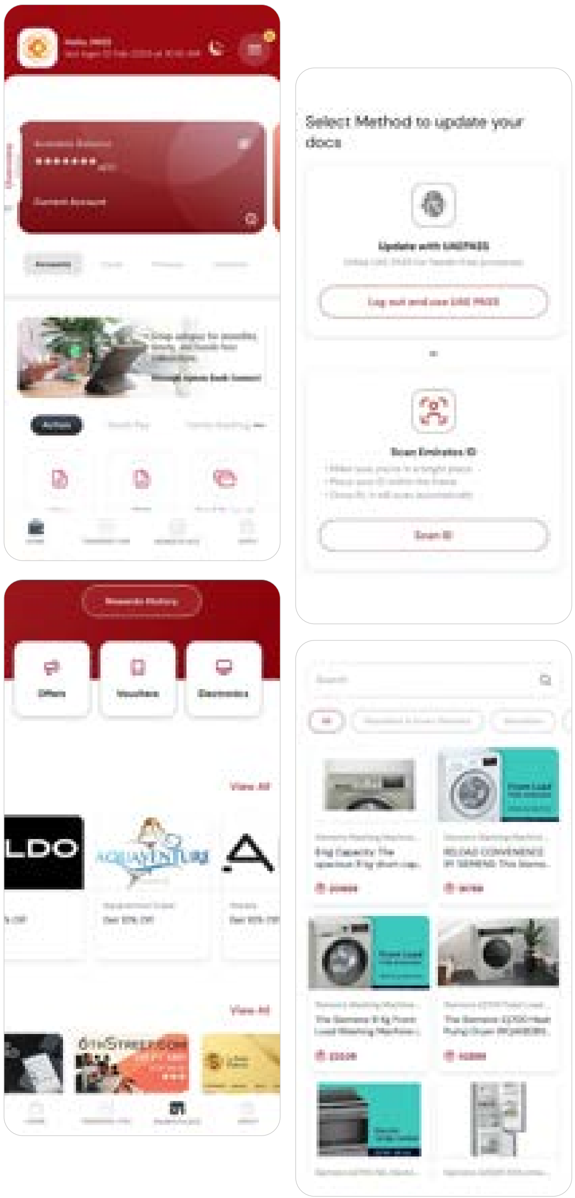
The Ajman Bank Digital Banking App offers seamless digital banking capabilities. The app is a culmination of our efforts and longstanding promise to technologically innovative and customer-friendly Sharia 'a compliant products and services. The app delivery on our strategy is to enrich self-service and through straight-through processing of financial and non-financial transactions, eliminating the need for customers to visit the branch.

- Digital Account Opening: Open a bank account seamlessly with Ajman Bank digital onboarding in 3 simple steps. Just download the app, verify your identity using your Emirates ID, and passport, and take a selfie. You will receive your debit card at your doorstep and start banking—all from your device.
- Family Banking: Parents can effortlessly open and manage accounts for their children, complete with robust parental controls to monitor and guide their financial activity.
- UAEPass enables customers to effortlessly register for our digital app, log in securely, and update their documents, including opening digital accounts.

The digitalization efforts at Ajman Bank reflect our commitment to innovation and customer-centricity. By leveraging technology, we continue to enhance the convenience and efficiency of our banking services and foster stronger relationships with our customers and stakeholders. As a testament to our efforts, Ajman Bank's 'Connect' app, received a 4.8 rating.

4.8
App rating

2.2K ratings



DFM ESG REPORTING GUIDE CONTENT INDEX

For our inaugural sustainability report, Ajman Bank utilized the DFM's Guide to ESG Reporting as a reference point for metrics to be disclosed. We support DFM's focus on promoting sustainability in capital markets in alignment with UAE's strategic priorities. DFM's recommended metrics across Environment, Social, and Governance are defined in correspondence with GRI Standards. Therefore, by using these metrics for guidance, Ajman Bank references GRI – a globally recognized framework that provides a standardized, comparable method for conducting sustainability reporting.

While these metrics serve as a useful voluntary recommendation, some pertain to topics that are not currently material to Ajman Bank and/or are not captured in current data collection

Environment			
DFM metric	**Indicator**	**Corresponding GRI standard**	**Report section reference or direct answer**
E1. GHG Emissions	E1.1) Total amount of Scope 1 emissions (tons of CO2 eq.)	GRI 305: Emissions	Environmental Sustainability - Energy Management section
	E1.2) Total amount of Scope 2 emissions (tons of CO2 eq.)		
	E1.3) Total amount of Scope 3 emissions (tons of CO2 eq.)		
	E1.4) Please describe investments, initiatives, and projects to reduce CO2 emissions (text)	N/A	
E2. Emissions Intensity	E2.1) Total GHG emissions (tons of CO2 eq. per output scaling factor)	GRI 305: Emissions	
	E2.2) Total non-GHG emissions (tons of CO2 eq. per output scaling factor)		
E3. Energy Usage	E3.1) Total amount of energy directly consumed (MWh)	GRI 302: Energy	
	E3.2) Total amount of energy indirectly consumed (MWh)		
E4. Energy Intensity	E4.1) Direct energy use intensity (MWh per output scaling factor)	GRI 302: Energy	
	E4.2) Total indirect energy usage (MWh per output scaling factor)		
	E4.3) Please describe investments, initiatives, and projects to reduce energy consumption and increase energy efficiency (text)	N/A	
E5. Energy Mix	E5.1) Renewable energy used (% or MWh)	GRI 302: Energy	Not currently captured
	E5.2) Non-renewable energy used (% or MWh)		Not currently captured
	E6.1) Total amount of water withdrawn (m3)	GRI 303: Water and Effluents	Not currently captured, not a material area
	E6.2) Total amount of water discharged m3		Not currently captured, not a material area
	E6.3) Total amount of water consumed (If possible, a breakdown by source: surface water, groundwater, seawater, etc.) (m3)		Not currently captured, not a material area
	E6.4) Water intensity (m3 per output scaling factor)	N/A	Not currently captured, not a material area
	E6.5) Water recycled (If applicable) (%)	N/A	Not currently captured, not a material area
	E6.6) Please describe investments, initiatives, and projects to reduce water consumption and increase water recycling	N/A	Not currently captured, not a material area

E7. Waste	E7.1) Total amount of waste generated (if possible, broken down by Hazardous and Non-hazardous) (tons)	GRI 306: Waste	Not currently captured, not a material area
	E7.2) Total amount of waste diverted from disposal (if possible, broken down by Hazardous and Non-hazardous) (tons)		Not currently captured, not a material area
	E7.3) Total amount of waste directed to disposal (if possible, broken down by Hazardous and Non-hazardous) (tons)		Not currently captured, not a material area
	E7.4) Total number and volume of oil spills (if applicable) (# and tons)	GRI 11: Oil and Gas Standard	Not currently captured, not a material area
	E7.5) Please describe investments, initiatives, and projects to reduce waste generation consumption and to increase waste recycling (text)	N/A	Not currently captured, not a material area
E8. Environmental Management	E8.1) Does your company follow a formal Environmental Policy? Yes/No	GRI 2: General Disclosures	No
	E8.2) Does your company follow specific waste, water, energy, and/ or recycling policies? Yes/No		No
	E8.3) Does your company adopt a recognized environment and energy management systems such as ISO14001 and ISO50001? Yes/No	N/A	No
	E8.4) Does your company have targets in place for the environment, energy, water, and waste?	N/A	No
	E8.5) Please indicate if any fines were received (> USD 10000) for non-compliance with laws and regulations regarding environmental management during the last reporting period (USD)	GRI 2: General Disclosures	No
E9. Climate Risk Management and Oversight	E9.1) Does your Board/ Management Team oversee and/or manage climate-related risks and opportunities? If yes, describe	GRI 2: General Disclosures	Environmental Sustainability - ESG Governance section
	E9.2) Please describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term (text)	N/A	Not currently captured
	E9.3) Please describe the organization's processes for identifying and assessing climate-related risks (text)	N/A	Not currently captured
	E9.4) Please describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning (text)	N/A	Not currently captured
	E9.5) Total amount invested, periodically, in climate-related infrastructure, resilience, and product development (reporting currency, preferably USD)	N/A	Not applicable to Ajman Bank's operations
	E9.6) Please describe the greenhouse gas emission targets (Scope1, Scope 2 and Scope3) and the related risks (text)	N/A	Not currently captured
	E9.7) Please share your actions to align with UAE's Net Zero Commitment by 2050. Do you have a net zero emissions target in place? (text)	N/A	Sustainability At Ajman Bank - Our alignment with national standards section
E10. Biodiversity	E10.1) Please share the number of operational sites owned, managed, and/or leased in or adjacent to protected areas and areas of high biodiversity value (text)	GRI 304: Biodiversity	Not applicable to Ajman Bank's operations
	E10.2) Please describe the significant impacts of activities, products, and services on biodiversity (text)		Not applicable to Ajman Bank's operations

Social			
S1. CEO Pay Ratio	S1.1) Please share the ratio of CEO total compensation to median Full Time Equivalent (FTE) total compensation (number)	GRI 2: General Disclosures	N/A
	S1.2) Does your company report this metric (above) in regulatory filings? Yes/No	N/A	Yes
S3. Breakdown of Staff	S3.1) Please share the total enterprise headcount held by full-time employees (broken down by gender, age, and seniority level) (number and %)	GRI 2: General Disclosures	Social Sustainability - Our People section
	S3.2) Please share the total enterprise headcount held by part-time employees (broken down by, gender, age, and seniority level) (number and %)		Not applicable to Ajman Bank's operations
	S3.3) Please share the total enterprise headcount held by contractors and/or consultants (number and %)		
	S3.4) Please share the total of national employees (broken down by, gender, age, and seniority level) (number and %)	GRI 202: Market Presence	Social Sustainability - Our People section
S4. Employee Turnover and New Hires	S3.1) Year-over-year change for full-time employees (broken down by gender, age, and seniority level) (number and %)	GRI 401: Employment	Social Sustainability - Our People section
	S3.2) Year-over-year change for part-time employees (number and %)		Not applicable to Ajman Bank's operations
	S3.3) Year-over-year change for contractors/ consultants (number and %)	GRI 2: General Disclosures	Social Sustainability - Our People section
	S3.4) Year-over-year of new hires (broken down by age, gender, and seniority level) (number and %)	GRI 401: Employment	Social Sustainability - Our People section
S5. Gender Diversity and Equality	S5.1) Total enterprise headcount held by men and women (number and %)	GRI 2: General Disclosures / GRI 405: Diversity & Equal Opportunity	Social Sustainability - Our People section
	S5.2) Total entry- and mid-level positions held by men and women (number and %)		Social Sustainability - Our People section
	S5.3) Total senior- and executive-level positions held by men and women (number and %)		Social Sustainability - Our People section
	S5.4) The ratiot of median male employee compensation to median female employee compensation (number)	GRI 405: Diversity & Equal Opportunity	Not currently captured
	S5.5) Please describe your company's initiatives or programs to support the recruitment and retention of female employees, and to support female employees to advance to management positions (text)	GRI 2: General Disclosures	Following guidelines/ policies in line with the UAE Labor Law
S6. Human Rights	S6.1) Does your company follow a non-discrimination policy? Yes/No	GRI 2: General Disclosures	Yes
	S6.2) Does your company have a formal grievance mechanism in place? Yes/No		Yes
	S6.3) Does your company follow a child and/or forced labor policy? Yes/No		Not applicable to Ajman Bank's operations
	S6.4) Does your company follow a human rights policy? Yes/No		Yes
	S6.5) Does your company provide training on human rights and related internal policies for your employees? Yes/No	GRI 404: Training & Education	Yes

S7. Health & Safety	S7.1) Does your company follow an occupational health and/or global health & safety policy? Yes/ No	GRI 2: General Disclosures	Not applicable to Ajman Bank's operations
	S7.2) Does your company adopt a recognized health and safety management system such as ISO45001? Yes/No	N/A	Not applicable to Ajman Bank's operations
	S7.3) Please share the total employee and total contractors (if available) manhours (hours)	GRI 403: Occupational Health and Safety	Not applicable to Ajman Bank's operations
	S7.4) Please share the total employee fatalities (number)		Not applicable to Ajman Bank's operations
	S7.5) Please share the employee lost time injury (LTI) (number)		Not applicable to Ajman Bank's operations
	S7.6) Please share the lost time injury frequency (LTIF) (number)		Not applicable to Ajman Bank's operations
	S7.7) Please share the total health and safety training provided to employees (hours)		Not applicable to Ajman Bank's operations
S8. Community Investment	S8.1) Please share the total amount invested in the community, including philanthropy, donations, and sponsorships (amount invested/yearly revenue in reporting currency)	N/A	Social Sustainability - Community Impact
	S8.2) Please share the total employee volunteering completed during the reporting period (hours)	N/A	Not currently captured
Governance			
G1. Board Diversity	G1.1) Total board seats occupied by men and women (number and %)	GRI 405: Diversity & Equal Opportunity	Men: 6 Women: 1
	G1.2) Total committee chairs occupied by men and women (number and %)		Men: 6 Women: 1
G2. Board Independence	G2.1) Does the company prohibit the CEO from serving as board chair? Yes/ No	GRI 405: Diversity & Equal Opportunity	Yes
	G2.2) Please share the total board seats occupied by independent board members (%)		71.4% (5 non-independent and 2 independent)
G3. Collective Bargaining	G3.1) Please share the total enterprise headcount covered by collective bargaining agreement(s) (applicable to companies operating in countries in which collective bargaining is applicable by law) (%)	GRI 2: General Disclosures	Not applicable to Ajman Bank's operations
G4. Supplier Chain Management	G4.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/ No	N/A	Yes
	G4.2) If yes, what percentage of your suppliers have formally certified their compliance with the code? (number or %)	GRI 308: Supplier Environmental Assessment	100% of newly onboarded suppliers
	G4.3) Please share the suppliers that underwent a supplier's environmental audit during the reporting period (number or %)	GRI 308: Supplier Environmental Assessment	0%
	G4.4) Please share the suppliers that underwent a supplier's social audit during the reporting period (number or %)	GRI 414: Supplier Social Assessment	0%
	G4.5) Please share the new suppliers receiving warnings due to the environmental/social screening (text)	GRI 2: General Disclosures	0%

G5. Ethics & Anti-Corruption	G5.1) Does your company follow an Ethics and/or Anti-Corruption policy? Yes/No	GRI 2: General Disclosures	Yes (Anti-Bribery and Corruption clause is part of the Financial Crimes and Regulatory Compliance Policy and Code of Conduct)
	G5.2) Please share the workforce formally compliant with the Anti-Corruption Policy (%)	GRI 205: Anti-Corruption	100%
	G5.3) Please share the confirmed incidents of corruption during the reporting period (number)	GRI 205: Anti-Corruption	0
	G5.4) Please share the corrective measures taken corresponding to the confirmed incidents of corruption (in case of any) (text)	GRI 205: Anti-Corruption	Not present as no confirmed incidents of corruption
G6. Data Security	G6.1) Does your company follow a Data Privacy policy? Yes/No	GRI 418: Customer Privacy	'Our engagement for data security and customer privacy section'
	G6.2) Has your company taken steps to comply with GDPR rules or similar standards? Yes/No	N/A	Yes, UAE CPR Rules
	G6.3) Data security breaches during the reporting period (if any)	GRI 418: Customer Privacy	0
G7. Sustainability Practices	G7.1) Does your company publish a sustainability report? Yes/No	N/A	Yes
	G7.2) Does your company publish a GRI, WEF SCM, SASB, IIRC, UNGC, or CDP-based reporting? (text)	N/A	Ajman Bank's Sustainability Report 2024 references GRI metrics as per the list recommended in the DFM ESG Reporting Guide
	G7.3) Does your company provide training to its employees regarding topics related to sustainability (environment, human rights, ethics, etc.)? Yes/No	GRI 404: Training & Education	Yes (Page XX)
	G7.4) Please share the total sustainability-related training provided to employees (hours)		Not currently captured
G8. External Assurance	G8.1) Are your sustainability disclosures assured or verified by a third-party audit firm? Yes/ No	GRI 2: General Disclosures	No