

Ajman Bank PJSC

CONDENSED INTERIM FINANCIAL INFORMATION

**FOR THE NINE MONTH PERIOD ENDED
30 SEPTEMBER 2022**

Ajman Bank PJSC

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REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS 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 30 September 2022 and the related interim income statement and statement of comprehensive income for the three month and nine month period then ended, interim statement of cash flows and interim statement of changes in equity for the nine 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 IAS 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

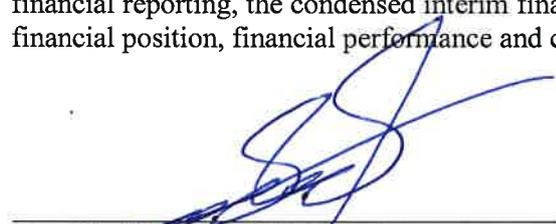
27 October 2022

Dubai, United Arab Emirates

Condensed interim statement of financial position (unaudited)
As at 30 September 2022

		30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
	Notes		
ASSETS			
Cash and balances with the Central Bank	6	1,745,771	2,185,729
Due from banks and other financial institutions		995,691	489,601
Islamic financing and investing assets, net	7	13,385,771	15,161,629
Islamic investment securities at amortised cost	8	97,612	-
Islamic investment securities at fair value	9	2,342,025	2,646,658
Investment in associates	10	177,313	177,313
Investment properties		369,744	359,739
Property and equipment		127,762	124,057
Other Islamic assets	11	1,327,142	1,197,560
Total assets		20,568,831	22,342,286
LIABILITIES AND EQUITY			
Liabilities			
Islamic customers' deposits	12	16,054,764	15,263,046
Due to banks and other financial institutions		1,768,895	4,211,113
Other liabilities	13	238,232	233,505
Total liabilities		18,061,891	19,707,664
Equity			
Share capital	14	2,100,000	2,100,000
Statutory reserve		270,124	270,124
Investment fair value reserve		(293,026)	(51,930)
General impairment reserve	15	121,601	112,364
Retained earnings		308,241	204,064
Total equity		2,506,940	2,634,622
TOTAL LIABILITIES AND EQUITY		20,568,831	22,342,286

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed interim financial information 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 information.

**Condensed interim income statement (unaudited)
for the nine month period ended 30 September 2022**

	Notes	Three month period ended 30 September		Nine month period ended 30 September	
		2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000
Operating income					
Income from Islamic financing and investing assets	16	185,210	174,934	454,914	521,818
Income from investment securities		21,735	22,019	60,710	71,484
Fees, commissions and other income		38,787	8,197	118,527	66,011
Share of results of associate		-	(4,200)	-	(6,637)
Total operating income before depositors' share of profit		245,732	200,950	634,151	652,676
Depositors' share of profit		(76,277)	(56,033)	(191,492)	(175,907)
Net operating income		169,455	144,917	442,659	476,769
Expenses					
Staff costs		(58,103)	(50,128)	(173,086)	(143,576)
General and administrative expenses		(22,177)	(12,960)	(58,814)	(49,783)
Depreciation of property and equipment		(7,066)	(6,202)	(20,302)	(18,647)
Impairment charge for financial assets	22.3	(44,419)	(47,378)	(77,845)	(174,633)
Total expenses		(131,765)	(116,668)	(330,047)	(386,639)
Profit for the period		37,690	28,249	112,612	90,130
Basic and diluted earnings per share (AED)	17	0.018	0.013	0.054	0.043

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

**Condensed interim statement of other comprehensive income (unaudited)
for the nine month period ended 30 September 2022**

	Three month period ended 30 September		Nine month period ended 30 September	
	2022	2021	2022	2021
	AED'000	AED'000	AED'000	AED'000
Profit for the period	37,690	28,249	112,612	90,130
Other comprehensive income/(loss):				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Movement in investment fair value reserve for equity instruments at FVTOCI	7,707	5,289	6,542	14,469
	<u>7,707</u>	<u>5,289</u>	<u>6,542</u>	<u>14,469</u>
<i>Items that may be reclassified subsequently to profit or loss</i>				
Fair value loss on investment securities at FVTOCI - Sukuk instruments	(64,513)	(8,423)	(259,522)	(5,447)
Reclassification adjustments relating to investments securities at FVTOCI	(37)	(3,376)	12,686	(8,671)
	<u>(64,550)</u>	<u>(11,799)</u>	<u>(246,836)</u>	<u>(14,118)</u>
Other comprehensive (loss)/income	(56,843)	(6,510)	(240,294)	351
Total comprehensive (loss)/income for the period	(19,153)	21,739	(127,682)	90,481

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

**Condensed interim statement of changes in equity (unaudited)
for the nine month period ended 30 September 2022**

	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 2021 (audited)	2,100,000	258,508	(60,355)	97,042	107,396	2,502,591
Profit for the period	-	-	-	-	90,130	90,130
Other comprehensive income	-	-	351	-	-	351
Total comprehensive income for the period	-	-	351	-	90,130	90,481
Transfer on disposal of equity instruments at FVTOCI	-	-	(2,605)	-	2,605	-
Transfer to impairment reserve (Note 15)	-	-	-	6,469	(6,469)	-
Reversal of Zakat liability	-	-	-	-	4,973	4,973
At 30 September 2021 (unaudited)	2,100,000	258,508	(62,609)	103,511	198,635	2,598,045
At 1 January 2022 (audited)	2,100,000	270,124	(51,930)	112,364	204,064	2,634,622
Profit for the period	-	-	-	-	112,612	112,612
Other comprehensive loss	-	-	(240,294)	-	-	(240,294)
Total comprehensive (loss)/ income for the period	-	-	(240,294)	-	112,612	(127,682)
Transfer on disposal of equity instruments at FVTOCI	-	-	(802)	-	802	-
Transfer to impairment reserve (Note 15)	-	-	-	9,237	(9,237)	-
At 30 September 2022 (unaudited)	2,100,000	270,124	(293,026)	121,601	308,241	2,506,940

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

**Condensed interim statement of cash flows (unaudited)
for the nine month period ended 30 September 2022**

	Nine month period ended 30 September	
	2022 AED'000	2021 AED'000
Cash flows from operating activities		
Profit for the period	112,612	90,130
<i>Adjustments for:</i>		
Depreciation of property and equipment	20,302	18,647
Impairment charge on financial assets	77,845	174,633
Income from Islamic investment securities	(66,404)	(61,779)
Realized loss/(gain) on disposal of Islamic investment securities	8,270	(9,705)
Share of results of associate	-	6,637
Loss/(gain) on disposal of property and equipment	109	(17)
Operating cash flows before changes in operating assets and liabilities	152,734	218,546
<i>Changes in operating assets and liabilities:</i>		
Decrease in Islamic financing and investing assets	1,714,153	974,445
(Increase)/decrease in due from banks and other financial institutions	(681,640)	18,738
Increase in statutory deposit with the Central Bank	(96,771)	(71,563)
(Increase)/decrease in International Murabaha with the Central Bank	(320,000)	1,050,000
Increase in other assets	(135,733)	(33,831)
Increase/(decrease) in Islamic customers' deposits	791,718	(215,868)
(Decrease)/increase in due to banks and other financial institutions	(2,442,218)	344,499
Increase/(decrease) in other liabilities	5,145	(220,719)
Net cash (used in)/generated from operating activities	(1,012,612)	2,064,247
Cash flows from investing activities		
Purchase of Islamic investment securities	(733,194)	(2,476,386)
Proceeds from sale of Islamic investment securities	679,924	1,573,046
Addition in investment in associate	-	(8,762)
Dividend received from investment in associate	-	740
Purchase of property and equipment	(24,167)	(15,454)
Proceeds from disposal of property and equipment	51	172
Profit income on Islamic investment securities	70,433	64,239
Additions to investment properties	(10,005)	(511)
Net cash used in investing activities	(16,958)	(862,916)
Net (decrease)/increase in cash and cash equivalents	(1,029,570)	1,201,331
Cash and cash equivalents at the beginning of the period	2,158,436	589,565
Cash and cash equivalents at the end of the period (Note 6)	1,128,866	1,790,896

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

Notes to the condensed interim financial information for the nine-month period ended 30 September 2022 (continued)

1. Legal status and activities

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”)

2.1 *New and revised IFRS applied with no material effect on the condensed interim financial information*

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2022, have been adopted in these condensed interim financial information. The application of these revised IFRS has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no impact on the condensed interim financial information of the Bank as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

IFRS 9 Financial Instruments – Fees in the ‘10 per cent’ test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. There is no similar amendment proposed for IAS 39.

Financial Instruments: Recognition and Measurement.

These amendments had no impact on the condensed interim financial information of the Bank as there were no modifications of the Bank’s financial instruments during the period.

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

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Bank’s condensed interim financial information are disclosed below. The Bank intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Notes to the condensed interim financial information for the nine-month period ended 30 September 2022 (continued)

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

2.2 New and revised IFRS in issue but not yet effective (continued)

- IFRS 17 Insurance Contracts
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current

There are no other applicable new standards and amendments to published standards or IFRS IC interpretations that have been issued but are not effective for the first time for the Bank’s financial year beginning on 1 January 2022 that would be expected to have a material impact on the Bank’s condensed interim financial information.

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 2021.

These condensed interim financial information do not include all the information and disclosure required in full financial statements and should be read in conjunction with the Bank’s financial statements for the year ended 31 December 2021. In addition, results for the period from 1 January 2022 to 30 September 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

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 2021.

3.3 Seasonality of results

No income of a seasonal nature was recorded in the condensed interim income statement for the nine month period ended 30 September 2022 and 30 September 2021.

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 2021.

**Notes to the condensed interim financial information
for the nine-month period ended 30 September 2022 (continued)**

5. Classification of financial assets and liabilities

The tables below sets 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 30 September 2022 (unaudited)			
Financial assets			
Cash and balances with the Central Bank	-	1,745,771	1,745,771
Due from banks and other financial institutions	-	995,691	995,691
Islamic financing and investing assets, net	-	13,385,771	13,385,771
Islamic investment securities at amortised cost	-	97,612	97,612
Islamic investment securities at fair value	2,342,025	-	2,342,025
Other Islamic assets	22	207,126	207,148
Total	2,342,047	16,431,971	18,774,018
Financial liabilities			
Islamic customers' deposits	-	16,054,764	16,054,764
Due to banks and other financial institutions	-	1,768,895	1,768,895
Other liabilities	1,563	115,405	116,968
Total	1,563	17,939,064	17,940,627
31 December 2021			
Financial assets:			
Cash and balances with the Central Banks	-	2,185,729	2,185,729
Due from banks and other financial institutions	-	489,601	489,601
Islamic financing and investing assets, net	-	15,161,629	15,161,629
Islamic investment securities at fair value	2,646,658	-	2,646,658
Other Islamic assets	330	133,521	133,851
Total	2,646,988	17,970,480	20,617,468
Financial liabilities:			
Islamic customers' deposits	-	15,263,046	15,263,046
Due to banks and other financial institutions	-	4,211,113	4,211,113
Other Islamic liabilities	916	164,898	165,814
Total	916	19,639,057	19,639,973

**Notes to the condensed interim financial information
for the nine-month period ended 30 September 2022 (continued)**

6. Cash and balances with the Central Bank

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Cash on hand	118,295	137,745
Balances with the Central Bank:		
Current accounts	121,907	214,186
Reserve requirements with the Central Bank	525,569	428,798
International Murabaha with the Central Bank	980,000	1,405,000
Total	1,745,771	2,185,729

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

	30-Sep 2022 AED'000 (unaudited)	31-Dec 2021 AED'000 (audited)	30-Sep 2021 AED'000 (unaudited)
Cash and balances with the Central Bank	1,745,771	2,185,729	2,179,837
Due from banks and other financial institutions (original maturity less than three months)	228,664	401,505	39,232
	1,974,435	2,587,234	2,219,069
Less: Statutory reserve with the Central Bank	(525,569)	(428,798)	(428,173)
Less: International Murabaha with the Central Bank (original maturity more than three months)	(320,000)	-	-
Cash and cash equivalents	1,128,866	2,158,436	1,790,896

The reserve requirements 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.

**Notes to the condensed interim financial information
for the nine-month period ended 30 September 2022 (continued)**

7. Islamic financing and investing assets, net

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Islamic financing assets		
Vehicles Murabaha	55,654	46,001
Commodities Murabaha	5,024,554	6,696,681
Total Murabaha	5,080,208	6,742,682
Ijarahs	9,056,105	9,232,067
Istisna'a	2,342	2,130
Islamic credit cards	25,971	23,361
	14,164,626	16,000,240
Deferred income	(685,709)	(811,572)
Total Islamic financing assets	13,478,917	15,188,668
Islamic investing assets		
Mudaraba	-	6,146
Wakalat	580,416	867,558
Total Islamic investing assets	580,416	873,704
Total Islamic financing and investing assets	14,059,333	16,062,372
Less: Impairment loss allowance (Note 22.1)	(673,562)	(900,743)
Total Islamic financing and investing assets, net	13,385,771	15,161,629

8. Islamic investment securities at amortised cost

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Sukuk instruments	100,994	-
Less: Impairment loss allowance (Note 22.1)	(3,382)	-
	97,612	-

**Notes to the condensed interim financial information
for the nine-month period ended 30 September 2022 (continued)**

9. Islamic investment securities at fair value

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Islamic investments securities at FVTOCI		
Sukuk instruments	2,062,776	2,363,866
Equity instruments	278,149	282,792
	<u>2,340,925</u>	<u>2,646,658</u>
Islamic investments securities at FVTPL		
Equity instruments	1,100	-
	<u>2,342,025</u>	<u>2,646,658</u>

10. Investment in associate

Information about the associate 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 associate is as follows:

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
At beginning of the period/year	177,313	177,556
Additions during the period/year	-	8,762
Share of results during the period/year	-	(8,265)
Distributions received during the period/year	-	(740)
Balance at the end of the period/year	<u>177,313</u>	<u>177,313</u>

**Notes to the condensed interim financial information
for the nine-month period ended 30 September 2022 (continued)**

11. Other Islamic assets

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Accrued income on Islamic financing and investing assets	64,049	78,508
Assets acquired in settlement of Islamic financing and investing assets	1,086,278	943,903
Accrued income on Islamic investments securities at FVTOCI	24,646	23,275
Prepaid expenses	10,988	23,145
Staff advances	13,883	10,431
Acceptances (Note 13)	3,157	-
Foreign currency forward contracts	22	330
Other	142,515	134,820
	<u>1,345,538</u>	<u>1,214,412</u>
Less: Impairment loss allowance (Note 22.1)	<u>(18,396)</u>	<u>(16,852)</u>
	<u>1,327,142</u>	<u>1,197,560</u>

**Notes to the condensed interim financial information
for the nine-month period ended 30 September 2022 (continued)**

12. Islamic customers' deposits

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Current accounts	4,509,904	3,580,845
Mudaraba deposits:		
<i>Savings accounts</i>	384,130	392,910
<i>Term deposits</i>	23,947	23,164
	<u>4,917,981</u>	<u>3,996,919</u>
Wakala deposits	10,635,462	10,890,350
Escrow accounts	428,758	316,421
Margin accounts	72,563	59,356
	<u>16,054,764</u>	<u>15,263,046</u>

13. Other liabilities

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Accrued profit on Islamic customers' deposits and placements by banks	74,865	115,991
Provisions for staff salaries and benefits	34,674	21,991
Managers' cheques	25,106	38,198
Acceptances (Note 11)	3,157	-
Lease liability	7,203	5,962
Impairment loss allowance on financial commitments and guarantees (Note 22.1)	11,304	11,722
Other	81,923	39,641
	<u>238,232</u>	<u>233,505</u>

14. Share capital

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
<i>Issued and fully paid:</i>		
2,100,000,000 (31 December 2021: 2,100,000,000) shares of AED 1 each	2,100,000	2,100,000

During the period ended 30 September 2022, AED 1.5 million (31 December 2021: AED 1 million) was approved as directors' remuneration by the shareholders at the annual general meeting held on 23 March 2022.

**Notes to the condensed interim financial information
for the nine-month period ended 30 September 2022 (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 30 September		Nine month period ended 30 September	
	2022 AED'000 (unaudited)	2021 AED'000 (unaudited)	2022 AED'000 (unaudited)	2021 AED'000 (unaudited)
Income from Ijarah	113,297	116,370	268,287	334,026
Income from Murabaha	63,584	55,276	166,609	181,005
Income from Mudaraba	-	0	-	173
Income from Wakala	8,305	3,270	19,951	6,553
Income from Istisna	24	18	67	61
	185,210	174,934	454,914	521,818

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 30 September		Nine month period ended 30 September	
	2022 (unaudited)	2021 (unaudited)	2022 (unaudited)	2021 (unaudited)
Basic earnings per share				
Profit for the period (AED'000)	37,690	28,249	112,612	90,130
Weighted average number of shares outstanding during the period (in thousands)	2,100,000	2,100,000	2,100,000	2,100,000
Basic and diluted earnings per share (AED)	0.018	0.013	0.054	0.043

There were no potentially dilutive shares as at 30 September 2022 and 30 September 2021.

**Notes to the condensed interim financial information
for the nine-month period ended 30 September 2022 (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 2021: 26%) of the issued and paid capital.

The significant transactions with related parties are shown below:

	Nine month period ended					
	30 September 2022 (unaudited)			30 September 2021 (unaudited)		
	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	80,248	500	80,748	70,941	560	71,501
Income from Islamic financing and investing assets	9,408	14,539	23,947	34,983	4,371	39,354

The significant balances with related parties at the reporting date are shown below:

	30 September 2022 (unaudited)			31 December 2021 (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
Islamic financing and investing assets	292,627	524,042	816,669	1,118,273	481,428	1,599,701
Islamic customers' deposits	4,604,443	117,244	4,721,687	4,040,407	90,981	4,131,388

**Notes to the condensed interim financial information
for the nine-month period ended 30 September 2022 (continued)**

18. Related parties transactions (continued)

Compensation of key management personnel

Key management compensation is as shown below:

	Nine month period ended 30 September	
	2022 AED'000 (unaudited)	2021 AED'000 (unaudited)
Short term employment benefits	6,393	7,211
Terminal benefits	305	315
	6,698	7,526

19. Contingencies and commitments

Capital commitments

At 30 September 2022, the Bank had outstanding capital commitments of AED 56 million (31 December 2021: AED 41 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:

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Commitments to extend credit	24,485	99,317
Letters of credit	169,929	155,662
Letters of guarantee	311,477	291,850
	505,891	546,829

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 nine-month period ended 30 September 2022 (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 where various products are offered e.g. 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 priority banking, investment solutions and alternative investment banking, leasing of commercial & 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.

These segments are the basis on which the Bank reports its segment information. Transactions between segments are conducted at rates determined by management, taking into consideration the cost of funds and an equitable allocation of expenses.

**Notes to the condensed interim financial information
for the nine month period ended 30 September 2022 (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
Nine month period ended 30 September 2022 (unaudited)						
Net income from Islamic financing and investing assets	100,526	193,202	(34,729)	4,423	-	263,422
Income from investment securities	-	-	52,116	8,594	-	60,710
Fees, commissions and other income	24,656	23,571	17,916	56,737	(4,353)	118,527
Staff costs	(37,564)	(12,621)	(1,341)	(1,714)	(119,846)	(173,086)
General and administrative expenses	(30,169)	(6,825)	(1,192)	(6,612)	(14,016)	(58,814)
Depreciation of property and equipment	-	-	-	-	(20,302)	(20,302)
Impairment charge for financial assets	(142)	(69,963)	(4,966)	(2,774)	-	(77,845)
Operating profit/(loss) (unaudited)	57,307	127,364	27,804	58,654	(158,517)	112,612
Nine month period ended 30 September 2021 (unaudited)						
Net income from Islamic financing and investing assets	101,205	244,970	(19,184)	18,920	-	345,911
Income from investment securities	-	-	58,693	12,791	-	71,484
Fees, commissions and other income	17,400	11,613	6,136	30,923	(61)	66,011
Share of results of associate	-	-	-	(6,637)	-	(6,637)
Staff costs	(36,250)	(7,406)	(2,966)	(4,403)	(92,551)	(143,576)
General and administrative expenses	(22,494)	(6,105)	(535)	(1,723)	(18,926)	(49,783)
Depreciation of property and equipment	-	-	-	-	(18,647)	(18,647)
Impairment charge for financial assets	3,386	(171,627)	(6,424)	32	-	(174,633)
Operating profit/(loss) (unaudited)	63,247	71,445	35,720	49,903	(130,185)	90,130

Notes to the condensed interim financial information
for the nine month period ended 30 September 2022 (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 30 September 2022						
Segment assets (unaudited)	3,115,479	10,651,291	3,159,643	2,224,021	1,418,397	20,568,831
Segment liabilities (unaudited)	4,185,889	10,312,322	1,754,041	1,524,959	284,680	18,061,891
As at 31 December 2021						
Segment assets (audited)	3,315,074	11,002,906	4,170,981	1,723,181	2,130,144	22,342,286
Segment liabilities (audited)	4,272,585	9,429,967	1,017,863	2,378,362	2,608,887	19,707,664

**Notes to the condensed interim financial information
for the nine month period ended 30 September 2022 (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 2021.

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:

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)	
Tier 1 capital			
Share capital	2,100,000	2,100,000	
Reserves	285,339	422,257	
	<u>2,385,339</u>	<u>2,522,257</u>	
Tier 2 capital			
General provision and fair value reserve	191,473	198,552	
	<u>191,473</u>	<u>198,552</u>	
Total regulatory capital	<u>2,576,812</u>	<u>2,720,809</u>	
Risk weighted assets			
Credit risk	15,317,828	15,884,151	
Market risk	49,323	116,908	
Operational risk	1,147,682	1,154,498	
	<u>16,514,833</u>	<u>17,155,557</u>	
	Minimum requirement	Capital ratios 30 September 2022 (unaudited)	Capital ratios 31 December 2021 (audited)
Capital element			
Common equity tier 1 (CET 1) ratio	7%	14.44%	14.70%
Tier 1 capital ratio	8.5%	14.44%	14.70%
Capital adequacy ratio	10.5%	15.60%	15.86%
CET1 available for the buffer requirement	2.5%	5.10%	5.36%

**Notes to the condensed interim financial information
for the nine month period ended 30 September 2022 (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:

	30 September 2022			31 December 2021		
	Gross carrying amount AED '000 (unaudited)	ECL allowance AED '000 (unaudited)	Carrying amount AED '000 (unaudited)	Gross carrying amount AED '000 (audited)	ECL allowance AED '000 (audited)	Carrying amount AED '000 (audited)
Balances with the Central Bank						
Stage 1	1,627,476	-	1,627,476	2,047,984	-	2,047,984
Due from banks and other financial institutions						
Stage 1	998,675	(2,984)	995,691	489,876	(275)	489,601
Islamic financing and investing assets						
Stage 1	7,906,841	(29,649)	7,877,192	10,800,485	(33,394)	10,767,091
Stage 2	3,743,372	(63,371)	3,680,001	3,478,651	(88,681)	3,389,970
Stage 3	2,409,120	(580,542)	1,828,578	1,783,236	(778,668)	1,004,568
	14,059,333	(673,562)	13,385,771	16,062,372	(900,743)	15,161,629
Islamic investment securities at amortised cost						
Stage 1	100,994	(3,382)	97,612	-	-	-
Sukuk instruments at FVTOCI						
Stage 1	2,066,209	(3,433)	2,062,776	2,362,983	(3,545)	2,359,438
Stage 3	54,506	(54,506)	-	54,506	(50,078)	4,428
	2,120,715	(57,939)	2,062,776	2,417,489	(53,623)	2,363,866
Other Islamic financial assets						
Stage 1	165,070	-	165,070	115,638	(1)	115,637
Stage 2	27,913	(36)	27,877	942	(2)	940
Stage 3	32,539	(18,360)	14,179	33,793	(16,849)	16,944
	225,522	(18,396)	207,126	150,373	(16,852)	133,521
Financial commitments and financial guarantees						
Stage 1	420,603	(1,602)	419,001	463,710	(1,209)	462,501
Stage 2	55,075	(125)	54,950	63,762	(724)	63,038
Stage 3	30,213	(9,577)	20,636	19,357	(9,789)	9,568
	505,891	(11,304)	494,587	546,829	(11,722)	535,107
	19,638,606	(767,567)	18,871,039	21,714,923	(983,215)	20,731,708

**Notes to the condensed interim financial information
for the nine month period ended 30 September 2022 (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 2021 (audited)	2,047,984	-	-	2,047,984
Change in exposure	(420,508)	-	-	(420,508)
As at 30 September 2022 (unaudited)	1,627,476	-	-	1,627,476

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 2021 (audited)	489,876	-	-	489,876
Change in exposure	254,497	-	-	254,497
New financial assets recognized	254,370	-	-	254,370
Financial assets derecognized	(68)	-	-	(68)
As at 30 September 2022 (unaudited)	998,675	-	-	998,675

Islamic financing and investing assets

	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total AED'000
As at 31 December 2021 (audited)	10,800,485	3,478,651	1,783,236	16,062,372
- Transfer to stage 1	87,854	(87,854)	-	-
- Transfer to stage 2	(1,468,911)	1,661,334	(192,423)	-
- Transfer to stage 3	(130,358)	(1,139,330)	1,269,688	-
Change in exposure	(1,111,013)	(48,187)	1,006	(1,158,194)
New financial assets recognized	449,389	4,669	-	454,058
Financial assets derecognized	(720,605)	(125,911)	(163,501)	(1,010,017)
Write-offs	-	-	(288,886)	(288,886)
As at 30 September 2022 (unaudited)	7,906,841	3,743,372	2,409,120	14,059,333

**Notes to the condensed interim financial information
for the nine month period ended 30 September 2022 (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 2021 (audited)	-	-	-	-
New financial assets recognized	100,994	-	-	100,994
As at 30 September 2022 (unaudited)	100,994	-	-	100,994

Islamic investments securities at FVTOCI

	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total AED'000
As at 31 December 2021 (audited)	2,362,983	-	54,506	2,417,489
Change in exposure	(330,660)	-	-	(330,660)
New financial assets recognised	159,932	-	-	159,932
Financial assets derecognized	(126,046)	-	-	(126,046)
As at 30 September 2022 (unaudited)	2,066,209	-	54,506	2,120,715

Other Islamic financial assets

	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total AED'000
As at 31 December 2021 (audited)	115,638	942	33,793	150,373
Change in exposure	49,432	26,971	3,353	79,756
Write-offs	-	-	(4,607)	(4,607)
As at 30 September 2022 (unaudited)	165,070	27,913	32,539	225,522

**Notes to the condensed interim financial information
for the nine month period ended 30 September 2022 (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 2021 (audited)	463,710	63,762	19,357	546,829
- Transfer to stage 1	30,103	(30,103)	-	-
- Transfer to stage 2	(29,053)	29,053	-	-
- Transfer to stage 3	(12,359)	-	12,359	-
Change in exposure	5,568	(6,642)	-	(1,074)
New financial commitments and financial guarantees recognized	109,485	-	-	109,485
Financial commitments and financial guarantees derecognized	(146,851)	(995)	(1,503)	(149,349)
As at 30 September 2022 (unaudited)	420,603	55,075	30,213	505,891

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 2021 (audited)	275	-	-	275
Change in credit risk	541	-	-	541
New financial assets recognized	2,168	-	-	2,168
Loss allowance as at 30 September 2022 (unaudited)	2,984	-	-	2,984

**Notes to the condensed interim financial information
for the nine month period ended 30 September 2022 (continued)**

22. Risk Management (continued)

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 2021 (audited)	33,394	88,681	778,668	900,743
Changes in the loss allowance				
- Transfer to stage 1	1,321	(1,321)	-	-
- Transfer to stage 2	(1,001)	26,822	(25,821)	-
- Transfer to stage 3	-	(22,363)	22,363	-
Change in credit risk	(3,082)	(27,474)	144,964	114,408
New financial assets recognized	2,593	-	-	2,593
Financial assets derecognized	(3,576)	(974)	(50,746)	(55,296)
Write-offs and other transfers	-	-	(288,886)	(288,886)
Loss allowance as at 30 September 2022 (unaudited)	29,649	63,371	580,542	673,562

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 2021 (audited)	-	-	-	-
New financial assets recognized	3,382	-	-	3,382
Loss allowance as at 30 September 2022 (unaudited)	3,382	-	-	3,382

**Notes to the condensed interim financial information
for the nine month period ended 30 September 2022 (continued)**

22. Risk Management (continued)

Sukuk instruments 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 2021 (audited)	3,545	-	50,078	53,623
Change in credit risk	(953)	-	4,428	3,475
New financial assets recognized	1,434	-	-	1,434
Financial assets derecognized	(593)	-	-	(593)
Loss allowance as at 30 September 2022 (unaudited)	3,433	-	54,506	57,939

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 2021 (audited)	1	2	16,849	16,852
Change in credit risk	(1)	34	6,118	6,151
Write-offs and other transfers	-	-	(4,607)	(4,607)
Loss allowance as at 30 September 2022 (unaudited)	-	36	18,360	18,396

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 2021 (audited)	1,209	724	9,789	11,722
Changes in the loss allowance				
- Transfer to stage 1	165	(165)	-	-
- Transfer to stage 2	(21)	21	-	-
- Transfer to stage 3	(695)	(19)	714	-
Change in credit risk	144	(436)	(682)	(974)
New financial assets recognized	897	-	-	897
Financial assets derecognized	(97)	-	(244)	(341)
Loss allowance as at 30 September 2022 (unaudited)	1,602	125	9,577	11,304

**Notes to the condensed interim financial information
for the nine month period ended 30 September 2022 (continued)**

22. Risk Management (continued)

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 nine months period:

	Opening balance AED'000	Net charge during the period AED'000	Write-off, net of recoveries and other transfers AED'000	Closing balance AED'000	Net charge during the period ended 30 September 2021 AED'000
Due from banks and other financial institutions	275	2,709	-	2,984	169
Islamic financing and investing assets (Note 7)	900,743	61,705	(288,886)	673,562	172,482
Islamic investment securities at amortised cost (Note 8)	-	3,382	-	3,382	-
Islamic investment securities at FVTOCI	53,623	4,316	-	57,939	1,035
Other Islamic financial assets (Note 11)	16,852	6,151	(4,607)	18,396	1,144
Financial commitments and financial guarantees (Note 13)	11,722	(418)	-	11,304	(197)
Total	983,215	77,845	(293,493)	767,567	174,633

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 nine month period ended 30 September 2022 (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 nine month period ended 30 September 2022 (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 30 September 2022 (Unaudited)				
Financial assets				
Islamic investments securities at FVTOCI				
Sukuk instruments	2,034,276	-	28,500	2,062,776
Equity instruments	99,353	-	178,796	278,149
Islamic investments securities at FVTPL				
Equity instruments	1,100	-	-	1,100
Positive fair value of Islamic derivative financial instruments*	22	-	-	22
	<u>2,134,751</u>	<u>-</u>	<u>207,296</u>	<u>2,342,047</u>
Financial liabilities				
Negative fair value of Islamic derivative financial instruments*	1,563	-	-	1,563
	<u>1,563</u>	<u>-</u>	<u>-</u>	<u>1,563</u>
At 31 December 2021 (audited)				
Financial assets				
Islamic investments securities at FVTOCI				
Sukuk instruments	2,331,238	-	32,628	2,363,866
Equity instruments	129,688	-	153,104	282,792
Positive fair value of Islamic derivative financial instruments	330	-	-	330
	<u>2,461,256</u>	<u>-</u>	<u>185,732</u>	<u>2,646,988</u>
Financial liabilities				
Negative fair value of Islamic derivative financial instruments*	916	-	-	916
	<u>916</u>	<u>-</u>	<u>-</u>	<u>916</u>

* Notional amount of Islamic derivative financial instruments is AED 1.1 billion as on 30 September 2022 (31 December 2021: AED 2.3 billion).

There were no transfers between levels during the year.

**Notes to the condensed interim financial information
for the nine month period ended 30 September 2022 (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)

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

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
At beginning of the period/year	185,732	186,558
Purchases during the period/year	51,320	25,707
Fair valuation loss in other comprehensive income	(2,990)	(12,840)
Disposals during the period/year	(26,766)	(13,693)
Balance at the end of the period/year	207,296	185,732

- 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.

Fair value of the Bank's non-financial assets that are measured at fair value on a recurring basis

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
At 30 September 2022 (Unaudited)				
Non-Financial assets				
Investment properties	-	-	369,744	369,744
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021 (audited)				
Non-Financial assets				
Investment properties	-	-	359,739	359,739
	<hr/>	<hr/>	<hr/>	<hr/>

**Notes to the condensed interim financial information
for the nine month period ended 30 September 2022 (continued)**

23. Fair value measurement (continued)

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

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

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
At beginning of the period/year	359,739	343,393
Addition during the period/year	10,005	4,317
Fair valuation gain	-	12,029
Balance at the end of the period/year	369,744	359,739

24. Comparative figures

Certain comparative figures have been reclassified where appropriate to conform to the presentation and accounting policies adopted in this condensed interim financial information.

25. Approval of condensed interim financial information

The condensed interim financial information were approved by the Board of Directors and authorized for issue on 27 October 2022.