

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

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

**FOR THE THREE MONTH AND NINE MONTH PERIODS  
ENDED 30 SEPTEMBER 2015**

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

INTERIM STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	<b>30 September 2015 (Unaudited) SR</b>	<b>31 December 2014 (Audited) SR</b>
<b>INSURANCE OPERATIONS' ASSETS</b>			
Cash and cash equivalents		<b>45,566,999</b>	62,981,132
Prepayments and other assets		<b>12,052,134</b>	14,321,740
Reinsurance balances receivable		<b>45,585,763</b>	39,406,041
Premiums receivable, net	7	<b>250,955,447</b>	233,013,943
Available for sale investments	9	<b>60,850,695</b>	66,290,823
Unit linked investments	10	<b>588,392,070</b>	587,082,779
Deferred policy acquisition costs		<b>20,931,631</b>	13,837,659
Reinsurers' share of unearned premiums		<b>249,890,012</b>	196,712,050
Reinsurers' share of outstanding claims	6	<b>259,355,862</b>	195,791,834
Office equipment and furniture		<b>1,624,982</b>	2,104,837
<b>TOTAL INSURANCE OPERATIONS' ASSETS</b>		<b>1,535,205,595</b>	1,411,542,838
<b>SHAREHOLDERS' ASSETS</b>			
Cash and cash equivalents		<b>1,763,042</b>	5,705,081
Prepayments and other assets		<b>1,242,888</b>	569,613
Due from insurance operations		<b>32,879,176</b>	18,687,760
Available for sale investments	9	<b>153,885,872</b>	150,416,786
Statutory deposit	8	<b>20,476,815</b>	20,076,025
<b>TOTAL SHAREHOLDERS' ASSETS</b>		<b>210,247,793</b>	195,455,265
<b>TOTAL ASSETS</b>		<b>1,745,453,388</b>	1,606,998,103

Xavier Denys

Chief Executive Officer

Heinz Dollberg

Director

Mohammed Koubar

Finance Manager

The accompanying notes 1 to 17 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)

		<i>30 September 2015 (Unaudited) SR</i>	<i>31 December 2014 (Audited) SR</i>
<b>INSURANCE OPERATIONS' LIABILITIES AND SURPLUS</b>			
Accrued expenses and other liabilities		<b>11,371,769</b>	19,674,465
Reinsurance balances payable		<b>131,291,315</b>	188,838,218
Due to shareholders' operations		<b>32,879,176</b>	18,687,760
Outstanding claims	6	<b>333,514,727</b>	277,155,299
Unit linked liabilities		<b>590,626,144</b>	593,623,912
Unearned commission income		<b>12,849,687</b>	12,295,482
Unearned premiums		<b>407,449,758</b>	288,864,252
Employees' end of service benefits		<b>11,618,457</b>	10,063,959
		<hr/>	<hr/>
<b>TOTAL INSURANCE OPERATIONS' LIABILITIES</b>		<b>1,531,601,033</b>	1,409,203,347
<b>INSURANCE OPERATIONS' SURPLUS</b>			
Accumulated surplus		<b>4,414,120</b>	2,837,296
Fair value reserve for available for sale investments	9	<b>(809,558)</b>	(497,805)
		<hr/>	<hr/>
<b>TOTAL INSURANCE OPERATIONS' LIABILITIES AND SURPLUS</b>		<b>1,535,205,595</b>	1,411,542,838
<b>SHAREHOLDERS' LIABILITIES AND EQUITY</b>			
<b>SHAREHOLDERS' LIABILITIES</b>			
Accrued expenses and other liabilities		<b>657,213</b>	124,824
Zakat and income tax payable		<b>12,723,222</b>	10,552,927
		<hr/>	<hr/>
<b>TOTAL SHAREHOLDERS' LIABILITIES</b>		<b>13,380,435</b>	10,677,751
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	11	<b>200,000,000</b>	200,000,000
Share premium		<b>22,711,315</b>	22,711,315
Accumulated losses		<b>(25,065,262)</b>	(38,094,433)
Fair value reserve for available for sale investments	9	<b>(778,695)</b>	160,632
		<hr/>	<hr/>
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>196,867,358</b>	184,777,514
		<hr/>	<hr/>
<b>TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY</b>		<b>210,247,793</b>	195,455,265
		<hr/>	<hr/>
<b>TOTAL INSURANCE OPERATIONS' LIABILITIES AND SURPLUS AND SHAREHOLDERS' LIABILITIES AND EQUITY</b>		<b>1,745,453,388</b>	1,606,998,103
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Xavier Denys



Chief Executive Officer

Heinz Dollberg



Director

Mohammed Koubar



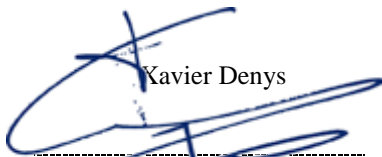
Finance Manager

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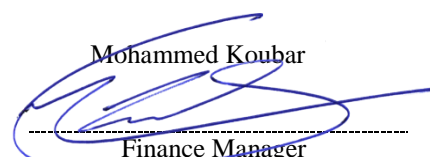
Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

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 2015</i>	<i>30 September 2014</i>	<i>30 September 2015</i>	<i>30 September 2014</i>
		<i>Unaudited SR</i>	<i>Unaudited SR</i>	<i>Unaudited SR</i>	<i>Unaudited SR</i>
Gross written premiums		<b>175,720,568</b>	115,644,213	<b>605,480,822</b>	518,326,030
Reinsurance premiums ceded		<b>(74,897,387)</b>	(42,301,076)	<b>(261,915,686)</b>	(200,001,438)
<b>Net written premiums</b>	5	<b>100,823,181</b>	73,343,137	<b>343,565,136</b>	318,324,592
Changes in unearned premiums		<b>(1,655,269)</b>	54,030,217	<b>(118,585,506)</b>	14,392,945
Reinsurance share of unearned premiums		<b>2,499,160</b>	(17,197,451)	<b>53,177,962</b>	(9,358,004)
<b>Net change in unearned premiums</b>	5	<b>843,891</b>	36,832,766	<b>(65,407,544)</b>	5,034,941
<b>Net premiums earned</b>	5	<b>101,667,072</b>	110,175,903	<b>278,157,592</b>	323,359,533
Commission earned		<b>4,728,449</b>	4,674,785	<b>13,891,063</b>	15,814,814
Unrealized (loss) / gain on unit linked investments		<b>(7,484,205)</b>	8,112,979	<b>(328,701)</b>	16,095,200
Other income		<b>746,850</b>	2,606,217	<b>2,863,191</b>	4,004,757
<b>Total revenues</b>		<b>99,658,166</b>	125,569,884	<b>294,583,145</b>	359,274,304
Gross claims paid		<b>(118,440,979)</b>	(94,726,098)	<b>(378,163,593)</b>	(328,348,796)
Reinsurance share of claims paid		<b>60,209,197</b>	23,136,346	<b>172,496,625</b>	106,792,239
<b>Net claims paid</b>		<b>(58,231,782)</b>	(71,589,752)	<b>(205,666,968)</b>	(221,556,557)
Changes in gross outstanding claims		<b>4,359,202</b>	(14,234,140)	<b>(56,359,428)</b>	(46,366,837)
Changes in reinsurance share of outstanding claims		<b>(14,549,478)</b>	(962,722)	<b>63,564,028</b>	15,403,722
Change in premium deficiency reserves		<b>289,583</b>	(1,467,134)	-	(4,197,907)
<b>Changes in net outstanding claims</b>		<b>(9,900,693)</b>	(16,663,996)	<b>7,204,600</b>	(35,161,022)
<b>Net claims incurred</b>		<b>(68,132,475)</b>	(88,253,748)	<b>(198,462,368)</b>	(256,717,579)
Change in unit linked liabilities		<b>4,546,307</b>	(2,759,745)	<b>2,997,769</b>	(11,408,605)
Commission expenses		<b>(10,131,409)</b>	(9,343,759)	<b>(27,490,399)</b>	(31,490,207)
Inspection and supervision fees		<b>(1,210,418)</b>	(668,694)	<b>(3,896,109)</b>	(3,090,165)
General and administrative expenses		<b>(19,711,136)</b>	(17,866,665)	<b>(51,963,798)</b>	(55,145,771)
<b>Total claims and expenses</b>		<b>(94,639,131)</b>	(118,892,611)	<b>(278,814,905)</b>	(357,852,327)
<b>Net surplus for the period</b>		<b>5,019,035</b>	6,677,273	<b>15,768,240</b>	1,421,977
Net surplus transferred to interim statement of income - shareholders' operations	3	<b>(4,517,131)</b>	(6,535,075)	<b>(14,191,416)</b>	(1,279,779)
<b>Net insurance operations' surplus after shareholders' appropriation for the period</b>		<b>501,904</b>	142,198	<b>1,576,824</b>	142,198

  
Xavier Denys  
Chief Executive Officer

  
Heinz Dollberg  
Director

  
Mohammed Koubar  
Finance Manager

The accompanying notes 1 to 17 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 2015</i> <i>Unaudited</i> <i>SR</i>	<i>30 September 2014</i> <i>Unaudited</i> <i>SR</i>	<i>30 September 2015</i> <i>Unaudited</i> <i>SR</i>	<i>30 September 2014</i> <i>Unaudited</i> <i>SR</i>
<b>Net insurance operations surplus after shareholders' appropriation for the period</b>	<b>501,904</b>	142,198	<b>1,576,824</b>	142,198
<i>Other comprehensive income to be reclassified subsequently to the interim statement of income – policyholders' operations</i>				
Fair value change in available for sale investments	<b>115,976</b>	(183,235)	<b>(743)</b>	1,201,142
Transferred to realized gain on available for sale investments disposal	-	-	<b>(311,010)</b>	-
<b>Total comprehensive income/ (loss) from insurance operations for the period</b>	<b>617,880</b>	(41,037)	<b>1,265,071</b>	1,343,340

Xavier Denys



Chief Executive Officer

Heinz Dollberg



Director

Mohammed Koubar



Finance Manager

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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 2015</i> <i>Unaudited</i> <i>SR</i>	<i>30 September 2014</i> <i>Unaudited</i> <i>SR</i>	<i>30 September 2015</i> <i>Unaudited</i> <i>SR</i>	<i>30 September 2014</i> <i>Unaudited</i> <i>SR</i>
Special commission income	<b>1,205,766</b>	1,147,370	<b>3,552,154</b>	3,653,196
Realised (loss) / gain on available for sale investments	-	(13,513)	<b>(375,194)</b>	123,402
<b>Total revenues</b>	<b>1,205,766</b>	1,133,857	<b>3,176,960</b>	3,776,598
Net surplus transferred from interim statement of income - insurance operations	<b>4,517,131</b>	6,535,075	<b>14,191,416</b>	1,279,779
General and administrative expenses	<b>(211,868)</b>	(186,278)	<b>(631,538)</b>	(566,503)
<b>Net income for the period</b>	<b>5,511,029</b>	7,482,654	<b>16,736,838</b>	4,489,874
<b>Basic and diluted earnings per share (Note 15)</b>	<b>0.28</b>	0.37	<b>0.84</b>	0.22

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Director

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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 2015</i>	<i>30 September 2014</i>	<i>30 September 2015</i>	<i>30 September 2014</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 income for the period	<b>5,511,029</b>	7,482,654	<b>16,736,838</b>	4,489,874
<i>Other comprehensive income not to be reclassified subsequently to the statement of income- shareholders' operations</i>				
Provision for zakat and income tax	<b>(1,307,127)</b>	(1,381,944)	<b>(3,707,667)</b>	(2,585,066)
	<b>4,203,902</b>	6,100,710	<b>13,029,171</b>	1,904,808
<i>Other comprehensive income to be reclassified subsequently to the statement of income- shareholders' operations</i>				
Fair value change in available for sale investments	<b>(403,314)</b>	(538,355)	<b>(1,314,521)</b>	672,089
Transferred to realized loss / (gain) on disposal of available for sale investments	-	13,513	<b>375,194</b>	(123,402)
<b>Total comprehensive income for the period</b>	<b>3,800,588</b>	5,575,868	<b>12,089,844</b>	2,453,495

Xavier Denys

Chief Executive Officer

Heinz Dollberg

Director

Mohammed Koubar

Finance Manager

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

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

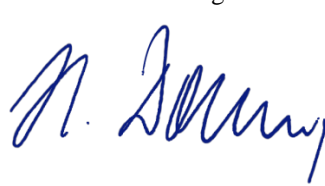
	<i>Share capital</i> SR	<i>Share premium</i> SR	<i>Accumulated losses</i> SR	<i>Fair value reserve for available for sale investments</i> SR	<i>Total</i> SR
Balance as at 1 January 2014	200,000,000	22,711,315	(49,618,841)	(225,266)	172,867,208
Net income for the period	-	-	4,489,874	-	4,489,874
<i>Other comprehensive income:</i>					
- Provision for zakat and income tax	-	-	(2,585,066)	-	(2,585,066)
- Fair value change in available for sale investments	-	-	-	672,089	672,089
- Transferred to statement of income of shareholders' operations	-	-	-	(123,402)	(123,402)
Total comprehensive income for the period	-	-	1,904,808	548,687	2,453,495
<b>Balance as at 30 September 2014 – Unaudited</b>	<b>200,000,000</b>	<b>22,711,315</b>	<b>(47,714,033)</b>	<b>323,421</b>	<b>175,320,703</b>
Balance as at 1 January 2015	<b>200,000,000</b>	<b>22,711,315</b>	<b>(38,094,433)</b>	<b>160,632</b>	<b>184,777,514</b>
Net income for the period	-	-	<b>16,736,838</b>	-	<b>16,736,838</b>
<i>Other comprehensive income:</i>					
- Provision for zakat and income tax	-	-	<b>(3,707,667)</b>	-	<b>(3,707,667)</b>
- Fair value change in available for sale investments	-	-	-	<b>(1,314,521)</b>	<b>(1,314,521)</b>
- Transferred to statement of income of shareholders' operations	-	-	-	<b>375,194</b>	<b>375,194</b>
Total comprehensive income for the period	-	-	<b>13,029,171</b>	<b>(939,327)</b>	<b>12,089,844</b>
<b>Balance as at 30 September 2015 – Unaudited</b>	<b>200,000,000</b>	<b>22,711,315</b>	<b>(25,065,262)</b>	<b>(778,695)</b>	<b>196,867,358</b>

Xavier Denys



Chief Executive Officer

Heinz Dollberg



Director

Mohammed Koubar



Finance Manager

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**Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)**  
**INTERIM STATEMENT OF CASH FLOWS - INSURANCE OPERATIONS**

	<b>For the nine month period ended</b>	
	<b>30 September 2015 (Unaudited) SR</b>	<b>30 September 2014 (Unaudited) SR</b>
<b>OPERATING ACTIVITIES</b>		
Insurance operations' surplus after shareholders' appropriation	1,576,824	142,198
Adjustments for:		
Employees' end of service benefits	1,677,875	3,160,675
Depreciation	894,877	1,026,066
Gain on disposal of available for sale investments	(311,010)	-
Unrealized gains on unit linked investments	328,701	(16,095,200)
Shareholders' appropriation from insurance operations' surplus	14,191,416	1,279,779
	<hr/>	<hr/>
Operating surplus/(deficit) before changes in operating assets and liabilities	18,358,683	(10,486,482)
<b>Changes in operating assets and liabilities:</b>		
Deferred policy acquisition costs	(7,093,972)	1,728,306
Unit linked investments	(1,637,992)	(2,548,653)
Premiums receivable	(17,941,504)	43,522,078
Prepayments and others assets	2,269,606	(3,222,295)
Unearned premiums, net	65,407,544	(5,034,941)
Unit linked reserves	(2,997,768)	11,408,605
Outstanding claims, net	(7,204,600)	30,963,115
Premium deficiency reserves	-	4,197,907
Unearned commission income	554,205	(1,889,042)
Reinsurance balances payable, net	(63,726,625)	(44,712,840)
Accrued expenses and other liabilities	(8,302,696)	1,694,280
	<hr/>	<hr/>
Cash (used in) / from operations	(22,315,119)	25,620,038
Employees' end of service benefits paid	(123,377)	(563,283)
	<hr/>	<hr/>
<b>Net cash (used in) / from operating activities</b>	<b>(22,438,496)</b>	<b>25,056,755</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of office equipment and furniture	(415,022)	(487,898)
Purchase of available for sale investments	(4,909,191)	(9,982,251)
Proceeds from sale of available for sale investments	10,348,576	-
	<hr/>	<hr/>
<b>Net cash from / (used in) investing activities</b>	<b>5,024,363</b>	<b>(10,470,149)</b>
<b>FINANCING ACTIVITIES</b>		
Due to shareholders operations	-	(3,000,000)
	<hr/>	<hr/>
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(3,000,000)</b>
	<hr/>	<hr/>
<b>(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(17,414,133)</b>	<b>11,586,606</b>
Cash and cash equivalents at the beginning of the period	62,981,132	50,206,611
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>45,566,999</b>	<b>61,793,217</b>
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<b>Non-cash supplemental information:</b>		
Net changes in fair value of available for sale investments	(743)	1,201,142
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Xavier Denys



Chief Executive Officer

Heinz Dollberg



Director

Mohammed Koubar



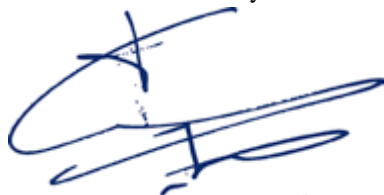
Finance Manager

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Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)  
**INTERIM STATEMENT OF CASH FLOWS - SHAREHOLDERS' OPERATIONS**

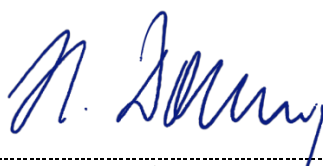
	<b>For the nine month period ended</b>	
	<b>30 September 2015 (Unaudited) SR</b>	<b>30 September 2014 (Unaudited) SR</b>
<b>OPERATING ACTIVITIES</b>		
Net income for the period	16,736,838	4,489,874
Adjustments for:		
Realized loss / (gain) on available for sale investments	375,194	(123,402)
Shareholders' appropriation from insurance operations' surplus	(14,191,416)	(1,279,779)
Operating surplus before changes in operating assets and liabilities	2,920,616	3,086,693
<b>Changes in operating assets and liabilities:</b>		
Prepayments and other assets	(673,275)	244,500
Accrued expenses and other liabilities	532,389	9,702
Statutory deposit	(400,790)	-
Cash from operations	2,378,940	3,340,895
Income tax paid	(1,537,372)	(1,297,789)
<b>Net cash from operating activities</b>	<b>841,568</b>	<b>2,043,106</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of available for sale investments	(30,364,374)	(14,648,031)
Proceeds from sale of available for sale investments	25,580,767	12,204,993
<b>Net cash used in investing activities</b>	<b>(4,783,607)</b>	<b>(2,443,038)</b>
<b>FINANCING ACTIVITIES</b>		
Due from insurance operations	-	3,000,000
<b>Net cash from financing activities</b>	<b>-</b>	<b>3,000,000</b>
<b>(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(3,942,039)</b>	<b>2,600,068</b>
Cash and cash equivalents at the beginning of the period	5,705,081	1,815,310
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>1,763,042</b>	<b>4,415,378</b>
<b><u>Non-cash supplemental information:</u></b>		
Net changes in fair value of available for sale investments	(1,314,521)	672,089

Xavier Denys



Chief Executive Officer

Heinz Dollberg



Director

Mohammed Koubar



Finance Manager

The accompanying notes 1 to 17 form part of these interim condensed financial statements.

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

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 September 2015

### 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 (2014: 5) in the Kingdom of Saudi Arabia as of 31 December 2014. 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 Industry (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 30 Safar 1432H corresponding to 3 February 2011.

### 3. BASIS OF PREPARATION

The interim condensed financial statements for the three month and nine month periods ended 30 September 2015 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 2014.

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.

### 4. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

The accounting policies used in the preparation of these interim condensed financial statements are consistent with those used in the preparation of the annual financial statements as of and for the year ended 31 December 2014, except for the adoption of new standards, amendments and revisions to existing standards, as mentioned below, which had no significant financial impact on the interim condensed financial statements of the Company:

#### Annual Improvements 2010-2012 and 2011-2013 Cycles

Annual improvements to IFRS 2010-2012 and 2011-2013 cycle applicable for annual periods beginning on or after 1 July 2014. The IASB made amendments to a total of nine standards, which included an amendment to IFRS 13 Fair Value Measurement. It clarifies in the Basis for Conclusions that short-term receivables and payables with no stated

**4. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS (continued)**

interest rates can be measured at invoice amounts when the effect of discounting is immaterial. This amendment to IFRS 13 has no impact on the Company.

*Standard issued 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 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 decided that IFRS 9 would be mandatorily effective for years ending on or after 31 December 2018. IASB is considering to defer the effective date of IFRS 9 for specified entities that issue contracts within the scope of IFRS 4 until the new insurance contracts standard is applied.

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.

At 30 September 2015

**5 PREMIUMS***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 three month period ended 30 September 2014**Unaudited (SR)*

	<i>Gross</i>	<i>Reinsurers' Share</i>	<i>Net</i>
General insurance	89,155,798	(48,735,661)	40,420,137
Protection and saving insurance	26,488,415	6,434,585	32,923,000
Written premiums	115,644,213	(42,301,076)	73,343,137
Change in unearned premiums	54,030,217	(17,197,451)	36,832,766
Premiums earned	169,674,430	(59,498,527)	110,175,903

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

	<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
<b>Written premiums</b>	<b>605,480,822</b>	<b>(261,915,686)</b>	<b>343,565,136</b>
Change in unearned premiums	(118,585,506)	53,177,962	(65,407,544)
<b>Premiums earned</b>	<b>486,895,316</b>	<b>(208,737,724)</b>	<b>278,157,592</b>

At 30 September 2015

**5 PREMIUMS (continued)**

	<i>For the nine month period ended 30 September 2014</i>		
	<i>Unaudited (SR)</i>		
	<i>Gross</i>	<i>Reinsurers' share</i>	<i>Net</i>
General insurance	387,714,749	(193,933,163)	193,781,586
Protection and saving insurance	130,611,281	(6,068,275)	124,543,006
Written premiums	518,326,030	(200,001,438)	318,324,592
Change in unearned premiums	14,392,945	(9,358,004)	5,034,941
Premiums earned	<u>532,718,975</u>	<u>(209,359,442)</u>	<u>323,359,533</u>

**6 OUTSTANDING CLAIMS**

	<i>As at 30 September 2015 - Unaudited (SR)</i>		
	<i>Gross</i>	<i>Reinsurers' share</i>	<i>Net</i>
General insurance	318,245,208	(250,737,012)	67,508,196
Protection and saving insurance	15,269,519	(8,618,850)	6,650,669
<b>Total outstanding claims</b>	<u>333,514,727</u>	<u>(259,355,862)</u>	<u>74,158,865</u>

	<i>As at 31 December 2014 - Audited (SR)</i>		
	<i>Gross</i>	<i>Reinsurers' share</i>	<i>Net</i>
General insurance	265,713,487	(189,457,513)	76,255,974
Protection and saving insurance	11,441,812	(6,334,321)	5,107,491
Total outstanding claims	<u>277,155,299</u>	<u>(195,791,834)</u>	<u>81,363,465</u>

**7 PREMIUMS RECEIVABLE, NET**

<b>30 September 2015</b>	<b>Unaudited</b>	<b>Total</b>	<b>Neither past due nor impaired</b>	<i>Past due not impaired</i>		<i>Past due and impaired</i>	
				<b>Up to 90 days</b>	<b>Less than 180 days</b>	<b>More than 180 days</b>	
<i>Amount in SR</i>							
Premiums receivable	291,542,003	-	215,109,809	22,951,481	53,480,713		
Provision for doubtful debts	(40,586,556)	-	-	(3,442,722)	(37,143,834)		
Premiums receivable, net	<u>250,955,447</u>	<u>-</u>	<u>215,109,809</u>	<u>19,508,759</u>	<u>16,336,879</u>		

At 30 September 2015

**7 PREMIUMS RECEIVABLE, NET (continued)**

31 December 2014 Audited	Total	Neither past due nor impaired	<i>Past due not impaired</i>	<i>Past due and impaired</i>	
			Up to 90 days	Less than 180 Days	More than 180 days
<i>Amount in SR</i>					
Premiums receivable	272,905,774	-	193,121,928	18,862,673	60,921,173
Provision for doubtful debts	(39,891,831)	-	-	(2,829,401)	(37,062,430)
Premiums receivable, net	<u>233,013,943</u>	<u>-</u>	<u>193,121,928</u>	<u>16,033,272</u>	<u>23,858,743</u>

*Movement in respect of provision for doubtful debts is as follows:*

	<i>For the nine month period ended 30 September 2015 (Unaudited) SR</i>	<i>For the nine month period ended 30 September 2014 (Unaudited) SR</i>
Balance at the beginning of the period	<b>39,891,831</b>	34,968,775
Provided for the period	<b>694,725</b>	1,923,056
Balance at the end of the period	<u><b>40,586,556</b></u>	<u>36,891,831</u>

**8 STATUTORY DEPOSIT**

In compliance with Insurance Implementing Regulations of SAMA, the Company deposited 10% of its paid up capital, amounting to SR 20,000,000 in a bank designated by SAMA. The accrued commission on the deposit as at 30 September is SR 476,815 (31 December 2014: SR 76,025). This deposit cannot be withdrawn without SAMA's consent. The statutory deposit is maintained with Banque Saudi Fransi, a shareholder of the Company.

**9 AVAILABLE FOR SALE INVESTMENTS**

*Insurance operations' available for sale investments:*

	<i>As at 30 September 2015 (Unaudited) SR</i>	<i>As at 31 December 2014 (Audited) SR</i>
Bonds-quoted	<b>55,975,538</b>	51,052,925
Funds-quoted	<b>4,875,157</b>	15,237,898
<b>Total</b>	<u><b>60,850,695</b></u>	<u>66,290,823</u>

The cumulative unrealised loss in fair value of available for sale investments amounting to loss of SR 809,558 (31 December 2014: loss of SR 497,805) is presented within the insurance operations' liabilities and surplus in the interim statement of financial position.



At 30 September 2015

**9 AVAILABLE FOR SALE INVESTMENTS (continued)***Shareholders' available for sale investments:*

	<i>30 September 2015 - Unaudited (SR)</i>		
	<i>Quoted</i>	<i>Unquoted</i>	<i>Total</i>
Bonds	101,413,522	-	101,413,522
Sukuk	-	40,000,000	40,000,000
Funds	9,249,272	-	9,249,272
Equities	-	3,223,078	3,223,078
<b>Total</b>	<b>110,662,794</b>	<b>43,223,078</b>	<b>153,885,872</b>

	<i>31 December 2014 - Audited (SR)</i>		
	<i>Quoted</i>	<i>Unquoted</i>	<i>Total</i>
Bonds	94,950,914	-	94,950,914
Sukuk	-	40,000,000	40,000,000
Funds	12,242,794	-	12,242,794
Equities	-	3,223,078	3,223,078
<b>Total</b>	<b>107,193,708</b>	<b>43,223,078</b>	<b>150,416,786</b>

The cumulative unrealised (loss) / gain in fair value of available for sale investments amounting to loss of SR 778,695 (31 December 2014: gain of SR 160,632) is presented within the shareholders' equity in the interim statement of financial position.

***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 2015 and 31 December 2014, 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**

	<i>30 September 2015 – Unaudited (SR)</i>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Bonds</b>	<b>55,975,538</b>	-	-	<b>55,975,538</b>
<b>Funds</b>	<b>4,875,157</b>	-	-	<b>4,875,157</b>
<b>Total</b>	<b>60,850,695</b>	-	-	<b>60,850,695</b>

Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)  
 NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
 At 30 September 2015

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

*Determination of fair value and fair values hierarchy (continued)*

	<i>31 December 2014 – Audited (SR)</i>			
	Level 1	Level 2	Level 3	Total
Bonds	51,052,925	-	-	51,052,925
Funds	15,237,898	-	-	15,237,898
<b>Total</b>	<b>66,290,823</b>	<b>-</b>	<b>-</b>	<b>66,290,823</b>

**ii. Shareholders' operations**

	<i>30 September 2015 – Unaudited (SR)</i>			
	Level 1	Level 2	Level 3	Total
<b>Bonds</b>	<b>101,413,522</b>	-	-	<b>101,413,522</b>
<b>Funds</b>	<b>9,249,272</b>	-	-	<b>9,249,272</b>
<b>Total</b>	<b>110,662,794</b>	<b>-</b>	<b>-</b>	<b>110,662,794</b>

	<i>31 December 2014 – Audited (SR)</i>			
	Level 1	Level 2	Level 3	Total
Bonds	94,950,914	-	-	94,950,914
Funds	12,242,794	-	-	12,242,794
<b>Total</b>	<b>107,193,708</b>	<b>-</b>	<b>-</b>	<b>107,193,708</b>

There were no transfers between Level 1 and Level 2 fair value measurements during the period ended 30 September 2015 and year ended 31 December 2014.

The unlisted available for sale security amounting to SR 43,223,078 (31 December 2014: SR 43,223,078) is stated at cost in the absence of active markets or other means of reliably measuring it is fair value.

## 10 UNIT LINKED INVESTMENTS

Following represents fair value for unit-linked investments:

	<i><b>30 September 2015 (Unaudited) SR</b></i>	<i><b>31 December 2014 (Audited) SR</b></i>
Local funds	<b>576,736,129</b>	574,525,805
Foreign funds	<b>11,655,941</b>	12,556,974
	<b><u>588,392,070</u></b>	<b><u>587,082,779</u></b>

The fair value of unit linked investments are measured based on the net assets value provided by fund manager.

## 11 SHARE CAPITAL

The authorized issued and paid up share capital of the Company is SR 200,000,000 as at 30 September 2015 and 31 December 2014 consisting of 20,000,000 shares of SR 10 par share.

## 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 2015.

## 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 results and financial position.

**14 RELATED PARTY TRANSACTIONS AND BALANCES**

Following are the details of related party transactions during the period ended 30 September 2015 and 30 September 2014 and the related affiliate's balances as at 30 September 2015 and 31 December 2014:

<b>Related party</b>	<b>Nature of transaction</b>	<b>For the nine month</b>	<b>For the nine month</b>	
		<b>period</b>	<b>period</b>	
		<b>ended 30 September</b>	<b>ended 30</b>	
		<b>2015</b>	<b>September</b>	
		<b>(Unaudited)</b>	<b>2014</b>	
		<b>SR</b>	<b>(Unaudited)</b>	
			<b>SR</b>	
Entities controlled, jointly controlled or significantly influenced by related parties.	-Insurance premiums written	<b>31,611,597</b>	7,417,667	
	-Insurance premiums ceded	<b>115,802,733</b>	10,316,381	
	-Gross claims paid	<b>9,306,071</b>	1,398,251	
	-Reinsurance share of claims paid	<b>96,993,848</b>	9,153,609	
	-Commission expense	<b>4,560,719</b>	4,257,895	
	-Commission income	<b>28,556,721</b>	746,468	
	Other expenses			
	-Third party administrator (TPA) fees	<b>4,643,561</b>	2,340,139	
	Key management personnel	-Remuneration and related expenses	<b>2,811,849</b>	5,021,382
	Board members	-Fees and related expenses	<b>568,960</b>	281,429

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 date:

	<b>30 September</b>	<b>31 December</b>
	<b>2015</b>	<b>2014</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>SR</b>	<b>SR</b>
Entities controlled, jointly controlled or significantly influenced by related parties.		
- Accrued expenses	<b>6,157,909</b>	3,117,963
- Premiums receivable, net	<b>11,525,314</b>	9,816,531
- Reinsurance balances payable	<b>35,224,432</b>	50,504,175
- Outstanding claims	<b>4,012,736</b>	6,036,255

**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 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 2015 Unaudited</i>	<i>For the three Month period ended 30 September 2014 Unaudited</i>	<i>For the nine Month period ended 30 September 2015 Unaudited</i>	<i>For the nine Month period ended 30 September 2014 Unaudited</i>
Net income for the period (SR)	<u>5,511,029</u>	<u>7,482,654</u>	<u>16,736,838</u>	<u>4,489,874</u>
Weighted average number of ordinary shares	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>
<b>Basic and diluted earnings per share (SR)</b>	<u><b>0.28</b></u>	<u>0.37</u>	<u><b>0.84</b></u>	<u>0.22</u>

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

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16 SEGMENT INFORMATION (continued)

	<i>Motor</i>	<i>Engineering</i>	<i>Medical</i>	<i>Fire</i>	<i>Other General</i>	<i>Protection and Saving</i>	<i>Shareholders' Operations</i>	<i>Total</i>
	<u>SR</u>	<u>SR</u>	<u>SR</u>	<u>SR</u>	<u>SR</u>	<u>SR</u>	<u>SR</u>	<u>SR</u>
<b><u>For the three month period ended 30 September 2015 (Unaudited)</u></b>								
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	<u>39,167,530</u>	<u>2,342,490</u>	<u>17,697,986</u>	<u>3,691,327</u>	<u>3,995,481</u>	<u>33,928,367</u>	-	<u>100,823,181</u>
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 loss 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)
Change in unit linked 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	<u>8,543,601</u>	<u>3,571,512</u>	<u>1,821,100</u>	<u>5,911,503</u>	<u>1,435,897</u>	<u>2,699,708</u>	-	<u>23,983,321</u>
Unallocated (expenses) income	-	-	-	-	-	-	-	746,850
Unallocated expenses	-	-	-	-	-	-	-	(19,711,136)
<b>Surplus from insurance operations</b>	-	-	-	-	-	-	-	5,019,035
<b>Retained in insurance operations</b>	-	-	-	-	-	-	-	(501,904)
Shareholders' total revenue	-	-	-	-	-	-	1,205,766	1,205,766
General and administrative expenses	-	-	-	-	-	-	(211,868)	(211,868)
<b>Net income for the period</b>								<u>5,511,029</u>

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

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16 SEGMENT INFORMATION (continued)

	<i>Motor</i>	<i>Engineering</i>	<i>Medical</i>	<i>Property</i>	<i>Other General</i>	<i>Protection and Saving</i>	<i>Shareholders' Operations</i>	<i>Total</i>
	<u>SR</u>	<u>SR</u>	<u>SR</u>	<u>SR</u>	<u>SR</u>	<u>SR</u>	<u>SR</u>	<u>SR</u>
<b><u>For the nine month period ended 30 September 2015 (Unaudited)</u></b>								
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	<u>134,364,562</u>	<u>12,772,333</u>	<u>43,108,161</u>	<u>19,890,869</u>	<u>16,071,633</u>	<u>117,357,578</u>	-	<u>343,565,136</u>
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)
Change in unit linked 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	<u>18,653,024</u>	<u>10,122,329</u>	<u>3,723,696</u>	<u>15,540,569</u>	<u>6,016,332</u>	<u>10,812,897</u>	-	<u>64,868,847</u>
Unallocated income	-	-	-	-	-	-	-	2,863,191
Unallocated expenses	-	-	-	-	-	-	-	(51,963,798)
<b>Surplus from insurance operations</b>	-	-	-	-	-	-	-	15,768,240
<b>Retained in insurance operations</b>	-	-	-	-	-	-	-	(1,576,824)
Shareholders' total revenue	-	-	-	-	-	-	3,176,960	3,176,960
General and administrative expenses	-	-	-	-	-	-	(631,538)	(631,538)
<b>Net income for the period</b>								<u>16,736,838</u>

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 September 2015

16 SEGMENT INFORMATION (continued)

<u>As at 30 September 2015</u> <u>(Unaudited)</u>	<u>Motor</u> <u>SR</u>	<u>Engineering</u> <u>SR</u>	<u>Medical</u> <u>SR</u>	<u>Property</u> <u>SR</u>	<u>Other General</u> <u>SR</u>	<u>Protection and</u> <u>Saving</u> <u>SR</u>	<u>Shareholders'</u> <u>Operations</u> <u>SR</u>	<u>Total</u> <u>SR</u>
<b><u>Insurance Operations' Assets</u></b>								
Reinsurers' share of unearned premiums	47,959	139,822,047	26,392,530	46,576,775	26,128,246	10,922,455	-	249,890,012
Reinsurers' share of outstanding claims	3,490,515	70,565,698	-	115,350,400	61,330,399	8,618,850	-	259,355,862
Deferred policy acquisition costs	6,609,060	5,104,762	4,027,996	3,377,077	1,274,369	538,367	-	20,931,631
Premiums receivable, gross	60,255,584	57,753,582	55,729,768	29,817,232	67,164,514	20,821,323	-	291,542,003
Provision for doubtful debts	-	-	-	-	-	-	-	(40,586,556)
Unit linked investments	-	-	-	-	-	588,392,070	-	588,392,070
Unallocated assets	-	-	-	-	-	-	-	165,680,573
Shareholders' assets	-	-	-	-	-	-	210,247,793	210,247,793
<b>Total assets</b>								<b>1,745,453,388</b>
<b><u>Insurance Operations' Liabilities</u></b>								
Unearned premiums	91,033,700	151,936,113	55,961,936	57,300,696	34,038,093	17,179,220	-	407,449,758
Outstanding claims	32,743,766	75,261,419	8,631,880	125,480,409	76,127,734	15,269,519	-	333,514,727
Unearned commission income	7,434	6,598,712	-	4,644,282	1,099,532	499,727	-	12,849,687
Unit linked reserves	-	-	-	-	-	590,626,144	-	590,626,144
Unallocated liabilities and surplus	-	-	-	-	-	-	-	190,765,279
<b>Shareholders' liabilities and equity</b>							210,247,793	210,247,793
<b>Total insurance operations liabilities, surplus and shareholders' liabilities and equity</b>								<b>1,745,453,388</b>



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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 September 2015

16 SEGMENT INFORMATION (continued)

<b>For the three months ended 30 September 2014 (Unaudited)</b>	<i>Motor</i> <i>SR</i>	<i>Engineering</i> <i>SR</i>	<i>Medical</i> <i>SR</i>	<i>Property</i> <i>SR</i>	<i>Other General</i> <i>SR</i>	<i>Protection &amp; Saving</i> <i>SR</i>	<i>Shareholders' Operations</i>	<i>Total</i> <i>SR</i>
Gross written premiums	26,113,221	13,157,784	9,047,325	29,174,519	11,662,948	26,488,416		115,644,213
Reinsurance premium ceded	(784,803)	(10,768,784)	(5,030,968)	(24,586,898)	(7,564,208)	6,434,585		(42,301,076)
Net written premium	25,328,418	2,389,000	4,016,357	4,587,621	4,098,740	32,923,001		73,343,137
Net premiums earned	49,933,386	2,653,273	6,041,676	5,320,149	5,765,639	40,461,780		110,175,903
Unrealized gain on unit linked investments	-	-	-	-	-	8,112,979		8,112,979
Net claims incurred	(45,872,867)	(253,973)	(5,650,777)	517,907	(3,213,723)	(33,780,315)		(88,253,748)
Change in unit linked reserves	-	-	-	-	-	(2,759,745)		(2,759,745)
Commission (expenses)/income, net	(3,548,979)	617,424	(389,761)	520,341	(56,376)	(1,811,623)		(4,668,974)
Inspection and supervision fees	(130,566)	(65,789)	(45,236)	(145,873)	(148,788)	(132,442)		(668,694)
Net underwriting results	(1,086,160)	2,950,935	(44,098)	6,212,524	3,813,886	10,090,634		21,937,721
Unallocated income	-	-	-	-	-	-	-	2,606,217
Unallocated expenses	-	-	-	-	-	-	-	(17,866,665)
Surplus from insurance operations	-	-	-	-	-	-	-	6,677,273
Retained in Insurance operations	-	-	-	-	-	-	-	(142,198)
Shareholders' total revenue	-	-	-	-	-	-	1,133,857	1,133,857
General and administrative expenses	-	-	-	-	-	-	(186,278)	(186,278)
Net income for the period								7,482,654

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 September 2015

16 SEGMENT INFORMATION (continued)

	<i>Motor</i> SR	<i>Engineering</i> SR	<i>Medical</i> SR	<i>Property</i> SR	<i>Other General</i> SR	<i>Protection &amp; Saving</i> SR	<i>Shareholders' Operations</i>	<i>Total</i> SR
<b><u>For the nine months ended 30 September 2014 (Unaudited)</u></b>								
Gross written premiums	134,007,603	46,436,709	49,853,479	91,461,308	65,955,650	130,611,281		518,326,030
Reinsurance premium ceded	(3,042,970)	(38,533,306)	(27,744,477)	(75,556,785)	(49,055,625)	(6,068,275)		(200,001,438)
Net written premium	<u>130,964,633</u>	<u>7,903,403</u>	<u>22,109,002</u>	<u>15,904,523</u>	<u>16,900,025</u>	<u>124,543,006</u>		<u>318,324,592</u>
Net premiums earned	136,055,288	8,189,622	23,333,318	13,830,545	17,648,045	124,302,715		323,359,533
Unrealized gain on unit linked investments	-	-	-	-	-	16,095,200		16,095,200
Net claims incurred	(123,636,476)	(2,277,658)	(17,756,452)	(2,659,495)	(2,905,949)	(103,283,642)		(252,519,672)
Premium deficiency reserves	(5,134,023)	-	936,116	-	-	-		(4,197,907)
Change in unit linked reserves	-	-	-	-	-	(11,408,605)		(11,408,605)
Commission (expenses)/income, net	(12,126,432)	1,971,914	(1,531,216)	1,861,175	721,604	(6,572,438)		(15,675,393)
Inspection and supervision fees	(670,038)	(232,184)	(249,267)	(457,307)	(828,313)	(653,056)		(3,090,165)
Net underwriting results	(5,511,681)	7,651,694	4,732,499	12,574,918	14,635,387	18,480,174		52,562,991
Unallocated income	-	-	-	-	-	-	-	4,004,757
Unallocated expenses	-	-	-	-	-	-	-	(55,145,771)
Surplus from insurance operations	-	-	-	-	-	-	-	1,421,977
Retained in Insurance operations	-	-	-	-	-	-	-	(142,198)
Shareholders' total revenue	-	-	-	-	-	-	3,776,598	3,776,598
General and administrative expenses	-	-	-	-	-	-	(566,503)	(566,503)
Net income for the period								<u>4,489,874</u>

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 September 2015

16 SEGMENT INFORMATION (continued)

<u>As at 31 December 2014 (Audited)</u>	<i>Motor</i> <u>SR</u>	<i>Engineering</i> <u>SR</u>	<i>Medical</i> <u>SR</u>	<i>Property</i> <u>SR</u>	<i>Other General</i> <u>SR</u>	<i>Protection and Saving</i> <u>SR</u>	<i>Shareholders' Operations</i> <u>SR</u>	<i>Total</i> <u>SR</u>
<u>Insurance Operations' Assets</u>								
Reinsurers' share of unearned premiums	285,660	116,181,858	4,908,121	32,923,421	37,674,148	4,738,842	-	196,712,050
Reinsurers' share of outstanding claims	3,550,361	89,259,472	-	81,106,263	15,541,417	6,334,321	-	195,791,834
Deferred policy acquisition costs	4,623,900	4,042,735	158,466	2,862,601	1,287,018	862,939	-	13,837,659
Premium receivable, gross	59,243,374	77,722,104	17,403,328	22,463,749	81,257,358	14,815,861	-	272,905,774
Provision for doubtful debts	-	-	-	-	-	-	-	(39,891,831)
Unit linked investments	-	-	-	-	-	587,082,779	-	587,082,779
Unallocated assets	-	-	-	-	-	-	-	185,104,573
Shareholders' assets	-	-	-	-	-	-	195,455,265	195,455,265
Total assets								1,606,998,103
<u>Insurance Operations' Liabilities</u>								
Unearned premiums	58,688,193	126,100,484	7,730,633	41,993,139	46,442,547	7,909,256	-	288,864,252
Outstanding claims	52,072,482	94,016,385	5,640,961	91,842,759	22,140,900	11,441,812	-	277,155,299
Unearned commission income	45,758	6,515,723	-	3,330,438	2,268,087	135,476	-	12,295,482
Unit linked liabilities	-	-	-	-	-	593,623,912	-	593,623,912
Unallocated liabilities and surplus	-	-	-	-	-	-	-	239,603,893
Shareholders' liabilities and equity							195,455,265	195,455,265
Total insurance operations liabilities, surplus and shareholders' liabilities and equity								1,606,998,103

**16 SEGMENT INFORMATION (continued)**

**b) Geographical segments**

The Company, during the three month periods ended 30 September 2015 and 30 September 2014 operated only in the Kingdom of Saudi Arabia.

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

These interim condensed financial statements have been approved by the management on 5 Muharram 1437H, corresponding to 19 October 2015.