

Ajman Bank PJSC

CONDENSED INTERIM FINANCIAL INFORMATION

**FOR THE THREE MONTH PERIOD ENDED
31 MARCH 2023**

Ajman Bank PJSC

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REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE SHAREHOLDERS OF AJMAN BANK PJSC

Introduction

We have reviewed the accompanying condensed interim financial information of Ajman Bank PJSC (the “Bank”), which comprise the interim statement of financial position as at 31 March 2023, and the related interim income statement, interim statement of other comprehensive income, interim statement of changes in equity and interim statement of cash flows for the three month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34, *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Conclusion

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

For Ernst & Young

Signed by:
Anthony O’Sullivan
Partner
Registration No. 687

4 May 2023

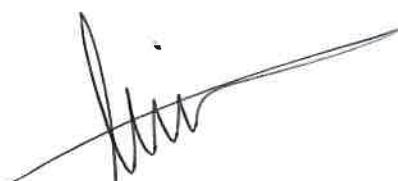
Dubai, United Arab Emirates

Condensed interim statement of financial position (unaudited)
As at 31 March 2023

		31 March 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
	Notes		
ASSETS			
Cash and balances with the Central Bank	6	2,667,969	2,176,800
Due from banks and other financial institutions		2,406,411	1,990,329
Islamic financing and investing assets, net	7	13,155,826	12,634,118
Islamic investment securities at amortised cost	8	264,028	116,039
Islamic investment securities at fair value	9	2,421,745	2,305,409
Investment in associates	10	63,503	88,703
Investment properties		382,692	381,064
Property and equipment		122,851	127,081
Other Islamic assets	11	1,368,033	1,290,820
Total assets		22,853,058	21,110,363
LIABILITIES AND EQUITY			
Liabilities			
Islamic customers' deposits	12	19,270,242	16,331,976
Due to banks and other financial institutions		615,435	1,991,773
Other liabilities	13	390,415	271,537
Total liabilities		20,276,092	18,595,286
Equity			
Share capital	14	2,100,000	2,100,000
Statutory reserve		286,331	286,331
Investment fair value reserve		(321,584)	(334,393)
General impairment reserve	15	101,216	105,810
Retained earnings		411,003	357,329
Total equity		2,576,966	2,515,077
TOTAL LIABILITIES AND EQUITY		22,853,058	21,110,363

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


H.E. Sheikh Ammar Bin Humaid Al Nuaimi
Chairman


Mohamed Abdulrahman Amiri
Chief Executive Officer

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

**Condensed interim income statement (unaudited)
for the three month period ended 31 March 2023**

	Notes	Three month period ended 31 March	
		2023 AED'000	2022 AED'000
Operating income			
Income from Islamic financing and investing assets	16	304,892	124,244
Income from Islamic investment securities		24,144	18,454
Fees, commissions and other income (net)		44,701	37,175
Total operating income before depositors' share of profits		373,737	179,873
Depositors' share of profits		(142,164)	(55,909)
Net operating income		231,573	123,964
Expenses			
Staff costs		(56,733)	(62,121)
General and administrative expenses		(24,599)	(19,384)
Depreciation of property and equipment		(8,881)	(6,881)
Credit loss expense on financial assets	22.4	(67,007)	(1,656)
Impairment of associates	10	(25,200)	-
Total expenses		(182,420)	(90,042)
Profit for the period		49,153	33,922
Basic and diluted earnings per share (AED)	17	0.023	0.016

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

**Condensed interim statement of other comprehensive income (unaudited)
for the three month period ended 31 March 2023**

	Three month period ended 31 March	
	2023 AED'000	2022 AED'000
Profit for the period	49,153	33,922
Other comprehensive income/(loss):		
<i><u>Items that will not be reclassified subsequently to income statement:</u></i>		
Fair value gain on equity securities at FVTOCI	4,034	11,672
	4,034	11,672
<i><u>Items that will be reclassified subsequently to income statement:</u></i>		
Fair value gain/(loss) on sukuk investment securities at FVTOCI	6,395	(97,132)
Reclassification to the income statement	2,307	8,494
	8,702	(88,638)
Other comprehensive income/(loss)	12,736	(76,966)
Total comprehensive income/(loss) for the period	61,889	(43,044)

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

**Condensed interim statement of changes in equity (unaudited)
for the three month period ended 31 March 2023**

	Share capital AED'000	Statutory reserve AED'000	Investment fair value reserve AED'000	General impairment reserve AED'000	Retained earnings AED'000	Total AED'000
At 1 January 2022	2,100,000	270,124	(51,930)	112,364	204,064	2,634,622
Profit for the period	-	-	-	-	33,922	33,922
Other comprehensive loss	-	-	(76,966)	-	-	(76,966)
Total comprehensive (loss)/income for the period	-	-	(76,966)	-	33,922	(43,044)
Transfer on disposal of equity instruments at FVTOCI	-	-	106	-	(106)	-
Transfer from impairment reserve (Note 15)	-	-	-	(970)	970	-
At 31 March 2022	<u>2,100,000</u>	<u>270,124</u>	<u>(128,790)</u>	<u>111,394</u>	<u>238,850</u>	<u>2,591,578</u>
At 1 January 2023	2,100,000	286,331	(334,393)	105,810	357,329	2,515,077
Profit for the period	-	-	-	-	49,153	49,153
Other comprehensive income	-	-	12,736	-	-	12,736
Total comprehensive income for the period	-	-	12,736	-	49,153	61,889
Transfer on disposal of equity instruments at FVTOCI	-	-	73	-	(73)	-
Transfer from impairment reserve (Note 15)	-	-	-	(4,594)	4,594	-
At 31 March 2023	<u>2,100,000</u>	<u>286,331</u>	<u>(321,584)</u>	<u>101,216</u>	<u>411,003</u>	<u>2,576,966</u>

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

**Condensed interim statement of cash flows (unaudited)
for the three month period ended 31 March 2023**

	Three month period ended 31 March	
	2023 AED'000	2022 AED'000
Cash flows from operating activities		
Profit for the period	49,153	33,922
<i>Adjustments for:</i>		
Depreciation of property and equipment	8,881	6,881
Amortisation of discount on Islamic investment securities at amortised cost	(17)	-
Credit loss expense on financial assets	67,007	1,656
Impairment of property and equipment	-	160
Income from Islamic investment securities	(23,593)	(26,056)
Realized (gain)/loss on disposal of Islamic investment securities	(534)	7,602
Impairment of associates	25,200	-
Gain on disposal of property and equipment	-	(51)
Operating cash flows before changes in operating assets and liabilities	126,097	24,114
<i>Changes in operating assets and liabilities</i>		
Islamic financing and investing assets	(584,544)	583,770
Due from banks and other financial institutions	(656,811)	(281,184)
Statutory deposit with the Central Bank	(2,264)	(50,806)
International murabahat with the Central Bank	(560,000)	(180,000)
Other Islamic assets	(77,930)	(270,441)
Islamic customers' deposits	2,938,266	1,369,456
Due to banks and other financial institutions	(1,376,338)	(2,051,285)
Other liabilities	117,922	173,479
Net cash used in operating activities	(75,602)	(682,897)
Cash flows from investing activities		
Purchase of Islamic investment securities	(263,328)	(576,901)
Proceeds from sale of Islamic investment securities	8,588	619,993
Purchase of property and equipment	(4,651)	(13,034)
Proceeds from disposal of property and equipment	-	51
Profit income on Islamic investment securities	26,518	25,429
Additions to investment properties	(1,628)	(5,315)
Net cash (used in)/generated from investing activities	(234,501)	50,223
Net decrease in cash and cash equivalents	(310,103)	(632,674)
Net cash and cash equivalents at the beginning of the period	1,125,897	2,158,436
Cash and cash equivalents at the end of the period (Note 6)	815,794	1,525,762

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

**Notes to the condensed interim financial information
for the three month period ended 31 March 2023 (continued)****1. General information**

Ajman Bank PJSC (the “Bank”) was incorporated as a Public Joint Stock Company. 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 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, Mudaraba, Musharika, Wakala, Sukuk and Ijarah. The activities of the Bank are conducted in accordance with the Islamic Sharia’a principles and within the provisions of its Memorandum and Articles of Association.

2. Application of new and revised International Financial Reporting Standards (“IFRS”)***New and revised IFRS applied with no material effect on the condensed interim financial information***

The accounting policies adopted in the preparation of the interim condensed financial information are consistent with those followed in the preparation of the Bank’s annual financial statements for the year ended 31 December 2022, except for the adoption of the new standards effective as of 1 January 2023. The Bank has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2023, but do not have an impact on the interim condensed financial information of the Bank.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The amendments had no impact on the Bank’s condensed interim financial information.

**Notes to the condensed interim financial information
for the three month period ended 31 March 2023 (continued)**

**2. Application of new and revised International Financial Reporting Standards (“IFRS”)
(continued)**

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Bank’s condensed interim financial information.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments had no impact on the Bank’s condensed interim financial information, but are expected to affect the accounting policy disclosures in the Bank’s annual financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments had no impact on the Bank’s condensed interim financial information.

**Notes to the condensed interim financial information
for the three month period ended 31 March 2023 (continued)****3. Summary of significant accounting policies**

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

3.1 Basis of preparation

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

These condensed interim financial information are prepared in accordance with International Accounting Standard 34: *Interim Financial Reporting* (“IAS 34”), issued by the International Accounting Standard Board (IASB) and also comply with the applicable requirements of the laws in the U.A.E.

The accounting policies used in the preparation of these condensed interim financial information are consistent with those used in the audited annual financial statements for the year ended 31 December 2022.

These condensed interim financial information do not include all the information and disclosures required in full financial statements and should be read in conjunction with the Bank’s financial statements for the year ended 31 December 2022. In addition, results for the period from 1 January 2023 to 31 March 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

3.2 Financial risk management

The Bank’s financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 December 2022.

3.3 Seasonality of results

No income of a seasonal nature was recorded in the condensed interim income statement for the three month period ended 31 March 2023 and 31 March 2022.

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

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

In preparing these condensed interim financial information, the significant judgments made by management in applying the Bank’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2022.

**Notes to the condensed interim financial information
for the three month period ended 31 March 2023 (continued)**

5. Classification of financial assets and liabilities

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

	At fair value AED'000	Amortised cost AED'000	Total AED'000
At 31 March 2023 (unaudited)			
Financial assets			
Cash and balances with the Central Bank	-	2,667,969	2,667,969
Due from banks and other financial institutions	-	2,406,411	2,406,411
Islamic financing and investing assets, net	-	13,155,826	13,155,826
Islamic investment securities at amortised cost	-	264,028	264,028
Islamic investment securities at fair value	2,421,745	-	2,421,745
Other Islamic assets	8	879,505	879,513
Total	2,421,753	19,373,739	21,795,492
Financial liabilities			
Islamic customers' deposits	-	19,270,242	19,270,242
Due to banks and other financial institutions	-	615,435	615,435
Other liabilities	233	300,680	300,913
Total	233	20,186,357	20,186,590
31 December 2022 (audited)			
Financial assets			
Cash and balances with the Central Banks	-	2,176,800	2,176,800
Due from banks and other financial institutions	-	1,990,329	1,990,329
Islamic financing and investing assets, net	-	12,634,118	12,634,118
Islamic investment securities at amortised cost	-	116,039	116,039
Islamic investments securities at fair value	2,305,409	-	2,305,409
Other Islamic assets	19	830,826	830,845
Total	2,305,428	17,748,112	20,053,540
Financial liabilities			
Islamic customers' deposits	-	16,331,976	16,331,976
Due to banks and other financial institutions	-	1,991,773	1,991,773
Other Islamic liabilities	9	183,684	183,693
Total	9	18,507,433	18,507,442

**Notes to the condensed interim financial information
for the three month period ended 31 March 2023 (continued)**

6. Cash and balances with the Central Bank

	31 March 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Cash on hand	153,546	142,066
Balances with the Central Bank:		
Current accounts	274,666	137,241
Reserve requirements with the Central Bank	479,757	477,493
International murabihat with the Central Bank	1,760,000	1,420,000
Total	2,667,969	2,176,800

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

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

	31 March 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)	31 March 2022 AED'000 (unaudited)
Cash and balances with the Central Bank	2,667,969	2,176,800	2,067,683
Due from banks and other financial institutions (original maturity less than three months)	167,582	406,590	117,683
	2,835,551	2,583,390	2,185,366
Less: Statutory reserve with the Central Bank	(479,757)	(477,493)	(479,604)
Less: International murabihat with the Central (original maturity more than three months)	(1,540,000)	(980,000)	(180,000)
Cash and cash equivalents	815,794	1,125,897	1,525,762

**Notes to the condensed interim financial information
for the three month period ended 31 March 2023 (continued)**

7. Islamic financing and investing assets, net

	31 March 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Islamic financing assets		
Vehicles murabahat	83,829	81,381
Commodities murabahat	4,938,262	4,519,240
Total murabahat	5,022,091	4,600,621
Ijarahs	8,744,654	8,609,685
Istisna'a	3,296	3,092
Islamic credit cards	29,180	27,011
	13,799,221	13,240,409
Deferred income	(667,871)	(694,563)
Total Islamic financing assets	13,131,350	12,545,846
Islamic investing Assets		
Wakalat	579,956	579,953
Total Islamic investing assets	579,956	579,953
Total Islamic financing and investing assets	13,711,306	13,125,799
Less: Impairment loss allowance (Note 22.1)	(555,480)	(491,681)
Total Islamic financing and investing assets, net	13,155,826	12,634,118

8. Islamic investment securities at amortised cost

	31 March 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Sukuk instruments	265,379	118,920
Less: Impairment loss allowance (Note 22.1)	(1,351)	(2,881)
	264,028	116,039

**Notes to the condensed interim financial information
for the three month period ended 31 March 2023 (continued)**

9. Islamic investment securities at fair value

	31 March 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Islamic investment securities at FVTOCI		
Sukuk instruments	2,180,816	2,072,977
Equity instruments	230,929	232,432
	2,411,745	2,305,409
Islamic investment securities at FVTPL		
Equity instruments	10,000	-
	2,421,745	2,305,409

10. Investment in associates

Information about the associates and the nature of the investment is shown below:

Name	Nature of business	Country of incorporation	% interest held	Measurement method
Makaseb Real Estate Investment SPV Limited	Real Estate Investments	United Arab Emirates	54%	Equity
Makaseb 3 Real Estate Investment SPV Limited	Real Estate Investments	United Arab Emirates	44%	Equity

Movement in investment in associates is as follows:

	31 March 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Balance at the beginning of the period/year	88,703	177,313
Impairment loss during the period/year	(25,200)	(88,610)
	63,503	88,703

**Notes to the condensed interim financial information
for the three month period ended 31 March 2023 (continued)**

11. Other Islamic assets

	31 March 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Accrued income on Islamic financing and investing assets	129,383	81,359
Accrued income on Islamic investment securities	27,860	19,403
Prepaid expenses	12,185	5,708
Staff advances (Soft finance)	15,603	13,960
Acceptances (Note 13)	2,099	2,540
Foreign currency forward contracts	8	19
Assets acquired in settlement of Islamic financing and investing assets	429,782	429,782
Financial assets acquired in settlement of Islamic financing and investing assets (*)	644,383	644,383
Other	126,640	112,859
	1,387,943	1,310,013
Less: Impairment loss allowance (Note 22.1)	(19,910)	(19,193)
	1,368,033	1,290,820

(*) On 22 December 2021, the Bank signed a settlement agreement with a customer wherein both parties agreed that the Bank acquires the assets of the customer in settlement of the financial obligation. The fair value of those assets as at the settlement date amounted to AED 644 million. Also, along with this settlement agreement, a separate agreement was signed with the customer to lease-back and operate the real estate properties with an option to buy back the assets after the end of the third year at a pre-determined price. Accordingly, the Bank has accounted for these assets as financial assets in accordance with IFRS 9 – Financial Instruments.

12. Islamic customers' deposits

	31 March 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Current accounts	4,959,087	4,038,007
Mudaraba deposits:		
<i>Savings accounts</i>	358,320	358,124
<i>Term deposits</i>	22,702	22,468
	5,340,109	4,418,599
Wakala deposits	13,540,374	11,493,360
Escrow accounts	312,389	337,179
Margin accounts	77,370	82,838
	19,270,242	16,331,976

**Notes to the condensed interim financial information
for the three month period ended 31 March 2023 (continued)**

13. Other liabilities

	31 March 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Accrued profit on Islamic customers' deposits and placements by banks	193,541	115,665
Provisions for staff salaries and benefits	28,494	35,398
Managers' cheques	86,542	43,314
Acceptances (Note 11)	2,099	2,540
Lease liability	6,561	8,196
Impairment loss allowance on financial commitments and financial guarantees (Note 22.1)	13,811	12,855
Other	59,367	53,569
	390,415	271,537

14. Share capital

	31 March 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
<i>Issued and fully paid:</i>		
2,100,000,000 (31 December 2022: 2,100,000,000) shares of AED 1 each	2,100,000	2,100,000

The Bank's Board of Directors resolved on 16 March 2023 to distribute dividends in the form of bonus shares of 3.5% of the Bank's current paid-up capital by issuing 73,500,000 bonus shares amounting to AED 73,500,000. This resolution was subsequently approved by the shareholders at the annual general meeting held on 19 April 2023. Further, AED 2.5 million (31 December 2022: AED 1.5 million) as directors' remuneration was also approved.

**Notes to the condensed interim financial information
for the three month period ended 31 March 2023 (continued)**

15. 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.

16. Income from Islamic financing and investing assets

	Three month period ended 31 March	
	2023 AED'000 (unaudited)	2022 AED'000 (unaudited)
Income from Ijarah	183,833	67,516
Income from Murabaha	99,930	51,316
Income from Wakala	21,095	5,391
Income from Istisna	34	21
	304,892	124,244

17. Basic and diluted earnings per share

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

	Three month period ended 31 March	
	2023 (unaudited)	2022 (unaudited)
<i>Basic earnings per share</i>		
Profit for the period (AED'000)	49,153	33,922
Weighted average number of shares outstanding during the period (in thousands)	2,100,000	2,100,000
Basic and diluted earnings per share (AED)	0.023	0.016

There were no potentially dilutive shares as at 31 March 2023 and 31 March 2022.

**Notes to the condensed interim financial information
for the three month period ended 31 March 2023 (continued)**

18. Related parties transactions

- (a) Certain “related parties” (such as directors, key management personnel and major shareholders of the Bank and companies of which they are principal owners) are customers of the Bank in the ordinary course of business. Transactions with such related parties are made on substantially the same terms, including profit rates and collateral, as those prevailing at the same time for comparable transactions with external customers and parties.
- (b) The Bank is controlled by Ajman Government which owns 26% (31 December 2022: 26%) of the issued and paid capital.

Transactions with related parties are shown below:

	Three month period ended					
	31 March 2023 (unaudited)			31 March 2022 (unaudited)		
	Major shareholders AED'000	Directors and other related parties AED'000	Total AED'000	Major shareholders AED'000	Directors and other related parties AED'000	Total AED'000
Depositors' share of profit	33,672	1,029	34,701	24,710	165	24,875
Income from Islamic financing and investing assets	1,523	3,435	4,958	5,176	4,618	9,794

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

	31 March 2023 (unaudited)			31 December 2022 (audited)		
	Major shareholders AED'000	Directors and other related parties AED'000	Total AED'000	Major shareholders AED'000	Directors and other related parties AED'000	Total AED'000
Islamic financing and investing assets	247,033	539,445	786,478	255,764	539,744	795,508
Islamic customers' deposits	4,819,570	113,698	4,933,268	4,644,762	113,859	4,758,621

**Notes to the condensed interim financial information
for the three month period ended 31 March 2023 (continued)**

18. Related parties transactions (continued)

Compensation of key management personnel

Key management compensation is as shown below:

	Three month period ended 31 March	
	2023 AED'000 (unaudited)	2022 AED'000 (unaudited)
Short term employment benefits	2,188	2,388
Terminal benefits	252	103
	2,440	2,491

19. Contingencies and commitments

Capital commitments

At 31 March 2023, the Bank had outstanding capital commitments of AED 49 million (31 December 2022: AED 49 million), which will be funded within the next twelve months.

Credit related commitments and contingencies

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

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

	31 March 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Commitments to extend credit	-	12,244
Letters of credit	99,363	116,616
Letters of guarantee	366,006	300,500
	465,369	429,360

Legal claims

Litigation is a common occurrence in the banking industry due to the nature of the business. The Bank has an established protocol for dealing with such claims, many of which are beyond its control. At the reporting date, the Bank 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 Bank.

**Notes to the condensed interim financial information
for the three month period ended 31 March 2023 (continued)**

20. Segment analysis

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

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

- (i) Consumer banking – comprising personal banking and priority banking where various products are offered like private customer current accounts, savings accounts, deposits, credit and debit cards, personal finance, auto finance and house mortgage;
- (ii) Corporate banking - incorporating transactions with corporate bodies including government and public bodies and comprising of Islamic financing and investing assets, deposits and trade finance transactions;
- (iii) Investment banking – comprising investment solutions, wealth management and leasing of commercial and residential properties; and
- (iv) 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 Bank'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 Bank's management reporting is based on a measure of operating profit comprising income from Islamic financing and investing assets, impairment charges on Islamic financing and investing assets, net fee and commission income, other income and expenses.

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

**Notes to the condensed interim financial information
for the three month period ended 31 March 2023 (continued)**

20. Segment analysis (continued)

Segment results of operations

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

	Consumer banking AED'000	Corporate banking AED'000	Treasury AED'000	Investments AED'000	Others AED'000	Total AED'000
Three month period ended 31 March 2023 (unaudited)						
Net income/(loss) from Islamic financing and investing assets	55,489	116,508	(17,687)	8,418	-	162,728
Income from Islamic investment securities	-	-	21,237	2,907	-	24,144
Impairment of associates	-	-	-	(25,200)	-	(25,200)
Credit loss (expense)/income on financial assets	3,035	(68,212)	(1,311)	(519)	-	(67,007)
Fees, commissions and other income	12,002	9,470	4,923	11,861	6,445	44,701
Staff costs	(35,500)	(10,465)	(4,822)	(5,513)	(433)	(56,733)
General and administrative expenses	(11,653)	(2,664)	(1,309)	(3,437)	(5,536)	(24,599)
Depreciation of property and equipment	(6,178)	(1,013)	(253)	(253)	(1,184)	(8,881)
Operating profit/(loss) (unaudited)	17,195	43,624	778	(11,736)	(708)	49,153
Three month period ended 31 March 2022 (unaudited)						
Net income/(loss) from Islamic financing and investing assets	31,900	44,334	(11,225)	3,326	-	68,335
Income from Islamic investment securities	-	-	15,751	2,703	-	18,454
Credit loss (expense)/income on financial assets	(997)	2,962	(941)	(2,680)	-	(1,656)
Fees, commissions and other income	6,811	10,991	808	19,410	(845)	37,175
Staff costs	(12,188)	(3,274)	(759)	(1,109)	(44,791)	(62,121)
General and administrative expenses	(11,907)	(2,547)	(485)	(1,674)	(2,771)	(19,384)
Depreciation of property and equipment	-	-	-	-	(6,881)	(6,881)
Operating profit/(loss) (unaudited)	13,619	52,466	3,149	19,976	(55,288)	33,922

**Notes to the condensed interim financial information
for the three month period ended 31 March 2023 (continued)**

20. Segment analysis (continued)

	Consumer banking AED'000	Corporate banking AED'000	Treasury AED'000	Investments AED'000	Others AED'000	Total AED'000
As at 31 March 2023						
Segment assets (unaudited)	<u>3,120,886</u>	<u>12,103,109</u>	<u>4,370,085</u>	<u>1,751,720</u>	<u>1,507,258</u>	<u>22,853,058</u>
Segment liabilities (unaudited)	<u>6,899,447</u>	<u>12,643,204</u>	<u>251,193</u>	<u>-</u>	<u>482,248</u>	<u>20,276,092</u>
As at 31 December 2022						
Segment assets (audited)	3,029,670	11,376,399	3,772,131	1,766,980	1,165,183	21,110,363
Segment liabilities (audited)	<u>5,562,341</u>	<u>10,914,199</u>	<u>1,804,079</u>	<u>-</u>	<u>314,667</u>	<u>18,595,286</u>

**Notes to the condensed interim financial information
for the three month period ended 31 March 2023 (continued)**

21. Capital management

The Bank's capital management objectives and policies are consistent with those disclosed in the audited financial statements as at and for the year ended 31 December 2022.

Regulatory capital

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

	31 March 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Tier 1 capital		
Share capital	2,100,000	2,100,000
Reserves	347,484	276,130
	<hr/> 2,447,484 <hr/>	<hr/> 2,376,130 <hr/>
Tier 2 capital		
General provision and fair value reserve	201,506	191,168
	<hr/> 2,648,990 <hr/>	<hr/> 2,567,298 <hr/>
Total regulatory capital		
	<hr/> 2,648,990 <hr/>	<hr/> 2,567,298 <hr/>
Risk weighted assets		
Credit risk	16,120,515	15,293,420
Market risk	41,945	42,813
Operational risk	1,197,031	1,136,484
	<hr/> 17,359,491 <hr/>	<hr/> 16,472,717 <hr/>

	Minimum requirement	Capital ratios 31 March 2023 (unaudited)	Capital ratios 31 December 2022 (audited)
Capital element			
Common equity tier 1 (CET 1) ratio	7%	14.10%	14.42%
Tier 1 capital ratio	8.5%	14.10%	14.42%
Capital adequacy ratio	10.5%	15.26%	15.59%
CET1 available for the buffer requirement	2.5%	4.76%	5.09%
	<hr/>	<hr/>	<hr/>

**Notes to the condensed interim financial information
for the three month period ended 31 March 2023 (continued)**

22. Risk Management

22.1 Summarised information of the Bank's credit risk exposure per class of financial asset (subject to impairment) is provided in following table:

	31 March 2023 (unaudited)			31 December 2022 (audited)		
	Gross carrying amount AED'000	ECL allowance AED'000	Carrying amount AED'000	Gross carrying amount AED'000	ECL allowance AED'000	Carrying amount AED'000
Balances with the Central Bank						
Stage 1	2,514,423	-	2,514,423	2,034,734	-	2,034,734
Due from banks and other financial institutions						
Stage 1	2,413,896	(7,485)	2,406,411	1,996,093	(5,764)	1,990,329
Islamic financing and investing assets						
Stage 1	7,815,288	(34,642)	7,780,646	7,307,578	(26,115)	7,281,463
Stage 2	3,893,281	(85,842)	3,807,439	3,615,644	(80,805)	3,534,839
Stage 3	2,002,737	(434,996)	1,567,741	2,202,577	(384,761)	1,817,816
	13,711,306	(555,480)	13,155,826	13,125,799	(491,681)	12,634,118
Islamic investment securities at amortised cost						
Stage 1	265,379	(1,351)	264,028	118,920	(2,881)	116,039
Islamic investment securities at FVTOCI (*)						
Stage 1	2,187,754	(6,938)	2,180,816	2,077,608	(4,631)	2,072,977
Stage 3	54,506	(54,506)	-	54,506	(54,506)	-
	2,242,260	(61,444)	2,180,816	2,132,114	(59,137)	2,072,977
Other Islamic financial assets						
Stage 1	866,797	-	866,797	794,783	-	794,783
Stage 2	1,311	(8)	1,303	25,108	(3)	25,105
Stage 3	31,307	(19,902)	11,405	30,128	(19,190)	10,938
	899,415	(19,910)	879,505	850,019	(19,193)	830,826
Financial commitments and financial guarantees (off balance sheet exposures)						
Stage 1	320,784	(573)	320,211	315,448	(626)	314,822
Stage 2	114,372	(3,753)	110,619	83,699	(2,766)	80,933
Stage 3	30,213	(9,485)	20,728	30,213	(9,463)	20,750
	465,369	(13,811)	451,558	429,360	(12,855)	416,505
	22,512,048	(659,481)	21,852,567	20,687,039	(591,511)	20,095,528

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

**Notes to the condensed interim financial information
for the three month period ended 31 March 2023 (continued)**

22. Risk Management (continued)

22.2 More information about the significant changes in the gross carrying amount of financial assets during the period that contributed to changes in the loss allowance, is provided in the table below:

Balances with the Central Bank

	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total AED'000
As at 31 December 2022 (audited)	2,034,734	-	-	2,034,734
Change in exposure	479,689	-	-	479,689
As at 31 March 2023 (unaudited)	2,514,423	-	-	2,514,423

Due from banks and other financial institutions

	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total AED'000
As at 31 December 2022 (audited)	1,996,093	-	-	1,996,093
Change in exposure	197,470	-	-	197,470
New financial assets recognized	231,682	-	-	231,682
Financial assets derecognized	(11,349)	-	-	(11,349)
As at 31 March 2023 (unaudited)	2,413,896	-	-	2,413,896

Islamic financing and investing assets

	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total AED'000
As at 31 December 2022 (audited)	7,307,578	3,615,644	2,202,577	13,125,799
- Transfer to stage 1	129,243	(129,243)	-	-
- Transfer to stage 2	(56,589)	335,689	(279,100)	-
- Transfer to stage 3	-	(62,123)	62,123	-
Change in exposure	(155,399)	154,228	18,988	17,817
New financial assets recognized	610,606	-	-	610,606
Financial assets derecognized	(20,151)	(20,914)	(2,814)	(43,879)
Recoveries	-	-	963	963
As at 31 March 2023 (unaudited)	7,815,288	3,893,281	2,002,737	13,711,306

**Notes to the condensed interim financial information
for the three month period ended 31 March 2023 (continued)**

22. Risk Management (continued)

Islamic investment securities at amortised cost

	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total AED'000
As at 31 December 2022 (audited)	118,920	-	-	118,920
Change in exposure	17	-	-	17
New financial assets recognized	146,442	-	-	146,442
As at 31 March 2023 (unaudited)	265,379	-	-	265,379

Islamic investment securities at FVTOCI

	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total AED'000
As at 31 December 2022 (audited)	2,077,608	-	54,506	2,132,114
Change in exposure	5,777	-	-	5,777
New financial assets recognised	104,369	-	-	104,369
As at 31 March 2023 (unaudited)	2,187,754	-	54,506	2,242,260

Other Islamic financial assets

	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total AED'000
As at 31 December 2022 (audited)	794,783	25,108	30,128	850,019
Change in exposure	72,014	(24,057)	1,179	49,136
New financial assets recognised	-	260	-	260
As at 31 March 2023 (unaudited)	866,797	1,311	31,307	899,415

**Notes to the condensed interim financial information
for the three month period ended 31 March 2023 (continued)**

22. Risk Management (continued)

Financial commitments and financial guarantees

	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total AED'000
As at 31 December 2022 (audited)	315,448	83,699	30,213	429,360
Change in exposure	23,151	1,439	-	24,590
New financial commitments and financial guarantees recognized	6,005	29,234	-	35,239
Financial commitments and financial guarantees derecognized	(23,820)	-	-	(23,820)
As at 31 March 2023 (unaudited)	320,784	114,372	30,213	465,369

22.3 The tables below analyse the movement of the ECL allowance during the period per class of financial assets:

Due from banks and other financial institutions

	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 31 December 2022 (audited)	5,764	-	-	5,764
Change in credit risk	(1,045)	-	-	(1,045)
New financial assets recognized	2,812	-	-	2,812
Financial assets derecognized	(46)	-	-	(46)
Loss allowance as at 31 March 2023 (unaudited)	7,485	-	-	7,485

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 31 December 2022 (audited)	26,115	80,805	384,761	491,681
Changes in the loss allowance				
- Transfer to stage 1	143	(143)	-	-
- Transfer to stage 2	(83)	6,736	(6,653)	-
- Transfer to stage 3	-	(3,840)	3,840	-
Change in credit risk	1,889	(20,546)	53,238	34,581
New financial assets recognized	7,275	23,385	-	30,660
Financial assets derecognized	(697)	(555)	(190)	(1,442)
Loss allowance as at 31 March 2023 (unaudited)	34,642	85,842	434,996	555,480

**Notes to the condensed interim financial information
for the three month period ended 31 March 2023 (continued)**

22. Risk Management (continued)

Islamic investment securities at amortised cost

	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 31 December 2022 (audited)	2,881	-	-	2,881
Change in credit risk	(2,320)	-	-	(2,320)
New financial assets recognized	790	-	-	790
Loss allowance as at 31 March 2023 (unaudited)	1,351	-	-	1,351

Islamic investment securities at FVTOCI

	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 31 December 2022 (audited)	4,631	-	54,506	59,137
Change in credit risk	2,270	-	-	2,270
New financial assets recognized	37	-	-	37
Loss allowance as at 31 March 2023 (unaudited)	6,938	-	54,506	61,444

Other Islamic financial 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 31 December 2022 (audited)	-	3	19,190	19,193
Change in credit risk	-	5	712	717
Loss allowance as at 31 March 2023 (unaudited)	-	8	19,902	19,910

**Notes to the condensed interim financial information
for the three month period ended 31 March 2023 (continued)**

22. Risk Management (continued)

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 31 December 2022 (audited)	626	2,766	9,463	12,855
Change in credit risk	(56)	810	22	776
New financial commitments and financial guarantees recognized	16	204	-	220
Financial commitments and financial guarantees derecognized	(13)	(27)	-	(40)
Loss allowance as at 31 March 2023 (unaudited)	573	3,753	9,485	13,811

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

(Unaudited)	Opening balance AED'000	Net charge during the period AED'000	Recoveries, net of write-offs AED'000	Closing balance AED'000	Net charge during the period ended 31 March 2022 AED'000
Due from banks and other financial institutions	5,764	1,721	-	7,485	1,544
Islamic financing and investing assets (Note 7)	491,681	62,836	963	555,480	(5,191)
Islamic investment securities at amortised cost (Note 8)	2,881	(1,530)	-	1,351	-
Islamic investment securities at fair value	59,137	2,307	-	61,444	892
Other Islamic financial assets (Note 11)	19,193	717	-	19,910	3,359
Financial commitments and financial guarantees (Note 13)	12,855	956	-	13,811	1,052
Total	591,511	67,007	963	659,481	1,656

The credit impairment provisions calculated in accordance with CBUAE requirements were in excess of ECL allowance calculated under IFRS 9 as explained in note 15.

**Notes to the condensed interim financial information
for the three month period ended 31 March 2023 (continued)****23. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, differences can arise between book values and the fair value estimates. Underlying the definition of fair value is the presumption that the Bank 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 Bank's financial assets and financial liabilities that are measured at fair value on a recurring basis

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

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

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

**Notes to the condensed interim financial information
for the three month period ended 31 March 2023 (continued)**

23. Fair value measurement (continued)

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

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
At 31 March 2023 (Unaudited)				
Financial assets				
Islamic investments securities at FVTOCI				
Sukuk instruments	2,152,316	-	28,500	2,180,816
Equity instruments	132,151	-	98,778	230,929
Islamic investments securities at FVTPL				
Equity instruments	-	-	10,000	10,000
Positive fair value of Islamic derivative financial instruments*	8	-	-	8
	<u>2,284,475</u>	<u>-</u>	<u>137,278</u>	<u>2,421,753</u>
Financial liabilities				
Negative fair value of Islamic derivative financial instruments*	233	-	-	233
	<u>233</u>	<u>-</u>	<u>-</u>	<u>233</u>
At 31 December 2022 (audited)				
Financial assets				
Islamic investments securities at FVTOCI				
Sukuk instruments	2,044,477	-	28,500	2,072,977
Equity instruments	135,694	-	96,738	232,432
Positive fair value of Islamic derivative financial instruments	19	-	-	19
	<u>2,180,190</u>	<u>-</u>	<u>125,238</u>	<u>2,305,428</u>
Financial liabilities				
Negative fair value of Islamic derivative financial instruments*	9	-	-	9
	<u>9</u>	<u>-</u>	<u>-</u>	<u>9</u>

* Notional amount of Islamic derivative financial instruments is AED 3.3 billion as at 31 March 2023 (31 December 2022: AED 1.44 billion).

There were no transfers between levels during the period.

**Notes to the condensed interim financial information
for the three month period ended 31 March 2023 (continued)**

23. Fair value measurement (continued)

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

	31 March 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
At beginning of the period/year	125,238	185,732
Purchases during the period/year	10,000	71,720
Fair valuation gain/(loss) in other comprehensive income	2,040	(54,128)
Disposals during the period/year	-	(78,086)
Balance at the end of the period/year	137,278	125,238

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

24. 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.

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.

As certain other cabinet decisions are pending as on the date of these condensed interim financial information, the Bank continues to assess the impact of these pending cabinet decisions on the deferred taxes as and when finalized and published.

25. Approval of condensed interim financial information

The condensed interim financial information were approved by the Board of Directors and authorized for issue on 4 May 2023.