

---

**SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED**  
**INTERIM FINANCIAL STATEMENTS**  
**(UN – AUDITED)**  
**30 SEPTEMBER 2012**

---

---

## Directors' Report

The Directors have pleasure in presenting their report together with the condensed consolidated interim financial statements of SHARJAH ISLAMIC BANK ("the Bank") for the nine-month period ended 30<sup>th</sup> September 2012.

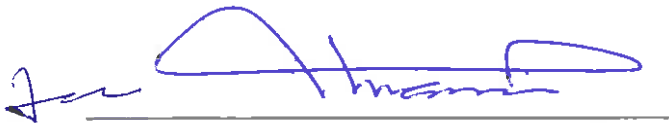
### **Financial Highlights**

The Group has reported a net profit of AED 208.7 million for the nine-month period ended 30<sup>th</sup> September 2012 compared to AED 204.7 million for the corresponding prior year period, an increase of 2.0%.

Compared to December 2011, total assets increased by AED 122.1 million to reach AED 17.9 billion, an increase of 1.0%, financing receivables and leased assets increased by 1.0 % (AED 93.1 million) to reach AED 10.5 billion, investment securities increased by 23.9% (AED 175.4 million) to reach AED 909.9 million and customer deposits experienced a growth of 7.6 % (AED 795.3 million) to reach AED 11.2 billion, while due from banks decreased by 69.6% (AED 627.1 million ) to reach AED 273.9 million.

### **Directors:-**

H.H. Shaikh Sultan Bin Mohammed Bin Sultan Al Qassimi	Chairman
H.E. Abdul Rahman Mohammed Nasser Al Owais	Vice Chairman
Mr. Othman Mohammed Sharif Zaman	Member
Mr. Ahmed Ghanim Al Suwaidi	Member
Mr. Ali Bin Salim Al Mazrou	Member
Mr. Ahmed Mohamed Obaid Al Shamsi	Member
Mr. Jassar Dakhil Al Jassar	Member
Mr. Mohammad N. Al Fouzan	Member



Sultan Bin Mohammed Bin Sultan Al Qassimi  
Chairman  
14<sup>th</sup> October 2012



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

Telephone +971 (6) 517 0700  
Fax +971 (6) 572 3773  
Website [www.ae-kpmg.com](http://www.ae-kpmg.com)

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

**The Shareholders  
SHARJAH ISLAMIC BANK PJSC**

### *Introduction*

We have reviewed the accompanying condensed consolidated interim statement of financial position of Sharjah Islamic Bank PJSC ("the Bank") and its subsidiaries (collectively referred as "the Group") as at 30 September 2012, the condensed consolidated interim statements of comprehensive income (comprising a separate condensed consolidated interim statement of income and a condensed consolidated interim statement of comprehensive income), changes in equity and cash flows for the nine-month period then ended, and notes to the condensed consolidated interim financial information ("the condensed consolidated interim financial information"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Financial Reporting Standards IAS 34, "*Interim financial reporting*". Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with the International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 September 2012 is not prepared, in all material respects, in accordance with IAS 34, "*Interim Financial Reporting*".

KPMG  
Vijendra Nath Malhotra  
Registration No: 48B

14<sup>th</sup> October 2012

# SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2012

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

	30 September 2012 <u>Un-audited</u>	31 December 2011 <u>Audited</u>
<b>Assets</b>		
Cash and balances with banks and financial institutions	1,754,060	1,770,432
International murabaha and wakalah with financial institutions	2,153,831	2,341,534
Financing receivables	2,464,470	2,370,688
Leased assets	8,056,053	8,056,746
Investment securities	909,947	734,536
Investment properties	220,078	191,044
Properties held-for-sale	1,065,147	1,044,989
Other assets	390,936	408,198
Property and equipment	840,759	814,975
<b>Total assets</b>	<u>17,855,281</u>	<u>17,733,142</u>
<b>Liabilities</b>		
Customers' deposits	11,194,104	10,398,853
Due to banks	273,886	900,972
Sukuk payable	1,464,140	1,463,062
Other liabilities	440,548	413,742
Zakat payable	41,373	150,355
<b>Total liabilities</b>	<u>13,414,051</u>	<u>13,326,984</u>
<b>Shareholders' equity</b>		
Share capital	2,425,500	2,425,500
Legal reserve	1,327,617	1,327,617
Statutory reserve	89,008	89,008
Fair value reserve	(46,209)	(20,481)
Retained earnings	645,314	584,514
<b>Total shareholders' equity</b>	<u>4,441,230</u>	<u>4,406,158</u>
<b>Total liabilities and shareholders' equity</b>	<u>17,855,281</u>	<u>17,733,142</u>
<b>Contingencies and commitments</b>		
Letters of credit	169,406	153,106
Letters of guarantee	812,995	660,447
	<u>982,401</u>	<u>813,553</u>

These condensed consolidated interim financial statements were authorised for issue in accordance with a resolution of the Directors on 14<sup>th</sup> October 2012.

  
Sultan Bin Mohammed Bin Sultan Al Qassimi  
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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2012 (Un- audited)

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

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2012	2011	2012	2011
Income from murabaha and leasing	159,151	191,387	502,486	541,923
Profit paid on sukuk	(17,673)	(19,726)	(53,033)	(31,099)
Fees, commission and other income	44,914	27,098	125,150	90,616
Income from subsidiary companies	3,377	3,598	15,937	16,292
<b>Total income</b>	<b>189,769</b>	<b>202,357</b>	<b>590,540</b>	<b>617,732</b>
General and administrative expenses	(79,431)	(74,058)	(237,886)	(222,180)
<b>Net operating income</b>	<b>110,338</b>	<b>128,299</b>	<b>352,654</b>	<b>395,552</b>
Provisions - net of recoveries	(9,059)	5,179	(20,777)	(17,508)
<b>Net profit before distribution to depositors</b>	<b>101,279</b>	<b>133,478</b>	<b>331,877</b>	<b>378,044</b>
Distribution to depositors	(41,745)	(52,019)	(123,147)	(173,316)
<b>Net profit for the period</b>	<b>59,534</b>	<b>81,459</b>	<b>208,730</b>	<b>204,728</b>
(Attributable to the shareholders of the Bank)				
Earning per share (U.A.E. Dirhams)	0.02	0.03	0.09	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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2012 (Un- audited)  
(Currency: Thousands of U.A.E. Dirhams)

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2012	2011	2012	2011
<b>Net profit for the period</b>	<b>59,534</b>	81,459	<b>208,730</b>	204,728
<b>Other comprehensive income</b>				
Net change in fair value reserve	759	175	(25,728)	(3,337)
<b>Total comprehensive income for the period</b>	<b>60,293</b>	81,634	<b>183,002</b>	201,391

(Attributable to the shareholders of the Bank)

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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2012 (Un-audited)  
(Currency: Thousands of U.A.E. Dirhams)

	For the nine-month period ended 30 September	
	2012	2011
<b>Cash flows from operating activities:</b>		
Net profit for the period	208,730	204,728
Adjustments:		
Depreciation	18,151	18,900
Amortisation of sukuk issuance cost	1,078	1,027
Provision on financing and leased assets receivables	27,330	12,094
Unrealised loss on financial assets at fair value through profit or loss	389	411
<b>Operating profit before changes in operating assets and liabilities</b>	<b>255,678</b>	<b>237,160</b>
Changes in operating assets and liabilities:		
Change in reserve with Central Bank	(55,069)	(71,410)
Change in international murabaha and wakalah with financial institutions	211,211	(126,628)
Change in financing receivables	(97,995)	(159,010)
Change in leased assets	(22,424)	(568,253)
Change in other assets, net	17,262	(56,686)
Change in customers' deposits	795,251	707,201
Change in due to banks	(627,086)	(39,631)
Change in zakat	(108,982)	(25,988)
Change in other liabilities	26,806	71,679
<b>Net cash flows from / (used in) operating activities</b>	<b>394,652</b>	<b>(31,566)</b>
<b>Cash flows from investing activities:</b>		
Properties and equipment – net	(43,935)	(30,388)
Change in investment properties	(29,034)	-
Change in properties held-for-sale	(20,158)	(5,824)
Investments securities	(201,528)	(48,127)
<b>Net cash used in investing activities</b>	<b>(294,655)</b>	<b>(84,339)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from Sukuk	-	1,462,994
Board of Directors' fees paid	(2,400)	(2,470)
Cash dividends	(145,530)	(133,402)
<b>Net cash (used in) / from financing activities</b>	<b>(147,930)</b>	<b>1,327,122</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(47,933)</b>	<b>1,211,217</b>
<b>Cash and cash equivalents, beginning of the period</b>	<b>3,099,539</b>	<b>3,297,124</b>
<b>Cash and cash equivalents, end of period</b>	<b>3,051,606</b>	<b>4,508,341</b>
<b>Cash and cash equivalents comprise of:-</b>		
Cash and balances with banks and financial institutions (excluding cash reserve with central bank)	982,473	1,829,230
International murabaha and wakalah with financial institutions: less than 3 months maturity	2,069,133	2,679,111
	<b>3,051,606</b>	<b>4,508,341</b>

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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2012 (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 2011	2,425,500	1,327,617	89,008	(15,426)	521,166	4,347,865
Fair value adjustment – IFRS - 9	-	-	-	2,102	(2,102)	-
As at 1 January 2011 (Restated)	2,425,500	1,327,617	89,008	(13,324)	519,064	4,347,865
<b>Total comprehensive income for the period</b>						
Net profit for the period	-	-	-	-	204,728	204,728
<b>Other comprehensive income</b>						
Net change in fair value reserve	-	-	-	(3,337)	-	(3,337)
Total comprehensive income for the period	-	-	-	(3,337)	204,728	201,391
<b>Transactions with owners recorded directly in equity</b>						
Cash dividends paid	-	-	-	-	(133,402)	(133,402)
Board of directors' fees - paid	-	-	-	-	(2,470)	(2,470)
Total transactions with owners	-	-	-	-	(135,872)	(135,872)
As at 30 September 2011	2,425,500	1,327,617	89,008	(16,661)	587,920	4,413,384
As at 1 January 2012	2,425,500	1,327,617	89,008	(20,481)	584,514	4,406,158
<b>Total comprehensive income for the period</b>						
Net profit for the period	-	-	-	-	208,730	208,730
<b>Other comprehensive income</b>						
Net change in fair value reserve	-	-	-	(25,728)	-	(25,728)
Total comprehensive income for the period	-	-	-	(25,728)	208,730	183,002
<b>Transactions with owners recorded directly in equity</b>						
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 30 September 2012	2,425,500	1,327,617	89,008	(46,209)	645,314	4,441,230

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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2012 (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. 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 branches established in United Arab Emirates.

The condensed consolidated interim financial statements of the Bank comprise the Bank and its 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 currently managing real estate assets of the Bank.

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 International Financial Reporting Standards ("IFRS") IAS 34, Interim Financial Reporting. They do not include all of the information required for full annual 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 2011.

#### b) Basis of measurement

The condensed consolidated interim financial statements have been prepared on the historical basis except for the following that are measured at fair value:

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

#### c) Functional and reporting currency

These condensed consolidated interim financial statements of the Group have been prepared in UAE Dirhams (AED), which is the Group's functional currency, rounded to the nearest thousand.

#### d) Key accounting estimates & judgment

The preparation of condensed consolidated interim financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. In preparing condensed consolidated interim financial statements, the 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 2011.

#### 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 2011.

---

## SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE -MONTH PERIOD ENDED 30 SEPTEMBER 2012 (Un- audited)  
(Currency: Thousands of U.A.E. Dirhams)

### 3. Summary of significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are consistent with those applied by the Group in its audited consolidated financial statements as at and for the year ended 31 December 2011.

Management has assessed the impact of new standards, amendments to standards and interpretations that are effective for annual periods beginning on or after 1 January 2012 and believe that changes have no significant effect on the Group's condensed consolidated interim financial statements.

### 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. Subsidiaries

SNH through its divisions is engaged in operating hotels and resorts, catering and related services and SIFS is offering Brokerage services for trading in Islamic Sharia'a Compliant shares.

## SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE -MONTH PERIOD ENDED 30 SEPTEMBER 2012 (Un- audited)  
(Currency: Thousands of U.A.E. Dirhams)

### 4. Segment reporting (continued)

	Corporate and Government	Retail	Investment and treasury	Subsidiaries	Total
<b>Condensed consolidated interim statement of income for the nine-month period ended 30 September 2012 (un-audited)</b>					
Income from murabaha and leasing	314,053	155,374	33,059	-	502,486
Profit paid on sukuk	-	-	(53,033)	-	(53,033)
Fees, commission and other income	26,748	27,035	53,125	-	106,908
Income from subsidiaries	-	-	-	15,937	15,937
Unallocated income	-	-	-	-	18,242
<b>Total income</b>	<b>340,801</b>	<b>182,409</b>	<b>33,151</b>	<b>15,937</b>	<b>590,540</b>
General and administrative expenses	-	-	-	(13,189)	(13,189)
General and administrative expenses - unallocated	-	-	-	-	(224,697)
<b>Net operating income</b>	<b>340,801</b>	<b>182,409</b>	<b>33,151</b>	<b>2,748</b>	<b>352,654</b>
Provisions - net of recoveries	(304)	(18,827)	(8,186)	6,540	(20,777)
<b>Net profit before distribution to depositors</b>	<b>340,497</b>	<b>163,582</b>	<b>24,965</b>	<b>9,288</b>	<b>331,877</b>
Distribution to depositors	(78,121)	(41,631)	(1,573)	-	(121,325)
Transfer from profit equalisation reserve - unallocated	-	-	-	-	(1,822)
<b>Net profit for the period</b>	<b>262,376</b>	<b>121,951</b>	<b>23,392</b>	<b>9,288</b>	<b>208,730</b>
<b>Condensed consolidated interim statement of financial position As at 30 September 2012 ( un-audited)</b>					
<b>Assets</b>					
Segment assets	6,500,299	4,137,654	5,968,659	699,229	17,305,841
Unallocated assets	-	-	-	-	549,440
<b>Total assets</b>	<b>6,500,299</b>	<b>4,137,654</b>	<b>5,968,659</b>	<b>699,229</b>	<b>17,855,281</b>
<b>Liabilities</b>					
Segment liabilities	6,500,436	4,728,989	1,738,026	54,768	13,022,219
Unallocated liabilities	-	-	-	-	391,832
<b>Total liabilities</b>	<b>6,500,436</b>	<b>4,728,989</b>	<b>1,738,026</b>	<b>54,768</b>	<b>13,414,051</b>

## SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE -MONTH PERIOD ENDED 30 SEPTEMBER 2012 (Un- audited)

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

#### 4. Segment reporting (continued)

	Corporate and Government	Retail	Investment and treasury	Subsidiaries	Total
<b>Condensed consolidated interim statement of income for the nine-month period ended 30 September 2011 (un-audited)</b>					
Income from murabaha and leasing	297,034	201,621	43,268	-	541,923
Profit paid on sukuk	-	-	(31,099)	-	(31,099)
Fees, commission and other income	28,530	23,893	21,761	-	74,184
Income from subsidiaries	-	-	-	16,292	16,292
Unallocated income	-	-	-	-	16,432
<b>Total income</b>	<b>325,564</b>	<b>225,514</b>	<b>33,930</b>	<b>16,292</b>	<b>617,732</b>
General and administrative expenses	-	-	-	(15,884)	(15,884)
General and administrative expenses - unallocated	-	-	-	-	(206,296)
<b>Net operating income</b>	<b>325,564</b>	<b>225,514</b>	<b>33,930</b>	<b>408</b>	<b>395,552</b>
Provisions - net of recoveries	(3,056)	(578)	(8,044)	(5,830)	(17,508)
<b>Net profit before distribution to depositors</b>	<b>322,508</b>	<b>224,936</b>	<b>25,886</b>	<b>(5,422)</b>	<b>378,044</b>
Distribution to depositors	(116,401)	(53,668)	(1,088)	-	(171,157)
Transfer from profit equalisation reserve - unallocated	-	-	-	-	(2,159)
<b>Net profit for the period</b>	<b>206,107</b>	<b>171,268</b>	<b>24,798</b>	<b>(5,422)</b>	<b>204,728</b>
<b>Consolidated statement of financial position As at 31 December 2011 (audited)</b>					
<b>Assets</b>					
Segment assets	6,139,305	4,154,040	6,238,477	672,112	17,203,934
Unallocated assets	-	-	-	-	529,208
<b>Total assets</b>	<b>6,139,305</b>	<b>4,154,040</b>	<b>6,238,477</b>	<b>672,112</b>	<b>17,733,142</b>
<b>Liabilities</b>					
Segment liabilities	5,824,985	4,636,141	2,364,034	55,073	12,880,233
Unallocated liabilities	-	-	-	-	446,751
<b>Total liabilities</b>	<b>5,824,985</b>	<b>4,636,141</b>	<b>2,364,034</b>	<b>55,073</b>	<b>13,326,984</b>

## SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE -MONTH PERIOD ENDED 30 SEPTEMBER 2012 (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:

Condensed consolidated interim statement of financial position	30 September	31 December
	2012	2011
	(Un-audited)	(Audited)
Government of Sharjah receivables	1,333,240	1,013,637
Government departments and authorities receivables	2,795,407	2,750,234
Other financing receivables and investing activities	939,970	963,357
Government of Sharjah deposits	(19,356)	(38,518)
Government department and authorities deposits	(3,701,280)	(1,596,193)
Other deposits	(292,795)	(293,997)
<b>Contingent liabilities</b>	<b>(206,336)</b>	<b>(115,897)</b>

Condensed consolidated interim statement of income	30 September	30 September
	2012	2011
	(Un-audited)	(Un-audited)
Income from financing and investing activities	213,553	204,723
Depositors' share of profit	(20,852)	(30,463)

Key management compensation includes salaries and other short term benefits of AED 11.1 million for the period ended 30 September 2012 (30 September 2011: AED 9.9 million) and post employment benefits of AED 0.7 million for the period ended 30 September 2012 (30 September 2011: AED 0.7 million).

### 6. 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.

### 7. Geographical distribution

a) Investment Securities by geographical distribution	30 September 2012	31 December
	(Un-audited)	2011
		(Audited)
Financial assets at fair value through profit or loss:		
- Domestic	49,891	249,986
- International	454,266	84,876
	<u>504,157</u>	<u>334,862</u>
Financial assets at fair value through other comprehensive income		
- Domestic	3,547	3,198
- International	153,240	207,317
	<u>156,787</u>	<u>210,515</u>
Financial assets measured at amortised cost		
- Domestic	176,535	88,080
- International	72,468	101,079
	<u>249,003</u>	<u>189,159</u>
<b>Total Investment securities</b>	<b><u>909,947</u></b>	<b><u>734,536</u></b>

---

---

## SHARJAH ISLAMIC BANK AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE -MONTH PERIOD ENDED 30 SEPTEMBER 2012 (Un- audited)  
(Currency: Thousands of U.A.E. Dirhams)

### 7. Geographical distribution (continued)

	30 September 2012 (Un-audited)	31 December 2011 (Audited)
<b>b) Investment properties by geographical distribution:</b>		
- Domestic	212,371	183,337
- International	7,707	7,707
	<u>220,078</u>	<u>191,044</u>
<b>c) Properties held for sale (domestic):</b>	<u>1,065,147</u>	<u>1,044,989</u>

### 8. 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.

### 9. Comparatives

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