
SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS
(UN – AUDITED)
31 MARCH 2014

SHARJAH ISLAMIC BANK

Directors' Report

The Directors have pleasure in presenting their report together with the condensed consolidated interim financial statements of SHARJAH ISLAMIC BANK ("the Bank") and its subsidiaries (together referred as the "Group") for the three-month period ended 31 March 2014.

Financial Highlights

The Group has reported a profit of AED 110.0 million for the three-month period ended 31 March 2014 compared to AED 84.8 million for the corresponding prior year period, an increase of 29.7%.

Compared to December 2013, total assets increased by AED 391.3 million to reach AED 22.1 billion, an increase of 1.8%, financing receivables and ijarah receivable increased by 6.4% (AED 803.3 million) to reach AED 13.3 billion and customer deposits experienced a growth of 3.0 % (AED 355.8 million) to reach AED 12.3 billion.

Directors:-

H.E. Abdul Rahman Mohammed Nasser Al Owais	Chairman
Mr. Ahmed Mohamed Obaid Al Shamsi	Vice Chairman
Mr. Othman Mohammed Sharif Zaman	Member
Mr. Ahmed Ghanim Al Suwaidi	Member
Mr. Ali Bin Salim Al Mazrou	Member
Mr. Emad Yousef Abdulla Saleh Al Monayea	Member
Mr. Mohammad N. Al Fouzan	Member



Abdul Rahman Mohammed Nasser Al Owais
Chairman
14 April 2014





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Independent auditors' report on review of condensed consolidated interim financial information

The Shareholders of Sharjah Islamic Bank

Introduction

We have reviewed the accompanying 31 March 2014 condensed consolidated interim financial information of Sharjah Islamic Bank ("the Bank") and subsidiaries (collectively referred as the "Group"), which comprises:

- the condensed consolidated statement of financial position as at 31 March 2014;
- the condensed consolidated statements of comprehensive income (comprising a condensed comprehensive income statement and a separate condensed consolidated statement of the comprehensive income) for the three-month period ended 31 March 2014;
- the condensed consolidated statement of changes in equity for the three-month period ended 31 March 2014;
- the condensed consolidated statement of cash flows for the three-month period ended 31 March 2014; and
- notes to the interim financial statements.

Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. 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 the 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 31 March 2014 condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG
Muhammad Tariq
Registration No: 793

14 April 2014

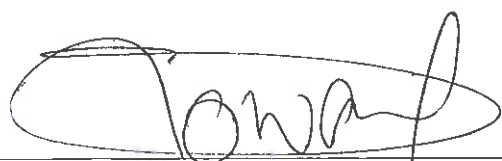
SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**

AS AT 31 March 2014


(Currency: Thousands of U.A.E Dirhams)

	31 March 2014 Un-audited	31 December 2013 Audited
Assets		
Cash and balances with banks and financial institutions	2,445,947	2,260,757
International murabaha and wakalah with financial institutions	2,135,380	2,876,670
Financing receivables	4,203,282	3,961,401
Ijarah receivables	9,119,375	8,558,005
Investment securities	1,098,465	1,243,649
Investment properties	339,995	339,352
Properties held-for-sale	1,122,677	1,120,268
Other assets	737,433	461,992
Property and equipment	920,616	909,807
Total assets	22,123,170	21,731,901
Liabilities		
Customers deposits	12,256,818	11,901,007
Due to banks	1,179,128	1,306,433
Sukuk payable	3,296,650	3,295,889
Other liabilities	902,000	588,730
Zakat payable	93,137	103,935
Total liabilities	17,727,733	17,195,994
Shareholders' equity		
Share capital	2,425,500	2,425,500
Legal reserve	1,330,233	1,330,233
Statutory reserve	89,008	89,008
Fair value reserve	(47,142)	(42,693)
Retained earnings	597,838	733,859
Total shareholders' equity	4,395,437	4,535,907
Total liabilities and shareholders' equity	22,123,170	21,731,901

These condensed consolidated interim financial statements were authorised for issue in accordance with a resolution of the Directors on 14 April 2014.



Abdul Rahman Mohammed Nasser Al Owais
Chairman



Mohammed Ahmed Abdullah
Chief Executive Officer

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

SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME
FOR THE THREE-MONTH PERIOD ENDED 31 March 2014 (Un- audited)
(Currency: Thousands of U.A.E. Dirhams)

	Three month period ended 31 March 2014	Three month period ended 31 March 2013
Income from murabaha and leasing	211,940	176,436
Profit paid on sukuk	(31,641)	(17,671)
Fees, commission and other income	67,982	48,593
Income from subsidiaries companies	13,734	7,630
Total income	262,015	214,988
General and administrative expenses	(100,477)	(83,320)
Net operating income	161,538	131,668
Provisions - net of recoveries	(22,024)	(9,952)
Profit before distribution to depositors	139,514	121,716
Distribution to depositors	(29,485)	(36,908)
Profit for the period	110,029	84,808
(Attributable to the shareholders of the Bank)		
Earnings per share (U.A.E. Dirhams)	0.05	0.03

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

SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES**CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME**

FOR THE THREE-MONTH PERIOD ENDED 31 March 2014(Un- audited)

(Currency: Thousands of U.A.E. Dirhams)

	Three month period ended 31 March 2014 Un-audited	Three month period ended 31 March 2013 Un-audited
Profit for the period	110,029	84,808
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net changes in fair value reserve	(4,449)	(11,066)
Total comprehensive income for the period	105,580	73,742

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

SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED 31 March 2014 (Un- audited)
(Currency: Thousands of U.A.E. Dirhams)

	Three month period ended 31 March 2014 Un-audited	Three month period ended 31 March 2013 Un-audited
Cash flows from operating activities		
Profit for the period	110,029	84,808
Adjustments for:		
- Depreciation	7,821	5,711
- Amortisation of sukuk issuance costs	761	353
- Provision on financing and Ijarah receivable	11,811	10,982
- Provision for impairment on investment securities	13,882	-
Operating profit before changes in operating assets and liabilities	143,615	101,854
Changes in:		
- Reserve with Central Bank	(112,992)	(97,967)
- International murabaha and wakalah with financial institutions	120,515	(101,008)
- Financing receivables and Ijarah receivable	(815,062)	(130,588)
- Other assets, net	(275,441)	(110,583)
- Customers' deposits	355,811	184,225
- Due to banks	(127,305)	152,587
- Zakat	(10,798)	(8,937)
- Other liabilities	67,220	55,001
Net cash flows (used in)/from operating activities	(653,748)	44,584
Cash flows from investing activities		
Properties and equipment - net	(18,630)	(16,303)
Change in investment properties	(643)	(2,119)
Change in properties held-for-sale	(2,409)	(28,441)
Investment securities	126,853	(323,764)
Net cash flows from/(used in) investing activities	105,171	(370,627)
Net decrease in cash and cash equivalents	(548,577)	(326,043)
Cash and cash equivalents at the beginning of the period	3,566,961	2,955,505
Cash and cash equivalents at the end of the period	3,018,384	2,629,462
Cash and cash equivalents comprise of:		
Cash and balances with banks and financial institutions	1,486,519	1,169,686
International murabaha and wakalah with financial institutions	1,531,865	1,459,776
	3,018,384	2,629,462

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

SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED 31 March 2014 (Un- audited)
(Currency: Thousands of U.A.E. Dirhams)

	ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE BANK					
	Share capital	Legal reserves	Statutory reserves	Fair value reserve	Retained earnings	Total shareholders' equity
As at 1 January 2013	2,425,500	1,328,226	89,008	(34,470)	635,634	4,443,898
Total comprehensive income for the period						
Profit for the period	-	-	-	-	84,808	84,808
Other comprehensive income						
Net change in fair value reserve	-	-	-	(11,066)	-	(11,066)
Total comprehensive income for the period	-	-	-	(11,066)	84,808	73,742
Transactions with owners recorded directly in equity						
Dividends paid	-	-	-	-	(145,530)	(145,530)
Board of directors' fees - paid	-	-	-	-	(2,400)	(2,400)
Total transactions with owners	-	-	-	-	(147,930)	(147,930)
As at 31 March 2013	2,425,500	1,328,226	89,008	(45,536)	572,512	4,369,710
As at 1 January 2014	2,425,500	1,330,233	89,008	(42,693)	733,859	4,535,907
Total comprehensive income for the period						
Profit for the period	-	-	-	-	110,029	110,029
Other comprehensive income						
Net change in fair value reserve	-	-	-	(4,449)	-	(4,449)
Total comprehensive income for the period	-	-	-	(4,449)	110,029	105,580
Transactions with owners recorded directly in equity						
Dividends paid	-	-	-	-	(242,550)	(242,550)
Board of directors' fees - paid	-	-	-	-	(3,500)	(3,500)
Total transactions with owners	-	-	-	-	(246,050)	(246,050)
As at 31 March 2014	2,425,500	1,330,233	89,008	(47,142)	597,838	4,395,437

In accordance with the Ministry of Economy & Commerce interpretation of Article 118 of Commercial Companies Law No. 8 of 1984, Directors' remuneration has been treated as an appropriation from equity.

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

SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014 (Un-audited)

(Currency: Thousands of U.A.E. Dirhams)

1. Legal status and activities

SHARJAH ISLAMIC BANK (“the Bank”) was incorporated in 1975 as a public joint stock company by Emiri Decree issued by His Highness the Ruler of Sharjah, United Arab Emirates and is listed on the Abu Dhabi Securities Exchange. The Bank is engaged in banking, financing and investing activities in accordance with its articles of incorporation, Islamic Shari’a principles and regulations of the UAE Central Bank, which are carried out through its 27 branches (2013: 27 branches) established in United Arab Emirates.

At an extraordinary shareholder’s meeting held on 18 March 2001, a resolution was passed to transform the Bank’s activities to be in full compliance with Islamic Shari’a rules and principles. The entire process was completed on 30 June 2002 (“the transformation date”). As a result the Bank transformed its conventional banking products into Islamic banking products during the six month period ended 30 June 2002 after negotiation and agreement with its customers.

The condensed consolidated interim financial statements of the Bank comprise the Bank and its fully owned subsidiaries incorporated in United Arab Emirates, Sharjah National Hotels (SNH), Sharjah Islamic Financial Services LLC (SIFS), Contact Marketing and ASAS (all together referred to as “the Group”), SNH through its divisions is engaged in operating hotels and resorts, catering and related services, whereas SIFS is involved in conducting intermediation in dealing in local market Shari’a compliant shares. Contact Marketing provides certain support services to the Bank and ASAS is involved in the management of the Bank’s real estate portfolio.

The registered office of the Bank is Post Box No.4, Sharjah, United Arab Emirates.

2. Basis of preparation

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2013. These condensed consolidated interim financial statements do not include all of the information required for a full set of annual consolidated financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2013.

b) Basis of measurement

The condensed consolidated interim financial statements have been prepared on a historical basis except for the following material items in the consolidated statement of financial position:

- financial assets at fair value through profit or loss (FVTPL);
- financial assets at fair value through other comprehensive income (FVTOCI); and
- Investment properties at fair value.

SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014 (Un- audited)

(Currency: Thousands of U.A.E. Dirhams)

2. Basis of preparation (continued)

c) Functional and reporting currency

These condensed consolidated interim financial statements have been prepared in UAE Dirhams (AED), which is the Group's functional currency. All information presented in AED has been rounded to the nearest thousands, except when otherwise stated.

d) Key accounting estimates & judgment

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

In preparing these condensed consolidated interim financial statements, significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2013.

e) Financial risk management

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

3. Summary of significant accounting policies

The accounting policies applied by the Group in preparation of these condensed consolidated interim financial statements are consistent with those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2013 except for the adoption of new IFRSs which became effective as of 1 January 2014.

The adoption of the new and amended standards and interpretations have been reflected in these condensed interim financial statements as appropriate in terms of disclosures but do not have an impact on the financial position or performance of the Group during the period.

SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014 (Un- audited)

(Currency: Thousands of U.A.E. Dirhams)

4. Segment reporting

The Group's activities comprise the following main business segments:

a) Government and corporate

Within this business segment the Bank provides companies, institutions and government and government departments with a range of Islamic financial products and services.

b) Retail

The retail segment provides a wide range of Islamic financial services to individuals.

c) Investment and treasury

This segment mainly includes wakalah deals with other financial institutions, investments of the Bank and other money market activities.

d) Hospitality and brokerage

The Bank through its subsidiaries SNH and SIFS provides hospitality and brokerage services respectively.

SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014 (Un- audited)

(Currency: Thousands of U.A.E. Dirhams)

4. Segment reporting (continued)

	Corporate and government	Retail	Investment and treasury	Hospitality and brokerage	Total
Consolidated statement of income:					
For the three-month period ended 31 March 2014 (un-audited):					
Income from murabaha and leasing	95,060	103,165	13,715	-	211,940
Profit paid on sukuk	-	-	(31,641)	-	(31,641)
Investments, fees and other income	18,260	11,376	35,821	-	65,457
Income for subsidiaries	-	-	-	13,734	13,734
Unallocated income	-	-	-	-	2,525
Total income	113,320	114,541	17,895	13,734	262,015
General and administrative expenses	-	-	-	(9,060)	(9,060)
General and administrative expenses - unallocated	-	-	-	-	(91,417)
Net operating income	113,320	114,541	17,895	4,674	161,538
Provisions- net of recoveries	(13,483)	7,300	(19,376)	3,535	(22,024)
Profit before distribution to depositors	99,837	121,841	(1,481)	8,209	139,514
Distribution to depositors	(14,220)	(9,482)	(308)	-	(24,010)
Distribution to depositors -unallocated	-	-	-	-	(5,475)
Profit for the year	85,617	112,359	(1,789)	8,209	110,029
Consolidated statement of financial position:					
As at 31 March 2014(un-audited):					
Assets					
Segment assets	8,653,415	4,889,023	6,888,827	696,976	21,128,241
Unallocated assets	-	-	-	-	994,929
Total assets	8,653,415	4,889,023	6,888,827	696,976	22,123,170
Liabilities					
Segment liabilities	7,030,636	5,525,427	4,475,779	3,275	17,035,117
Unallocated liabilities	-	-	-	-	692,616
Total liabilities	7,030,636	5,525,427	4,475,779	3,275	17,727,733

SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014 (Un- audited)

(Currency: Thousands of U.A.E. Dirhams)

4. Segment reporting (continued)

	Corporate and Government	Retail	Investment and treasury	Hospitality and brokerage	Total
Condensed consolidated interim statement of income for the nine-month period ended 31 March 2013 (un-audited)					
Income from murabaha and leasing	105,554	62,385	8,497	-	176,436
Profit paid on sukuk	-	-	(17,671)	-	(17,671)
Fees, commission and other income	10,012	9,630	5,494	-	25,136
Income from subsidiaries	-	-	-	7,630	7,630
Unallocated income	-	-	-	-	23,457
Total income	115,566	72,015	(3,680)	7,630	214,988
General and administrative expenses	-	-	-	(4,128)	(4,128)
General and administrative expenses - unallocated	-	-	-	-	(79,192)
Net operating income	115,566	72,015	(3,680)	3,502	131,668
Provisions - net of recoveries	508	(22,485)	10,932	1,021	(9,952)
Net profit before distribution to depositors	116,146	49,530	7,252	4,523	121,716
Distribution to depositors	(24,349)	(12,517)	(42)	-	(36,908)
Net profit for the period	91,797	37,013	7,210	4,523	84,808

**Condensed consolidated interim statement of
financial position
As at 31 December 2013 (audited)**

Assets					
Segment assets	7,959,594	4,681,058	7,595,136	705,016	20,940,804
Unallocated assets	-	-	-	-	791,097
Total assets	7,959,594	4,681,058	7,595,136	705,016	21,731,901
Liabilities					
Segment liabilities	6,571,526	5,546,898	4,602,321	19,764	16,740,509
Unallocated liabilities	-	-	-	-	455,485
Total liabilities	6,571,526	5,546,898	4,602,321	19,764	17,195,994

SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014 (Un- audited)

(Currency: Thousands of U.A.E. Dirhams)

5. Related parties

The Bank has transactions in the ordinary course of business with directors, staff of the Bank and entities of which they are principal owners. At the reporting date, such significant balances include:

	31 March 2014 <u>Un-audited</u>	31 December 2013 <u>Audited</u>
Condensed consolidated interim statement of financial position		
Government of Sharjah receivables	2,186,702	1,718,247
Government departments and authorities receivables	2,799,520	2,836,138
Other financing receivables and investing activities	982,922	915,239
Government of Sharjah deposits	94,454	31,759
Government department and authorities deposits	1,631,534	1,566,573
Other deposits	147,725	269,728
Contingent liabilities	205,057	173,264
	31 March 2014 <u>Un-audited</u>	31 March 2013 <u>Un-audited</u>
Condensed consolidated interim statement of income		
Income from financing and investing activities	79,148	72,187
Depositors' share of profit	(3,582)	(4,793)

Key management compensation includes salaries and other short term benefits of AED 4.4 million for the period ended 31 March 2014 (31 March 2013 AED 3.9 million) and post employment benefits of AED 3.1 million for the period ended 31 March 2014 (31 March 2013: AED 0.3 million).

6. Fair Value Measurement*6.1 Fair value hierarchy*

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level 1	Level 2	Level 3	Total
At 31 March 2014 (Un-audited)				
Financial assets				
FVTPL – investment securities	62,464	-	13,257	75,721
FVTOCI – investment securities	186,807	-	149,400	336,207
	<u>249,271</u>	<u>-</u>	<u>162,657</u>	<u>411,928</u>
Non financial assets				
Investment properties at fair value	<u>-</u>	<u>-</u>	<u>339,995</u>	<u>339,995</u>

SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014 (Un- audited)

(Currency: Thousands of U.A.E. Dirhams)

6. Fair Value Hierarchy (continued)

6.1 Fair value hierarchy (continued)

	Level 1	Level 2	Level 3	Total
At 31 December 2013 (Audited)				
Financial assets				
FVTPL – investment securities	137,589	-	52,754	190,343
FVTOCI – investment securities	187,242	-	153,413	340,655
	<u>324,831</u>	<u>-</u>	<u>206,167</u>	<u>530,998</u>
Non financial assets				
Investment properties at fair value	-	-	339,352	339,352

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the hierarchy for investment securities and investment properties:

	31 March 2014		31 December 2013	
	FVTPL	FVTOCI	FVTPL	FVTOCI
Balance as at 1 January	52,754	153,413	53,117	171,876
Profit and loss :	17,128	(4,013)	(363)	(10,625)
Disposals	(56,625)	-	-	(7,838)
Closing balance	<u>13,257</u>	<u>149,400</u>	<u>52,754</u>	<u>153,413</u>

Non financial assets

	31 March 2014	31 December 2013
Balance as at 1 January	339,352	223,288
Revaluation	-	62,140
Additions	643	30,044
Closing balance	<u>339,995</u>	<u>339,352</u>

The valuation techniques and the inputs used in determining the fair values of level 3 assets is consistent with those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2013.

6.2 Fair values of financial assets and liabilities carried at amortised cost

Management believes that the fair values of financial assets and liabilities measured at amortised cost in the condensed consolidated interim statement of financial position are not significantly different from their carrying values in these condensed consolidated interim financial statements.

SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014 (Un-audited)

(Currency: Thousands of U.A.E. Dirhams)

7. Properties held-for-sale

These are properties which have been acquired for the purpose of sale after re-development and are stated at the lower of cost or net realisable value.

8. Geographical distribution

	31 March 2014 <u>Un-audited</u>	31 December 2013 <u>Audited</u>
a) Investment securities by geographical distribution		
Financial assets at fair value through profit or loss		
- Domestic	79,260	89,054
- International	44,724	101,289
	<u>123,984</u>	<u>190,343</u>
Financial assets at fair value through other comprehensive income		
- Domestic	186,807	187,242
- International	149,400	153,413
	<u>336,207</u>	<u>340,655</u>
Financial assets measured at amortised cost		
- Domestic	420,909	358,937
- International	217,365	353,714
	<u>638,274</u>	<u>712,651</u>
Total investment securities	<u>1,098,465</u>	<u>1,243,649</u>
b) Investment properties by geographical distribution		
- Domestic	333,793	333,150
- International	6,202	6,202
Total investment properties	<u>339,995</u>	<u>339,352</u>
c) Properties held-for-sale (domestic)	<u>1,122,677</u>	<u>1,120,268</u>
9. Interim measurement		

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

SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014 (Un- audited)

(Currency: Thousands of U.A.E. Dirhams)

10. Dividends

During the annual general meeting of the shareholder's held on 11 March 2014 the shareholder's approved a dividend of AED 242.5 million (2013: AED 145.5 million).

11. Comparatives

Certain prior year/period comparatives have been reclassified to conform to the current period's presentation.