
SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS
(UN – AUDITED)
31 MARCH 2015

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 2015.

Financial Highlights

The Group has reported a profit of AED 106.9 million for the three-month period ended 31 March 2015 compared to AED 110.0 million for the corresponding prior year period, a decrease of 2.9%.

Compared to December 2014, total assets increased by AED 1.4 billion to reach AED 27.4 billion, an increase of 5.3 %, financing receivables and ijarah receivable increased by 10.5% (AED 1.5 billion) to reach AED 16.0 billion and customer deposits experienced a growth of 4.4% (AED 647.9 million) to reach AED 15.2 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
19 April 2015



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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 condensed consolidated interim financial information of Sharjah Islamic Bank ("the Bank") and its subsidiaries (collectively referred as the "Group"), which comprises:

- the condensed consolidated interim statement of financial position as at 31 March 2015;
- the condensed consolidated interim statement of profit or loss for the three-month period ended 31 March 2015;
- the condensed consolidated interim statement of comprehensive income for the three-month period ended 31 March 2015;
- the condensed consolidated interim statement of changes in equity for the three-month period ended 31 March 2015;
- the condensed consolidated interim statement of cash flows for the three-month period ended 31 March 2015; and
- notes to the condensed consolidated interim financial statements

Management is responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this 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 interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Lower Gulf Limited
Muhammad Tariq
Registration No: 793

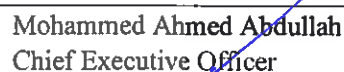
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SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2015
(Currency: Thousands of U.A.E Dirhams)

	31 March 2015 Un-audited	31 December 2014 Audited
Assets		
Cash and balances with banks and financial institutions	2,364,025	3,067,083
International murabaha and wakalah with financial institutions	3,316,875	3,214,863
Financing receivables	5,371,333	5,471,701
Ijarah receivables	10,623,182	9,002,953
Investment securities	2,017,904	1,581,167
Investment properties	446,219	445,490
Properties held-for-sale	1,507,849	1,430,465
Other assets	793,909	851,542
Property and equipment	950,000	947,624
Total assets	27,391,296	26,012,888
Liabilities		
Customers deposits	15,239,832	14,591,968
Due to banks	1,272,546	2,455,664
Sukuks payable	5,133,636	3,298,733
Other liabilities	1,171,116	956,453
Zakat payable	114,574	121,678
Total liabilities	22,931,704	21,424,496
Shareholders' equity		
Share capital	2,425,500	2,425,500
Legal reserve	1,330,626	1,330,626
Statutory reserve	89,008	89,008
Fair value reserve	(57,060)	(68,698)
Retained earnings	671,518	811,956
Total shareholders' equity	4,459,592	4,588,392
Total liabilities and shareholders' equity	27,391,296	26,012,888

These condensed consolidated interim financial statements were authorised for issue in accordance with a resolution of the Directors on 19 April 2015.


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 PROFIT OR LOSS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2015 (Un- audited)
(Currency: Thousands of U.A.E. Dirhams)

	Three month period ended 31 March 2015	Three month period ended 31 March 2014
Income from murabaha and leasing	196,827	211,940
Profit payable on sukuks	(33,700)	(31,641)
Fees, commission and other income	76,364	67,982
Income from subsidiaries	9,344	13,734
Total income	248,835	262,015
General and administrative expenses	(107,356)	(100,477)
Net operating income	141,479	161,538
Provisions - net of recoveries	(4,218)	(22,024)
Profit before distribution to depositors	137,261	139,514
Distribution to depositors	(30,364)	(29,485)
Profit for the period	106,897	110,029
(Attributable to the shareholders of the Bank)		
Earnings per share (U.A.E. Dirhams)	0.04	0.05

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 2015 (Un- audited)
(Currency: Thousands of U.A.E. Dirhams)

	Three month period ended 31 March 2015 Un-audited	Three month period ended 31 March 2014 Un-audited
Profit for the period	106,897	110,029
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net changes in fair value reserve	10,353	(4,449)
Total comprehensive income for the period	117,250	105,580

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 2015 (Un- audited)
(Currency: Thousands of U.A.E. Dirhams)

	Three month period ended 31 March 2015 Un-audited	Three month period ended 31 March 2014 Un-audited
Cash flows from operating activities		
Profit for the period	106,897	110,029
Adjustments for:		
- Depreciation	8,280	7,821
- Amortisation of sukuk issuance costs	808	761
- Provision on financing and Ijarah receivable	2,614	11,811
- Provision for impairment on investment securities	-	13,882
Operating profit before changes in operating assets and liabilities	118,599	144,304
Changes in:		
- Reserve with Central Bank	(49,273)	(112,992)
- International murabaha and wakalah with financial institutions	4,757	120,515
- Financing receivables and Ijarah receivable	(1,522,475)	(815,062)
- Other assets, net	57,633	(275,441)
- Customers' deposits	647,864	355,811
- Due to banks	(1,183,118)	(127,305)
- Zakat payable	(7,104)	(10,798)
- Other liabilities	211,163	309,770
Net cash flows used in operating activities	(1,721,954)	(411,198)
Cash flows from investing activities		
Properties and equipment - net	(10,656)	(18,630)
Change in investment properties	(729)	(643)
Change in properties held-for-sale	(77,384)	(2,409)
Investment securities	(426,384)	126,853
Net cash flows (used in) / from investing activities	(515,153)	105,171
Cash flows from financing activities:		
Proceeds from issuance of Sukuk	1,834,095	-
Cash dividend	(242,550)	(242,550)
Net cash from / (used in) financing activities	1,591,545	(242,550)
Net decrease in cash and cash equivalents	(645,562)	(548,577)
Cash and cash equivalents at the beginning of the period	4,710,912	3,566,961
Cash and cash equivalents at the end of the period	4,065,350	3,018,384
Cash and cash equivalents comprise of:		
Cash and balances with banks and financial institutions	1,232,227	1,486,519
International murabaha and wakalah with financial institutions	2,833,123	1,531,865
	4,065,350	3,018,384

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 2015 (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 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
As at 1 January 2015	2,425,500	1,330,626	89,008	(68,698)	811,956	4,588,392
Total comprehensive income for the period						
Profit for the period	-	-	-	-	106,897	106,897
Other comprehensive income						
Net change in fair value reserve	-	-	-	10,353	-	10,353
Total comprehensive income for the period	-	-	-	10,353	106,897	117,250
Transactions with owners recorded directly in equity						
Fair value adjustment	-	-	-	1,285	(1,285)	-
Dividends paid	-	-	-	-	(242,550)	(242,550)
Board of directors' fees - paid	-	-	-	-	(3,500)	(3,500)
Total transactions with owners	-	-	-	1,285	(247,335)	(246,050)
As at 31 March 2015	2,425,500	1,330,626	89,008	(57,060)	671,518	4,459,592

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 2015 (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 31 branches (2014: 30 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 2014. 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 2014.

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 2015 (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 2014.

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 2014.

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 2014 except for the adoption of new IFRSs which became effective as of 1 January 2015.

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 2015 (Un-audited)

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

4. Sukuks payable

Name of issuer	Maturity date	31 March 2015 (Un-audited)		31 December 2014 (Audited)	
		Carrying value	Profit rate	Carrying value	Profit rate
SIB Sukuk Company II Limited	25 May 2016	1,467,580	4.715%	1,467,227	4.715%
SIB Sukuk Company III Limited	16 April 2018	1,831,918	2.950%	1,831,506	2.950%
SIB Sukuk 2020	17 March 2020	1,834,138	2.843%	-	-
Total		<u>5,133,636</u>		<u>3,298,733</u>	

On 17 March 2015, the Bank through a shari'a compliant Sukuk Financing arrangement raised medium term finance amounting to AED 1.83 billion (US\$ 500 million). The sukuk is listed in Irish Stock Exchange and NASDAQ Dubai.

The terms of the arrangement includes the transfer of certain leased assets of the Bank on a co-ownership basis to the issuer. The assets are under control of the Bank and shall be continued to be serviced by the Bank.

The Issuer will pay the quarterly distribution amount from the returns received in respect of the leased assets. Such proceeds are expected to be sufficient to cover the quarterly distribution amount payable to Sukuk holders on each quarterly distribution date. Upon expiry of this Sukuk the Bank has undertaken to repurchase the assets at the exercise price of US\$ 500 million.

5. 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 2015 (Un- audited)
(Currency: Thousands of U.A.E. Dirhams)

5. Segment reporting (continued)

	Corporate and government	Retail	Investment and treasury	Hospitality and brokerage	Total
Consolidated statement of profit or loss:					
For the three-month period ended 31 March 2015 (un-audited):					
Income from murabaha and leasing	90,644	87,614	18,569	-	196,827
Profit paid on sukuk	-	-	(33,700)	-	(33,700)
Investments, fees and other income	22,805	18,871	35,057	-	76,733
Income for subsidiaries	-	-	-	9,344	9,344
Unallocated income	-	-	-	-	(369)
Total income	113,449	106,485	19,926	9,344	248,835
General and administrative expenses	-	-	-	(7,973)	(7,973)
General and administrative expenses - unallocated	-	-	-	-	(99,383)
Net operating income	113,449	106,485	19,926	1,371	141,479
Provisions- net of recoveries	891	(3,585)	86	(1,610)	(4,218)
Profit before distribution to depositors	114,340	102,900	20,012	(239)	137,261
Distribution to depositors	(19,487)	(10,364)	(513)	-	(30,364)
Profit for the period	94,853	92,536	19,499	(239)	106,897
Consolidated statement of financial position:					
As at 31 March 2015 (un-audited):					
Assets					
Segment assets	10,289,129	6,137,996	9,240,095	696,373	26,363,593
Unallocated assets	-	-	-	-	1,027,703
Total assets	10,289,129	6,137,996	9,240,095	696,373	27,391,296
Liabilities					
Segment liabilities	9,338,675	6,430,002	6,406,182	5,150	22,180,009
Unallocated liabilities	-	-	-	-	751,695
Total liabilities	9,338,675	6,430,002	6,406,182	5,150	22,931,704

SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2015 (Un- audited)
(Currency: Thousands of U.A.E. Dirhams)

5. Segment reporting (continued)

	Corporate and government	Retail	Investment and treasury	Hospitality and brokerage	Total
Consolidated statement of profit or loss:					
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	(17,463)	(11,644)	(378)	-	(29,485)
Profit for the period	82,374	110,197	(1,859)	8,209	110,029
Consolidated statement of financial position:					
As at 31 December 2014 (audited):					
Assets					
Segment assets	9,120,615	5,889,897	9,365,332	682,097	25,057,941
Unallocated assets	-	-	-	-	954,947
Total assets	9,120,615	5,889,897	9,365,332	682,097	26,012,888
Liabilities					
Segment liabilities	9,048,192	5,956,929	5,741,743	72,738	20,819,602
Unallocated liabilities	-	-	-	-	604,894
Total liabilities	9,048,192	5,956,929	5,741,743	72,738	21,424,496

SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2015 (Un-audited)
(Currency: Thousands of U.A.E. Dirhams)

6. 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 2015 Un-audited	31 December 2014 Audited
Condensed consolidated interim statement of financial position		
Government of Sharjah receivables	1,877,000	1,600,000
Government departments and authorities receivables	3,834,420	2,823,497
Other financing receivables and investing activities	919,507	820,578
Government of Sharjah deposits	277,948	193,371
Government department and authorities deposits	1,596,296	1,521,903
Other deposits	327,544	471,656
Contingent liabilities	229,006	211,527
	31 March 2015 Un-audited	31 March 2014 Un-audited
Condensed consolidated interim statement of profit or loss		
Income from financing and investing activities	63,040	79,148
Depositors' share of profit	(2,788)	(3,582)

Key management compensation includes salaries and other short term benefits of AED 4.7 million for the period ended 31 March 2015 (31 March 2014 AED 4.4 million) and post-employment benefits of AED 1.3 million for the period ended 31 March 2015 (31 March 2014: AED 3.1 million).

7. Fair Value Measurement

7.1 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 2015 (Un-audited)				
Financial assets				
FVTPL – investment securities	82,628	-	1,848	84,476
FVTOCI – investment securities	665,775	-	109,876	775,651
	748,403	-	111,724	860,127
Non-financial assets				
Investment properties at fair value	-	-	446,219	446,219

SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2015 (Un- audited)
(Currency: Thousands of U.A.E. Dirhams)

7. Fair Value Hierarchy (continued)

7.1 Fair value hierarchy (continued)

	Level 1	Level 2	Level 3	Total
At 31 December 2014 (Audited)				
Financial assets				
FVTPL – investment securities	87,830	-	2,364	90,194
FVTOCI – investment securities	289,433	-	112,220	401,653
	<u>377,263</u>	<u>-</u>	<u>114,584</u>	<u>491,847</u>
Non-financial assets				
Investment properties at fair value	<u>-</u>	<u>-</u>	<u>445,490</u>	<u>445,490</u>

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 2015		31 December 2014	
	FVTPL	FVTOCI	FVTPL	FVTOCI
Balance as at 1 January	2,364	111,713	52,754	153,413
Profit and loss for the period/year :	(516)	217	(663)	(700)
Disposals	-	(2,054)	(49,727)	(40,493)
Closing balance	<u>1,848</u>	<u>109,876</u>	<u>2,364</u>	<u>112,220</u>
Non-financial assets				
			31 March 2015	31 December 2014
Balance as at 1 January			445,490	339,352
Revaluation			-	17,224
Additions			729	88,914
Closing balance			<u>446,219</u>	<u>445,490</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 2014.

7.2 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 2015 (Un- audited)
(Currency: Thousands of U.A.E. Dirhams)

8. 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.

9. Geographical distribution

	31 March 2015 <u>Un-audited</u>	31 December 2014 <u>Audited</u>
a) Investment securities by geographical distribution		
Financial assets at fair value through profit or loss		
- Domestic	51,898	56,535
- International	32,578	33,659
	<u>84,476</u>	<u>90,194</u>
Financial assets at fair value through other comprehensive income		
- Domestic	665,775	111,713
- International	109,876	289,940
	<u>775,651</u>	<u>401,653</u>
Financial assets measured at amortised cost		
- Domestic	854,959	767,617
- International	302,818	321,703
	<u>1,157,777</u>	<u>1,089,320</u>
Total investment securities	<u>2,017,904</u>	<u>1,581,167</u>
b) Investment properties by geographical distribution		
- Domestic	440,017	439,288
- International	6,202	6,202
Total investment properties	<u>446,219</u>	<u>445,490</u>
c) Properties held-for-sale (domestic)	<u>1,507,849</u>	<u>1,430,465</u>

10. 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
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FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2015 (Un- audited)
(Currency: Thousands of U.A.E. Dirhams)

11. Dividends

During the annual general meeting of the shareholder's held on 28 February 2015 the shareholder's approved a dividend of AED 242.5 million for the year ended 31 December 2014 (2014: AED 242.5 million on meeting held on 11 March 2014 for the year ended 2013).

12. Contingencies and commitments

Following are the contingencies and commitments:

	31 March 2015	31 December 2014
	<u>Un-audited</u>	<u>Audited</u>
Letter of credit	286,566	261,866
Letter of Guarantee	1,542,960	1,371,074

13. Comparatives

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