

**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 NINE MONTH PERIODS ENDED  
30 SEPTEMBER 2016**

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**KPMG Al Fozan & Partners**  
Certified Public Accountants



**Aldar Audit Bureau**  
Abdullah Al Basri & Co.  
Member Firm of Grant Thornton International

# **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 30 September 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 nine 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 nine 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.

**KPMG Al Fozan & Partners**  
Certified Public Accountants  
P. O. Box 92876  
Riyadh 11663  
Kingdom of Saudi Arabia

**Aldar Audit Bureau**  
Abdullah Al Basri & Co  
P. O. Box 2195  
Riyadh 11451  
Kingdom of Saudi Arabia

**Abdullah Hamad Al Fozan**  
Certified Public Accountant  
Licence No. 348

**Abdullah M. Al Basri**  
Certified Public Accountant  
Licence No. 171

18 Muharram 1438H  
19 October 2016



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

## INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 September 2016

	Note	30 September 2016 (Unaudited) SR	31 December 2015 (Audited) SR
<b>INSURANCE OPERATIONS' ASSETS</b>			
Cash and cash equivalents		65,751,142	55,244,050
Prepayments and other assets		13,296,988	12,589,673
Reinsurance balances receivable		74,222,590	29,468,288
Premiums receivable	7	366,566,224	291,417,048
Available for sale investments	9	60,732,652	59,303,915
Unit linked investments	10	581,308,604	586,968,627
Deferred policy acquisition costs		21,183,433	21,958,291
Reinsurers' share of unearned premiums		246,067,942	258,240,391
Reinsurers' share of outstanding claims	6	349,157,269	375,507,934
Property and equipment		2,205,686	1,776,096
<b>TOTAL INSURANCE OPERATIONS' ASSETS</b>		<b>1,780,492,530</b>	<b>1,692,474,313</b>
<b>SHAREHOLDERS' ASSETS</b>			
Cash and cash equivalents		5,395,284	1,565,454
Prepayments and other assets		4,537,082	2,508,050
Due from insurance operations		34,430,192	23,915,601
Available for sale investments	9	170,832,832	167,391,371
Statutory deposit	8	20,000,000	20,000,000
Return on investment of statutory deposit	8	616,371	476,815
<b>TOTAL SHAREHOLDERS' ASSETS</b>		<b>235,811,761</b>	<b>215,857,291</b>
<b>TOTAL ASSETS</b>		<b>2,016,304,291</b>	<b>1,908,331,604</b>

  
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 FINANCIAL POSITION (continued)

As at 30 September 2016

		30 September 2016 (Unaudited) SR	31 December 2015 (Audited) SR
	Note		
<b>INSURANCE OPERATIONS' LIABILITIES AND SURPLUS</b>			
Accrued expenses and other liabilities		36,621,371	38,140,389
Reinsurance balances payable		191,452,268	137,306,805
Due to shareholders' operations		34,430,192	23,915,601
Outstanding claims	6	460,190,576	447,928,965
Unit linked liabilities		581,204,458	592,851,492
Unearned commission income		15,940,342	15,230,473
Unearned premiums		441,704,451	422,585,925
Employees' end of service benefits		12,534,879	11,786,168
<b>TOTAL INSURANCE OPERATIONS' LIABILITIES</b>		<b>1,774,078,537</b>	<b>1,689,745,818</b>
<b>INSURANCE OPERATIONS' SURPLUS</b>			
Accumulated surplus		7,030,900	5,084,834
Fair value reserve for available for sale investments	9	(616,907)	(2,356,339)
<b>TOTAL INSURANCE OPERATIONS' LIABILITIES AND SURPLUS</b>		<b>1,780,492,530</b>	<b>1,692,474,313</b>
<b>SHAREHOLDERS' LIABILITIES AND EQUITY</b>			
<b>SHAREHOLDERS' LIABILITIES</b>			
Accrued expenses and other liabilities		193,197	185,698
Deferred return on investment of statutory deposit	8	616,371	476,815
Zakat and income tax payable		15,231,377	14,271,442
<b>TOTAL SHAREHOLDERS' LIABILITIES</b>		<b>16,040,945</b>	<b>14,933,955</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	11	200,000,000	200,000,000
Share premium		22,711,315	22,711,315
Accumulated losses		(4,174,076)	(19,514,783)
Fair value reserve for available for sale investments	9	1,233,577	(2,273,196)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>219,770,816</b>	<b>200,923,336</b>
<b>TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY</b>		<b>235,811,761</b>	<b>215,857,291</b>
<b>TOTAL INSURANCE OPERATIONS' LIABILITIES AND SURPLUS AND SHAREHOLDERS' LIABILITIES AND EQUITY</b>		<b>2,016,304,291</b>	<b>1,908,331,604</b>

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 INCOME - INSURANCE OPERATIONS**

	Note	<i>For the three month period ended</i>		<i>For the nine month period ended</i>	
		<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
		<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
		<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Gross written premiums	5	179,515,639	175,720,568	609,904,246	605,480,822
Reinsurance premiums ceded	5	(64,721,785)	(74,897,387)	(212,506,390)	(261,915,686)
<b>Net written premiums</b>	5	<b>114,793,854</b>	<b>100,823,181</b>	<b>397,397,856</b>	<b>343,565,136</b>
Changes in unearned premiums	5	30,276,226	(1,655,269)	(19,118,526)	(118,585,506)
Reinsurance share of unearned premiums	5	(15,342,120)	2,499,160	(12,172,449)	53,177,962
<b>Net change in unearned premiums</b>	5	<b>14,934,106</b>	<b>843,891</b>	<b>(31,290,975)</b>	<b>(65,407,544)</b>
<b>Net premiums earned</b>	5	<b>129,727,960</b>	<b>101,667,072</b>	<b>366,106,881</b>	<b>278,157,592</b>
Commission earned		3,411,837	4,728,449	13,118,854	13,891,063
Unrealized (loss) / gain on unit linked investments		(2,476,749)	(7,484,205)	2,351,352	(328,701)
Other income		2,474,017	746,850	5,682,607	2,863,191
<b>Total revenues</b>		<b>133,137,065</b>	<b>99,658,166</b>	<b>387,259,694</b>	<b>294,583,145</b>
Gross claims paid		(88,804,447)	(118,440,979)	(333,432,777)	(378,163,593)
Reinsurance share of claims paid		17,233,339	60,209,197	87,856,152	172,496,625
<b>Net claims paid</b>		<b>(71,571,108)</b>	<b>(58,231,782)</b>	<b>(245,576,625)</b>	<b>(205,666,968)</b>
Changes in gross outstanding claims		(26,788,311)	4,359,202	(12,261,611)	(56,359,428)
Changes in reinsurance share of outstanding claims		(3,495,168)	(14,549,478)	(26,350,665)	63,564,028
<b>Changes in net outstanding claims</b>		<b>(30,283,479)</b>	<b>(10,190,276)</b>	<b>(38,612,276)</b>	<b>7,204,600</b>
<b>Net Claims incurred</b>		<b>(101,854,587)</b>	<b>(68,422,058)</b>	<b>(284,188,901)</b>	<b>(198,462,368)</b>
Change in premium deficiency reserves		-	289,583	-	-
Change in unit linked liabilities		5,889,544	4,546,307	11,647,035	2,997,769
Commission expenses		(13,512,271)	(10,131,409)	(38,000,113)	(27,490,399)
Inspection and supervision fees		(1,173,843)	(1,210,418)	(3,874,624)	(3,896,109)
General and administrative expenses		(16,172,084)	(19,711,136)	(53,382,434)	(51,963,798)
<b>Total claims and expenses</b>		<b>(126,823,241)</b>	<b>(94,639,131)</b>	<b>(367,799,037)</b>	<b>(278,814,905)</b>
<b>Net surplus for the period</b>		<b>6,313,824</b>	<b>5,019,035</b>	<b>19,460,657</b>	<b>15,768,240</b>
Net surplus transferred to interim statement of income - shareholders' operations	3	(5,682,442)	(4,517,131)	(17,514,591)	(14,191,416)
<b>Net insurance operations' surplus after shareholders' appropriation for the period</b>		<b>631,382</b>	<b>501,904</b>	<b>1,946,066</b>	<b>1,576,824</b>

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 COMPREHENSIVE INCOME - INSURANCE OPERATIONS

	<i>For the three month period ended</i>		<i>For the nine month period ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Net insurance operations' surplus after shareholders' appropriation for the period	631,382	501,904	1,946,066	1,576,824
<i>Other comprehensive income to be reclassified subsequently to the interim statement of income – insurance operations when conditions are met in future</i>				
Fair value change in available for sale investments	188,201	115,976	1,739,432	(743)
Transferred to realized gain on available for sale investments disposal	-	-	-	(311,010)
<b>Total comprehensive income from insurance operations for the period</b>	<b>819,583</b>	<b>617,880</b>	<b>3,685,498</b>	<b>1,265,071</b>

  
 Xavier Denys  
 Chief Executive Officer

Abdulrahman Al Sughayer  
  
 Board Member

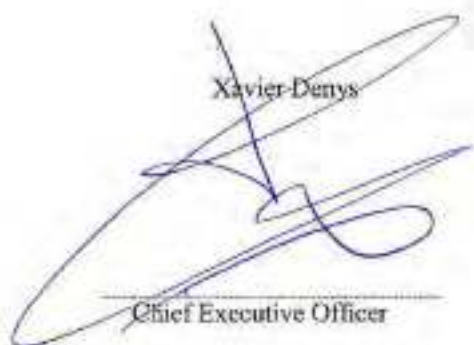
Mohammed Koubar  
  
 Chief Financial Officer

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

	<i>For the three month period ended</i>		<i>For the nine month period ended</i>	
	<i>30 September 2016 (Unaudited) SR</i>	<i>30 September 2015 (Unaudited) SR</i>	<i>30 September 2016 (Unaudited) SR</i>	<i>30 September 2015 (Unaudited) SR</i>
Special commission income	887,209	1,205,766	2,429,835	3,552,154
Realised gain / (loss) on available for sale investments	-	-	111,559	(375,194)
<b>Total revenues</b>	<b>887,209</b>	<b>1,205,766</b>	<b>2,541,394</b>	<b>3,176,960</b>
Net surplus transferred from interim statement of income - insurance operations	5,682,442	4,517,131	17,514,591	14,191,416
General and administrative expenses	(261,056)	(211,868)	(696,465)	(631,538)
<b>Net income for the period</b>	<b>6,308,595</b>	<b>5,511,029</b>	<b>19,359,520</b>	<b>16,736,838</b>
Basic and diluted earnings per share (Note 15)	0.32	0.28	0.97	0.84

Xavier-Denys



Chief Executive Officer

Abdulrahman Al Sughayer



Board Member

Mohamed 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 - SHAREHOLDERS' OPERATIONS**

	<i>For the three month period ended</i>		<i>For the nine month period ended</i>	
	<i>30 September 2016 (Unaudited)</i>	<i>30 September 2015 (Unaudited)</i>	<i>30 September 2016 (Unaudited)</i>	<i>30 September 2015 (Unaudited)</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Net income for the period	6,308,595	5,511,029	19,359,520	16,736,838
<i>Other comprehensive income to be reclassified subsequently to the statement of income- shareholders' operations</i>				
Fair value change in available for sale investments	1,422,755	(403,314)	3,618,332	(1,314,521)
Transferred to realized (gain) / loss on disposal of available for sale investments	-	-	(111,559)	375,194
<b>Total comprehensive income for the period</b>	<b>7,731,350</b>	<b>5,107,715</b>	<b>22,866,293</b>	<b>15,797,511</b>

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 CHANGES IN SHAREHOLDERS' EQUITY

	Share capital SR	Share premium SR	Accumulated losses SR	Fair value reserve for available for sale investments SR	Total 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	-	-	16,736,838	-	16,736,838
Other comprehensive income:					
- Fair value change in available for sale investments	-	-	-	(1,314,521)	(1,314,521)
- Transferred to statement of income of shareholders' operations	-	-	-	375,194	375,194
Total comprehensive income for the period	-	-	16,736,838	(939,327)	15,797,511
Provision for zakat and income tax - Note 3	-	-	(3,707,667)	-	(3,707,667)
<b>Balance as at 30 September 2015 - (Unaudited)</b>	<b>200,000,000</b>	<b>22,711,315</b>	<b>(23,065,262)</b>	<b>(778,695)</b>	<b>196,867,358</b>
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	-	-	19,359,520	-	19,359,520
Other comprehensive income:					
- Fair value change in available for sale investments	-	-	-	3,618,332	3,618,332
- Transferred to statement of income of shareholders' operations	-	-	-	(111,559)	(111,559)
Total comprehensive income for the period	-	-	19,359,520	3,506,773	22,866,293
Provision for zakat and income tax - Note 3	-	-	(4,018,813)	-	(4,018,813)
<b>Balance as at 30 September 2016 - (Unaudited)</b>	<b>200,000,000</b>	<b>22,711,315</b>	<b>(4,174,076)</b>	<b>1,233,577</b>	<b>219,770,816</b>

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 CASH FLOWS - INSURANCE OPERATIONS**

	<i>For the nine month period ended</i>	
	<i>30 September 2016 (Unaudited) SR</i>	<i>30 September 2015 (Unaudited) SR</i>
<b>OPERATING ACTIVITIES</b>		
Net insurance operations' surplus after shareholders' appropriation	1,946,066	1,576,824
Adjustments for:		
Investment premium amortization	310,695	-
Employees' end of service benefits	1,412,332	1,677,875
Depreciation	560,014	894,877
Provision for doubtful receivables	(2,578,272)	694,725
Gain on disposal of available for sale investments	-	(311,010)
Unrealized (gains) / loss on unit linked investments	(2,351,352)	328,701
Shareholders' appropriation from insurance operations' surplus	17,514,591	14,191,416
Operating surplus before changes in operating assets and liabilities	16,814,074	19,053,408
<b>Changes in operating assets and liabilities:</b>		
Deferred policy acquisition costs	774,858	(7,093,972)
Unit linked investments	8,011,375	(1,637,992)
Reinsurance balance receivable	(44,754,302)	(6,179,722)
Premiums receivable	(72,570,904)	(18,636,229)
Prepayments and others assets	(707,315)	2,269,606
Unearned premiums, net	31,290,975	65,407,544
Unit linked liabilities	(11,647,034)	(2,997,768)
Outstanding claims, net	38,612,276	(7,204,600)
Unearned commission income	709,869	554,205
Reinsurance balances payable	54,145,463	(57,546,903)
Accrued expenses and other liabilities	(1,519,018)	(8,302,696)
Cash from operations	19,160,317	(22,315,119)
Employees' end of service benefits paid	(663,621)	(123,377)
<b>Net cash from / (used in) operating activities</b>	<b>18,496,696</b>	<b>(22,438,496)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of office equipment and furniture	(989,604)	(415,022)
Purchase of available for sale investments	-	(4,909,191)
Proceeds from sale of available for sale investments	-	10,348,576
<b>Net cash (used in) / from investing activities</b>	<b>(989,604)</b>	<b>5,024,363</b>
<b>FINANCING ACTIVITY</b>		
Due to shareholders' operations	(7,000,000)	-
<b>INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>10,507,092</b>	<b>(17,414,133)</b>
Cash and cash equivalents at the beginning of the period	55,244,050	62,981,132
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>65,751,142</b>	<b>45,566,999</b>
<b>Non-cash supplemental information:</b>		
Changes in fair value of available for sale investments	1,739,432	(743)
 Xavier Denys Chief Executive Officer	 Abdurrahman Al Sughayer Board Member	 Mohammed Koutbar 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 CASH FLOWS – SHAREHOLDERS' OPERATIONS**

	<i>For the nine month period ended</i>	
	<i>30 September 2016 (Unaudited) SR</i>	<i>30 September 2015 (Unaudited) SR</i>
<b>OPERATING ACTIVITIES</b>		
Net income for the period	19,359,520	16,736,838
Adjustments for:		
Investment premium amortization	2,065,312	-
Realized (gain) / loss on available for sale investments	(111,559)	375,194
Shareholders' appropriation from insurance operations' surplus	(17,514,591)	(14,191,416)
Operating surplus before changes in operating assets and liabilities	3,798,682	2,920,616
<b>Changes in operating assets and liabilities:</b>		
Prepayments and other assets	(2,029,032)	(673,275)
Accrued expenses and other liabilities	7,499	131,599
<b>Cash from operating activities</b>	<b>1,777,149</b>	<b>2,378,940</b>
Zakat and income tax paid	(3,058,878)	(1,537,372)
<b>Net cash (used in) / from operating activities</b>	<b>(1,281,729)</b>	<b>841,568</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of available for sale investments	(12,000,000)	(30,364,374)
Proceeds from sale of available for sale investments	10,111,559	25,580,767
<b>Net cash used in investing activities</b>	<b>(1,888,441)</b>	<b>(4,783,607)</b>
<b>FINANCING ACTIVITY</b>		
Due from insurance operations	7,000,000	-
<b>INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>3,829,830</b>	<b>(3,942,039)</b>
Cash and cash equivalents at the beginning of the period	1,565,454	5,705,081
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>5,395,284</b>	<b>1,763,042</b>
<b>Non-cash supplemental information:</b>		
Changes in fair value of available for sale investments	3,618,332	(1,314,521)

Xavier Denys

Chief Executive Officer

Abdulrahman Al Sughayer

Board Member

Mohammed Kqubar

Chief Financial Officer

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



## 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 2015 (2014: 5 branches). The registered office of the Company is located at Al Safwa 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 not experienced during the financial year. However, operating results for the three and nine month periods ended 30 September 2016 are not necessarily indicative of the results that may be expected for the year ending 31 December 2016.

## 3. BASIS OF PREPARATION

The interim condensed financial statements for the three and nine month periods ended 30 September 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.

During the period, there has been a change in presentation of the Zakat and income tax charge which has been presented in the "statement of changes in equity" instead of being presented as part of "other comprehensive loss" as in last year. The management believes that the change in presentation better corresponds to the nature of the Zakat and tax charge which is a liability of the shareholders (see Note 17 for impact of the change).

#### 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 year:

##### *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*

IFRS 9, as issued, reflects the first phase of the IASB's work though the adoption date is subject to the recently issued Exposure Draft on the replacement of IAS 39 and applies to classification and measurement of financial assets and liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to 1 January 2015.

However, on 19 November 2013, the IASB issued IFRS 9 Financial Instruments (Hedge Accounting and amendments to IFRS 9) amending IFRS 9 to include the new general hedge accounting model. In its February 2014 meeting, the IASB tentatively decided that IFRS 9 would be mandatorily effective for years ending on or after 31 December 2018.

###### *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*

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**5 PREMIUMS**

*For the three month period ended 30 September 2016*  
*Unaudited (SR)*

	<i>Gross</i>	<i>Reinsurers' share</i>	<i>Net</i>
General insurance	147,910,057	(65,537,773)	82,372,284
Protection and saving insurance	31,605,582	815,988	32,421,570
<b>Written premiums</b>	<b>179,515,639</b>	<b>(64,721,785)</b>	<b>114,793,854</b>
Change in unearned premiums	30,276,226	(15,342,120)	14,934,106
<b>Premiums earned</b>	<b>209,791,865</b>	<b>(80,063,905)</b>	<b>129,727,960</b>

*For the three month period ended 30 September 2015*  
*Unaudited (SR)*

	<i>Gross</i>	<i>Reinsurers' Share</i>	<i>Net</i>
General insurance	140,887,898	(73,993,084)	66,894,814
Protection and saving insurance	34,832,670	(904,303)	33,928,367
<b>Written premiums</b>	<b>175,720,568</b>	<b>(74,897,387)</b>	<b>100,823,181</b>
Change in unearned premiums	(1,655,269)	2,499,160	843,891
<b>Premiums earned</b>	<b>174,065,299</b>	<b>(72,398,227)</b>	<b>101,667,072</b>

*For the nine month period ended 30 September 2016*  
*Unaudited (SR)*

	<i>Gross</i>	<i>Reinsurers' share</i>	<i>Net</i>
General insurance	491,556,595	(198,591,567)	292,965,028
Protection and saving insurance	118,347,651	(13,914,823)	104,432,828
<b>Written premiums</b>	<b>609,904,246</b>	<b>(212,506,390)</b>	<b>397,397,856</b>
Change in unearned premiums	(19,118,526)	(12,172,449)	(31,290,975)
<b>Premiums earned</b>	<b>590,785,720</b>	<b>(224,678,839)</b>	<b>366,106,881</b>

Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)**  
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**5 PREMIUMS (continued)**

	<i>For the nine month period ended 30 September 2015</i>		
	<i>Unaudited (SR)</i>		
	<i>Gross</i>	<i>Reinsurers' Share</i>	<i>Net</i>
General insurance	471,083,475	(244,875,917)	226,207,558
Protection and saving insurance	134,397,347	(17,039,769)	117,357,578
Written premiums	605,480,822	(261,915,686)	343,565,136
Change in unearned premiums	(118,585,506)	53,177,962	(65,407,544)
Premiums earned	<u>486,895,316</u>	<u>(208,737,724)</u>	<u>278,157,592</u>

**6 OUTSTANDING CLAIMS**

	<i>As at 30 September 2016 - Unaudited (SR)</i>		
	<i>Gross</i>	<i>Reinsurers' share</i>	<i>Net</i>
General insurance	449,297,599	(342,594,664)	106,702,935
Protection and saving insurance	10,892,977	(6,562,605)	4,330,372
Total outstanding claims	460,190,576	(349,157,269)	111,033,307

	<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>30 September 2016 (Unaudited) SR</i>	<i>31 December 2015 (Audited) SR</i>
Premiums receivable	405,168,441	332,597,537
Provision for doubtful receivables	(38,602,217)	(41,180,489)
Premiums receivable, net	<u>366,566,224</u>	<u>291,417,048</u>



**7 PREMIUMS RECEIVABLE (continued)**

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

30 September 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	405,168,441	169,063,631	143,022,089	34,670,756	58,411,965
Provision for doubtful receivables	(38,602,217)	-	-	(5,200,613)	(33,401,603)
Premiums receivable, net	<u>366,566,224</u>	<u>169,063,631</u>	<u>143,022,089</u>	<u>29,470,143</u>	<u>25,010,362</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	128,248,550	110,286,073	37,413,829	56,649,085
Provision for doubtful receivables	(41,180,489)	-	-	(5,612,074)	(35,568,415)
Premiums receivable, net	<u>291,417,048</u>	<u>128,248,550</u>	<u>110,286,073</u>	<u>31,801,755</u>	<u>21,080,670</u>

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

	30 September 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	(2,578,272)	1,288,658
Balance at the end of the period / year	<u>38,602,217</u>	<u>41,180,489</u>

**8 STATUTORY DEPOSIT**

In compliance with 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 30 September 2016 is SR 616,371 (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.

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9 AVAILABLE FOR SALE INVESTMENTS

*Insurance operations' available for sale investments:*

	<i>As at 30 September 2016 (Unaudited) SR</i>	<i>As at 31 December 2015 (Audited) SR</i>
<b>Quoted</b>		
Sukuk – Fixed rate	39,310,697	5,000,000
Bonds – Floating rate	5,000,000	4,893,281
Bonds – Fixed rate	11,616,813	44,586,986
Mutual Funds	4,805,142	4,823,648
<b>Total</b>	<b>60,732,652</b>	<b>59,303,915</b>

The cumulative unrealised loss in fair value of available for sale investments amounting to SR 616,907 (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:*

<i>30 September 2016 - Unaudited (SR)</i>			
	<i>Quoted</i>	<i>Unquoted</i>	<i>Total</i>
Sukuk – Floating rate	-	25,000,000	25,000,000
Sukuk – Fixed rate	31,805,151	25,000,000	56,805,151
Bonds – Fixed rate	69,205,459	-	69,205,459
Bonds – Floating	-	12,000,000	12,000,000
Mutual Funds	4,599,144	-	4,599,144
Equities	-	3,223,078	3,223,078
<b>Total</b>	<b>105,609,754</b>	<b>65,223,078</b>	<b>170,832,832</b>

<i>31 December 2015 - Audited (SR)</i>			
	<i>Quoted</i>	<i>Unquoted</i>	<i>Total</i>
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
<b>Total</b>	<b>109,168,293</b>	<b>58,223,078</b>	<b>167,391,371</b>

The cumulative unrealised gain in fair value of available for sale investments amounting to SR 1,233,577 (31 December 2015: loss SR 2,273,196) is presented within the shareholders' equity in the interim statement of financial position.

**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	30 September 2016	31 December 2015
Very strong quality AA	S&P/ Moody's	Bonds/ Sukuk	24,180,588	23,728,722
Strong quality A+	S&P	Bonds/ Sukuk	11,725,305	120,626,531
Satisfactory quality A-	S&P	Sukuk	100,896,478	4,911,855
Unrated	N/A	Equities/ Bonds/ Sukuk/ Mutual Funds	94,763,111	77,428,178

**Very strong quality:** Capitalisation, earnings, financial strength, liquidity, management, market reputation and repayment ability are excellent.

**Strong quality:** Capitalisation, earnings, financial strength, liquidity, management, market reputation and repayment ability are good.

**Satisfactory quality:** Require regular monitoring due to financial risk factors. Ability to repay remains at a satisfactory level.

***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 30 September 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:

**i. Insurance operations**

30 September 2016 – Unaudited (SR)				
	Level 1	Level 2	Level 3	Total
Bonds	55,927,510	-	-	55,927,510
Mutual Funds	4,805,142	-	-	4,805,142
Total	60,732,652	-	-	60,732,652

**9 AVAILABLE FOR SALE INVESTMENTS (continued)**

<i>31 December 2015 – Audited (SR)</i>				
	Level 1	Level 2	Level 3	Total
Bonds	54,480,267	-	-	54,480,267
Mutual Funds	4,823,648	-	-	4,823,648
<b>Total</b>	<b>59,303,915</b>	<b>-</b>	<b>-</b>	<b>59,303,915</b>

**ii. Shareholders' operations**

<i>30 September 2016 – Unaudited (SR)</i>				
	Level 1	Level 2	Level 3	Total
Sukuk	31,805,151	-	-	31,805,151
Bonds	69,205,459	-	-	69,205,459
Mutual Funds	4,599,144	-	-	4,599,144
<b>Total</b>	<b>105,609,754</b>	<b>-</b>	<b>-</b>	<b>105,609,754</b>

<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
<b>Total</b>	<b>109,168,293</b>	<b>-</b>	<b>-</b>	<b>109,168,293</b>

There were no transfers between Level 1 and Level 2 fair value measurements during the period ended 30 September 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**

Following represents fair value for unit-linked investments:

	<i>30 September 2016 (Unaudited) SR</i>	<i>31 December 2015 (Audited) SR</i>
Local funds	565,440,869	572,531,152
Foreign funds	15,867,735	14,437,475
	<b>581,308,604</b>	<b>586,968,627</b>



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**10 UNIT LINKED INVESTMENTS (continued)**

Unit Linked Assets related to investments in unit linked funds. The Company has established unit linked liabilities which excluding some timing differences and reserves, matches exactly the policyholder 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 the 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 30 September 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 30 September 2016.

**14 RELATED PARTY TRANSACTIONS AND BALANCES**

Following are the details of related party transactions during the period ended 30 September 2016 and 30 September 2015 and the related affiliate's balances as at 30 September 2016 and 31 December 2015:

Related party	Nature of transaction	For the nine month ended 30 September 2016 (Unaudited) SR	For the nine month ended 30 September 2015 (Unaudited) SR
Entities controlled, jointly controlled or significantly influenced by related parties:	-Insurance premiums written	60,472,863	31,611,597
	-Insurance premiums ceded	72,329,182	115,802,733
	-Gross claims paid	29,784,180	9,306,071
	-Reinsurance share of claims paid	38,202,645	96,993,848
	-Commission expense	2,689,908	4,560,719
	-Commission income	5,322,469	28,556,721
	Other expenses		
	-Third party administrator (TPA) fees	4,592,989	4,643,561
	Key management personnel		
	-Remuneration and related expenses	4,368,900	2,811,849
Board members	-Fees and related expenses	883,194	568,960

#### 14 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

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 the shareholder of the Company, Banque Saudi Fransi.

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

	<i>30 September 2016 (Unaudited) SR</i>	<i>31 December 2015 (Audited) SR</i>
Entities controlled, jointly controlled or significantly influenced by related parties:		
- Accrued expenses	8,389,671	6,157,909
- Premiums receivable, net	40,858,145	11,525,314
- Reinsurance balances payable	4,184,305	35,224,432
- Outstanding claims	4,063,956	4,012,736

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 Netherland, 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 30 September 2016 (Unaudited)</i>	<i>For the three month period ended 30 September 2015 (Unaudited)</i>	<i>For the nine month period ended 30 September 2016 (Unaudited)</i>	<i>For the nine month period ended 30 September 2015 (Unaudited)</i>
Net income for the period	6,308,595	5,511,029	19,359,520	16,736,838
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)	0.32	0.28	0.97	0.84

## 16 SEGMENT INFORMATION

A) 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

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16 SEGMENT INFORMATION (continued)

	<u>Motor</u> SR	<u>Engineering</u> SR	<u>Medical</u> SR	<u>Property</u> SR	<u>Other General</u> SR	<u>Protection and Saving</u> SR	<u>Shareholders' Operations</u> SR	<u>Total</u> SR
<b>For the three month period ended 30 September 2016 (Unaudited)</b>								
Gross written premiums	58,245,914	35,282,650	27,626,533	16,931,963	9,822,997	31,605,582	-	179,515,639
Reinsurance premiums ceded	(509,659)	(32,283,348)	(13,418,115)	(14,116,958)	(5,209,693)	815,988	-	(64,721,785)
Net written premiums	57,736,255	2,999,302	14,208,418	2,815,005	4,613,304	32,421,570	-	114,793,854
Net premiums earned	65,710,447	3,884,418	12,680,361	6,862,231	7,526,218	33,064,285	-	129,727,960
Unrealized gain on unit linked investments	-	-	-	-	-	(2,476,749)	-	(2,476,749)
Net claims incurred	(59,984,528)	(70,016)	(8,229,615)	(1,254,907)	(3,556,494)	(28,759,027)	-	(101,854,587)
Change in unit linked reserves	-	-	-	-	-	5,889,544	-	5,889,544
Commission	-	-	-	-	-	-	-	-
(expenses)/income, net	(5,455,412)	(1,058,928)	(1,428,490)	(855,391)	(484,278)	(817,935)	-	(10,100,434)
Inspection and supervision fees	(291,229)	(176,413)	(138,133)	(84,659)	(325,381)	(158,028)	-	(1,173,843)
Net underwriting results	(20,722)	2,579,061	2,884,123	4,667,274	3,160,065	6,742,090	-	20,011,891
Unallocated (expenses) income	-	-	-	-	-	-	-	2,474,017
General and administrative expenses	-	-	-	-	-	-	-	(16,172,084)
Surplus from insurance operations	-	-	-	-	-	-	-	6,313,824
Retained in insurance operations	-	-	-	-	-	-	-	(631,382)
Shareholders' total revenue	-	-	-	-	-	-	(887,209)	(887,209)
General and administrative expenses	-	-	-	-	-	-	(261,056)	(261,056)
<b>Net income for the period</b>	-	-	-	-	-	-	-	<b>6,308,595</b>



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At 30 September 2016

16 SEGMENT INFORMATION (continued)

	Motor SR	Engineering SR	Medical SR	Property SR	Other General SR	Protection and Savings SR	Shareholders' Operations SR	Total SR
<b>For the nine month period ended 30 September 2016 (Unaudited)</b>								
Gross written premiums	206,518,099	58,309,197	82,510,319	98,913,485	45,305,495	118,347,651	-	609,904,246
Reinsurance premiums ceded	(2,017,591)	(48,525,323)	(39,595,698)	(81,617,779)	(26,835,176)	(13,914,823)	-	(212,506,390)
Net written premiums	<u>204,500,508</u>	<u>9,783,874</u>	<u>42,914,621</u>	<u>17,295,706</u>	<u>18,470,319</u>	<u>104,432,828</u>	-	<u>397,397,856</u>
Net premiums earned	176,064,709	11,176,434	38,707,535	18,861,575	18,380,706	102,915,922	-	366,106,881
Unrealized gain on unit linked investments	-	-	-	-	-	2,351,352	-	2,351,352
Net claims incurred	(152,114,306)	(1,907,537)	(25,529,464)	(1,024,433)	(5,880,467)	(97,732,694)	-	(284,188,901)
Premium deficiency reserves	-	-	-	-	-	-	-	-
Change in unit linked reserves	-	-	-	-	-	11,647,035	-	11,647,035
Commission	(14,160,164)	(5,362,546)	(4,803,654)	3,470,250	(517,516)	(3,507,629)	-	(24,881,259)
(expenses)/income, net	<u>(1,032,590)</u>	<u>(291,546)</u>	<u>(412,552)</u>	<u>(494,567)</u>	<u>(1,051,631)</u>	<u>(591,738)</u>	-	<u>(3,874,624)</u>
Inspection and supervision fees	8,757,649	3,614,805	7,961,865	20,812,825	10,931,092	15,082,248	-	67,160,484
Net underwriting results	-	-	-	-	-	-	-	-
Unallocated (expenses) income	-	-	-	-	-	-	-	-
General and administrative expenses	-	-	-	-	-	-	-	5,682,607
Surplus from insurance operations	-	-	-	-	-	-	-	(53,382,434)
Retained in insurance operations	-	-	-	-	-	-	-	19,460,657
Shareholders' total revenue	-	-	-	-	-	-	-	(1,946,066)
General and administrative expenses	-	-	-	-	-	-	2,541,394	2,541,394
Net income for the period	-	-	-	-	-	-	(696,465)	(696,465)
								<u>19,359,520</u>

Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)  
 NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
 At 30 September 2016

16 SEGMENT INFORMATION (continued)

	Motor SR	Engineering SR	Medical SR	Property SR	Other General SR	Protection and Savings SR		Shareholders' Operations SR		Total SR
<b>As at 30 September 2016 (Unaudited)</b>										
<b>Insurance Operations' Assets</b>										
Reinsurers' share of unearned premiums	42,644	138,981,945	25,913,656	41,688,615	29,515,627	9,925,455	-	-	-	246,067,942
Reinsurers' share of outstanding claims	4,499,720	127,967,256	17,391,121	111,946,508	80,790,059	6,562,605	-	-	-	349,157,269
Deferred policy acquisition costs	9,171,622	3,854,472	2,965,086	3,440,801	1,380,907	370,545	-	-	-	21,183,433
Premiums receivable, gross	93,400,244	88,267,521	55,014,985	44,836,715	102,976,976	20,672,000	-	-	-	405,168,441
Provision for doubtful debts	-	-	-	-	-	-	-	-	-	(38,607,217)
Unit linked investments	-	-	-	-	-	581,308,604	-	-	-	581,308,604
Unallocated assets	-	-	-	-	-	-	-	-	-	216,209,058
Shareholders' assets	-	-	-	-	-	-	235,811,761	-	-	235,811,761
<b>Total assets</b>										<b>2,016,304,291</b>
<b>Insurance Operations' Liabilities</b>										
Unearned premiums	134,354,342	149,594,647	53,680,539	51,598,445	35,852,394	16,624,084	-	-	-	441,704,451
Outstanding claims	66,345,404	133,501,069	34,782,245	119,159,419	95,509,462	10,892,977	-	-	-	460,190,576
Unearned commission income	6,380	7,052,206	-	7,442,677	997,661	441,418	-	-	-	15,940,342
Unit linked reserves	-	-	-	-	-	581,204,458	-	-	-	581,204,458
Unallocated liabilities and surplus	-	-	-	-	-	-	-	-	-	281,452,703
Total Shareholders' liabilities and equity	-	-	-	-	-	-	235,811,761	-	-	235,811,761
<b>Total insurance operations liabilities, surplus and shareholders' liabilities and equity</b>										<b>2,016,304,291</b>

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 September 2016

16 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 30 September 2015								
Gross written premiums	40,359,305	39,102,068	33,181,526	17,007,352	11,237,647	34,832,670	-	175,720,568
Reinsurance premiums ceded	(1,191,775)	(36,759,578)	(15,483,540)	(13,316,025)	(7,242,166)	(904,303)	-	(74,897,387)
Net written premiums	39,167,530	2,342,490	17,697,986	3,691,327	3,995,481	33,928,367	-	100,823,181
Net premiums earned	40,526,050	3,733,345	9,819,830	6,380,251	5,701,770	35,505,826	-	101,667,072
Unrealized gain on unit linked investments	-	-	-	-	-	(7,484,205)	-	(7,484,205)
Net claims incurred	(28,624,998)	(429,315)	(6,608,688)	(339,603)	(3,675,835)	(28,454,036)	-	(68,132,475)
Premium deficiency reserves	-	-	-	-	-	-	-	-
Change in mathematical reserves	-	-	-	-	-	4,546,307	-	4,546,307
Commission (expenses)/income, net	(3,155,655)	462,993	(1,224,134)	(44,108)	(202,036)	(1,240,020)	-	(5,402,960)
Inspection and supervision fees	(201,796)	(195,511)	(165,908)	(85,037)	(388,002)	(174,164)	-	(1,210,418)
Net underwriting results	8,543,601	3,571,512	1,821,100	5,911,503	1,435,897	2,699,708	-	23,983,321
Unallocated income	-	-	-	-	-	746,850	-	746,850
Unallocated expenses	-	-	-	-	-	(19,711,136)	-	(19,711,136)
Surplus from insurance operations	-	-	-	-	-	-	-	5,019,035
Retained in insurance operations	-	-	-	-	-	-	-	(501,904)
Shareholders' total revenue	-	-	-	-	-	-	1,205,766	1,205,766
General and administrative expenses	-	-	-	-	-	-	(211,868)	(211,868)
Net income for the period	-	-	-	-	-	-	-	5,511,029

Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)  
 NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
 At 30 September 2016

16 SEGMENT INFORMATION (continued)

For the nine month period ended 30 September 2015

	Motor SR	Engineering SR	Medical SR	Property SR	Other General SR	Protection and Savings SR	Shareholders' Operations SR	Total SR
Gross written premiums	137,233,636	80,730,142	86,870,516	112,994,807	53,254,374	134,397,347	-	605,480,822
Reinsurance premiums ceded	(2,869,074)	(67,957,809)	(43,762,355)	(93,103,938)	(37,182,741)	(17,039,769)	-	(261,915,686)
Net written premiums	134,364,562	12,772,333	43,108,161	19,890,869	16,071,633	117,357,578	-	343,565,136
Net premiums earned	101,781,354	10,576,893	16,361,268	18,236,666	16,930,184	114,271,227	-	278,157,592
Unrealized gain on unit linked investments	-	-	-	-	-	(328,701)	-	(328,701)
Net claims incurred	(74,222,158)	(841,551)	(10,637,788)	(2,204,379)	(9,897,832)	(100,658,660)	-	(198,462,368)
Premium deficiency reserves	-	-	-	-	-	-	-	-
Change in mathematical reserves	-	-	-	-	-	2,997,769	-	2,997,769
Commission (expenses)/income, net	(8,220,004)	790,638	(1,565,431)	73,256	118,956	(4,796,751)	-	(13,599,336)
Inspection and supervision fees	(686,168)	(403,651)	(434,353)	(564,974)	(1,134,976)	(671,987)	-	(3,896,109)
Net underwriting results	18,653,024	10,122,329	3,723,696	15,540,569	6,016,332	10,812,897	-	64,868,847
Unallocated income	-	-	-	-	-	-	-	2,863,191
Unallocated expenses	-	-	-	-	-	-	-	(51,963,798)
Surplus from insurance operations	-	-	-	-	-	-	-	15,768,240
Retained in insurance operations	-	-	-	-	-	-	-	(1,576,824)
Shareholders' total revenue	-	-	-	-	-	-	3,176,960	3,176,960
General and administrative expenses	-	-	-	-	-	-	(631,538)	(631,538)
Net income for the period	-	-	-	-	-	-	-	16,736,838



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

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 September 2016

### 16 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
<b>Insurance Operations' Assets</b>								
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	28,261,133	75,209,785	19,014,356	-	332,897,537
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
<b>Insurance Operations' Liabilities</b>								
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 reserves	-	-	-	-	-	592,851,492	-	592,851,492
Unallocated liabilities and surplus	-	-	-	-	-	-	-	213,877,458
Shareholders' liabilities and equity	-	-	-	-	-	-	215,857,291	215,857,291
Total insurance operations liabilities, surplus and shareholders' liabilities and equity								1,908,331,604

**16 SEGMENT INFORMATION (continued)**

**B) Geographical segments**

The Company, during the three month periods ended 30 September 2016 and 30 September 2015 operated only in the Kingdom of Saudi Arabia.

**17 COMPARATIVE FIGURES**

Due to change in account classification as mentioned in note (3), the Company has accordingly reclassified the Zakat and income tax charge for the comparative periods, reported within "statement of comprehensive income – shareholders' operations" to "statement of changes in shareholders' equity".

**18 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS**

These interim condensed financial statements have been approved by the management on 17 Muharram 1438H, corresponding to 18 October 2016.