

**Allianz Saudi Fransi Cooperative
Insurance Company
(A Saudi Joint Stock Company)**

**UNAUDITED INTERIM CONDENSED FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS' REVIEW
REPORT**

**FOR THE THREE AND TWELVE MONTH PERIODS ENDED
31 DECEMBER 2016**

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KPMG Al Fozan & Partners
Certified Public Accountants



Aldar Audit Bureau
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INDEPENDENT AUDITORS' REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)

SCOPE OF REVIEW

We have reviewed the accompanying interim statement of financial position of Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company) (the "Company") as at 31 December 2016 and the related interim statements of income - insurance operations and shareholders' operations, interim statement of comprehensive income - insurance operations and shareholders' operations for the three month and twelve month periods then ended, the interim statement of changes in shareholders' equity and interim statement of cash flows - insurance operations and shareholders' operations for the twelve month period then ended and the related notes 1 to 18 which form an integral part of these interim condensed financial statements. These interim condensed financial statements are the responsibility of the Company's management and have been prepared by them in accordance with International Accounting Standard - 34 "Interim Financial Reporting" (IAS 34) and submitted to us together with all the information and explanations which we required.

We conducted our review in accordance with the Standard on Review of Interim Financial Reporting issued by the Saudi Organization for Certified Public Accountants (SOCPA). A review consists principally of applying analytical procedures to financial data and information and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the auditing standards generally accepted in the Kingdom of Saudi Arabia, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

REVIEW CONCLUSION

Based on our review, we are not aware of any material modifications that should be made to the accompanying interim condensed financial statements for them to be in conformity with IAS 34.

EMPHASIS OF MATTER

We draw attention to the fact that these interim condensed financial statements are prepared in accordance with IAS 34 and not in accordance with the Standard on Interim Financial Reporting issued by SOCPA.

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21 Rabi Al-Thani 1438H
19 January 2017



Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

INTERIM STATEMENT OF FINANCIAL POSITION

At 31 December 2016

		31 December 2016 (Unaudited) SR	31 December 2015 (Audited) SR
	Note		
INSURANCE OPERATIONS' ASSETS			
Cash and cash equivalents		77,221,164	55,244,050
Prepayments and other assets		11,981,291	12,589,673
Reinsurance balances receivable		74,105,195	29,468,288
Premiums receivable	7	412,043,857	291,417,048
Available for sale investments	9	60,141,396	59,303,915
Unit linked investments	10	592,651,654	586,968,627
Deferred policy acquisition costs		22,089,024	21,958,291
Reinsurers' share of unearned premiums		236,460,497	258,240,391
Reinsurers' share of outstanding claims	6	267,460,349	375,507,934
Property and equipment		2,389,375	1,776,096
TOTAL INSURANCE OPERATIONS' ASSETS		1,756,543,802	1,692,474,313
SHAREHOLDERS' ASSETS			
Cash and cash equivalents		16,272,417	1,565,454
Prepayments and other assets		2,172,085	2,508,050
Due from insurance operations		18,772,461	23,915,601
Available for sale investments	9	180,253,582	167,391,371
Statutory deposit	8	20,000,000	20,000,000
Return on investment of statutory deposit	8	679,569	476,815
TOTAL SHAREHOLDERS' ASSETS		238,150,114	215,857,291
TOTAL ASSETS		1,994,693,916	1,908,331,604

Xavier Denys

Abdulrahman Al Sughayer

Mohammed Koubar

Chief Executive Officer

Board Member

Chief Financial Officer

The accompanying notes 1 to 18 form part of these interim condensed financial statements.

Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

INTERIM STATEMENT OF FINANCIAL POSITION (continued)

At 31 December 2016

	Note	31 December 2016 (Unaudited) SR	31 December 2015 (Audited) SR
INSURANCE OPERATIONS' LIABILITIES AND SURPLUS			
Accrued expenses and other liabilities		41,732,085	38,140,389
Reinsurance balances payable		218,754,741	137,306,805
Due to shareholders' operations		18,772,461	23,915,601
Premium deficiency reserves	16	6,077,722	-
Outstanding claims	6	386,130,152	447,928,965
Unit linked liabilities		593,706,572	592,851,492
Unearned commission income		11,951,608	15,230,473
Unearned premiums		459,257,288	422,585,925
Employees' end of service benefits		12,828,431	11,786,168
TOTAL INSURANCE OPERATIONS' LIABILITIES		1,749,211,060	1,689,745,818
INSURANCE OPERATIONS' SURPLUS			
Accumulated surplus		7,736,872	5,084,834
Fair value reserve for available for sale investments	9	(404,130)	(2,356,339)
TOTAL INSURANCE OPERATIONS' LIABILITIES AND SURPLUS		1,756,543,802	1,692,474,313
SHAREHOLDERS' LIABILITIES AND EQUITY			
SHAREHOLDERS' LIABILITIES			
Accrued expenses and other liabilities		50,365	185,698
Deferred return on investment of statutory deposit	8	679,569	476,815
Zakat and income tax payable		16,065,894	14,271,442
TOTAL SHAREHOLDERS' LIABILITIES		16,795,828	14,933,955
SHAREHOLDERS' EQUITY			
Share capital	11	200,000,000	200,000,000
Share premium		22,711,315	22,711,315
Accumulated losses		(448,379)	(19,514,783)
Fair value reserve for available for sale investments	9	(908,650)	(2,273,196)
TOTAL SHAREHOLDERS' EQUITY		221,354,286	200,923,336
TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY		238,150,114	215,857,291
TOTAL INSURANCE OPERATIONS' LIABILITIES AND SURPLUS AND SHAREHOLDERS' LIABILITIES AND EQUITY		1,994,693,916	1,908,331,604


Xavier Denys
Chief Executive Officer


Abdulrahman Al Sughayer
Board Member


Mohammed Koubar
Chief Financial Officer

The accompanying notes 1 to 18 form part of these interim condensed financial statements.

Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

INTERIM STATEMENT OF INCOME - INSURANCE OPERATIONS (Unaudited)

For the three and twelve month periods ended 31 December 2016

	Note	<i>For the three month period ended</i>		<i>For the twelve month period ended</i>	
		<i>31 December 2016</i>	<i>31 December 2015</i>	<i>31 December 2016</i>	<i>31 December 2015</i>
		<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Gross written premiums	5	226,367,784	197,732,490	836,272,030	803,213,312
Reinsurance premiums ceded	5	(65,325,009)	(80,927,383)	(277,831,399)	(342,843,069)
Net written premiums	5	161,042,775	116,805,107	558,440,631	460,370,243
Changes in unearned premiums	5	(17,552,837)	(15,136,167)	(36,671,363)	(133,721,673)
Reinsurance share of unearned premiums	5	(9,607,445)	8,350,379	(21,779,894)	61,528,341
Net change in unearned premiums	5	(27,160,282)	(6,785,788)	(58,451,257)	(72,193,332)
Net premiums earned	5	133,882,493	110,019,319	499,989,374	388,176,911
Commission earned		4,420,890	4,926,312	17,539,744	18,817,375
Unrealized gain on unit linked investments		12,245,717	1,004,584	14,597,069	675,883
Other income		2,312,880	3,584,866	7,995,488	6,448,057
Total revenues		152,861,980	119,535,081	540,121,675	414,118,226
Gross claims paid		(128,798,067)	(175,447,935)	(462,230,844)	(553,611,528)
Reinsurance share of claims paid		44,159,326	94,248,165	132,015,478	266,744,790
Net claims paid		(84,638,741)	(81,199,770)	(330,215,366)	(286,866,738)
Changes in gross outstanding claims		74,060,424	10,492,846	61,798,813	(45,866,582)
Changes in reinsurance share of outstanding claims		(81,696,920)	(8,755,012)	(108,047,585)	54,809,016
Changes in net outstanding claims		(7,636,496)	1,737,834	(46,248,772)	8,942,434
Net Claims incurred		(92,275,237)	(79,461,936)	(376,464,138)	(277,924,304)
Change in premium deficiency reserves	16	(6,077,722)	-	(6,077,722)	-
Change in unit linked liabilities		(12,502,115)	(2,225,349)	(855,080)	772,420
Commission expenses		(10,919,114)	(11,420,100)	(48,919,227)	(38,910,499)
Inspection and supervision fees		(1,550,341)	(1,151,312)	(5,424,965)	(5,047,421)
General and administrative expenses		(22,477,723)	(18,569,245)	(75,860,157)	(70,533,043)
Total claims and expenses		(145,802,252)	(112,827,942)	(513,601,289)	(391,642,847)
Net surplus for the period		7,059,728	6,707,139	26,520,386	22,475,379
Net surplus transferred to interim statement of income - shareholders' operations	3	(6,353,755)	(6,036,425)	(23,868,347)	(20,227,841)
Net insurance operations' surplus after shareholders' appropriation for the period		705,973	670,714	2,652,039	2,247,538

Xavier Denys

Chief Executive Officer

Abdulrahman Al Sughayer

Board Member

Mohammed Koubar

Chief Financial Officer

The accompanying notes 1 to 18 form part of these interim condensed financial statements.

Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

INTERIM STATEMENT OF COMPREHENSIVE INCOME - INSURANCE OPERATIONS

(Unaudited) For the three and twelve month periods ended 31 December 2016

	<i>For the three month period ended</i>		<i>For the twelve month period ended</i>	
	<i>31 December 2016</i>	<i>31 December 2015</i>	<i>31 December 2016</i>	<i>31 December 2015</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Net insurance operations' surplus after shareholders' appropriation for the period	705,973	670,714	2,652,039	2,247,538
<i>Other comprehensive income to be reclassified subsequently to the interim statement of income – insurance operations when conditions are met</i>				
Fair value change in available for sale investments	212,776	(1,546,781)	1,952,208	(1,547,524)
Transferred to realized gain on available for sale investments disposal	-	-	-	(311,010)
Total comprehensive income / (loss) from insurance operations for the period	918,749	(876,067)	4,604,247	389,004

Xavier Denys

Chief Executive Officer

Abdulrahman Al Sughayer

Board Member

Mohammed Koubar

Chief Financial Officer

The accompanying notes 1 to 18 form part of these interim condensed financial statements.

Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

INTERIM STATEMENT OF INCOME - SHAREHOLDERS' OPERATIONS (Unaudited)

For the three and twelve month periods ended 31 December 2016

	<i>For the three month period ended</i>		<i>For the twelve month period ended</i>	
	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Special commission income	1,153,068	1,283,202	3,582,903	4,835,356
Realised gain / (loss) on available for sale investments	-	-	111,559	(375,194)
Total revenues	1,153,068	1,283,202	3,694,462	4,460,162
Net surplus transferred from interim statement of income - insurance operations	6,353,755	6,036,425	23,868,347	20,227,841
General and administrative expenses	(2,436,797)	(220,928)	(3,133,262)	(852,466)
Net income for the period	5,070,026	7,098,699	24,429,547	23,835,537
Basic and diluted earnings per share (Note 15)	0.25	0.35	1.22	1.19

Xavier Denys

Abdulrahman Al Sughayr

Mohammed Koubar

Chief Executive Officer

Board Member

Chief Financial Officer

The accompanying notes 1 to 18 form part of these interim condensed financial statements.

Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

INTERIM STATEMENT OF COMPREHENSIVE INCOME - SHAREHOLDERS'

OPERATIONS (Unaudited)

For the three and twelve month periods ended 31 December 2016

	<i>For the three month period ended</i>		<i>For the twelve month period ended</i>	
	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Net income for the period	5,070,026	7,098,699	24,429,547	23,835,537
<i>Other comprehensive income to be reclassified subsequently to the statement of income- shareholders' operations</i>				
Fair value change in available for sale investments	(2,142,227)	(1,494,501)	1,476,105	(2,809,022)
Transferred to realized (gain) / loss on disposal of available for sale investments	-	-	(111,559)	375,194
Total comprehensive income for the period	2,927,799	5,604,198	25,794,093	21,401,709

Xavier Denys

Chief Executive Officer

Abdulrahman Al Sughayer

Board Member

Mohammed Koubar

Chief Financial Officer

The accompanying notes 1 to 18 form part of these interim condensed financial statements.

Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the twelve month period ended 31 December 2016

	<i>Share capital</i> SR	<i>Share premium</i> SR	<i>Accumulated losses</i> SR	<i>Fair value reserve for available for sale investments</i> SR	<i>Total</i> SR
Balance as at 1 January 2015	200,000,000	22,711,315	(38,094,433)	160,632	184,777,514
Net income for the period	-	-	23,835,537	-	23,835,537
<i>Other comprehensive income:</i>					
- Fair value change in available for sale investments	-	-	-	(2,809,022)	(2,809,022)
- Transferred to statement of income of shareholders' operations	-	-	-	375,194	375,194
Total comprehensive income / (loss) for the period	-	-	23,835,537	(2,433,828)	21,401,709
Provision for zakat and income tax	-	-	(5,255,887)	-	(5,255,887)
Balance as at 31 December 2015 – (Audited)	<u>200,000,000</u>	<u>22,711,315</u>	<u>(19,514,783)</u>	<u>(2,273,196)</u>	<u>200,923,336</u>
Balance as at 1 January 2016	200,000,000	22,711,315	(19,514,783)	(2,273,196)	200,923,336
Net income for the period	-	-	24,429,547	-	24,429,547
<i>Other comprehensive income:</i>					
- Fair value change in available for sale investments	-	-	-	1,476,105	1,476,105
- Transferred to statement of income of shareholders' operations	-	-	-	(111,559)	(111,559)
Total comprehensive income for the period	-	-	24,429,547	1,364,546	25,794,093
Provision for zakat and income tax	-	-	(5,363,143)	-	(5,363,143)
Balance as at 31 December 2016 (Unaudited)	<u>200,000,000</u>	<u>22,711,315</u>	<u>(448,379)</u>	<u>(908,650)</u>	<u>221,354,286</u>

Xavier Denys

Abdulrahman Al Sughayr

Mohammed Koubar

Chief Executive Officer

Board Member

Chief Financial Officer

The accompanying notes 1 to 18 form part of these interim condensed financial statements.

Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

INTERIM STATEMENTS OF CASH FLOWS – INSURANCE OPERATIONS

For the twelve month period ended 31 December 2016

	Note	<i>For the twelve month period ended</i>	
		<i>31 December</i>	<i>31 December</i>
		<i>2016</i>	<i>2015</i>
		<i>SR</i>	<i>SR</i>
OPERATING ACTIVITIES			
Net insurance operations' surplus after shareholders' appropriation		2,652,039	2,247,538
Adjustments for:			
Investment premium amortization		1,114,728	-
Employees' end of service benefits		2,234,651	2,837,801
Depreciation		747,369	1,141,571
Provision for doubtful receivables	7	(1,846,722)	1,288,658
Provision for doubtful Reinsurance receivables		1,000,000	2,606,067
Gain on disposal of office equipment and furniture		-	(6,060)
Gain on disposal of available for sale investments		-	(311,010)
Unrealized (gains) / losses on unit linked investments		(14,597,069)	675,883
Shareholders' appropriation from insurance operations' surplus		23,868,347	20,227,841
Operating cash inflows before changes in operating assets and liabilities		15,173,343	30,708,289
Changes in operating assets and liabilities:			
Deferred policy acquisition costs		(130,733)	(8,120,632)
Unit linked investments		8,914,042	(561,731)
Reinsurance balance receivable		(45,636,907)	7,331,686
Premiums receivable		(118,780,087)	(59,691,763)
Prepayments and others assets		608,382	1,732,066
Unearned premiums, net		58,451,257	72,193,332
Unit linked liabilities		855,080	(772,420)
Outstanding claims, net		46,248,772	(8,942,434)
Premium deficiency reserves		6,077,722	-
Unearned commission income		(3,278,866)	2,934,991
Reinsurance balances payable		81,447,936	(51,531,413)
Accrued expenses and other liabilities		3,591,696	18,465,924
Cash from operations		53,541,637	3,745,895
Employees' end of service benefits paid		(1,192,388)	(1,115,592)
Net cash from operating activities		52,349,249	2,630,303
INVESTING ACTIVITIES			
Purchase of office equipment and furniture		(1,360,648)	(812,830)
Proceeds from sale of office equipment and furniture		-	6,060
Purchase of available for sale investments		-	(4,909,191)
Proceeds from sale of available for sale investments		-	10,348,576
Net cash (used in) / from investing activities		(1,360,648)	4,632,615
FINANCING ACTIVITIES			
Due to shareholders' operations		(29,011,487)	(15,000,000)
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		21,977,114	(7,737,082)
Cash and cash equivalents at the beginning of the period		55,244,050	62,981,132
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		77,221,164	55,244,050
Non-cash supplemental information:			
Changes in fair value of available for sale investments		1,952,208	(1,547,524)

Xavier Denys

Chief Executive Officer

Abdulrahman Al Sughayer

Board Member

Mohammed Koubar

Chief Financial Officer

The accompanying notes 1 to 18 form part of these interim condensed financial statements.

Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)
INTERIM STATEMENTS OF CASH FLOWS – SHAREHOLDERS’ OPERATIONS
For the twelve month period ended 31 December 2016

	<i>For the twelve month period ended</i>	
	<i>31 December 2016 SR</i>	<i>31 December 2015 SR</i>
OPERATING ACTIVITIES		
Net income for the period	24,429,547	23,835,537
Adjustments for:		
Investment premium amortization	1,247,323	-
Realized (gain) / loss on available for sale investments	(111,559)	375,194
Shareholders’ appropriation from insurance operations’ surplus	(23,868,347)	(20,227,841)
Operating surplus before changes in operating assets and liabilities	1,696,964	3,982,890
Changes in operating assets and liabilities:		
Prepayments and other assets	335,965	(1,938,437)
Accrued expenses and other liabilities	(135,333)	136,899
Cash from operating activities	1,897,596	2,181,352
Zakat and income tax paid	(3,568,691)	(1,537,372)
Net cash (used in) / from operating activities	(1,671,095)	643,980
INVESTING ACTIVITIES		
Purchase of available for sale investments	(34,011,487)	(45,364,374)
Proceeds from sale of available for sale investments	21,378,058	25,580,767
Net cash used in investing activities	(12,633,429)	(19,783,607)
FINANCING ACTIVITY		
Due from insurance operations	29,011,487	15,000,000
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	14,706,963	(4,139,627)
Cash and cash equivalents at the beginning of the period	1,565,454	5,705,081
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	16,272,417	1,565,454
<u>Non-cash supplemental information:</u>		
Changes in fair value of available for sale investments	1,476,105	(2,809,022)

Xavier Denys

Chief Executive Officer

Abdulrahman Al Sughayer

Board Member

Mohammed Koubar

Chief Financial Officer

Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
At 31 December 2016

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Allianz Saudi Fransi Cooperative Insurance Company (the "Company") is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under commercial registration number 1010235601 dated 26 Jumada Thani 1428H corresponding to 12 July 2007. The Company operates through its 5 branches in the Kingdom of Saudi Arabia as of 31 December 2016 (2015: 5 branches). The registered office of the Company is located at Al Safva Commercial Building, P O Box 3540, Riyadh 11481, Kingdom of Saudi Arabia.

The objectives of the Company are to transact cooperative insurance operations and related activities in the Kingdom of Saudi Arabia. The Company was listed on the Saudi stock exchange on 9 Rajab 1428H, corresponding to 23 July 2007.

2. COMMERCIAL OPERATIONS

The Company has been licensed to conduct insurance business in the Kingdom of Saudi Arabia under cooperative principles in accordance with Royal Decree number 60/M dated 18 Ramadan 1427H (corresponding to 11 October 2006), pursuant to Council of Ministers resolution number 233 dated 16 Ramadan 1427H (corresponding to 9 October 2006).

Following the completion of the public offering on 26 March 2007, an application was submitted to His Excellency the Minister of Commerce and Investment (MOCI) in the Kingdom of Saudi Arabia, requesting the announcement of the incorporation of the Company. On 8 Jumada Thani 1428H corresponding to 24 June 2007, MOCI issued a resolution declaring the incorporation of the Company.

During March 2008, Saudi Arabian Monetary Agency (SAMA) granted the Company an authorisation to commence operations. The Company renewed its operating license on 29 Safar 1435H corresponding to 1 February 2014.

Seasonality

The Company operates in an industry where significant seasonal or cyclical variations in operating income are experienced during the financial year.

3. BASIS OF PREPARATION

The interim condensed financial statements for the three and twelve month periods ended 31 December 2016 have been prepared in accordance with International Accounting Standard (IAS 34) – "Interim Financial Reporting".

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and therefore should be read in conjunction with the Company's annual financial statements as at 31 December 2015.

The Company's Articles of Association require that Separate accounts be maintained for Insurance and Shareholders' operations. Income and expenses clearly attributable to either activity are recorded in the respective accounts. The basis of allocation of expenses from joint operations is determined by management and the Board of Directors.

In accordance with the Saudi Arabian Insurance Regulations, the Company is required to distribute 10% of net annual surplus from insurance operations to policyholders and the remaining 90% of the surplus to be transferred to the shareholders' operations and losses to be borne by shareholders' operations.

Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
At 31 December 2016

4. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

The accounting policies used in the preparation of these unaudited interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2015 except for the adoption of the following new standards and other amendments to existing standards mentioned below which have had an no significant financial impact on the unaudited interim condensed financial statements of the Company on the current period or prior period and is expected to have no significant effect in future periods. Certain figures for the prior year have been reclassified to conform to the presentation made in the current period:

New and amended standards issued and adopted

Annual improvements to IFRSs 2012 – 2014

Annual improvements to IFRSs 2012 – 2014 cycle applicable to annual period beginning on or after 1 January 2016.

Disclosure initiative (Amendments to IAS 1)

Amends IAS 1 Presentation of Financial Statements to address perceived impediments to preparers exercising their judgments in presenting the financial reports. It is effective for annual periods beginning on or after 1 January 2016.

Standards issued but not yet effective

In addition to the above-mentioned standards, the following standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's condensed financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. Further, the Company has chosen not to early adopt the amendments and revisions to the International Financial Reporting Standards, which have been published and are mandatory for compliance for the Company with effect from future dates.

IFRS 9 Financial Instruments

The implementation of IFRS 9 is expected to result in a significant portion of financial assets currently classified as available-for-sale being re-classified as at fair value through profit or loss or fair value through other comprehensive income (OCI). Credit allowances for financial assets carried at amortized cost and debt securities measured at fair value, with changes in fair value recognized in OCI, are expected to increase due to the introduction of the expected credit loss methodology. Upon implementation of the revised standard IFRS 4 'Insurance Contracts', more assets may be classified as at fair value through profit or loss under the fair value option. The Company continues to monitor the IASB progress on amendments to IFRS 4 which also introduces a temporary exemption for the implementation of IFRS 9 for reporting entities whose activities predominantly relate to insurance. The Company expects that it will be eligible for this temporary exemption and will consider deferring the implementation of IFRS 9 until a later date, but no later than January 1, 2021.

Disclosure initiative (Amendments to IAS 7)

IAS 7 Statement of Cash flows has been amended as part of the IASB's broader disclosure initiative to improve presentation and disclosure in financial statements. It is effective for annual periods beginning on or after 1 January 2017.

The following new or amended standards are not expected to have significant impact on the financial statements.

IFRS 15 Revenue from contracts with customers

Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)
 NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
 At 31 December 2016

5 PREMIUMS

<i>For the three month period ended 31 December 2016</i>			
<i>Unaudited (SR)</i>			
	<i>Gross</i>	<i>Reinsurers' share</i>	<i>Net</i>
General insurance	194,778,057	(64,068,152)	130,709,905
Protection and saving insurance	31,589,727	(1,256,857)	30,332,870
Written premiums	226,367,784	(65,325,009)	161,042,775
Change in unearned premiums	(17,552,837)	(9,607,445)	(27,160,282)
Premiums earned	208,814,947	(74,932,454)	133,882,493

<i>For the three month period ended 31 December 2015</i>			
<i>Unaudited (SR)</i>			
	<i>Gross</i>	<i>Reinsurers' Share</i>	<i>Net</i>
General insurance	161,144,263	(79,717,509)	81,426,754
Protection and saving insurance	36,588,227	(1,209,874)	35,378,353
Written premiums	197,732,490	(80,927,383)	116,805,107
Change in unearned premiums	(15,136,167)	8,350,379	(6,785,788)
Premiums earned	182,596,323	(72,577,004)	110,019,319

<i>For the twelve month period ended 31 December 2016</i>			
<i>Unaudited (SR)</i>			
	<i>Gross</i>	<i>Reinsurers' share</i>	<i>Net</i>
General insurance	686,334,653	(262,659,719)	423,674,934
Protection and saving insurance	149,937,377	(15,171,680)	134,765,697
Written premiums	836,272,030	(277,831,399)	558,440,631
Change in unearned premiums	(36,671,363)	(21,779,894)	(58,451,257)
Premiums earned	799,600,667	(299,611,293)	499,989,374

Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
At 31 December 2016

5 PREMIUMS (continued)

	<i>For the twelve month period ended 31 December 2015</i>		
	<i>Unaudited (SR)</i>		
	<i>Gross</i>	<i>Reinsurers' Share</i>	<i>Net</i>
General insurance	632,227,738	(324,593,426)	307,634,312
Protection and saving insurance	170,985,574	(18,249,643)	152,735,931
Written premiums	803,213,312	(342,843,069)	460,370,243
Change in unearned premiums	(133,721,673)	61,528,341	(72,193,332)
Premiums earned	<u>669,491,639</u>	<u>(281,314,728)</u>	<u>388,176,911</u>

6 OUTSTANDING CLAIMS

<i>As at 31 December 2016 - Unaudited (SR)</i>			
	<i>Gross</i>	<i>Reinsurers' share</i>	<i>Net</i>
General insurance	375,880,242	(261,535,321)	114,344,921
Protection and saving insurance	10,249,910	(5,925,028)	4,324,882
Total outstanding claims	<u>386,130,152</u>	<u>(267,460,349)</u>	<u>118,669,803</u>

<i>As at 31 December 2015 - Audited (SR)</i>			
	<i>Gross</i>	<i>Reinsurers' Share</i>	<i>Net</i>
General insurance	434,010,697	(366,788,133)	67,222,564
Protection and saving insurance	13,918,268	(8,719,801)	5,198,467
Total outstanding claims	<u>447,928,965</u>	<u>(375,507,934)</u>	<u>72,421,031</u>

7 PREMIUMS RECEIVABLE

	<i>31 December 2016 (Unaudited) SR</i>	<i>31 December 2015 (Audited) SR</i>
Premiums receivable	451,377,624	332,597,537
Provision for doubtful receivables	(39,333,767)	(41,180,489)
Premiums receivable, net	<u>412,043,857</u>	<u>291,417,048</u>

Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
 At 31 December 2016

7 PREMIUMS RECEIVABLE (continued)

The ageing analysis of premiums receivable balances is set out below.

31 December 2016 (Unaudited)	Total	Neither past due nor impaired	Past due not impaired	Past due and impaired	
			Up to 90 days	Less than 180 days	More than 180 days
<i>Amount in SR</i>					
Premiums receivable	451,377,624	231,013,822	117,740,683	44,731,258	57,891,861
Provision for doubtful receivables	(39,333,767)	-	-	(6,709,689)	(32,624,078)
Premiums receivable, net	<u>412,043,857</u>	<u>231,013,822</u>	<u>117,740,683</u>	<u>38,021,569</u>	<u>25,267,783</u>

31 December 2015 (Audited)	Total	Neither past due nor impaired	Past due not impaired	Past due and impaired	
			Up to 90 days	Less than 180 days	More than 180 days
<i>Amount in SR</i>					
Premiums receivable	332,597,537	73,961,528	103,569,017	56,710,591	98,356,401
Provision for doubtful receivables	(41,180,489)	-	-	(5,612,074)	(35,568,415)
Premiums receivable, net	<u>291,417,048</u>	<u>73,961,528</u>	<u>103,569,017</u>	<u>51,098,517</u>	<u>62,787,986</u>

Movement in respect of provision for doubtful receivables is as follows:

	31 December 2016 (Unaudited) SR	31 December 2015 (Audited) SR
Balance at the beginning of the period / year	41,180,489	39,891,831
(Released) / Provided for the period / year	(1,846,722)	1,288,658
Balance at the end of the period / year	<u>39,333,767</u>	<u>41,180,489</u>

8 STATUTORY DEPOSIT

In compliance with the Insurance Implementing Regulations of SAMA, the Company deposited 10% of its paid up capital, amounting to SR 20 Million in a bank designated by SAMA. The accrued commission on the deposit as at 31 December 2016 is SR 679,569 (31 December 2015: SR 476,815) and has been disclosed in assets as "Return on investment of statutory deposit" and the corresponding commission is shown in liabilities as "Deferred return on investment of statutory deposit". This deposit cannot be withdrawn without SAMA's consent. The statutory deposit is maintained with Banque Saudi Fransi, a shareholder of the Company and rated "A" by Standard & Poor's Ratings Services.

Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)
 NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
 At 31 December 2016

9 AVAILABLE FOR SALE INVESTMENTS

Insurance operations' available for sale investments:

	As at 31 December 2016 (Unaudited) SR	As at 31 December 2015 (Audited) SR
Quoted		
Sukuk – Fixed rate	5,000,000	5,000,000
Bonds – Floating rate	5,011,110	4,893,281
Bonds – Fixed rate	45,339,834	44,586,986
Mutual Funds	4,790,452	4,823,648
Total	60,141,396	59,303,915

The cumulative unrealised loss in fair value of available for sale investments amounting to SR 404,130 (31 December 2015: SR 2,356,339) is presented within the insurance operations' liabilities and surplus in the interim statement of financial position.

Shareholders' available for sale investments:

31 December 2016 - Unaudited (SR)			
	Quoted	Unquoted	Total
Sukuk – Floating rate	-	25,000,000	25,000,000
Sukuk – Fixed rate	31,911,167	25,000,000	56,911,167
Bonds – Fixed rate	78,610,062	-	78,610,062
Bonds – Floating	-	12,000,000	12,000,000
Mutual Funds	4,509,275	-	4,509,275
Equities	-	3,223,078	3,223,078
Total	115,030,504	65,223,078	180,253,582

31 December 2015 - Audited (SR)			
	Quoted	Unquoted	Total
Sukuk – Floating rate	-	30,000,000	30,000,000
Sukuk – Fixed rate	-	25,000,000	25,000,000
Bonds – Fixed rate	99,998,904	-	99,998,904
Mutual Funds	9,169,389	-	9,169,389
Equities	-	3,223,078	3,223,078
Total	109,168,293	58,223,078	167,391,371

The cumulative unrealised loss in fair value of available for sale investments amounting to SR 908,650 (31 December 2015: loss SR 2,273,196) is presented within the shareholders' equity in the interim statement of financial position.

Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
 At 31 December 2016

9 AVAILABLE FOR SALE INVESTMENTS (continued)

The available for sale investments comprise of bonds and mutual funds issued by corporate and financial institutions in the Kingdom of Saudi Arabia and GCC countries.

As the fair values of the above unquoted Sukuk and equities are not readily available, these investments are carried at cost and reviewed by management for impairment.

Credit standing of investments

Following is the credit standing of available for sale investments:

Credit quality	Credit Rating Agency	Financial Instrument	31 December 2016
AA	S&P/ Moody's	Bonds/ Sukuk	23,247,365
A+	S&P	Bonds/ Sukuk	33,422,886
A-	S&P	Sukuk	89,123,771
Unrated	Unrated	Equities/ Bonds/ Sukuk/ Mutual Funds	94,600,956

Credit quality	Credit Rating Agency	Financial Instrument	31 December 2015
AA	S&P/ Moody's	Bonds/ Sukuk	23,728,722
A+	S&P	Bonds/ Sukuk	120,626,531
A-	S&P	Sukuk	4,911,855
Unrated	Unrated	Equities/ Bonds/ Sukuk/ Mutual Funds	77,428,178

Determination of fair value and fair values hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or the most advantageous) market between market participants at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique.

The fair values of recognised financial instruments are not significantly different from the carrying values included in the interim condensed financial statements

The Company uses the following hierarchy method for determining and disclosing the fair value of financial instruments at the reporting period end.

Level 1: Quoted prices in active markets for the same instrument (i.e., without modification or repacking).

Level 2: Quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data.

Level 3: Valuation techniques for which any significant input is not based on observable market data.

As at 31 December 2016 and 31 December 2015, the financial instruments under insurance and shareholder operations are measured at fair value using Level 1 hierarchy for bonds and funds which are quoted in stock exchange. The following table shows an analysis of financial instruments under shareholders' operations measured at fair value by level of the fair value hierarchy:

Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
At 31 December 2016

9 AVAILABLE FOR SALE INVESTMENTS (continued)

i. Insurance operations

<i>31 December 2016 – Unaudited (SR)</i>				
	Level 1	Level 2	Level 3	Total
Bonds	55,350,944	-	-	55,350,944
Mutual Funds	4,790,452	-	-	4,790,452
Total	60,141,396	-	-	60,141,396

<i>31 December 2015 – Audited (SR)</i>				
	Level 1	Level 2	Level 3	Total
Bonds	54,477,876	-	-	54,477,876
Mutual Funds	4,826,039	-	-	4,826,039
Total	59,303,915	-	-	59,303,915

ii. Shareholders' operations

<i>31 December 2016 – Unaudited (SR)</i>				
	Level 1	Level 2	Level 3	Total
Sukuk	31,911,167	-	-	31,911,167
Bonds	78,610,062	-	-	78,610,062
Mutual Funds	4,509,275	-	-	4,509,275
Total	115,030,504	-	-	115,030,504

<i>31 December 2015 – Audited (SR)</i>				
	Level 1	Level 2	Level 3	Total
Bonds	99,998,904	-	-	99,998,904
Mutual Funds	9,169,389	-	-	9,169,389
Total	109,168,293	-	-	109,168,293

There were no transfers between Level 1 and Level 2 fair value measurements during the period ended 31 December 2016 and year ended 31 December 2015.

The unlisted available for sale securities amounting to SR 65,223,078 (December 2015: SR 58,223,078) is not evidenced by a quoted price in an active market for an identical asset or based on a valuation technique that uses only data from observable markets as they relate to investments in government related entities. There are only limited numbers of brokers who carry out the trade of these investments and the price quoted is based on the availability of a willing buyer at any particular time. The management believes that the carrying amounts of these securities are not materially different from their carrying values.

10 UNIT LINKED INVESTMENTS

Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
 At 31 December 2016

Following represents fair value for unit-linked investments:

	31 December 2016 (Unaudited) SR	31 December 2015 (Audited) SR
Local funds	573,078,698	572,531,152
Foreign funds	19,572,956	14,437,475
	592,651,654	586,968,627

Unit Linked Assets are related to investments in unit linked funds. The Company has established unit linked liabilities which excluding some timing differences and reserves, matches exactly with the policyholder's unit linked assets.

The fair value of unit linked investments are measured based on the net assets value provided by fund manager. As the values of these investments are available from the market, the Company uses Level 1 hierarchy for determining and disclosing the fair value of above unit linked investments.

11 SHARE CAPITAL

The authorised and issued share capital of the Company is SR 200 million divided into 20 million shares of SR 10 each (31 December 2015: SR 200 million divided into 20 million shares of SR 10 each). The founding shareholders of the Company have subscribed and paid for 13 million shares with a nominal value of SR 10 each, which represents 65% of the shares of the Company's capital and the remaining 7 million shares with a nominal value of SR 10 each have been subscribed by general public.

12 STATUTORY RESERVE

In accordance with the by-laws of the Company and in compliance with Article 70 (2) (g) of Insurance Implementing Regulation issued by SAMA, the Company shall allocate 20% of its net income for each period after accumulated losses to the statutory reserve until it has built up a reserve equal to the share capital. The Company has not transferred any amount to statutory reserve due to the fact the Company has accumulated losses as at 31 December 2016.

13 CONTINGENCIES

The Company operates in the insurance industry and is subject to legal proceedings in the normal course of business relating to policyholders' insurance claims. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigations) will have a material effect on its financial position and results as of and for the period ended 31 December 2016.

14 RELATED PARTY TRANSACTIONS AND BALANCES

Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
At 31 December 2016

Following are the details of related party transactions during the period ended 31 December 2016 and 31 December 2015 and the related affiliate's balances as at 31 December 2016 and 31 December 2015:

Related party	Nature of transaction	For the twelve month ended 31 December 2016 (Unaudited) SR	For the twelve month ended 31 December 2015 (Unaudited) SR
Entities controlled, jointly controlled or significantly influenced by related parties.	-Insurance premiums written	90,301,473	37,258,393
	-Insurance premiums ceded	98,361,666	133,918,675
	-Gross claims paid	42,479,386	9,306,071
	-Reinsurance share of claims paid	35,897,776	144,347,625
	-Commission expense	4,031,476	5,751,142
	-Commission income	8,663,209	46,342,448
	Other expenses		
	-Third party administrator (TPA) fees	7,691,263	6,095,083
	-Remuneration and related expenses	5,941,936	5,594,086
	-Fees and related expenses	1,170,992	1,120,596

Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly and comprise top management executives including the Chief Executive Officer, Deputy Chief Executive Officer and the Chief Financial Officer of the Company. All Unit Linked investments and certain significant available for sale investments are managed by an affiliate, Saudi Fransi Capital.

Cash and cash equivalents include bank accounts, the majority of which are maintained with one of the shareholders of the Company, Banque Saudi Fransi.

The significant amounts with the related parties are included in the following balances as at the financial position date:

	31 December 2016 (Unaudited) SR	31 December 2015 (Audited) SR
Entities controlled, jointly controlled or significantly influenced by related parties.		
- Accrued expenses	5,708,440	7,476,053
- Premiums receivable, net	57,937,612	20,183,990
- Reinsurance balances payable	28,335,880	40,634,149
- Outstanding claims	4,026,131	2,567,664

Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
At 31 December 2016

14 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Related parties include Allianz SNA, Allianz Mena Holding Bermuda, Allianz Risk Transfer A.G. Dubai, Allianz France, Allianz Global Corporate and Speciality AG, Allianz World Wide Care, Allianz Global risks U.S Insurance, Allianz Belgium, Euler Hermes, Allianz SE Zurich, Allianz Insurance Hong Kong, Allianz Global Risks Nederland, Allianz Insurance Singapore, Allianz Insurance New Zealand, Saudi Fransi Insurance Agency, Banque Saudi Fransi, Saudi Fransi Leasing Company, Saudi Next Care, Saudi Fransi Capital.

15 BASIC AND DILUTED EARNINGS PER SHARE

	<i>For the three month period ended 31 December 2016 (Unaudited)</i>	<i>For the three month period ended 31 December 2015 (Unaudited)</i>	<i>For the twelve month period ended 31 December 2016 (Unaudited)</i>	<i>For the twelve month period ended 31 December 2015 (Unaudited)</i>
Net income for the period	5,070,026	7,098,699	24,429,547	23,835,537
Weighted average number of ordinary shares	20,000,000	20,000,000	20,000,000	20,000,000
Basic and diluted earnings per share (SR)	0.25	0.35	1.22	1.19

16 PREMIUM DEFICIENCY RESERVES

During the period, the Company has created a provision in respect of premium deficiency reserves for its medical and motor business. The Company created this provision based on the assumption that the unearned premiums will not be sufficient to provide for the expected claims and other attributable expenses related to the unexpired periods of policies in force at the statement of financial position date.

17 SEGMENT INFORMATION

Consistent with the Company's internal reporting process, operating segments have been approved by Management in respect of the Company's activities, assets and liabilities. Information disclosed in the note is based on current reporting to the chief operating decision maker.

Segment assets do not include insurance operations' cash and cash equivalents, prepaid expenses, due from shareholders' operations and property and equipment. Accordingly they are included in unallocated assets.

Segment liabilities do not include reinsurers' balances payable, employees' end of service benefits, accrued expenses and other liabilities. Accordingly they are included in unallocated liabilities.

The unallocated assets and unallocated liabilities are reported to chief operating decision maker on the cumulative basis and not reported under the related segments.

Operating segments

Following are the operating segments identified for segment reporting purposes:

Motor	:	Motor corporate and motor individual
Engineering	:	Construction
Medical	:	Medical
Property	:	Fire, Burglary and Money
Other general	:	Liability and Marine
Protection and Saving	:	Group Retirement and Individual Protection and Saving

Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 31 December 2016

17 SEGMENT INFORMATION (continued)

	<u>Motor</u>	<u>Engineering</u>	<u>Medical</u>	<u>Property</u>	<u>Other General</u>	<u>Protection and Saving</u>	<u>Shareholders' Operations</u>	<u>Total</u>
	SR	SR	SR	SR	SR	SR	SR	SR
For the three month period ended								
31 December 2016 (Unaudited)								
Gross written premiums	92,461,961	15,673,553	41,323,346	26,274,703	19,044,495	31,589,726	-	226,367,784
Reinsurance premiums ceded	(2,254,765)	(12,352,571)	(17,068,801)	(20,594,569)	(11,797,446)	(1,256,857)	-	(65,325,009)
Net written premiums	<u>90,207,196</u>	<u>3,320,982</u>	<u>24,254,545</u>	<u>5,680,134</u>	<u>7,247,049</u>	<u>30,332,869</u>	-	<u>161,042,775</u>
Net premiums earned	<u>72,646,244</u>	<u>3,578,649</u>	<u>13,912,441</u>	<u>5,813,778</u>	<u>5,390,565</u>	<u>32,540,816</u>	-	<u>133,882,493</u>
Unrealized gain on unit linked investments	-	-	-	-	-	12,245,717	-	12,245,717
Net claims incurred	(56,045,010)	900,738	(10,137,792)	228,151	3,627,531	(30,848,855)	-	(92,275,237)
Change in premium deficiency reserves	(5,315,543)	-	(762,179)	-	-	-	-	(6,077,722)
Change in unit linked liabilities	-	-	-	-	-	(12,502,115)	-	(12,502,115)
Commission expenses, net	(3,358,799)	(619,470)	(792,196)	(496,624)	(314,185)	(916,950)	-	(6,498,224)
Inspection and supervision fees	(462,310)	(78,368)	(206,616)	(131,374)	(513,724)	(157,949)	-	(1,550,341)
Net underwriting results	<u>7,464,582</u>	<u>3,781,549</u>	<u>2,013,658</u>	<u>5,413,931</u>	<u>8,190,187</u>	<u>360,664</u>	-	<u>27,224,571</u>
Unallocated income	-	-	-	-	-	-	-	59,580
General and administrative expenses	-	-	-	-	-	-	-	(20,224,423)
Net surplus for the period	-	-	-	-	-	-	-	<u>7,059,728</u>
Net insurance operations' surplus after shareholders' appropriation for the period	-	-	-	-	-	-	-	(705,973)
Shareholders' total revenue	-	-	-	-	-	-	-	1,153,068
General and administrative expenses	-	-	-	-	-	-	-	(2,436,797)
Net income for the period								<u>5,070,026</u>

Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 31 December 2016

17. SEGMENT INFORMATION (continued)

	Motor SR	Engineering SR	Medical SR	Property SR	Other General SR	Protection and Savings SR	Shareholders' Operations SR	Total SR
For the twelve month period ended 31 December 2016 (Unaudited)								
Gross written premiums	298,980,060	73,982,750	123,833,665	125,188,188	64,349,990	149,937,377	-	836,272,030
Reinsurance premiums ceded	(4,272,356)	(60,877,894)	(56,664,499)	(102,212,348)	(38,632,622)	(15,171,680)	-	(277,831,399)
Net written premiums	<u>294,707,704</u>	<u>13,104,856</u>	<u>67,169,166</u>	<u>22,975,840</u>	<u>25,717,368</u>	<u>134,765,697</u>	-	<u>558,440,631</u>
Net premiums earned	248,710,953	14,755,083	52,619,976	24,675,355	23,771,269	135,456,738	-	499,989,374
Unrealized gain on unit linked investments	-	-	-	-	-	14,597,069	-	14,597,069
Net claims incurred	(208,159,316)	(1,006,799)	(35,667,256)	(796,282)	(2,252,936)	(128,581,549)	-	(376,464,138)
Change in premium deficiency reserves	(5,315,543)	-	(762,179)	-	-	-	-	(6,077,722)
Change in unit linked liabilities	-	-	-	-	-	(855,080)	-	(855,080)
Commission expenses, net	(17,518,963)	(5,982,016)	(5,595,850)	2,973,626	(831,701)	(4,424,579)	-	(31,379,483)
Inspection and supervision fees	(1,494,900)	(369,914)	(619,168)	(625,941)	(1,565,355)	(749,687)	-	(5,424,965)
Net underwriting results	<u>16,222,231</u>	<u>7,496,354</u>	<u>9,975,523</u>	<u>26,226,758</u>	<u>19,121,277</u>	<u>15,442,912</u>	-	<u>94,385,055</u>
Unallocated income	-	-	-	-	-	-	-	5,742,188
General and administrative expenses	-	-	-	-	-	-	-	(73,606,857)
Net surplus for the period	-	-	-	-	-	-	-	<u>26,520,386</u>
Net insurance operations' surplus after shareholders' appropriation for the period	-	-	-	-	-	-	-	(2,652,039)
Shareholders' total revenue	-	-	-	-	-	-	-	3,694,462
General and administrative expenses	-	-	-	-	-	-	-	(3,133,262)
Net income for the period								<u>24,429,547</u>

Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 31 December 2016

17 SEGMENT INFORMATION (continued)

As at 31 December 2016 (Unaudited)	Motor SR	Engineering SR	Medical SR	Property SR	Other General SR	Protection and Savings SR	Shareholders' Operations SR	Total SR
Insurance Operations' Assets								
Reinsurers' share of unearned premiums	293,920	132,206,909	29,100,130	37,235,341	30,898,109	6,726,088	-	236,460,497
Reinsurers' share of outstanding claims	3,785,367	114,046,361	20,185,536	54,463,180	69,054,877	5,925,028	-	267,460,349
Deferred policy acquisition costs	11,636,494	3,487,406	1,948,609	3,740,909	1,822,035	(546,429)	-	22,089,024
Premiums receivable, gross	110,232,068	92,593,267	71,187,083	33,128,003	133,147,577	11,089,626	-	451,377,624
Provision for doubtful debts	-	-	-	-	-	-	-	(39,333,767)
Unit linked investments	-	-	-	-	-	592,651,654	-	592,651,654
Unallocated assets	-	-	-	-	-	-	-	225,838,421
Shareholders' assets	-	-	-	-	-	-	238,150,114	238,150,114
Total assets								1,994,693,916
Insurance Operations' Liabilities								
Unearned premiums	152,166,570	142,561,943	67,209,116	47,011,526	39,091,363	11,216,770	-	459,257,288
Outstanding claims	78,417,405	118,455,997	40,371,072	60,418,188	78,217,580	10,249,910	-	386,130,152
Unearned commission income	45,558	6,121,791	-	4,143,671	1,334,715	305,873	-	11,951,608
Unit linked liabilities	-	-	-	-	-	593,706,572	-	593,706,572
Unallocated liabilities and surplus	-	-	-	-	-	-	-	305,498,182
Total Shareholders' liabilities and equity	-	-	-	-	-	-	238,150,114	238,150,114
Total insurance operations liabilities, surplus and shareholders' liabilities and equity								1,994,693,916

Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 31 December 2016

17 SEGMENT INFORMATION (continued)

	Motor SR	Engineering SR	Medical SR	Property SR	Other General SR	Protection and Savings SR	Shareholders' Operations SR	Total SR
For the three month period ended 31 December 2015								
Gross written premiums	61,744,835	26,511,509	16,264,859	30,002,676	26,620,384	36,588,227	-	197,732,490
Reinsurance premiums ceded	(1,431,888)	(22,334,897)	(10,243,350)	(22,206,830)	(23,500,544)	(1,209,874)	-	(80,927,383)
Net written premiums	60,312,947	4,176,612	6,021,509	7,795,846	3,119,840	35,378,353	-	116,805,107
Net premiums earned	45,422,790	4,285,416	12,031,117	7,044,067	4,782,534	36,453,395	-	110,019,319
Unrealized gain on unit linked investments	-	-	-	-	-	1,004,584	-	1,004,584
Net claims incurred	(44,069,451)	(536,296)	(7,388,939)	538,942	704,923	(28,711,115)	-	(79,461,936)
Change in unit linked liabilities	-	-	-	-	-	(2,225,349)	-	(2,225,349)
Commission expenses, net	(3,277,732)	3,069,467	(1,401,657)	(5,475,216)	(518,413)	1,109,763	-	(6,493,788)
Inspection and supervision fees	(308,724)	(132,557)	(81,324)	(150,013)	(295,753)	(182,941)	-	(1,151,312)
Net underwriting results	(2,233,117)	6,686,030	3,159,197	1,957,780	4,673,291	7,448,337	-	21,691,518
Unallocated income	-	-	-	-	-	-	-	3,584,866
General and administrative expenses	-	-	-	-	-	-	-	(18,569,245)
Net surplus for the period	-	-	-	-	-	-	-	6,707,139
Net insurance operations' surplus after shareholders' appropriation for the period	-	-	-	-	-	-	-	(670,714)
Shareholders' total revenue	-	-	-	-	-	-	-	1,283,202
General and administrative expenses	-	-	-	-	-	-	-	(220,928)
Net income for the period	-	-	-	-	-	-	-	7,098,699

Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 31 December 2016

17 SEGMENT INFORMATION (continued)

	Motor SR	Engineering SR	Medical SR	Property SR	Other General SR	Protection and Savings SR	Shareholders' Operations SR	Total SR
For the twelve month period ended 31 December 2015								
Gross written premiums	198,978,471	107,241,651	103,135,375	142,997,483	79,874,758	170,985,574	-	803,213,312
Reinsurance premiums ceded	(4,300,962)	(90,292,706)	(54,005,705)	(115,310,768)	(60,683,285)	(18,249,643)	-	(342,843,069)
Net written premiums	194,677,509	16,948,945	49,129,670	27,686,715	19,191,473	152,735,931	-	460,370,243
Net premiums earned	147,204,144	14,862,309	28,392,385	25,280,733	21,712,718	150,724,622	-	388,176,911
Unrealized gain on unit linked investments	-	-	-	-	-	675,883	-	675,883
Net claims incurred	(118,291,609)	(1,377,847)	(18,026,727)	(1,665,437)	(9,192,909)	(129,369,775)	-	(277,924,304)
Premium deficiency reserves	-	-	-	-	-	-	-	-
Change in unit linked liabilities	-	-	-	-	-	772,420	-	772,420
Commission expenses, net	(11,497,736)	3,860,106	(2,967,088)	(5,401,961)	(399,457)	(3,686,988)	-	(20,093,124)
Inspection and supervision fees	(994,892)	(536,208)	(515,677)	(714,987)	(1,430,729)	(854,928)	-	(5,047,421)
Net underwriting results	16,419,907	16,808,360	6,882,893	17,498,348	10,689,623	18,261,234	-	86,560,365
Unallocated income	-	-	-	-	-	-	-	6,448,057
General and administrative expenses	-	-	-	-	-	-	-	(70,533,043)
Net surplus for the period	-	-	-	-	-	-	-	22,475,379
Net insurance operations' surplus after shareholders' appropriation for the period	-	-	-	-	-	-	-	(2,247,538)
Shareholders' total revenue	-	-	-	-	-	-	-	4,460,162
General and administrative expenses	-	-	-	-	-	-	-	(852,466)
Net income for the period	-	-	-	-	-	-	-	23,835,537

Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 31 December 2016

17 SEGMENT INFORMATION (continued)

As at 31 December 2015 (Audited)	Motor SR	Engineering SR	Medical SR	Property SR	Other General SR	Protection and Savings SR	Shareholders' Operations SR	Total SR
Insurance Operations' Assets								
Reinsurers' share of unearned premiums	354,223	145,093,569	24,448,002	41,819,646	38,706,130	7,818,821	-	258,240,391
Reinsurers' share of outstanding claims	3,459,501	138,691,916	10,337,171	119,351,242	94,948,303	8,719,801	-	375,507,934
Deferred policy acquisition costs	8,099,959	4,399,526	2,974,541	4,341,583	1,635,144	507,538	-	21,958,291
Premiums receivable, gross	80,013,734	74,916,783	54,681,746	28,761,133	75,209,785	19,014,356	-	332,597,537
Provision for doubtful debts	-	-	-	-	-	-	-	(41,180,489)
Unit linked investments	-	-	-	-	-	586,968,627	-	586,968,627
Unallocated assets	-	-	-	-	-	-	-	158,382,022
Shareholders' assets	-	-	-	-	-	-	215,857,291	215,857,291
Total assets								1,908,331,604
Insurance Operations' Liabilities								
Unearned premiums	106,230,121	157,098,831	48,007,799	53,295,345	44,953,285	13,000,544	-	422,585,925
Outstanding claims	35,600,929	143,653,912	20,674,343	127,367,813	106,713,700	13,918,268	-	447,928,965
Unearned commission income	53,846	2,890,884	-	9,865,027	2,053,766	366,950	-	15,230,473
Unit linked liabilities	-	-	-	-	-	592,851,492	-	592,851,492
Unallocated liabilities and surplus	-	-	-	-	-	-	-	213,877,458
Total shareholders' liabilities and equity	-	-	-	-	-	-	215,857,291	215,857,291
Total insurance operations liabilities, surplus and shareholders' liabilities and equity								1,908,331,604

Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
At 31 December 2016

17 SEGMENT INFORMATION (continued)

Geographical segments

The Company, during the three month periods ended 31 December 2016 and 31 December 2015 operated only in the Kingdom of Saudi Arabia.

18 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements have been approved by the Board of directors on 20 Rabi Al-Thani 1438H, corresponding to 18 January 2017.