

Ajman Bank PJSC
Condensed consolidated interim financial statements
For the nine month period ended 30 September 2014

Ajman Bank PJSC

Condensed consolidated interim financial statements

For the nine month period ended 30 September 2014

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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 condensed consolidated interim financial information of Ajman Bank PJSC ("the Bank") and its subsidiaries (collectively referred to as "the Group"), consisting of:

- the condensed consolidated interim statement of financial position as at 30 September 2014;
- the condensed consolidated interim statements of profit or loss for the three month and nine-month periods ended 30 September 2014;
- the condensed consolidated interim statements of profit or loss and other comprehensive income for the three month and nine-month periods ended 30 September 2014;
- the condensed consolidated interim statement of changes in equity for the nine-month period ended 30 September 2014;
- the condensed consolidated interim statement of cash flows for the nine-month period ended 30 September 2014; and
- notes to the condensed consolidated interim financial statements.

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 2014 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Lower Gulf Limited
Name: Muhammad Tariq
Registration No: 793

05 NOV 2014

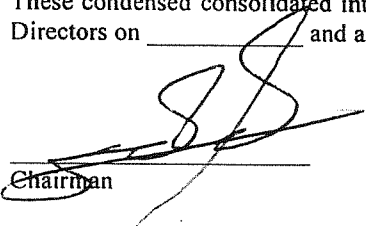
Ajman Bank PJSC

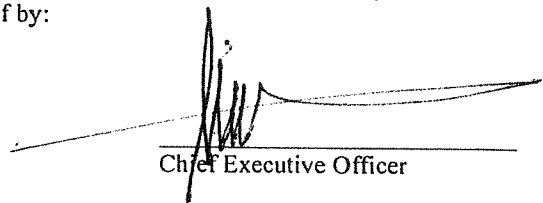
Condensed consolidated interim statement of financial position

as at 30 September 2014

		Reviewed 30 September 2014 AED'000	Audited 31 December 2013 AED'000
	Note		
ASSETS			
Cash and balances with the Central Bank of UAE and other banks	7	404,469	328,131
Wakala deposits with banks and other financial institutions		537,604	160,121
Investments in Islamic financing and investment products	8	7,639,547	5,783,208
Investment securities	9	504,906	497,832
Investment property	11	49,961	49,961
Property and equipment		39,047	42,370
Other assets	12	1,054,846	231,009
Total assets		10,230,380	7,092,632
LIABILITIES AND SHAREHOLDER'S EQUITY			
Liabilities			
Customers' deposits	13	6,916,435	5,479,093
Due to banks		1,933,892	344,870
Other liabilities	14	299,669	229,700
Total liabilities		9,149,996	6,053,663
Shareholder's equity			
Share capital	15	1,000,000	1,000,000
Statutory reserve		7,562	7,562
Fair value reserve		(22,862)	(19,210)
Retained earnings		95,684	50,617
Total shareholder's equity		1,080,384	1,038,969
Total liabilities and shareholder's equity		10,230,380	7,092,632

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


Chairman


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 2014	For the Three month period ended 30 September 2013	For the Nine month period ended 30 September 2014	For the Nine month period ended 30 September 2013
	Note	AED'000	AED'000	AED'000	AED'000
Operating income					
Income from investments in Islamic financing and investment products	16	94,473	64,916	257,805	185,802
Income from investment securities		11,757	6,113	28,251	25,799
Fees, commissions and other income		15,362	9,066	44,145	29,339
Total operating income		121,592	80,095	330,201	240,940
Depositors' share of profit		(28,424)	(20,096)	(76,291)	(60,972)
Net operating income		93,168	59,999	253,910	179,968
Expenses					
Staff costs	17	(34,663)	(30,586)	(106,234)	(87,935)
General and administrative expenses	18	(11,346)	(10,546)	(34,549)	(31,002)
Impairment charge for investments in Islamic financing and investment products		(22,295)	(14,529)	(55,366)	(35,821)
Impairment charge on other receivables		(862)	-	(2,257)	-
Depreciation		(3,457)	(3,843)	(10,437)	(11,450)
Total expenses		(72,623)	(59,504)	(208,843)	(166,208)
Net profit for the period		20,545	495	45,067	13,760
Earnings per share (AED)	19	0.0206	0.0005	0.0451	0.0138

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 comprehensive income – Reviewed

	For the Three month period ended 30 September 2014 AED'000	For the Three month period ended 30 September 2013 AED'000	For the Nine month period ended 30 September 2014 AED'000	For the Nine month period ended 30 September 2013 AED'000
Net profit for the period	20,545	495	45,067	13,760
Other comprehensive income:				
Items that are or may be reclassified subsequently to statement of income				
Fair value (loss)/gain on available for sale investment securities	(9,870)	4,033	2,856	(36,083)
Gain transferred to statement of income on sale of investment securities	(3,192)	-	(6,508)	(5,203)
Other comprehensive income	(13,062)	4,033	(3,652)	(41,286)
Total comprehensive income for the period	7,483	4,528	41,415	(27,526)

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 changes in equity

For the nine month period ended 30 September 2014

	Share capital AED'000	Statutory reserve AED'000	Fair value reserve AED'000	Retained earnings AED'000	Total AED'000
As at 31 December 2012 - Audited	1,000,000	6,502	7,570	41,078	1,055,150
Total comprehensive income for the period					
Net profit for the period	-	-	-	13,760	13,760
Other comprehensive income	-	-	(41,286)	-	(41,286)
Total comprehensive income for the period	-	-	(41,286)	13,760	(27,526)
As at 30 September 2013 - Reviewed	1,000,000	6,502	(33,716)	54,838	1,027,624
As at 31 December 2013 – Audited	1,000,000	7,562	(19,210)	50,617	1,038,969
Total comprehensive income for the period					
Net profit for the period	-	-	-	45,067	45,067
Other comprehensive income	-	-	(3,652)	-	(3,652)
Total comprehensive income for the period	-	-	(3,652)	45,067	41,415
As at 30 September 2014 – Reviewed	1,000,000	7,562	(22,862)	95,684	1,080,384

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

	Note	2014 AED'000	2013 AED'000
Cash flows from operating activities			
Net profit for the period		45,067	13,760
<i>Adjustments for:</i>			
Depreciation		10,437	11,450
Impairment charge		57,623	35,821
Income from investment securities		(28,251)	(25,799)
Property and equipment written off		1,667	-
Operating cash flows before changes in operating assets and liabilities		86,543	35,232
<i>Changes in operating assets and liabilities</i>			
Change in investments in Islamic financing and investment products		(1,913,962)	(640,713)
Change in Wakala deposits with banks and other financial institutions		160,121	590,618
Change in statutory deposit with the Central Bank of UAE		(58,073)	(63,412)
Change in other assets		(823,837)	(32,953)
Change in customers' deposits		1,437,342	628,944
Change in due to banks		1,589,022	-
Change in other liabilities		69,969	77,988
Net cash flow generated from operating activities		547,125	595,704
Cash flows from investing activities			
Purchase of investment securities		(467,132)	(471,309)
Proceeds from sale of investment securities		484,657	421,191
Change in property and equipment		(8,781)	6,269
Net cash flow generated from/(used in) investing activities		8,744	(56,387)
Net increase in cash and cash equivalents		555,869	539,317
Net cash and cash equivalents at the beginning of the period		101,385	188,423
Cash and cash equivalents at the end of the period	7	657,254	727,740

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

The review report of the Independent Auditor's 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 2014

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.

In addition to its main office in Ajman, the Bank operates through 8 branches and 1 pay office in UAE. The condensed consolidated financial statements combine the activities of the Bank’s head office and its branches.

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 full 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 2013, which have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by International Accounting Standards Board (“IASB”).

These condensed consolidated interim financial statements have been prepared in United Arab Emirates Dirham (AED) rounded to nearest thousand, which is the Bank’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 audited financial statements as at and for the year ended 31 December 2013.

3.2 Financial risk management

The Bank’s financial risk management objectives, policies and procedures are consistent with those disclosed in the audited financial statements as at and for the year ended 31 December 2013.

3.3 Financial assets and liabilities

The accounting policies, classifications and measurement principles for financial assets and liabilities applied by the Bank in these condensed consolidated interim financial statements are the same as those applied by the Bank in its audited financial statements as at and for the year ended 31 December 2013.

Ajman Bank PJSC

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

4. Key accounting estimates and judgements

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 judgments 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 2013.

5. Capital management

The Group's lead regulator, the Central Bank of the UAE, sets and monitors regulatory capital requirements. The Central Bank has set the capital adequacy ratio which is 12 % analyzed in two tiers, of which Tier 1 capital adequacy ratio must not be less than 8%. The Group has complied with its capital adequacy calculation in accordance with Basel II Standardized Approach for credit, market and operational risks.

The Group's regulatory capital is analyzed into two tiers:

- Tier 1 capital, which includes ordinary share capital and retained earnings; and
- Tier 2 capital, which includes fair value reserves relating to unrealized gains / losses on investments classified as available-for-sale and collective impairment provision. The following limits have been applied for Tier 2 capital:
 - Total tier 2 capital shall not exceed 67% of tier 1 capital;
 - Subordinated liabilities shall not exceed 50% of total tier 1 capital; and
 - Collective impairment provision shall not exceed 1.25% of total risk weighted assets.

The Group is required to report capital resources and risk-weighted assets under the Basel II Pillar 3 framework, as shown in the following table:

	30 September 2014 AED'000	31 December 2013 AED'000
Tier 1 capital		
Share capital	1,000,000	1,000,000
Reserves	103,246	58,179
	1,103,246	1,058,179
Tier 2 capital		
General provision and fair value reserve	70,712	31,699
Total regulatory capital	1,173,958	1,089,878
Risk weighted assets		
Credit risk	8,316,592	5,233,815
Market risk	-	-
Operation risk	274,444	214,331
Total risk weighted assets	8,591,036	5,448,146
Capital adequacy ratio on regulatory capital	13.66%	20.0%
Capital adequacy ratio on Tier 1 capital	12.84%	19.4%

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

6. Classes and categories of financial instruments

Fair value of financial assets and financial liabilities disclosed in these 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 2014	Available for sale AED '000	Others at amortised cost AED '000
Financial assets		
Cash and balances with the Central Bank of UAE and other banks	-	404,469
Wakala deposits with banks and other financial institutions	-	537,604
Investments in Islamic financing and investment products	-	7,639,547
Investment securities	247,801	257,105
Other assets	-	1,054,846
	<u>247,801</u>	<u>9,893,571</u>
Financial liabilities		
Customers' deposits	-	6,916,435
Wakala deposits by banks and other financial institutions	-	1,933,892
Other liabilities	-	299,669
	<u>-</u>	<u>9,149,996</u>
At 31 December 2013	Available for sale AED '000	Others at amortised cost AED '000
Cash and balances with the Central Bank of UAE and other banks	-	328,131
Wakala deposits with banks and other financial institutions	-	160,121
Investments in Islamic financing and investment products	-	5,783,208
Investment securities	487,832	10,000
Other assets	-	231,009
	<u>487,832</u>	<u>6,512,469</u>
Financial liabilities		
Customers' deposits	-	5,479,093
Wakala deposits by banks and other financial institutions	-	344,870
Other liabilities	-	229,700
	<u>-</u>	<u>6,053,663</u>

Ajman Bank PJSC

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

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

	Reviewed 30 September 2014 AED'000	Audited 31 December 2013 AED'000
Cash and balances with the Central Bank of UAE	340,842	316,850
Balances with other banks	63,627	11,281
	<u>404,469</u>	<u>328,131</u>
Wakala deposits with banks and other financial institutions	537,604	-
Less: Statutory deposit with the Central Bank of UAE	(284,819)	(226,746)
	<u>657,254</u>	<u>101,385</u>

8. Investments in Islamic financing and investment products

	Reviewed 30 September 2014 AED'000	Audited 31 December 2013 AED'000
Murabaha and Wakala Murabaha financing	2,856,846	1,802,865
Musharaka financing	61,020	137,782
Ijarah financing	3,668,948	2,815,773
Mudaraba financing	1,190,797	1,117,206
Credit cards	25,578	17,879
	<u>7,803,189</u>	<u>5,891,505</u>
Less: Provision for impairment losses (note 8.1)	(163,642)	(108,297)
	<u>7,639,547</u>	<u>5,783,208</u>

8.1 Movement of provision for impairment losses

	Reviewed 30 September 2014 AED'000	Audited 31 December 2013 AED'000
<i>Specific</i>		
At 1 January	57,388	34,024
Charge for the period / year	12,701	36,655
Write-offs	(21)	(13,291)
At reporting date	<u>70,068</u>	<u>57,388</u>
<i>Collective</i>		
At 1 January	50,909	24,885
Charge for the period / year	42,665	26,024
At reporting date	<u>93,574</u>	<u>50,909</u>
Total specific and collective provision	<u>163,642</u>	<u>108,297</u>

Ajman Bank PJSC

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

9. Investment securities

	Reviewed 30 September 2014 AED'000	Audited 31 December 2013 AED'000
Held to maturity - sukuks (note 9.1)	257,105	10,000
Available for sale – listed sukuks	247,801	487,832
	<u>504,906</u>	<u>497,832</u>

- 9.1 At 30 September 2014, the value of the sukuks held to maturity was AED 257.1 million (31 December 2013: AED 10 million) and the Bank expects to recover cash flows of AED 267.3 million (31 December 2013: AED 10 million) from the redemption on their respective maturities.

10. Fair value hierarchy

The 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
At 30 September 2014				
Investment securities at AFS	214,412	33,389	-	247,801
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2013				
Investment securities at AFS	439,425	47,807	-	487,232
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Non financial assets				
	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
At 30 September 2014				
Investment property	-	-	49,961	49,961
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2013				
Investment property	-	-	49,961	49,961
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

11. Investment property

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

Ajman Bank PJSC

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

12. Other assets

	Reviewed 30 September 2014 AED'000	Audited 31 December 2013 AED'000
Accrued income on investments in Islamic financing and investment products	37,096	36,332
Accrued income on investment securities	4,449	5,273
Prepaid rent	9,189	9,975
Staff advances	7,660	6,318
Acceptances	144,298	154,918
Other	852,154	18,193
	<u>1,054,846</u>	<u>231,009</u>

13. Customers' deposits

	Reviewed 30 September 2014 AED'000	Audited 31 December 2013 AED'000
<i>Mudarba deposits:</i>		
Current accounts	1,469,847	940,117
Savings accounts	115,361	96,209
Term deposits	123,973	95,566
	<u>1,709,181</u>	<u>1,131,892</u>
Wakala deposits	5,093,001	4,241,803
Escrow accounts	64,179	64,393
Margin accounts	50,074	41,005
	<u>6,916,435</u>	<u>5,479,093</u>

14. Other liabilities

	Reviewed 30 September 2014 AED'000	Audited 31 December 2013 AED'000
Accrued profit on customers' deposits and placements by banks	37,965	20,921
Managers' cheques	62,569	26,307
Acceptances	144,298	154,918
Other liabilities	54,837	27,554
	<u>299,669</u>	<u>229,700</u>

Ajman Bank PJSC

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

15. Share capital

	Reviewed 30 September 2014 AED'000	Audited 31 December 2013 AED'000
<i>Authorised, issued and fully paid:</i>		
1,000,000,000 (31 December 2013: 1,000,000,000) shares of AED 1 each	<u>1,000,000</u>	<u>1,000,000</u>

16. Income from investments in Islamic financing and investment products

	Reviewed Three month period ended 30 September 2014 AED'000	Reviewed Three month period ended 30 September 2013 AED'000	Reviewed Nine month period ended 30 September 2014 AED'000	Reviewed Nine month period ended 30 September 2013 AED'000
Income from Wakala				
Deposits with banks	1,417	2,333	4,944	4,721
Income from Murabaha financing	35,608	22,511	93,041	66,397
Income from Ijarah financing	42,324	26,399	114,050	74,701
Income from Mudaraba financing	14,667	12,240	43,323	35,178
Income from Musharaka financing	457	1,433	2,447	4,805
	<u>94,473</u>	<u>64,916</u>	<u>257,805</u>	<u>185,802</u>

17. Staff costs

	Reviewed Three month period ended 30 September 2014 AED'000	Reviewed Three month period ended 30 September 2013 AED'000	Reviewed Nine month period ended 30 September 2014 AED'000	Reviewed Nine month period ended 30 September 2013 AED'000
Salaries and allowances	23,589	22,082	69,509	61,128
Other staff related cost	11,074	8,504	36,725	26,807
	<u>34,663</u>	<u>30,586</u>	<u>106,234</u>	<u>87,935</u>

Ajman Bank PJSC

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

18. General and administrative expenses

	Reviewed Three month period ended 30 September 2014 AED'000	Reviewed Three month period ended 30 September 2013 AED'000	Reviewed Nine month period ended 30 September 2014 AED'000	Reviewed Nine month period ended 30 September 2013 AED'000
Rental expenses	2,963	2,897	10,427	9,084
Marketing, design and product development	1,507	1,556	3,697	4,810
Software license	1,047	492	3,034	1,466
Security services including cash in transit services	564	688	2,024	2,045
Consultancy expenses	341	50	749	200
Others	4,924	4,863	14,618	13,397
	<u>11,346</u>	<u>10,546</u>	<u>34,549</u>	<u>31,002</u>

19. Earnings per share - basic

The calculation of earnings per share for the nine month period ended 30 September 2014 is based on profit of AED 45,067 thousand (30 September 2013: AED 13,760 thousand) divided by the weighted average number of shares of 1,000,000,000 (30 September 2013: 1,000,000,000 shares) outstanding during the period.

20. 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:

Transactions

Transactions with related parties are shown below:

Three month period ended	30 September 2014 – Reviewed			30 September 2013 – 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>2,320</u>	<u>7,756</u>	<u>10,076</u>	<u>1,285</u>	<u>7,143</u>	<u>8,428</u>
Income from Investment in Islamic financing and investment products	<u>-</u>	<u>7,501</u>	<u>7,501</u>	<u>-</u>	<u>7,914</u>	<u>7,914</u>
Rental expenses	<u>-</u>	<u>651</u>	<u>651</u>	<u>-</u>	<u>716</u>	<u>716</u>

Ajman Bank PJSC

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

20. Related parties (continued)

Nine month period ended	30 September 2014 - Reviewed			30 September 2013 – Reviewed		
	Major shareholders AED'000	Director and other related parties AED'000	Total AED'000	Major shareholders AED	Director and other related parties AED	Total AED
Depositors' share of profit	6,000	22,518	28,518	3,846	22,638	26,484
Income from Investment in Islamic financing and investment products	-	20,880	20,880	-	22,848	22,848
Rental expenses	-	2,571	2,571	-	2,140	2,140

Balances

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

	30 September 2014 - Reviewed			31 December 2013 – 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	-	731,019	731,019	-	721,109	721,109
Customers' deposits	543,506	951,850	1,495,356	350,827	1,141,817	1,492,644

Compensation of directors and management personnel

Key management compensation is as shown below:

	Reviewed Three month period ended 30 September 2014 AED'000	Reviewed Three month period ended 30 September 2013 AED'000	Reviewed Nine month period ended 30 September 2014 AED'000	Reviewed Nine month period ended 30 September 2013 AED'000
Short term employment benefits	3,717	3,365	10,542	9,665
Terminal benefits	204	202	652	553
	<u>3,921</u>	<u>3,567</u>	<u>11,194</u>	<u>10,218</u>
Directors' remuneration	<u>230</u>	<u>190</u>	<u>475</u>	<u>408</u>

Ajman Bank PJSC

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

21. Contingencies and commitments

Capital commitments

At 30 September 2014, the Bank had outstanding capital commitments of AED 3.4 million (31 December 2013: AED 3.3 million), which will be funded within the next one year.

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.

At 30 September 2014, the Bank had the following credit related commitments and contingent liabilities:

	Reviewed 30 September 2014 AED'000	Audited 31 December 2013 AED'000
Commitments to extend credit	1,026,443	360,197
Letters of credit	187,589	88,073
Letters of guarantee	289,743	284,799
	<u>1,503,775</u>	<u>733,069</u>

Ajman Bank PJSC

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

22. 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 2014	Retail Banking AED'000	Corporate banking AED'000	Treasury AED'000	Others AED'000	Total AED'000
Net income from Islamic financing and investment products	43,060	132,151	6,303	-	181,514
Income from investment Securities	-	-	25,113	3,138	28,251
Impairment charges for Islamic financing and investment products	(15,600)	(39,077)	(2,946)	-	(57,623)
Net fee and other income	16,027	19,469	8,058	591	44,145
Staff cost	(39,615)	(12,781)	(2,445)	(51,393)	(106,234)
General and administrative expenses	(14,419)	(1,605)	-	(18,525)	(34,549)
Depreciation	-	-	-	(10,437)	(10,437)
Operating (loss) / profit - Reviewed	(10,547)	98,157	34,083	(76,626)	45,067
Total assets - Reviewed	1,726,701	5,946,862	1,102,165	1,454,632	10,230,380
Total liabilities - Reviewed	1,291,747	6,377,597	1,171,662	308,990	9,149,996
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 investment 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)
Operating (loss) / profit - Reviewed	(16,358)	74,318	38,100	(82,300)	13,760
Total assets as at 31 Dec 2013 - Audited	785,222	4,554,654	1,101,284	651,472	7,092,632
Total liabilities as at 31 Dec 2013 - Audited	657,374	4,556,587	610,002	229,700	6,053,663

Ajman Bank PJSC

Notes to the condensed consolidated interim financial statements – Reviewed

(Continued)

23. 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 SPEs were registered in the free zone authority of Ajman in the name of Ajman Government. During the period the Bank has placed AED 146.9 into the Ajman Assets Management, and AED 62.6 million into the Ajman Development and these placements are further invested by these SPE’s in Islamic institutions.