
SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS
(UN – AUDITED)
30 JUNE 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 Six-month period ended 30 June 2015.

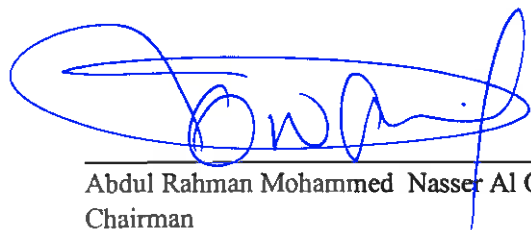
Financial Highlights

The Group has reported a profit of AED 204.6 million for the six-month period ended 30 June 2015 compared to AED 202.1 million for the corresponding prior year period, an increase of 1.2%.

Compared to December 2014, total assets increased by AED 1.8 billion to reach AED 27.8 billion, an increase of 7%, financing receivables and ijarah receivable increased by 10.1% (AED 1.5 billion) to reach AED 15.9 billion and customer deposits experienced a growth of 4.7 % (AED 685 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
14 July 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 to as the "Group"), which comprises:

- the condensed consolidated interim statement of financial position as at 30 June 2015;
- the condensed consolidated interim statement of profit or loss for the three-month and six-month period ended 30 June 2015;
- the condensed consolidated interim statement of comprehensive income for the three-month and six-month period ended 30 June 2015;
- the condensed consolidated interim statement of changes in equity for the six-month period ended 30 June 2015;
- the condensed consolidated interim statement of cash flows for the six-month period ended 30 June 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'.

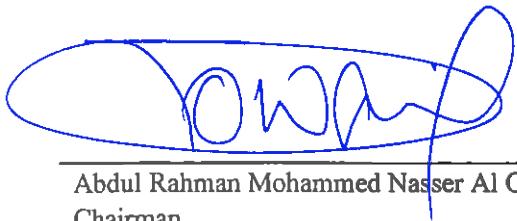
KPMG Lower Gulf Limited
Vijendra Nath Malhotra
Registration No: 48

14 JUL 2015

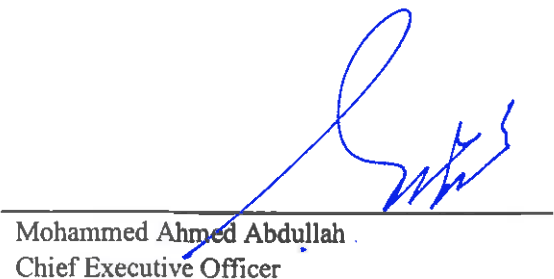
SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015
(Currency: Thousands of U.A.E Dirhams)

	30 June 2015 Un-audited	31 December 2014 Audited
Assets		
Cash and balances with banks and financial institutions	1,521,517	2,267,083
International murabaha and wakalah with financial institutions	4,407,756	4,014,863
Financing receivables	5,674,631	5,471,701
Ijarah receivables	10,261,021	9,002,953
Investment securities	2,246,001	1,581,167
Investment properties	454,121	445,490
Properties held-for-sale	1,568,048	1,430,465
Other assets	751,057	851,542
Property and equipment	948,219	947,624
Total assets	27,832,371	26,012,888
Liabilities		
Customers deposits	15,277,342	14,591,968
Due to banks	1,835,631	2,455,664
Sukuk payable	5,131,998	3,298,733
Other liabilities	940,450	956,453
Zakat payable	71,322	121,678
Total liabilities	23,256,743	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	(11,165)	(68,698)
Retained earnings	741,659	811,956
Total shareholders' equity	4,575,628	4,588,392
Total liabilities and shareholders' equity	27,832,371	26,012,888

These condensed consolidated interim financial statements were authorised for issue in accordance with a resolution of the Directors on 14 July 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 SIX-MONTH PERIOD ENDED 30 JUNE 2015 (Un- audited)
(Currency: Thousands of U.A.E. Dirhams)

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2015	2014	2015	2014
Income from murabaha and leasing	208,183	201,266	405,012	413,206
Profit expense on Sukuks	(44,976)	(31,649)	(78,676)	(63,290)
Fees, commission and other income	82,983	63,170	159,344	131,152
Income from subsidiaries	6,739	11,263	16,083	24,997
Total income	252,929	244,050	501,763	506,065
General and administrative expenses	(107,348)	(100,364)	(214,704)	(200,841)
Net operating income	145,581	143,686	287,059	305,224
Provisions - net of recoveries	(15,350)	(23,915)	(19,567)	(45,939)
Profit before distribution to depositors	130,231	119,771	267,492	259,285
Distribution to depositors	(32,543)	(27,695)	(62,906)	(57,180)
Profit for the period	97,688	92,076	204,586	202,105
(Attributable to the shareholders of the Bank)				
Earnings per share (U.A.E. Dirhams)	0.04	0.04	0.08	0.08

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 SIX-MONTH PERIOD ENDED 30 JUNE 2015 (Un- audited)
(Currency: Thousands of U.A.E. Dirhams)

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2015	2014	2015	2014
Profit for the period	97,688	92,076	204,586	202,105
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Net change in fair value reserve	<u>34,435</u>	<u>(994)</u>	<u>29,986</u>	<u>(5,443)</u>
Total comprehensive income for the period	<u>132,123</u>	<u>91,082</u>	<u>234,572</u>	<u>196,662</u>

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 SIX-MONTH PERIOD ENDED 30 JUNE 2015 (Un- audited)
(Currency: Thousands of U.A.E. Dirhams)

	For the six-month period ended 30 June	
	2015	2014
Cash flows from operating activities:		
Profit for the period	204,586	202,105
Adjustments:		
Depreciation	16,038	15,956
Amortisation of sukuk issuance cost	1,868	1,543
Provisions - net of recoveries	19,567	32,393
Provision for impairment on investment securities	-	13,882
Operating profit before changes in operating assets and liabilities	242,059	265,879
Changes in:		
Reserve with Central Bank	(180,416)	(139,026)
International murabaha and wakalah arrangement with financial institutions	(987,194)	(80,351)
Financing receivables and Ijarah receivable	(1,480,565)	(2,002,444)
Other assets, net	100,485	(207,649)
Customers' deposits	685,374	1,767,123
Due to banks	(620,033)	(306,710)
Zakat payable	(50,356)	(17,349)
Other liabilities	(19,503)	267,547
Net cash flows used in operating activities	(2,310,149)	(443,980)
Cash flows from investing activities:		
Properties and equipment-net	(16,634)	(34,253)
Change in investments properties	(8,631)	(955)
Change in properties held-for-sale	(137,583)	(92,928)
Investments securities	(636,133)	(223,920)
Net cash flows used in investing activities	(798,981)	(352,056)
Cash flows from financing activities:		
Proceeds from issuance of Sukuk	1,831,397	-
Cash dividend	(242,550)	(242,550)
Net cash from /(used in) financing activities	1,588,847	(242,550)
Net decrease in cash and cash equivalents	(1,520,283)	(1,038,586)
Cash and cash equivalents at the beginning of the period	4,710,912	3,566,961
Cash and cash equivalents at the end of period	3,190,629	2,528,375
Cash and cash equivalents comprise of:		
Cash and balances with banks and financial institutions	358,576	1,003,651
International murabaha and wakalah with financial institutions	2,832,053	1,524,724
	3,190,629	2,528,375

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 SIX-MONTH PERIOD ENDED 30 JUNE 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	-	-	-	-	202,105	202,105
Other comprehensive income						
Net change in fair value reserve	-	-	-	(5,443)	-	(5,443)
Total comprehensive income for the period	-	-	-	(5,443)	202,105	196,662
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 30 June 2014	2,425,500	1,330,233	89,008	(48,136)	689,914	4,486,519
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	-	-	-	-	204,586	204,586
Other comprehensive income						
Net change in fair value reserve	-	-	-	29,986	-	29,986
Total comprehensive income for the period	-	-	-	29,986	204,586	234,572
Transactions with owners recorded directly in equity						
Fair value adjustment	-	-	-	27,547	(28,833)	(1,286)
Dividends paid	-	-	-	-	(242,550)	(242,550)
Board of directors' fees - paid	-	-	-	-	(3,500)	(3,500)
Total transactions with owners	-	-	-	27,547	(274,883)	(247,336)
As at 30 June 2015	2,425,500	1,330,626	89,008	(11,165)	741,659	4,575,628

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 SIX-MONTH PERIOD ENDED 30 JUNE 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 SIX-MONTH PERIOD ENDED 30 JUNE 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 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.

SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2015 (Un- audited)
(Currency: Thousands of U.A.E. Dirhams)

4. Sukuks payable

Name of issuer	Maturity date	31 June 2015 (Un-audited)		31 December 2014 (Audited)	
		Carrying value	Profit rate	Carrying value	Profit rate
SIB Sukuk Company II Limited	25 May 2016	1,467,936	4.715%	1,467,227	4.715%
SIB Sukuk Company III Limited	16 April 2018	1,832,261	2.950%	1,831,506	2.950%
SIB Sukuk 2020	17 March 2020	1,831,801	2.843%	-	-
Total		5,131,998		3,298,733	

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 SIX-MONTH PERIOD ENDED 30 JUNE 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 six-month period ended 30 June 2015					
(un-audited):					
Income from murabaha and leasing	186,888	176,414	41,710	-	405,012
Profit paid on sukuk	-	-	(78,676)	-	(78,676)
Investments, fees and other income	42,540	35,735	79,378	-	157,653
Income for subsidiaries	-	-	-	16,083	16,083
Unallocated income	-	-	-	-	1,691
Total income	229,428	212,149	42,412	16,083	501,763
General and administrative expenses	-	-	-	(16,046)	(16,046)
General and administrative expenses – unallocated	-	-	-	-	(198,658)
Net operating income	229,428	212,149	42,412	37	287,059
Provisions- net of recoveries	(11,342)	(9,749)	86	1,438	(19,567)
Profit before distribution to depositors	218,086	202,400	42,498	1,475	267,492
Distribution to depositors	(40,476)	(21,539)	(891)	-	(62,906)
Profit for the period	177,610	180,861	41,607	1,475	204,586
Consolidated statement of financial position:					
As at 30 June 2015(un-audited):					
Assets					
Segment assets	9,793,618	6,408,220	9,754,481	694,183	26,650,502
Unallocated assets	-	-	-	-	1,181,869
Total assets	9,793,618	6,408,220	9,754,481	694,183	27,832,371
Liabilities					
Segment liabilities	8,919,367	6,697,581	6,967,629	1,129	22,585,706
Unallocated liabilities	-	-	-	-	671,037
Total liabilities	8,919,367	6,697,581	6,967,629	1,129	23,256,743

SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 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 six-month period ended 30 June 2014					
(un-audited):					
Income from murabaha and leasing	197,133	187,836	28,237	-	413,206
Profit paid on sukuk	-	-	(63,290)	-	(63,290)
Investments, fees and other income	36,464	23,901	44,964	-	105,329
Income for subsidiaries	-	-	-	24,997	24,997
Unallocated income	-	-	-	-	25,823
Total income	233,597	211,737	9,911	24,997	506,065
General and administrative expenses	-	-	-	(18,525)	(18,525)
General and administrative expenses – unallocated	-	-	-	-	(182,316)
Net operating income	233,597	211,737	9,911	6,472	305,224
Provisions- net of recoveries	(11,849)	(14,530)	(19,759)	199	(45,939)
Profit before distribution to depositors	221,748	197,207	(9,848)	6,671	259,285
Distribution to depositors	(34,483)	(21,887)	(810)	-	(57,180)
Profit for the period	187,265	175,320	(10,658)	6,671	202,105
Consolidated statement of financial position:					
As at 31 December 2014(un-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 SIX-MONTH PERIOD ENDED 30 JUNE 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:

	30 June 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	3,316,842	2,823,497
Other financing receivables and investing activities	855,426	820,578
Government of Sharjah deposits	21,327	193,371
Government department and authorities deposits	1,793,308	1,521,903
Other deposits	201,504	471,656
Contingent liabilities	235,199	211,527
	30 June 2015 Un-audited	30 June 2014 Un-audited
Condensed consolidated interim statement of profit or loss		
Income from financing and investing activities	127,915	158,971
Depositors` share of profit	5,262	7,411

Key management compensation includes salaries and other short term benefits of AED 9.7 million for the period ended 30 June 2015 (30 June 2014: AED 8.9 million) and post-employment benefits of AED 2.1 million for the period ended 30 June 2015 (30 June 2014: AED 3.4 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 30 June 2015 (Un-audited)				
Financial assets				
FVTPL – investment securities	42,358	-	857	43,215
FVTOCI – investment securities	677,748	-	109,591	787,339
	720,106	-	110,448	830,554
Non-financial assets				
Investment properties at fair value	-	-	454,121	454,121

SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 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
	377,263	-	114,584	491,847
Non-financial assets				
Investment properties at fair value	-	-	445,490	445,490

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:

	30 June 2015		31 December 2014	
	FVTPL	FVTOCI	FVTPL	FVTOCI
Balance as at 1 January	2,364	112,220	52,754	153,413
Fair value movement	(1,507)	(68)	(663)	(700)
Disposals	-	(2,561)	(49,727)	(40,493)
Closing balance	857	109,591	2,364	112,220

Non-financial assets

	30 June 2015	31 December 2014
Balance as at 1 January	445,490	339,352
Revaluation	-	17,224
Additions	8,631	88,914
Closing balance	454,121	445,490

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.

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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

	30 June 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	11,472	56,535
- International	31,743	33,659
	<u>43,215</u>	<u>90,194</u>
Financial assets at fair value through other comprehensive income		
- Domestic	677,748	111,713
- International	109,591	289,940
	<u>787,339</u>	<u>401,653</u>
Financial assets measured at amortised cost		
- Domestic	983,668	767,617
- International	431,779	321,703
	<u>1,415,447</u>	<u>1,089,320</u>
Total investment securities	<u>2,246,001</u>	<u>1,581,167</u>
b) Investment properties by geographical distribution		
- Domestic	447,919	439,288
- International	6,202	6,202
Total investment properties	<u>454,121</u>	<u>445,490</u>
c) Properties held-for-sale (domestic)	<u>1,568,048</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.

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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 June 2015	31 December 2014
	<u>Un-audited</u>	<u>Audited</u>
Letter of credit	308,764	261,866
Letter of Guarantee	1,586,941	1,371,074

13. Comparatives

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