
SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS
(UN – AUDITED)
31 MARCH 2016

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 2016.

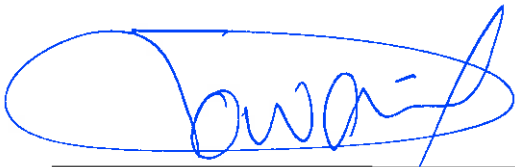
Financial Highlights

The Group has reported a profit of AED 131.4 million for the three-month period ended 31 March 2016 compared to AED 106.9 million for the corresponding prior year period, an increase of 22.9%.

Compared to December 2015, total assets increased by AED 275.6 million to reach AED 30.2 billion, an increase of 0.9%, financing receivables and ijarah receivable increased by 1.4% (AED 224.1 million) to reach AED 16.6 billion and customer deposits experienced a growth of 0.9 % (AED 160.7 million) to reach AED 17.1 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 2016



KPMG Lower Gulf Limited
P.O.Box 28653
2002, Al Batha Tower
Buhaira Corniche
Sharjah
United Arab Emirates

Telephone +971 (6) 5170 700
Telefax +971 (6) 5723 773
Website www.ae-kpmg.com

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 to as the "Group"), which comprises:

- the condensed consolidated interim statement of financial position as at 31 March 2016;
- the condensed consolidated interim statement of profit or loss for the three-month period ended 31 March 2016;
- the condensed consolidated interim statement of comprehensive income for the three-month period ended 31 March 2016;
- the condensed consolidated interim statement of changes in equity for the three-month period ended 31 March 2016;
- the condensed consolidated interim statement of cash flows for the three-month period ended 31 March 2016; 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
Date: **14 APR 2016**

SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016
(Currency: Thousands of U.A.E Dirhams)

	31 March 2016	31 December 2015
	Un-audited	Audited
Assets		
Cash and balances with banks and financial institutions	2,110,252	2,602,045
International murabaha and wakalah with financial institutions	4,609,011	4,315,697
Financing receivables	5,622,580	5,735,334
Ijarah receivables	10,950,727	10,613,873
Investment securities	2,811,332	2,364,160
Investment properties	1,867,786	1,811,784
Properties held-for-sale	564,046	652,965
Other assets	683,251	845,947
Property and equipment	939,323	940,888
Total assets	30,158,308	29,882,693
Liabilities		
Customers deposits	17,113,763	16,953,018
Due to banks	2,245,147	2,046,372
Sukuk payable	5,134,877	5,133,860
Other liabilities	990,806	966,695
Zakat payable	65,829	78,347
Total liabilities	25,550,422	25,178,292
Shareholders' equity		
Share capital	2,425,500	2,425,500
Legal reserve	1,330,626	1,330,626
General regulatory reserve (note 4)	140,000	-
Statutory reserve	89,008	89,008
Fair value reserve	(12,006)	(31,867)
Retained earnings	634,758	891,134
Total shareholders' equity	4,607,886	4,704,401
Total liabilities and shareholders' equity	30,158,308	29,882,693

These condensed consolidated interim financial statements were authorised for issue in accordance with a resolution of the Directors on 14 April 2016.

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 2016 (Un- audited)
(Currency: Thousands of U.A.E. Dirhams)

	Three month period ended 31 March 2016 Un-audited	Three month period ended 31 March 2015 Un-audited
Income from murabaha and leasing	212,748	196,827
Profit payable on sukuku	(44,965)	(33,700)
Investment, fees, commission and other income	154,727	76,364
Income from subsidiaries	9,544	9,344
Total income	332,054	248,835
General and administrative expenses	(112,828)	(107,356)
Net operating income	219,226	141,479
Provisions - net of recoveries	(43,788)	(4,218)
Profit before distribution to depositors	175,438	137,261
Distribution to depositors	(44,014)	(30,364)
Profit for the period	131,424	106,897
(Attributable to the shareholders of the Bank)		
Earnings per share (U.A.E. Dirhams)	0.05	0.04

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 2016 (Un- audited)
(Currency: Thousands of U.A.E. Dirhams)

	Three month period ended 31 March 2016 Un-audited	Three month period ended 31 March 2015 Un-audited
Profit for the period	131,424	106,897
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net changes in fair value reserve	19,861	10,353
Total comprehensive income for the period	151,285	117,250

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 2016 (Un- audited)
(Currency: Thousands of U.A.E. Dirhams)

	Three month period ended 31 March 2016 Un-audited	Three month period ended 31 March 2015 Un-audited
Cash flows from operating activities		
Profit for the period	131,424	106,897
Adjustments for:		
- Depreciation	8,310	8,280
- Amortisation of sukuk issuance costs	1,017	808
- Provision on financing and Ijarah receivable	38,154	2,614
- Provision for impairment on investment securities	6,402	-
Operating profit before changes in operating assets and liabilities	185,307	118,599
Changes in:		
- Reserve with Central Bank	(51,233)	(49,273)
- International murabaha and wakalah with financial institutions	(76,161)	4,757
- Financing receivables and Ijarah receivable	(262,254)	(1,522,475)
- Other assets, net	162,696	57,633
- Customers' deposits	160,745	647,864
- Due to banks	198,775	(1,183,118)
- Zakat payable	(12,518)	(7,104)
- Other liabilities	18,862	211,163
Net cash flows from / (used in) operating activities	324,219	(1,721,954)
Cash flows from investing activities		
Properties and equipment – net	(6,746)	(10,656)
Change in investment properties	(56,002)	(729)
Change in properties held-for-sale	88,919	(77,384)
Investment securities	(433,713)	(426,384)
Net cash flows used in investing activities	(407,542)	(515,153)
Cash flows from financing activities:		
Proceeds from issuance of Sukuk	-	1,834,095
Cash dividend	(242,550)	(242,550)
Net cash (used in) / from financing activities	(242,550)	1,591,545
Net decrease in cash and cash equivalents	(325,873)	(645,562)
Cash and cash equivalents at the beginning of the period	4,299,039	4,710,912
Cash and cash equivalents at the end of the period	3,973,166	4,065,350
Cash and cash equivalents comprise of:		
Cash and balances with banks and financial institutions	750,649	1,232,227
International murabaha and wakalah with financial institutions	3,222,517	2,833,123
	3,973,166	4,065,350

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 2016 (Un- audited)
(Currency: Thousands of U.A.E. Dirhams)

	ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE BANK						
	Share capital	Legal reserves	General regulatory reserve	Statutory reserves	Fair value reserve	Retained earnings	Total shareholders' equity
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
As at 1 January 2016	2,425,500	1,330,626	-	89,008	(31,867)	891,134	4,704,401
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	131,424	131,424
Other comprehensive income							
Net change in fair value reserve	-	-	-	-	19,861	-	19,861
Total comprehensive income for the period	-	-	-	-	19,861	131,424	151,285
Transactions with owners recorded directly in equity							
Dividends paid	-	-	-	-	-	(242,550)	(242,550)
Transfer to general regulatory reserve (Note 4)	-	-	140,000	-	-	(140,000)	-
Board of directors' fees - paid	-	-	-	-	-	(5,250)	(5,250)
Total transactions with owners	-	-	140,000	-	-	(387,800)	(247,800)
As at 31 March 2016	2,425,500	1,330,626	140,000	89,008	(12,006)	634,758	4,607,886

The accompanying notes form an integral part of this condensed consolidated interim financial statement

SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016 (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 (2015: 31 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 three-month period ended 30 September 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 2015. 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 2015.

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 2016 (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 2015.

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 2015.

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 2015 except for the adoption of new IFRSs which became effective for the period beginning 1 January 2016.

The adoption of the new and amended standards and interpretations have been reflected in these condensed consolidated 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.

4. General regulatory reserve

The Bank has created a non-distributable credit risk special reserve as "general regulatory reserve". The reserve is maintained at least at 1.5% of the credit risk weighted assets, excluding credit risk weighted assets on financing receivables, at the end of each reporting period in accordance with the guidelines of UAE Central Bank.

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. This includes exposure to high net worth individuals.

SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016 (Un- audited)
(Currency: Thousands of U.A.E. Dirhams)

5. Segment reporting (continued)

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, investment properties and other money market activities.

d) Hospitality and brokerage

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

Consolidated statement of profit or loss: For the three-month period ended 31 March 2016 (un-audited)	Corporate and Government	Retail	Investment and treasury	Hospitality and brokerage	Total
Income from murabaha and leasing	136,674	52,398	23,676	-	212,748
Profit expense on sukuk	-	-	(44,965)	-	(44,965)
Investment, fees, commission and other income *	20,816	16,173	114,188	-	151,177
Income for subsidiaries	-	-	-	9,544	9,544
Unallocated income	-	-	-	-	3,550
Total income	157,490	68,571	92,899	9,544	332,054
General and administrative expenses	-	-	-	(7,285)	(7,285)
General and administrative expenses- unallocated	-	-	-	-	(105,543)
Net operating income	157,490	68,571	92,899	2,259	219,226
Provisions - net of recoveries	(27,258)	(10,896)	(6,402)	768	(43,788)
Profit before distribution to depositors	130,232	57,675	86,497	3,027	175,438
Distribution to depositors	(30,693)	(12,079)	(1,242)	-	(44,014)
Profit for the period	99,539	45,596	85,255	3,027	131,424

**Consolidated statement of financial position:
As at 31 March 2016 (un-audited)**

Assets					
Segment assets	13,827,006	2,968,499	11,876,054	656,154	29,327,713
Unallocated assets	-	-	-	-	830,595
Total assets	13,827,006	2,968,499	11,876,054	656,154	30,158,308
Liabilities					
Segment liabilities	9,851,711	7,391,559	7,380,024	49,864	24,673,158
Unallocated liabilities	-	-	-	-	877,264
Total liabilities	9,851,711	7,391,559	7,380,024	49,864	25,550,422

* Investment and treasury includes income of AED 72 million (31 March 2015: AED 0.8 million) from sale of certain units of property held for sale.

SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016 (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:					
Income from murabaha and leasing	139,756	38,502	18,569	-	196,827
Profit paid on sukuk	-	-	(33,700)	-	(33,700)
Investment, fees, commission and other income	22,805	18,871	35,057	-	76,733
Income for subsidiaries	-	-	-	9,344	9,344
Unallocated income	-	-	-	-	(369)
Total income	162,561	57,373	19,926	9,344	248,835
General and administrative expenses	-	-	-	(7,973)	(7,973)
General and administrative expenses – unallocated	-	-	-	-	(99,383)
Net operating income	162,561	57,373	19,926	1,371	141,479
Provisions- net of recoveries	885	(3,579)	86	(1,610)	(4,218)
Profit before distribution to depositors	163,446	53,794	20,012	(239)	137,261
Distribution to depositors	(19,487)	(10,364)	(513)	-	(30,364)
Profit for the period	143,959	43,430	19,499	(239)	106,897
Consolidated statement of financial position:					
As at 31 December 2015 :					
Assets					
Segment assets	13,913,952	2,660,045	11,654,033	669,085	28,897,115
Unallocated assets	-	-	-	-	985,578
Total assets	13,913,952	2,660,045	11,654,033	669,085	29,882,693
Liabilities					
Segment liabilities	9,946,154	7,222,566	7,180,232	65,856	24,414,808
Unallocated liabilities	-	-	-	-	763,484
Total liabilities	9,946,154	7,222,566	7,180,232	65,856	25,178,292

SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016 (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 2016 Un-audited	31 December 2015 Audited
Condensed consolidated interim statement of financial position		
Government of Sharjah receivables	2,377,000	2,377,000
Government departments and authorities receivables	2,658,738	2,910,215
Other financing receivables and investing activities	735,633	821,097
Government of Sharjah deposits	353,796	51,849
Government department and authorities deposits	2,371,040	2,007,947
Other deposits	471,559	562,141
Contingent liabilities	165,200	154,851
	31 March 2016 Un-audited	31 March 2015 Un-audited
Condensed consolidated interim statement of profit or loss		
Income from financing and investing activities	58,207	63,040
Depositors' share of profit	(8,186)	(2,788)

Key management compensation includes salaries and other short term benefits of AED 5.4 million for the period ended 31 March 2016 (31 March 2015: AED 4.7 million) and post-employment benefits of AED 0.6 million for the period ended 31 March 2016 (31 March 2015: AED 1.3 million).

7. Fair Value Measurement

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 2016 (Un-audited)				
Financial assets				
FVTPL – investment securities	206,269	-	483	206,752
FVTOCI – investment securities	682,641	-	200,286	882,927
	888,910	-	200,769	1,089,679
Non-financial assets				
Investment properties at fair value	-	-	1,867,786	1,867,786

SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016 (Un- audited)
(Currency: Thousands of U.A.E. Dirhams)

7. Fair Value Measurement (continued)

	Level 1	Level 2	Level 3	Total
At 31 December 2015 (Audited)				
Financial assets				
FVTPL – investment securities	41,284	-	551	41,835
FVTOCI – investment securities	665,433	-	200,155	865,588
	706,717	-	200,706	907,423
Non-financial assets				
Investment properties at fair value	-	-	1,811,784	1,811,784

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 2016		31 December 2015	
	FVTPL	FVTOCI	FVTPL	FVTOCI
Balance as at 1 January	551	200,155	2,364	102,899
Fair value movement	(68)	131	(1,910)	(1,444)
Addition	-	-	97	99,831
Disposals	-	-	-	(1,131)
Closing balance	483	200,286	551	200,155

Non-financial assets

	31 March 2016	31 December 2015
Balance at the beginning of the period	1,811,784	445,490
Additions	56,002	68,432
Transfer from held-for-sale	-	972,739
Transfer to held-for-sale	-	(984)
Disposal	-	(11,838)
Revaluation gain	-	337,945
Balance at the closing of the period	1,867,786	1,811,784

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 2015.

SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016 (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 2016 <u>Un-audited</u>	31 December 2015 <u>Audited</u>
a) Investment securities by geographical distribution		
Financial assets at fair value through profit or loss		
- Domestic	84,674	11,265
- International	122,079	30,570
	<u>206,752</u>	<u>41,835</u>
Financial assets at fair value through other comprehensive income		
- Domestic	773,427	756,227
- International	109,500	109,361
	<u>882,927</u>	<u>865,588</u>
Financial assets measured at amortised cost		
- Domestic	1,024,062	1,026,991
- International	697,591	429,746
	<u>1,721,653</u>	<u>1,456,737</u>
Total investment securities	<u>2,811,332</u>	<u>2,364,160</u>
b) Investment properties (domestic)	<u>1,867,786</u>	<u>1,811,784</u>
c) Properties held-for-sale (domestic)	<u>564,046</u>	<u>652,965</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
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2016 (Un- audited)
(Currency: Thousands of U.A.E. Dirhams)

11. Dividends

During the annual general meeting of the shareholder's held on 27 February 2016 the shareholder's approved a dividend of AED 242.5 million for the year ended 31 December 2015 (2014: AED 242.5 million on meeting held on 28 February 2015 for the year ended 2014).

12. Contingencies and commitments

Following are the contingencies and commitments:

	31 March 2016	31 December 2015
	<u>Un-audited</u>	<u>Audited</u>
Letter of credit	256,556	216,283
Letter of Guarantee	1,495,990	1,408,317

13. Comparatives

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

