

Ajman Bank PJSC
Condensed consolidated interim financial statements
For the six month period ended 30 June 2013

Ajman Bank PJSC
Condensed consolidated interim financial statements
For the six month period ended 30 June 2013

<i>Contents</i>	<i>Page</i>
Independent Auditors' report on review of condensed consolidated interim financial information	1
Condensed consolidated interim statement of financial position	2
Condensed consolidated interim statement of income	3
Condensed consolidated interim statement of comprehensive income	4
Condensed consolidated interim statement of changes in equity	5
Condensed consolidated interim statement of cash flows	6
Notes to the condensed consolidated interim financial statements	7-18

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

The Shareholders
Ajman Bank PJSC

DRAFT

Introduction

We have reviewed the accompanying 30 June 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 June 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 six-month periods ended 30 June 2013;
- the condensed consolidated interim statement of changes in equity for the six-month period ended 30 June 2013;
- the condensed consolidated interim statement of cash flows for the six-month period ended 30 June 2013; 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 June 2013 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

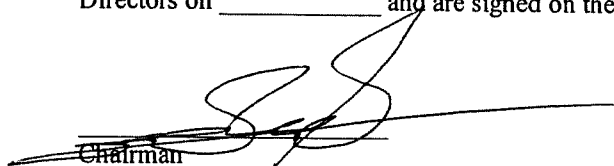
KPMG
Name: Vijendranath Malhotra
Registration No: 48B

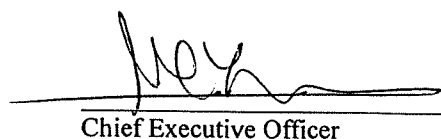
Ajman Bank PJSC
Condensed consolidated interim statement of financial position

as at 30 June 2013

	Note	Reviewed 30 June 2013 AED'000	Audited 31 December 2012 AED'000
ASSETS			
Cash and balances with the Central Bank of UAE and other banks	6	315,117	222,443
Wakala deposits with banks and other financial institutions		523,483	96,800
Investments in Islamic financing and investment products	7	4,610,523	4,537,559
Investment securities	8	462,295	430,953
Investment property	9	49,961	49,961
Property and equipment		44,337	47,488
Other assets	10	124,236	104,535
Total assets		<u>6,129,952</u>	<u>5,489,739</u>
LIABILITIES AND EQUITY			
Liabilities			
Customers' deposits	11	4,496,861	4,337,807
Wakala deposits by banks and other financial institutions		497,770	405
Other liabilities	12	112,225	96,377
Total liabilities		<u>5,106,856</u>	<u>4,434,589</u>
Equity			
Share capital	13	1,000,000	1,000,000
Statutory reserve		6,502	6,502
Fair value reserve		(37,749)	7,570
Retained earnings		54,343	41,078
Total equity		<u>1,023,096</u>	<u>1,055,150</u>
Total liabilities and equity		<u>6,129,952</u>	<u>5,489,739</u>

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 period ended

	<i>Note</i>	Three month period ended 30 June 2013 AED'000	Three month period ended 30 June 2012 AED'000	Six month period ended 30 June 2013 AED'000	Six month period ended 30 June 2012 AED'000
Operating income					
Income from investments in Islamic financing and investment products	14	60,853	52,680	120,886	101,950
Income from investment securities		7,391	8,453	19,686	15,857
Fees, commissions and other income		7,738	8,823	20,273	15,609
Total operating income		75,982	69,956	160,845	133,416
Depositors' share of profit		(19,339)	(13,640)	(40,876)	(25,021)
Net operating income		56,643	56,316	119,969	108,395
Expenses					
Staff costs	15	(28,510)	(25,983)	(57,349)	(50,476)
General and administrative expenses	16	(10,836)	(10,995)	(20,456)	(23,057)
Impairment charge for investments in Islamic financing and investment products		(12,534)	(7,952)	(21,292)	(14,453)
Depreciation		(3,803)	(4,186)	(7,607)	(8,671)
Total expenses		(55,683)	(49,116)	(106,704)	(96,657)
Net profit for the period		960	7,200	13,265	11,738
Earnings per share (AED)	17	0.0010	0.0072	0.0133	0.0117

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 period ended

	Three month period ended 30 June 2013 AED'000	Three month period ended 30 June 2012 AED'000	Six month period ended 30 June 2013 AED'000	Six month period ended 30 June 2012 AED'000
Net profit for the period	960	7,200	13,265	11,738
<i>Other comprehensive income:</i>				
Items that are or may be reclassified subsequently to statement of income				
Fair value (loss)/gain on available for sale investment securities	(34,351)	6,426	(40,116)	25,194
Gain transferred to statement of income on sale of investment securities	(632)	(2,054)	(5,203)	(3,134)
Other comprehensive income	<u>(34,983)</u>	<u>4,372</u>	<u>(45,319)</u>	<u>22,060</u>
Total comprehensive income for the period	<u>(34,023)</u>	<u>11,572</u>	<u>(32,054)</u>	<u>33,798</u>

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 six month period ended 30 June

	Share capital AED'000	Statutory reserve AED'000	Fair value reserve AED'000	Retained earnings AED'000	Total AED'000
As at 31 December 2011 - Audited	1,000,000	3,150	(15,706)	10,909	998,353
Total comprehensive income for the period					
Net profit for the period	-	-	-	11,738	11,738
Other comprehensive income	-	-	22,060	-	22,060
Total comprehensive income for the period	-	-	22,060	11,738	33,798
As at 30 June 2012 - Reviewed	1,000,000	3,150	6,354	22,647	1,032,151
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	-	-	-	13,265	13,265
Other comprehensive income	-	-	(45,319)	-	(45,319)
Total comprehensive income for the period	-	-	(45,319)	13,265	(32,054)
As at 30 June 2013 – Reviewed	1,000,000	6,502	(37,749)	54,343	1,023,096

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 six month period ended 30 June

	Note	2013 AED'000	2012 AED'000
Cash flows from operating activities			
Net profit for the period		13,265	11,738
<i>Adjustments for:</i>			
Depreciation		7,607	8,671
Impairment charge for investments in Islamic financing and investment products		21,292	14,453
Operating cash flows before changes in operating assets and liabilities		<u>42,164</u>	<u>34,862</u>
<i>Changes in operating assets and liabilities</i>			
Change in investments in Islamic financing and investment products		(94,257)	(182,720)
Change in statutory deposit with the Central Bank of UAE		(54,695)	(62,629)
Change in other assets		(19,700)	22,181
Change in customer deposits		159,054	710,491
Change in wakala deposits by banks and financial institutions		497,365	(269,367)
Change in other liabilities		15,848	(17,251)
Net cash flow generated from operating activities		<u>545,779</u>	<u>235,567</u>
Cash flows from investing activities			
Change in investment securities		(76,661)	99,492
Purchase of property and equipment		(4,456)	(1,667)
Net cash flow (used in) /generated from investing activities		<u>(81,117)</u>	<u>97,825</u>
Net increase in cash and cash equivalents		<u>464,662</u>	<u>333,392</u>
Net cash and cash equivalents at the beginning of the period		<u>188,423</u>	<u>327,546</u>
Cash and cash equivalents at the end of the period	6	<u><u>653,085</u></u>	<u><u>660,938</u></u>

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 six month period ended 30 June 2013

1. Legal status and activities

Ajman Bank PJSC (“the Bank”) and its subsidiaries (collectively referred to as “the Group”) are incorporated as a Public Joint Stock Company. 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 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 2012, which have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by International Accounting Standards Board (“IASB”) and applicable requirements of the federal laws relating to Islamic banking.

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 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. To meet the definition of control in IFRS 10, all three criteria must be met, including:

- (a) an investor has power over an investee;
- (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and
- (c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns.

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 2012.

4.

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 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.

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 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 June 2013	Fair value through profit or loss AED '000	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	-	-	315,117
Wakala deposits with banks and other financial institutions	-	-	523,483
Investments in Islamic financing and investment products	-	-	4,610,523
Investment securities	-	452,295	10,000
Other assets	-	-	112,057
	-	452,295	5,571,180
Financial liabilities			
Customers' deposits	-	-	4,496,861
Wakala deposits by banks and other financial institutions	-	-	497,770
Other liabilities	-	-	112,225
	-	-	5,106,856
	-	452,295	5,571,180
At 31 December 2012	Fair value through profit or loss AED '000	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	-	-	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
	-	365,531	5,020,267
	-	365,531	5,020,267
Financial liabilities			
Customers' deposits	-	-	4,337,807
Wakala deposits by banks and other financial institutions	-	-	405
Other liabilities	-	-	96,377
	-	-	4,434,589
	-	-	4,434,589

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 June 2013 AED'000	Audited 31 December 2012 AED'000
Cash and balances with the Central Bank of UAE	303,972	212,601
Balances with other banks	11,145	9,842
	<u>315,117</u>	<u>222,443</u>
Wakala deposits with banks and other financial institutions	523,483	96,800
Less: Statutory deposit with the Central Bank of UAE	(185,515)	(130,820)
	<u>653,085</u>	<u>188,423</u>

7. Investments in Islamic financing and investment products

	Reviewed 30 June 2013 AED'000	Audited 31 December 2012 AED'000
Wakala deposits	64,940	73,209
Murabaha financing	1,428,264	1,532,238
Musharaka financing	146,030	153,776
Ijarah financing	2,159,549	1,862,086
Mudaraba	868,925	952,101
Credit cards	22,275	23,058
	<u>4,689,983</u>	<u>4,596,468</u>
Less: Provision for impairment losses (note 7.1)	(79,460)	(58,909)
	<u>4,610,523</u>	<u>4,537,559</u>

Ajman Bank PJSC

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

7.1 Movement of provision for impairment losses

	Reviewed 30 June 2013 AED'000	Audited 31 December 2012 AED'000
<i>Specific</i>		
At 1 January	34,024	19,689
Charge for the period / year	12,988	14,335
Write-offs	(742)	-
At reporting date	<u>46,270</u>	<u>34,024</u>
<i>Collective</i>		
At 1 January	24,885	9,003
Charge for the period / year	8,305	15,882
At reporting date	<u>33,190</u>	<u>24,885</u>
Total specific and collective provision	<u><u>79,460</u></u>	<u><u>58,909</u></u>

8. Investment securities

	Reviewed 30 June 2013 AED'000	Audited 31 December 2012 AED'000
Held to maturity - sukuks (note 8.1)	10,000	65,422
Available for sale – listed sukuks	310,904	277,282
Available for sale – equity shares	141,391	88,249
	<u>462,295</u>	<u>430,953</u>

- 8.1 At 30 June 2013, the value of the sukuks held to maturity was AED 10 million (31 December 2012: AED 65.7 million) and the Bank expects to recover cash flows of AED 10 million (31 December 2012: AED 65.6 million) from the redemption on their respective maturities.

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 June 2013				
Investment securities at AFS	452,295	-	-	452,295
At 31 December 2012				
Investment securities at AFS	365,531	-	-	365,531

Ajman Bank PJSC

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

9. 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.

10. Other assets

	Reviewed 30 June 2013 AED'000	Audited 31 December 2012 AED'000
Accrued income on investments in Islamic financing and investment products	28,442	31,111
Accrued income on investment securities	4,294	2,600
Prepaid rent	12,179	6,492
Staff advances	5,804	1,286
Acceptances	53,952	37,318
Other	19,565	25,728
	<u>124,236</u>	<u>104,535</u>

11. Customers' deposits

	Reviewed 30 June 2013 AED'000	Audited 31 December 2012 AED'000
<i>Mudarba deposits:</i>		
Current accounts	1,144,480	763,786
Savings accounts	85,993	166,786
Term deposits	114,414	198,658
	<u>1,344,887</u>	<u>1,129,230</u>
Wakala deposits	3,069,515	3,144,772
Escrow accounts	56,555	53,294
Margin accounts	25,904	10,511
	<u>4,496,861</u>	<u>4,337,807</u>

At 30 June 2013, the Bank's customers' deposits carried a range of effective profit rate of 0.73% to 2.52% (31 December 2012: 0.67% to 2.64%) per annum.

12. Other liabilities

	Reviewed 30 June 2013 AED'000	Audited 31 December 2012 AED'000
Accrued profit on customers' deposits and placements by banks	24,756	20,153
Managers' cheques	9,736	4,812
Acceptances	53,952	37,318
Other liabilities	23,781	34,094
	<u>112,225</u>	<u>96,377</u>

Ajman Bank PJSC

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

13. Share capital

	Reviewed 30 June 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	<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 June 2013 AED'000	Reviewed Three month period ended 30 June 2012 AED'000	Reviewed Six month period ended 30 June 2013 AED'000	Reviewed Six month period ended 30 June 2012 AED'000
Income from Wakala Deposits with banks	1,578	3,580	2,388	5,144
Income from Murabaha financing transactions	24,455	22,226	43,886	44,948
Income from Ijarah financing	22,412	14,753	48,302	28,488
Income from Mudaraba financing	10,765	9,887	22,938	19,270
Income from Musharaka financing	1,643	2,234	3,372	4,100
	<u>60,853</u>	<u>52,680</u>	<u>120,886</u>	<u>101,950</u>

15. Staff costs

	Reviewed Three month period ended 30 June 2013 AED'000	Reviewed Three month period ended 30 June 2012 AED'000	Reviewed Six month period ended 30 June 2013 AED'000	Reviewed Six month period ended 30 June 2012 AED'000
Salaries and allowances	20,614	20,191	39,046	40,082
Other staff related cost	7,896	5,792	18,303	10,394
	<u>28,510</u>	<u>25,983</u>	<u>57,349</u>	<u>50,476</u>

Ajman Bank PJSC

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

16. General and administrative expenses

	Reviewed Three month period ended 30 June 2013 AED'000	Reviewed Three month period ended 30 June 2012 AED'000	Reviewed Six month period ended 30 June 2013 AED'000	Reviewed Six month period ended 30 June 2012 AED'000
Rental expenses	3,041	3,308	6,187	6,702
Marketing, design and product development	2,156	1,146	3,254	3,893
Software license	460	1,464	974	2,494
Security services including cash in transit services	726	874	1,357	1,872
Consultancy expenses	46	125	150	167
Others	4,407	4,078	8,534	7,929
	<u>10,836</u>	<u>10,995</u>	<u>20,456</u>	<u>23,057</u>

17. Earnings per share - basic

The calculation of earnings per share for the six month period ended 30 June 2013 is based on profit of AED 13,265 thousand (30 June 2012: AED 11,738 thousand) divided by the weighted average number of shares of 1,000,000,000 (30 June 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:

Transactions

Transactions with related parties are shown below:

Three month period ended	30 June 2013 – Reviewed			30 June 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>1,323</u>	<u>6,869</u>	<u>8,192</u>	<u>777</u>	<u>339</u>	<u>1,116</u>
Income from Investment in Islamic financing and investment products	<u>-</u>	<u>7,530</u>	<u>7,530</u>	<u>-</u>	<u>4,931</u>	<u>4,931</u>
Rental expenses	<u>-</u>	<u>716</u>	<u>716</u>	<u>-</u>	<u>663</u>	<u>663</u>

Ajman Bank PJSC

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

18. Related parties (continued)

Six month period ended	30 June 2013 - Reviewed			30 June 2012 – Reviewed		
	Major shareholders AED	Director and other related parties AED	Total AED	Major shareholders AED	Director and other related parties AED	Total AED
Depositor's share of profit	2,561	15,495	18,056	1,679	4,487	6,166
Income from Investment in Islamic financing and investment products	-	14,934	14,934	-	9,198	9,198
Rental expenses	-	1,424	1,424	-	1,326	1,326

Balances

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

	30 June 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	-	743,138	743,138	-	687,902	687,902
Customers' deposits	349,011	1,000,913	1,349,924	270,567	1,570,010	1,840,577

Compensation of directors and management personnel

Key management compensation is as shown below:

	Reviewed Three month period ended 30 June 2013 AED'000	Reviewed Three month period ended 30 June 2012 AED'000	Reviewed Six month period ended 30 June 2013 AED'000	Reviewed Six month period ended 30 June 2012 AED'000
Short term employment benefits	3,213	3,097	6,300	6,486
Terminal benefits	191	187	351	338
	3,404	3,284	6,651	6824
Directors' remuneration	65	279	218	529

Ajman Bank PJSC

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

19. Contingencies and commitments

Capital commitments

At 30 June 2013, the Bank had outstanding capital commitments of AED 2.3 million (31 December 2012: AED 3.7 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 June 2013, the Bank had the following credit related commitments and contingent liabilities:

	Reviewed 30 June 2013 AED'000	Audited 31 December 2012 AED'000
Commitments to extend credit	770,688	621,347
Letters of credit	145,593	79,742
Letters of guarantee	182,854	74,682
Islamic forward foreign exchange contracts	298,528	123,274
Others	26,858	86,371
	<u>1,424,521</u>	<u>985,416</u>

20. Segment analysis

Segment results of operations

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

Six month period ended 30 June 2013	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	15,146	59,221	5,643	-	80,010
Income from investment Securities	-	-	19,686	-	19,686
Impairment charges for Islamic financing and investment products	(8,122)	(13,170)	-	-	(21,292)
Net fee and other income	5,404	12,112	2,757	-	20,273
Staff cost	(17,130)	(7,180)	(1,776)	(31,263)	(57,349)
General and administrative expenses	(9,336)	(1,140)	-	(9,680)	(20,156)
Depreciation	-	-	-	(7,607)	(7,607)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Operating (loss) / profit - Reviewed	<u>(14,038)</u>	<u>49,843</u>	<u>26,310</u>	<u>(48,550)</u>	<u>13,565</u>
Total assets - Reviewed	<u>615,723</u>	<u>3,538,460</u>	<u>1,442,122</u>	<u>533,647</u>	<u>6,129,952</u>
Total liabilities - Reviewed	<u>695,365</u>	<u>3,590,911</u>	<u>708,355</u>	<u>112,225</u>	<u>5,106,856</u>

Ajman Bank PJSC

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

20. Segment analysis (continued)

Six month period ended 30 June 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					
Income from investment securities	14,989	53,831	8,109	-	76,929
Impairment charges for Islamic financing and investment products	-	-	15,857	-	15,857
Net fee and commission income	(5,377)	(9,076)	-	-	(14,453)
Staff cost	2,688	11,369	1,552	-	15,609
General and administrative expenses	(15,609)	(5,469)	(1,498)	(27,900)	(50,476)
Depreciation	(9,312)	-	-	(13,745)	(23,057)
	-	-	-	(8,671)	(8,671)
Operating (loss) / profit - Reviewed	<u>(12,621)</u>	<u>50,655</u>	<u>24,020</u>	<u>(50,316)</u>	<u>11,738</u>
Total assets as at 31 Dec 2012 - Audited	<u>493,554</u>	<u>3,507,845</u>	<u>1,063,912</u>	<u>424,428</u>	<u>5,489,739</u>
Total liabilities as at 31 Dec 2012 - Audited	<u>665,277</u>	<u>3,511,683</u>	<u>160,847</u>	<u>96,782</u>	<u>4,434,589</u>

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

Ajman Assets Management

The entity was registered on 17 May 2010 in the free zone authority of Ajman in the name of Ajman Government. The Bank placed AED 150 million on 13 May 2013 for a period of three months into the SPE to be further invested in an Islamic institution.

Ajman Capital Investment

The entity was registered on 11 May 2010 in the free zone authority of Ajman in the name of Ajman Government. The Bank placed AED 150 million on 14 May 2013 for a period of three months into the SPE to be further invested in an Islamic institution.

Ajman Bank PJSC

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

21. Subsidiaries (continued)

Ajman Development

The entity was registered on 10 May 2011 in the free zone authority of Ajman in the name of Ajman Government. The Bank placed AED 85 million on 12 June 2013 for a period of three months into the SPE to be further invested in an Islamic institution.

Since, the Group is exposed to beneficial ownership risks and rewards of the SPEs, these entities are consolidated in compliance with IFRS 10 – consolidated financial statements.

22. Comparatives

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