

**Ajman Bank PJSC**  
**Condensed consolidated interim financial statements**  
*For the nine month period ended 30 September 2013*

# Ajman Bank PJSC

## Condensed consolidated interim financial statements

For the nine month period ended 30 September 2013

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## Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Information

The Shareholders  
Ajman Bank PJSC

### Introduction

We have reviewed the accompanying 30 September 2013 condensed consolidated interim financial information of Ajman Bank ("the Bank") and its subsidiaries (collectively referred to as "the Group"), which comprises:

- the condensed consolidated interim statement of financial position as at 30 September 2013;
- the condensed consolidated interim statements of comprehensive income (comprising a condensed consolidated interim income statement and a separate condensed consolidated interim statement of comprehensive income) for the three-month and nine-month periods ended 30 September 2013;
- the condensed consolidated interim statement of changes in equity for the nine-month period ended 30 September 2013;
- the condensed consolidated interim statement of cash flows for the nine-month period ended 30 September 2013; and
- notes to the condensed consolidated interim financial information.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed consolidated 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 30 September 2013 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG  
Name: Vijendranath Malhotra  
Registration No: 48B

06 NOV 2013

# Ajman Bank PJSC

## Condensed consolidated interim statement of financial position

as at 30 September 2013

	<i>Note</i>	Reviewed 30 September 2013 AED'000	Audited 31 December 2012 AED'000
<b>ASSETS</b>			
Cash and balances with the Central Bank of UAE and other banks	6	245,098	222,443
Wakala deposits with banks and other financial institutions		676,874	96,800
Investments in Islamic financing and investment products	7	5,142,451	4,537,559
Investment securities	8	465,585	430,953
Investment property	9	49,961	49,961
Property and equipment		42,306	47,488
Other assets	10	137,487	104,535
<b>Total assets</b>		<b>6,759,762</b>	<b>5,489,739</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Customers' deposits	11	4,966,750	4,337,807
Wakala deposits by banks and other financial institutions		591,023	405
Other liabilities	12	174,365	96,377
<b>Total liabilities</b>		<b>5,732,138</b>	<b>4,434,589</b>
<b>Equity</b>			
Share capital	13	1,000,000	1,000,000
Statutory reserve		6,502	6,502
Fair value reserve		(33,716)	7,570
Retained earnings		54,838	41,078
<b>Total equity</b>		<b>1,027,624</b>	<b>1,055,150</b>
<b>Total liabilities and equity</b>		<b>6,759,762</b>	<b>5,489,739</b>

These condensed consolidated interim financial statements were approved and authorised by the Board of Directors on 05 NOV 2013 and are signed on their behalf by:

  
Chairman

ACTING

  
Chief Executive Officer

The notes on pages 7 to 18 form an integral part of these condensed consolidated interim financial statements.

The review report of the Independent Auditors is set out on page 1.

# Ajman Bank PJSC

## Condensed consolidated interim income statement – Reviewed

		For the Three month period ended 30 September 2013	For the Three month period ended 30 September 2012	For the Nine month period ended 30 September 2013	For the Nine month period ended 30 September 2012
	<i>Note</i>	AED'000	AED'000	AED'000	AED'000
<b>Operating income</b>					
Income from investments in Islamic financing and investment products	14	64,916	54,653	185,802	156,603
Income from investment securities		6,113	13,907	25,799	29,764
Fees, commissions and other income		9,066	8,924	29,339	24,533
<b>Total operating income</b>		<b>80,095</b>	<b>77,484</b>	<b>240,940</b>	<b>210,900</b>
Depositors' share of profit		(20,096)	(17,161)	(60,972)	(42,182)
<b>Net operating income</b>		<b>59,999</b>	<b>60,323</b>	<b>179,968</b>	<b>168,718</b>
<b>Expenses</b>					
Staff costs	15	(30,586)	(27,148)	(87,935)	(77,624)
General and administrative expenses	16	(10,546)	(9,695)	(31,002)	(32,752)
Impairment charge for investments in Islamic financing and investment products		(14,529)	(5,899)	(35,821)	(20,352)
Depreciation		(3,843)	(4,081)	(11,450)	(12,752)
<b>Total expenses</b>		<b>(59,504)</b>	<b>(46,823)</b>	<b>(166,208)</b>	<b>(143,480)</b>
<b>Net profit for the period</b>		<b>495</b>	<b>13,500</b>	<b>13,760</b>	<b>25,238</b>
<b>Earnings per share (AED)</b>	17	<b>0.0005</b>	<b>0.0135</b>	<b>0.0138</b>	<b>0.0252</b>

The notes on pages 7 to 18 form an integral part of these condensed consolidated interim financial statements.

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# Ajman Bank PJSC

## Condensed consolidated interim statement of comprehensive income – Reviewed

	<b>For the Three month period ended 30 September 2013 AED'000</b>	<b>For the Three month period ended 30 September 2012 AED'000</b>	<b>For the Nine month period ended 30 September 2013 AED'000</b>	<b>For the Nine month period ended 30 September 2012 AED'000</b>
<b>Net profit for the period</b>	<b>495</b>	<b>13,500</b>	<b>13,760</b>	<b>25,238</b>
<b><i>Other comprehensive income:</i></b>				
Items that are or may be reclassified subsequently to condensed consolidated interim income statement				
Fair value gain/(loss) on available-for-sale investment securities	<b>4,033</b>	3,112	<b>(36,083)</b>	28,306
Gain transferred to condensed consolidated interim income statement on sale of investment securities	-	(6,674)	<b>(5,203)</b>	(9,808)
<b>Other comprehensive income</b>	<b>4,033</b>	<b>(3,562)</b>	<b>(41,286)</b>	<b>18,498</b>
<b>Total comprehensive income for the period</b>	<b>4,528</b>	<b>9,938</b>	<b>(27,526)</b>	<b>43,736</b>

The notes on pages 7 to 18 form an integral part of these condensed consolidated interim financial statements.

The review report of the Independent Auditors is set out on page 1.

# Ajman Bank PJSC

## Condensed consolidated interim statement of cash flows – Reviewed

For the nine month period ended 30 September

	<i>Note</i>	2013 AED'000	2012 AED'000
<b>Cash flows from operating activities</b>			
Net profit for the period		13,760	25,238
<i>Adjustments for:</i>			
Depreciation		11,450	12,752
Impairment charge for investments in Islamic financing and investment products		35,821	20,352
Operating cash flows before changes in operating assets and liabilities		<u>61,031</u>	<u>58,342</u>
<i>Changes in operating assets and liabilities</i>			
Change in investments in Islamic financing and investment products		(640,713)	(1,209,931)
Change in statutory deposit with the Central Bank of UAE		(63,412)	(70,079)
Change in other assets		(32,953)	1,223
Change in customer deposits		628,944	1,081,343
Change in wakala deposits by banks and financial institutions		590,618	60,314
Change in other liabilities		77,988	22,655
Net cash flow generated from/(used in) operating activities		<u>621,503</u>	<u>(56,133)</u>
<b>Cash flows from investing activities</b>			
Change in investment securities – net		(75,917)	16,863
Purchase of property and equipment		(6,269)	(2,547)
Net cash flow generated from/(used in) investing activities		<u>(82,186)</u>	<u>14,316</u>
<b>Net increase in cash and cash equivalents</b>		<b>539,317</b>	<b>(41,817)</b>
<b>Net cash and cash equivalents at the beginning of the period</b>		<b>188,423</b>	<b>327,548</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>6</b>	<b><u>727,740</u></b>	<b><u>285,731</u></b>

The notes on pages 7 to 18 form an integral part of these condensed consolidated interim financial statements.

The review report of the Independent Auditors is set out on page 1.

# Ajman Bank PJSC

## Notes to the condensed consolidated interim financial statements – Reviewed

For the nine month period ended 30 September 2013

### 1. Legal status and activities

Ajman Bank PJSC (“the Bank”) is incorporated as a Public Joint Stock Company. The Bank and its subsidiaries are collectively referred to as “the Group”. The Bank has its registered office at A&F Towers, 1st Floor, Khalifa Street, P.O. Box 7770, Ajman, United Arab Emirates (“UAE”) and was legally incorporated on 17 April 2008. The Bank was registered with the Securities and Commodities Authority (“SCA”) on 12 June 2008 and obtained a license from the Central Bank of 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 operations on 22 December 2008.

The Bank operates through 10 branches and 1 pay office in UAE. The condensed consolidated interim financial statements include the activities of the Bank’s head office, branches, and subsidiaries.

In addition to above, the Bank further carries out placement activities with different special purpose entities which have been consolidated in these condensed consolidated interim financial statements in compliance with IFRS 10 – consolidated financial statements. Details of the special purpose entities are mentioned in note 21.

The principal activities of the Bank are to undertake banking, financing and investing activities through various Islamic financing and investment products such as Murabaha, Mudarba, 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. Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34: *Interim Financial Reporting*. These condensed consolidated interim financial statements do not include all the information required for annual audited financial statements and should be read in conjunction with the audited financial statements of the Bank as at and for the year ended 31 December 2012, which have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by International Accounting Standards Board (“IASB”) and applicable local requirements.

These condensed consolidated interim financial statements have been prepared in United Arab Emirates Dirham (AED) rounded to nearest thousand, which is the Group’s functional currency.

### 3. Significant accounting policies

- 3.1 The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the Bank’s annual audited financial statements as at and for the year ended 31 December 2012, except for the adoption of the IFRS 13 – fair value measurement, IFRS 10 – consolidated financial statements and amendments to IAS 1 – presentation of financial statements, which became effective as of 1 January 2013.

The adoption of the new and amended standards and interpretations did not have an impact on the financial position or performance of the Bank during the period, except for IFRS 10 – consolidated financial statements.



# Ajman Bank PJSC

## Notes to the condensed consolidated interim financial statements – Reviewed (Continued)

### 3. Significant accounting policies (continued)

#### *IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements*

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. IFRS 10 replaces the parts of previously existing IAS 27 Consolidated and Separate Financial Statements that dealt with consolidated financial statements and SIC-12 Consolidation – Special Purpose Entities. IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

#### 3.2 *Financial risk management*

The Group's financial risk management objectives, policies and procedures are consistent with those disclosed in the annual audited financial statements as at and for the year ended 31 December 2012.

#### 3.3 *Financial assets and liabilities*

The accounting policies, classifications and measurement principles for financial assets and liabilities applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Bank in its annual audited financial statements as at and for the year ended 31 December 2012.

### 4. Key accounting estimates and judgments

The preparation of these condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty, and actual results may therefore differ as a result of future changes in these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Bank's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the audited financial statements as at and for the year ended 31 December 2012.

#### 4.1 *Interim measurement*

The nature of the Group's business is such that income and expense are incurred in a manner, which is not impacted by any form of seasonality. These condensed consolidated interim financial statements were prepared based upon an accrual concept, which requires income and expense to be recorded as earned or incurred and not as received or paid throughout the year.

# Ajman Bank PJSC

## Notes to the condensed consolidated interim financial statements – Reviewed

(Continued)

### 5. Classes and categories of financial instruments

Fair value of financial assets and financial liabilities disclosed in these condensed consolidated interim financial statements are not significantly different from their carrying values. The table below sets out the Group's classification of each class of financial assets and liabilities.

At 30 September 2013 - Reviewed	Fair value through profit or loss AED '000	Available- for-sale AED '000	Others at amortised cost AED '000
<b>Financial assets</b>			
Cash and balances with the Central Bank of UAE and other banks	-	-	245,098
Wakala deposits with banks and other financial institutions	-	-	676,874
Investments in Islamic financing and investment products	-	-	5,142,451
Investment securities	-	455,585	10,000
Other assets	-	-	126,786
	<u>-</u>	<u>455,585</u>	<u>6,201,209</u>
<b>Financial liabilities</b>			
Customers' deposits	-	-	4,966,750
Wakala deposits by banks and other financial institutions	-	-	591,023
Other liabilities	-	-	174,365
	<u>-</u>	<u>-</u>	<u>5,732,138</u>
	<u>-</u>	<u>-</u>	<u>5,732,138</u>
At 31 December 2012 - Audited	Fair value through profit or loss AED '000	Available- for-sale AED '000	Others at amortised cost AED '000
<b>Financial assets</b>			
Cash and balances with the Central Bank of UAE and other banks	-	-	222,443
Wakala deposits with banks and other financial institutions	-	-	96,800
Investments in Islamic financing and investment products	-	-	4,537,559
Investment securities	-	365,531	65,422
Other assets	-	-	98,043
	<u>-</u>	<u>365,531</u>	<u>5,020,267</u>
<b>Financial liabilities</b>			
Customers' deposits	-	-	4,337,807
Wakala deposits by banks and other financial institutions	-	-	405
Other liabilities	-	-	96,377
	<u>-</u>	<u>-</u>	<u>4,434,589</u>
	<u>-</u>	<u>-</u>	<u>4,434,589</u>

## Ajman Bank PJSC

### Notes to the condensed consolidated interim financial statements – Reviewed

(Continued)

#### 6. Cash and balances with the Central Bank of UAE and other banks

	Reviewed 30 September 2013 AED'000	Audited 31 December 2012 AED'000
Cash and balances with the Central Bank of UAE	237,638	212,601
Balances with other banks	7,460	9,842
	<u>245,098</u>	<u>222,443</u>
Wakala deposits with banks and other financial institutions	676,874	96,800
Less: Statutory deposit with the Central Bank of UAE	(194,232)	(130,820)
	<u>727,740</u>	<u>188,423</u>

#### 7. Investments in Islamic financing and investment products

	Reviewed 30 September 2013 AED'000	Audited 31 December 2012 AED'000
Wakala deposits	114,034	73,209
Murabaha financing	1,613,556	1,532,238
Musharaka financing	141,906	153,776
Ijarah financing	2,433,784	1,862,086
Mudaraba financing	908,193	952,101
Credit cards	24,851	23,058
	<u>5,236,324</u>	<u>4,596,468</u>
Less: Provision for impairment losses (note 7.1)	(93,873)	(58,909)
	<u>5,142,451</u>	<u>4,537,559</u>

# Ajman Bank PJSC

## Notes to the condensed consolidated interim financial statements – Reviewed (Continued)

### 7. Investments in Islamic financing and investment products (continued)

#### 7.1 Movement of provision for impairment losses

	Reviewed 30 September 2013 AED'000	Audited 31 December 2012 AED'000
<i>Specific</i>		
At 1 January	34,024	19,689
Charge for the period / year	22,594	14,335
Write-offs	(857)	-
At reporting date	<u>55,761</u>	<u>34,024</u>
<i>Collective</i>		
At 1 January	24,885	9,003
Charge for the period / year	13,227	15,882
At reporting date	<u>38,112</u>	<u>24,885</u>
Total specific and collective provision	<u>93,873</u>	<u>58,909</u>

### 8. Investment securities

	Reviewed 30 September 2013 AED'000	Audited 31 December 2012 AED'000
Held to maturity – sukus (note 8.1)	10,000	65,422
Available-for-sale – listed sukus	315,604	277,282
Available-for-sale – equity shares	139,981	88,249
	<u>465,585</u>	<u>430,953</u>

- 8.1 At 30 September 2013, the value of the sukus held to maturity was AED 10 million (31 December 2012: AED 65.4 million) and the Group expects to recover cash flows of AED 10 million (31 December 2012: AED 65.4 million) from the redemption on their respective maturities.

#### Fair value hierarchy

The financial and non-financial assets measured at fair value are set out below:

Financial assets	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
<b>At 30 September 2013</b>				
Investment securities at available-for-sale	455,585	-	-	455,585
<b>At 31 December 2012</b>				
Investment securities at available-for-sale	365,531	-	-	365,531

# Ajman Bank PJSC

## Notes to the condensed consolidated interim financial statements – Reviewed (Continued)

### 8. Investment securities (continued)

#### Fair value hierarchy (continued)

Non-financial assets	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
<b>At 30 September 2013</b>				
Investment property	-	-	49,961	49,961
<b>At 31 December 2012</b>				
Investment property	-	-	49,961	49,961

### 9. Investment property

The carrying amount of investment property is the fair value of the property as determined by a registered independent appraiser in a recent appraisal, having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued.

### 10. Other assets

	Reviewed 30 September 2013 AED'000	Audited 31 December 2012 AED'000
Accrued income on investments in Islamic financing and investment products	28,833	31,111
Accrued income on investment securities	7,228	2,600
Prepaid rent	10,701	6,492
Staff advances	6,436	1,286
Acceptances	58,688	37,318
Other	25,601	25,728
	<u>137,487</u>	<u>104,535</u>

### 11. Customers' deposits

	Reviewed 30 September 2013 AED'000	Audited 31 December 2012 AED'000
<i>Mudarba deposits:</i>		
Current accounts	872,934	763,786
Savings accounts	83,774	166,786
Term deposits	138,801	198,658
	<u>1,095,509</u>	<u>1,129,230</u>
Wakala deposits	3,789,087	3,144,772
Escrow accounts	61,241	53,294
Margin accounts	20,913	10,511
	<u>4,966,750</u>	<u>4,337,807</u>

# Ajman Bank PJSC

## Notes to the condensed consolidated interim financial statements – Reviewed

(Continued)

### 12. Other liabilities

	Reviewed 30 September 2013 AED'000	Audited 31 December 2012 AED'000
Accrued profit on customers' deposits and wakala deposits by banks	27,694	20,153
Managers' cheques	33,332	4,812
Acceptances	58,688	37,318
Other liabilities	54,651	34,094
	<u>174,365</u>	<u>96,377</u>

### 13. Share capital

	Reviewed 30 September 2013 AED'000	Audited 31 December 2012 AED'000
<i>Authorised, issued and fully paid:</i> 1,000,000,000 (31 December 2012: 1,000,000,000) shares of AED 1 each	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>

### 14. Income from investments in Islamic financing and investment products

	Reviewed Three month period ended 30 September 2013 AED'000	Reviewed Three month period ended 30 September 2012 AED'000	Reviewed Nine month period ended 30 September 2013 AED'000	Reviewed Nine month period ended 30 September 2012 AED'000
Income from Wakala deposits with banks	2,333	2,357	4,721	7,501
Income from Murabaha financing	22,511	21,187	66,397	66,135
Income from Ijarah financing	26,399	17,780	74,701	46,268
Income from Mudaraba financing	12,240	11,173	35,178	30,443
Income from Musharaka financing	1,433	2,156	4,805	6,256
	<u>64,916</u>	<u>54,653</u>	<u>185,802</u>	<u>156,603</u>

# Ajman Bank PJSC

## Notes to the condensed consolidated interim financial statements – Reviewed (Continued)

### 15. Staff costs

	Reviewed Three month period ended 30 September 2013 AED'000	Reviewed Three month period ended 30 September 2012 AED'000	Reviewed Nine month period ended 30 September 2013 AED'000	Reviewed Nine month period ended 30 September 2012 AED'000
Salaries and allowances	22,082	19,455	61,128	59,537
Other staff related cost	8,504	7,693	26,807	18,087
	<u>30,586</u>	<u>27,148</u>	<u>87,935</u>	<u>77,624</u>

### 16. General and administrative expenses

	Reviewed Three month period ended 30 September 2013 AED'000	Reviewed Three month period ended 30 September 2012 AED'000	Reviewed Nine month period ended 30 September 2013 AED'000	Reviewed Nine month period ended 30 September 2012 AED'000
Rental expenses	2,897	3,475	9,084	10,177
Marketing, design and product development	1,556	1,011	4,810	4,904
Software license	492	291	1,466	2,785
Security services including cash in transit services	688	732	2,045	2,604
Consultancy expenses	50	24	200	191
Others	4,863	4,162	13,397	12,091
	<u>10,546</u>	<u>9,695</u>	<u>31,002</u>	<u>32,752</u>

### 17. Earnings per share - basic

The calculation of earnings per share for the nine month period ended 30 September 2013 is based on profit of AED 13,760 thousand (30 September 2012: AED 25,238 thousand) divided by the weighted average number of shares of 1,000,000,000 (30 September 2012: 1,000,000,000 shares) outstanding during the period.

### 18. Related parties

Related parties comprise shareholders, directors and key management personnel, as well as businesses controlled by shareholders, directors and key management personnel and businesses over which they exercise significant influence. Following are other transactions and balances with related parties on mutually agreed terms:

# Ajman Bank PJSC

## Notes to the condensed consolidated interim financial statements – Reviewed (Continued)

### 18. Related parties (continued)

#### Transactions

Transactions with related parties are shown below:

Three month period ended

	30 September 2013 - Reviewed			30 September 2012 - Reviewed		
	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	<u>1,285</u>	<u>7,143</u>	<u>8,428</u>	<u>530</u>	<u>2,529</u>	<u>3,059</u>
Income from Investment in Islamic financing and investment products	<u>-</u>	<u>7,914</u>	<u>7,914</u>	<u>-</u>	<u>6,157</u>	<u>6,157</u>
Rental expenses	<u>-</u>	<u>716</u>	<u>716</u>	<u>-</u>	<u>663</u>	<u>663</u>

Nine month period ended

	30 September 2013 - Reviewed			30 September 2012 - Reviewed		
	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	<u>3,846</u>	<u>22,638</u>	<u>26,484</u>	<u>2,209</u>	<u>7,016</u>	<u>9,225</u>
Income from Investment in Islamic financing and investment products	<u>-</u>	<u>22,848</u>	<u>22,848</u>	<u>-</u>	<u>15,355</u>	<u>15,355</u>
Rental expenses	<u>-</u>	<u>2,140</u>	<u>2,140</u>	<u>-</u>	<u>1,989</u>	<u>1,989</u>

#### Balances

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

	30 September 2013 - Reviewed			31 December 2012 – Audited		
	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
Investments in Islamic financing and investment products	<u>-</u>	<u>745,797</u>	<u>745,797</u>	<u>-</u>	<u>687,902</u>	<u>687,902</u>
Customers' deposits	<u>349,669</u>	<u>1,154,110</u>	<u>1,503,779</u>	<u>270,567</u>	<u>1,570,010</u>	<u>1,840,577</u>



# Ajman Bank PJSC

## Notes to the condensed consolidated interim financial statements – Reviewed (Continued)

### 18. Related parties (continued)

#### *Compensation of directors and management personnel*

Key management compensation is as shown below:

	<b>Reviewed Three month period ended 30 September 2013 AED'000</b>	<b>Reviewed Three month period ended 30 September 2012 AED'000</b>	<b>Reviewed Nine month period ended 30 September 2013 AED'000</b>	<b>Reviewed Nine month period ended 30 September 2012 AED'000</b>
Short term employment benefits	3,365	3,141	9,665	9,627
Terminal benefits	202	183	553	521
	<u>3,567</u>	<u>3,324</u>	<u>10,218</u>	<u>10,148</u>
Directors' remuneration	<u>190</u>	<u>185</u>	<u>408</u>	<u>714</u>

### 19. Contingencies and commitments

#### *Capital commitments*

At 30 September 2013, the Group had outstanding capital commitments of AED 3.3 million (31 December 2012: AED 3.7 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 Group's customers.

At 30 September 2013, the Group had the following credit related commitments and contingent liabilities:

	<b>Reviewed 30 September 2013 AED'000</b>	<b>Audited 31 December 2012 AED'000</b>
Commitments to extend credit	647,115	621,347
Letters of credit	927,352	79,742
Letters of guarantee	232,839	74,682
Islamic forward foreign exchange contracts	415,004	123,274
Others	24,928	86,371
	<u>2,247,238</u>	<u>985,416</u>

# Ajman Bank PJSC

## Notes to the condensed consolidated interim financial statements – Reviewed (Continued)

### 20. Segment analysis

#### Segment results of operations

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

Nine month period ended 30 September 2013	Retail Banking AED'000	Corporate banking AED'000	Treasury AED'000	Others AED'000	Total AED'000
Net income from investments in Islamic financing and investment products	23,899	91,294	9,637	-	124,830
Income from investment securities	-	-	25,799	-	25,799
Impairment charges for Islamic financing and investment products	(15,888)	(19,933)	-	-	(35,821)
Net fee and other income	8,515	15,475	5,349	-	29,339
Staff cost	(27,287)	(10,896)	(2,685)	(47,067)	(87,935)
General and administrative expenses	(5,597)	(1,622)	-	(23,783)	(31,002)
Depreciation	-	-	-	(11,450)	(11,450)
<b>Operating (loss) / profit - Reviewed</b>	<b>(16,358)</b>	<b>74,318</b>	<b>38,100</b>	<b>(82,300)</b>	<b>13,760</b>
<b>Total assets - Reviewed</b>	<b>673,583</b>	<b>3,943,344</b>	<b>1,667,981</b>	<b>474,854</b>	<b>6,759,762</b>
<b>Total liabilities - Reviewed</b>	<b>522,945</b>	<b>4,333,194</b>	<b>701,634</b>	<b>174,365</b>	<b>5,732,138</b>
Nine month period ended 30 September 2012	Retail banking AED'000	Corporate banking AED'000	Treasury AED'000	Others AED'000	Total AED'000
Net income from investment in Islamic financing and investment products	21,777	81,307	11,337	-	114,421
Income from investment securities	-	-	29,764	-	29,764
Impairment charges for Islamic financing and investment products	(6,793)	(13,559)	-	-	(20,352)
Net fee and commission income	3,837	16,980	3,716	-	24,533
Staff cost	(22,866)	(9,209)	(2,340)	(43,209)	(77,624)
General and administrative expenses	(13,939)	-	-	(18,813)	(32,752)
Depreciation	-	-	-	(12,752)	(12,752)
<b>Operating (loss) / profit - Reviewed</b>	<b>(17,984)</b>	<b>75,519</b>	<b>42,477</b>	<b>(74,774)</b>	<b>25,238</b>
<b>Total assets as at 31 Dec 2012 – Audited</b>	<b>493,554</b>	<b>3,507,845</b>	<b>1,063,912</b>	<b>424,428</b>	<b>5,489,739</b>
<b>Total liabilities as at 31 Dec 2012 - Audited</b>	<b>665,277</b>	<b>3,511,683</b>	<b>160,847</b>	<b>96,782</b>	<b>4,434,589</b>

# Ajman Bank PJSC

## Notes to the condensed consolidated interim financial statements – Reviewed (Continued)

### 21. Subsidiaries

Special purpose entities (“SPE”) consolidated by the Bank based on an assessment of control are as follows:

<u>Name of entity</u>	<u>Nature of entity</u>
Ajman Assets Management	SPE for trading purposes
Ajman Capital Investment	SPE for investment purposes
Ajman Development	SPE for trading purposes

The above SPE’s were registered in the free zone authority of Ajman in the name of Ajman Government. During the period the Bank has placed AED 250 million into the Ajman Assets Management, AED 187.50 million into the Ajman Capital Investments and AED 187 million into the Ajman Development and these placements are further invested by these SPE’s in Islamic institutions.

### 22. Comparatives

Certain comparative figures have been reclassified to conform to the presentation adopted in these condensed consolidated interim financial statements.