

**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 SIX MONTH PERIODS ENDED
30 June 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 June 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 six 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 six month period then ended and the related notes 1 to 18 which form an integral part of these interim condensed financial statements. These interim condensed financial statements are the responsibility of the Company's management and have been prepared by them in accordance with International Accounting Standard - 34 "Interim Financial Reporting" (IAS 34) and submitted to us together with all the information and explanations which we required.

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

REVIEW CONCLUSION

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

EMPHASIS OF MATTER

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

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23 Shawwal 1437H
 28 July 2016



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

INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 Jun 2016

	<i>Note</i>	30 June 2016 (Unaudited) SR	31 December 2015 (Audited) SR
INSURANCE OPERATIONS' ASSETS			
Cash and cash equivalents		53,662,819	55,244,050
Prepayments and other assets		14,206,331	12,589,673
Reinsurance balances receivable		64,639,467	29,468,288
Premiums receivable	7	327,529,814	291,417,048
Available for sale investments	9	60,692,352	59,303,915
Unit linked investments	10	589,106,464	586,968,627
Deferred policy acquisition costs		23,572,206	21,958,291
Reinsurers' share of unearned premiums		261,410,062	258,240,391
Reinsurers' share of outstanding claims	6	352,652,437	375,507,934
Property and equipment		2,083,503	1,776,096
TOTAL INSURANCE OPERATIONS' ASSETS		1,749,555,455	1,692,474,313
SHAREHOLDERS' ASSETS			
Cash and cash equivalents		6,726,459	1,565,454
Prepayments and other assets		2,972,444	2,508,050
Due from insurance operations		28,747,752	23,915,601
Available for sale investments	9	169,982,513	167,391,371
Statutory deposit	8	20,000,000	20,000,000
Return on investment of statutory deposit	8	550,142	476,815
TOTAL SHAREHOLDERS' ASSETS		228,979,310	215,857,291
TOTAL ASSETS		1,978,534,765	1,908,331,604

Xavier Denys

Chief Executive Officer

Ammar Alkhudairy

Chairman

Mohammed Koubar

Chief Financial Officer

The accompanying notes 1 to 8 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 June 2016


	Note	30 June 2016 (Unaudited) SR	31 December 2015 (Audited) SR
INSURANCE OPERATIONS' LIABILITIES AND SURPLUS			
Accrued expenses and other liabilities		34,317,986	38,140,389
Reinsurance balances payable		158,981,605	137,306,805
Due to shareholders' operations		28,747,752	23,915,601
Outstanding claims	6	433,402,265	447,928,965
Unit linked liabilities		587,094,002	592,851,492
Unearned commission income		17,664,160	15,230,473
Unearned premiums		471,980,677	422,585,925
Employees' end of service benefits		11,772,599	11,786,168
TOTAL INSURANCE OPERATIONS' LIABILITIES		1,743,961,046	1,689,745,818
INSURANCE OPERATIONS' SURPLUS			
Accumulated surplus		6,399,517	5,084,834
Fair value reserve for available for sale investments	9	(805,108)	(2,356,339)
TOTAL INSURANCE OPERATIONS' LIABILITIES AND SURPLUS		1,749,555,455	1,692,474,313
SHAREHOLDERS' LIABILITIES AND EQUITY			
SHAREHOLDERS' LIABILITIES			
Accrued expenses and other liabilities		138,697	185,698
Deferred return on investment of statutory deposit	8	550,142	476,815
Zakat and income tax payable		14,848,101	14,271,442
TOTAL SHAREHOLDERS' LIABILITIES		15,536,940	14,933,955
SHAREHOLDERS' EQUITY			
Share capital	11	200,000,000	200,000,000
Share premium		22,711,315	22,711,315
Accumulated losses		(9,079,767)	(19,514,783)
Fair value reserve for available for sale investments	9	(189,178)	(2,273,196)
TOTAL SHAREHOLDERS' EQUITY		213,442,370	200,923,336
TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY		228,979,310	215,857,291
TOTAL INSURANCE OPERATIONS' LIABILITIES AND SURPLUS AND SHAREHOLDERS' LIABILITIES AND EQUITY		1,978,534,765	1,908,331,604

Xavier Denys



Chief Executive Officer

Ammar Alkhudairy



Chairman

Mohammed Koubar



Chief Financial Officer

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

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

INTERIM STATEMENT OF INCOME - INSURANCE OPERATIONS

	Note	<i>For the three month period ended</i>		<i>For the six month period ended</i>	
		<i>30 June 2016 (Unaudited) SR</i>	<i>30 June 2015 (Unaudited) SR</i>	<i>30 June 2016 (Unaudited) SR</i>	<i>30 June 2015 (Unaudited) SR</i>
Gross written premiums	5	271,785,282	249,307,593	430,388,607	429,760,254
Reinsurance premiums ceded	5	(106,186,742)	(105,647,592)	(147,784,605)	(187,018,299)
Net written premiums	5	165,598,540	143,660,001	282,604,002	242,741,955
Changes in unearned premiums	5	(77,162,841)	(91,425,219)	(49,394,752)	(116,930,237)
Reinsurance share of unearned premiums	5	31,542,315	42,468,241	3,169,671	50,678,802
Net change in unearned premiums	5	(45,620,526)	(48,956,978)	(46,225,081)	(66,251,435)
Net premiums earned	5	119,978,014	94,703,023	236,378,921	176,490,520
Commission earned		5,976,930	4,245,999	9,707,017	9,162,614
Unrealized (loss) / gain on unit linked investments		6,100,848	3,919,330	4,828,101	7,155,504
Other income		2,259,111	1,061,381	3,208,591	2,116,341
Total revenues		134,314,903	103,929,733	254,122,630	194,924,979
Gross claims paid		(123,009,698)	(146,157,811)	(244,628,330)	(259,722,614)
Reinsurance share of claims paid		30,710,955	73,452,573	70,622,813	112,287,428
Net claims paid		(92,298,743)	(72,705,238)	(174,005,517)	(147,435,186)
Changes in gross outstanding claims		(7,712,984)	(35,974,562)	14,526,700	(60,718,630)
Changes in reinsurance share of outstanding claims		(386,260)	29,595,878	(22,855,497)	78,113,506
Changes in net outstanding claims		(8,099,244)	(6,378,684)	(8,328,797)	17,394,876
Net Claims incurred		(100,397,987)	(79,083,922)	(182,334,314)	(130,040,310)
Change in premium deficiency reserves		-	(96,776)	-	(289,583)
Change in unit linked liabilities		2,231,211	6,752,822	5,757,491	(1,548,538)
Commission expenses		(11,995,701)	(8,909,369)	(24,487,842)	(17,358,990)
Inspection and supervision fees		(1,739,049)	(1,622,681)	(2,700,781)	(2,685,691)
General and administrative expenses		(16,480,420)	(15,468,790)	(37,210,350)	(32,231,662)
Total claims and expenses		(128,381,946)	(98,428,716)	(240,975,796)	(184,154,774)
Net surplus for the period		5,932,957	5,501,017	13,146,834	10,770,205
Net surplus transferred to interim statement of income - shareholders' operations	3	(5,339,661)	(4,950,916)	(11,832,151)	(9,693,185)
Net insurance operations' surplus after shareholders' appropriation for the period		593,296	550,101	1,314,683	1,077,020

Xavier Denys



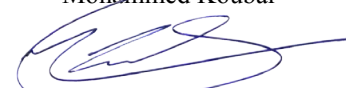
Chief Executive Officer

Ammar Alkhudairy



Chairman

Mohammed Koubar



Chief Financial Officer

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

Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)
INTERIM STATEMENT OF COMPREHENSIVE INCOME - INSURANCE OPERATIONS

	<i>For the three month period ended</i>		<i>For the six month period ended</i>	
	<i>30 June 2016 (Unaudited) SR</i>	<i>30 June 2015 (Unaudited) SR</i>	<i>30 June 2016 (Unaudited) SR</i>	<i>30 June 2015 (Unaudited) SR</i>
Net insurance operations' surplus after shareholders' appropriation for the period	593,296	550,101	1,314,683	1,077,020
<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	868,971	(760,241)	1,551,231	(116,719)
Transferred to realized gain on available for sale investments disposal	-	-	-	(311,010)
Total comprehensive income / (loss) from insurance operations for the period	1,462,267	(210,140)	2,865,914	649,291

Xavier Denys

Chief Executive Officer

Ammar Alkhudairy

Chairman

Mohammed Koubar

Chief Financial Officer

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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 six month period ended</i>	
	<i>30 June 2016 (Unaudited) SR</i>	<i>30 June 2015 (Unaudited) SR</i>	<i>30 June 2016 (Unaudited) SR</i>	<i>30 June 2015 (Unaudited) SR</i>
Special commission income	1,145,067	1,001,758	1,542,626	2,346,388
Realised gain / (loss) on available for sale investments	-	-	111,559	(375,194)
Total revenues	1,145,067	1,001,758	1,654,185	1,971,194
Net surplus transferred from interim statement of income - insurance operations	5,339,661	4,950,916	11,832,151	9,693,185
General and administrative expenses	(197,444)	(245,365)	(435,409)	(419,670)
Net income for the period	6,278,284	5,707,309	13,050,927	11,244,709
Basic and diluted earnings per share (Note 15)	0.31	0.29	0.65	0.56

Xavier Denys

Chief Executive Officer

Ammar Alkhudairy

Chairman

Mohammed Koubar

Chief Financial Officer

The accompanying notes 1 to 8 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 six month period ended</i>	
	<i>30 June 2016 (Unaudited)</i>	<i>30 June 2015 (Unaudited)</i>	<i>30 June 2016 (Unaudited)</i>	<i>30 June 2015 (Unaudited)</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Net income for the period	6,287,284	5,707,309	13,050,927	11,244,709
<i>Other comprehensive income to be reclassified subsequently to the statement of income- shareholders' operations</i>				
Fair value change in available for sale investments	1,477,372	(1,732,659)	2,195,577	(911,207)
Transferred to realized (gain) / loss on disposal of available for sale investments	-	-	(111,559)	375,194
Total comprehensive income for the period	7,764,656	3,974,650	15,134,945	10,708,696

Xavier Denys

Chief Executive Officer

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Chairman

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

	<i>Share capital</i> <i>SR</i>	<i>Share premium</i> <i>SR</i>	<i>Accumulated losses</i> <i>SR</i>	<i>Fair value reserve for available for sale investments</i> <i>SR</i>	<i>Total</i> <i>SR</i>
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	-	-	11,244,709	-	11,244,709
<i>Other comprehensive income:</i>					
- Fair value change in available for sale investments	-	-	-	(911,207)	(911,207)
- Transferred to statement of income of shareholders' operations	-	-	-	375,194	375,194
Total comprehensive income for the period	-	-	11,244,709	(536,013)	10,708,696
Provision for zakat and income tax - <i>Note 3</i>	-	-	(2,400,540)	-	(2,400,540)
Balance as at 30 June 2015 – (Unaudited)	<u>200,000,000</u>	<u>22,711,315</u>	<u>(29,250,264)</u>	<u>(375,381)</u>	<u>193,085,670</u>
Balance as at 1 January 2016	200,000,000	22,711,315	(19,514,783)	(2,273,196)	200,923,336
Net income for the period	-	-	13,050,927	-	13,050,927
<i>Other comprehensive income:</i>					
- Fair value change in available for sale investments	-	-	-	2,195,577	2,195,577
- Transferred to statement of income of shareholders' operations	-	-	-	(111,559)	(111,559)
Total comprehensive income for the period	-	-	13,050,927	2,084,018	15,134,945
Provision for zakat and income tax - <i>Note 3</i>	-	-	(2,615,911)	-	(2,615,911)
Balance as at 30 June 2016 – (Unaudited)	<u>200,000,000</u>	<u>22,711,315</u>	<u>(9,079,767)</u>	<u>(189,178)</u>	<u>213,442,370</u>

Xavier Denys



Chief Executive Officer

Ammar Alkhudairy



Chairman

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 six month period ended</i>	
	<i>30 June 2016 (Unaudited) SR</i>	<i>30 June 2015 (Unaudited) SR</i>
OPERATING ACTIVITIES		
Net insurance operations' surplus after shareholders' appropriation	1,314,683	1,077,020
Adjustments for:		
Investment premium amortization	162,794	-
Employees' end of service benefits	555,696	1,472,203
Depreciation	486,991	624,767
Gain on disposal of available for sale investments	-	(311,010)
Unrealized gains on unit linked investments	(4,828,101)	(7,155,504)
Shareholders' appropriation from insurance operations' surplus	11,832,151	9,693,185
Operating surplus before changes in operating assets and liabilities	9,524,214	5,400,661
Changes in operating assets and liabilities:		
Deferred policy acquisition costs	(1,613,915)	(8,411,916)
Unit linked investments	2,690,264	(2,722,012)
Reinsurance balance receivable	(35,171,179)	(13,785,209)
Premiums receivable	(36,112,766)	3,687,346
Prepayments and others assets	(1,616,658)	2,042,961
Unearned premiums, net	46,225,081	66,251,435
Unit linked liabilities	(5,757,490)	1,548,538
Outstanding claims, net	8,328,797	(17,394,876)
Premium deficiency reserves	-	289,583
Unearned commission income	2,433,687	2,087,984
Reinsurance balances payable	21,674,800	(48,572,029)
Accrued expenses and other liabilities	(3,822,403)	(12,933,793)
Cash from operations	6,782,432	(22,511,327)
Employees' end of service benefits paid	(569,265)	(123,377)
Net cash from / (used in) operating activities	6,213,167	(22,634,704)
INVESTING ACTIVITIES		
Purchase of office equipment and furniture	(794,398)	(375,936)
Purchase of available for sale investments	-	(4,909,191)
Proceeds from sale of available for sale investments	-	10,348,576
Net cash (used in) / from investing activities	(794,398)	5,063,449
FINANCING ACTIVITIES		
Due to shareholders' operations	(7,000,000)	-
Net cash (used in) / from financing activities	(7,000,000)	-
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,581,231)	(17,571,255)
Cash and cash equivalents at the beginning of the period	55,244,050	62,981,132
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	53,662,819	45,409,877
Non-cash supplemental information:		
Changes in fair value of available for sale investments	(1,551,231)	(116,719)

Xavier Denys



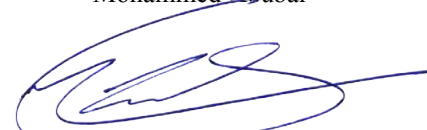
Chief Executive Officer

Ammar Alkhudairy



Chairman

Mohammed Koubar




Chief Financial Officer


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

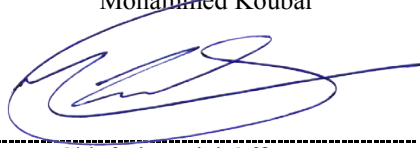
Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)

INTERIM STATEMENT OF CASH FLOWS – SHAREHOLDERS' OPERATIONS

	<i>For the six month period ended</i>	
	30 June 2016 (Unaudited) SR	30 June 2015 (Unaudited) SR
OPERATING ACTIVITIES		
Net income for the period	13,050,927	11,244,709
Adjustments for:		
Investment premium amortization	1,492,876	-
Realized (gain) / loss on available for sale investments	(111,559)	375,194
Shareholders' appropriation from insurance operations' surplus	(11,832,151)	(9,693,185)
Operating surplus before changes in operating assets and liabilities	2,600,093	1,926,718
Changes in operating assets and liabilities:		
Prepayments and other assets	(464,394)	(16,085)
Accrued expenses and other liabilities	(47,001)	77,099
Cash from operating	2,088,698	1,987,732
Income tax paid	(2,039,252)	(1,537,372)
Net cash from operating activities	49,446	450,360
INVESTING ACTIVITIES		
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
Net cash used in investing activities	(1,888,441)	(4,783,607)
FINANCING ACTIVITIES		
Due from insurance operations	7,000,000	-
Net cash from / (used in) financing activities	7,000,000	-
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	5,161,005	(4,333,247)
Cash and cash equivalents at the beginning of the period	1,565,454	5,705,081
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6,726,459	1,371,834
<u>Non-cash supplemental information:</u>		
Changes in fair value of available for sale investments	(2,084,018)	(911,207)


 Xavier Denys
 Chief Executive Officer


 Ammar Alkhudairy
 Chairman


 Mohammed Koubar
 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 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.

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-month period ended 30 June 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 month periods ended 30 June 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

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2016

5 PREMIUMS

For the three month period ended 30 June 2016

Unaudited (SR)

	<i>Gross</i>	<i>Reinsurers' share</i>	<i>Net</i>
General insurance	217,732,397	(91,734,709)	125,997,688
Protection and saving insurance	54,052,885	(14,452,033)	39,600,852
Written premiums	271,785,282	(106,186,742)	165,598,540
Change in unearned premiums	(77,162,841)	31,542,315	(45,620,526)
Premiums earned	194,622,441	(74,644,427)	119,978,014

For the three month period ended 30 June 2015

Unaudited (SR)

	<i>Gross</i>	<i>Reinsurers' Share</i>	<i>Net</i>
General insurance	190,962,045	(92,852,258)	98,109,787
Protection and saving insurance	58,345,548	(12,795,334)	45,550,214
Written premiums	249,307,593	(105,647,592)	143,660,001
Change in unearned premiums	(91,425,219)	42,468,241	(48,956,978)
Premiums earned	157,882,374	(63,179,351)	94,703,023

For the six month period ended 30 June 2016

Unaudited (SR)

	<i>Gross</i>	<i>Reinsurers' share</i>	<i>Net</i>
General insurance	343,646,538	(133,053,794)	210,592,744
Protection and saving insurance	86,742,069	(14,730,811)	72,011,258
Written premiums	430,388,607	(147,784,605)	282,604,002
Change in unearned premiums	(49,394,752)	3,169,671	(46,225,081)
Premiums earned	380,993,855	(144,614,934)	236,378,921

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2016

5 PREMIUMS (continued)

	<i>For the six month period ended 30 June 2015</i>		
	<i>Unaudited (SR)</i>		
	<i>Gross</i>	<i>Reinsurers' Share</i>	<i>Net</i>
General insurance	330,195,577	(170,882,833)	159,312,744
Protection and saving insurance	99,564,677	(16,135,466)	83,429,211
Written premiums	429,760,254	(187,018,299)	242,741,955
Change in unearned premiums	(116,930,237)	50,678,802	(66,251,435)
Premiums earned	<u>312,830,017</u>	<u>(136,339,497)</u>	<u>176,490,520</u>

6 OUTSTANDING CLAIMS

	<i>As at 30 June 2016 - Unaudited (SR)</i>		
	<i>Gross</i>	<i>Reinsurers' share</i>	<i>Net</i>
General insurance	423,603,921	(346,941,407)	76,662,514
Protection and saving insurance	9,798,344	(5,711,030)	4,087,314
Total outstanding claims	<u>433,402,265</u>	<u>(352,652,437)</u>	<u>80,749,828</u>

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

7 PREMIUMS RECEIVABLE

	<i>30 June 2016 (Unaudited) SR</i>	<i>31 December 2015 (Audited) SR</i>
Premiums receivable	368,024,035	332,597,537
Provision for doubtful receivables	(40,494,221)	(41,180,489)
Premiums receivable, net	<u>327,529,814</u>	<u>291,417,048</u>

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

At 30 June 2016

7 PREMIUMS RECEIVABLE (continued)

30 June 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	368,024,035	151,569,454	125,999,812	32,549,451	57,905,318
Provision for doubtful receivables	(40,494,221)	-	-	(4,882,418)	(35,611,803)
Premiums receivable, net	<u>327,529,814</u>	<u>151,569,454</u>	<u>125,999,812</u>	<u>27,667,033</u>	<u>22,293,515</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:

	<i>30 June 2016 (Unaudited) SR</i>	<i>31 December 2015 (Audited) SR</i>
Balance at the beginning of the period / year	41,180,489	39,891,831
(Released)/ provided for the period / year	(686,268)	1,288,658
Balance at the end of the period / year	<u>40,494,221</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 June 2016 is SR 550,142 (31 December 2015: SR 476,815) and has been disclosed in assets as "Return on statutory deposit" and the corresponding commission is shown in liabilities as "Deferred return on investment of statutory deposit". This deposit and the return thereon 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.

At 30 June 2016

9 AVAILABLE FOR SALE INVESTMENTS*Insurance operations' available for sale investments:*

<u>Quoted</u>	<i>As at 30 June 2016 (Unaudited) SR</i>	<i>As at 31 December 2015 (Audited) SR</i>
Sukuk – Fixed rate	39,198,916	38,160,183
Bonds – Floating rate	5,000,000	5,000,000
Bonds – Fixed rate	11,659,061	11,320,084
Mutual Funds	4,834,375	4,823,648
Total	60,692,352	59,303,915

The cumulative unrealised loss in fair value of available for sale investments amounting to SR 1,551,231 (31 December 2015: SR 2,356,339) is presented within the insurance operations' liabilities and surplus in the interim statement of financial position.

Shareholders' operations' available for sale investments:

	<i>30 June 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	31,845,855	25,000,000	56,845,855
Bonds – Fixed rate	68,471,550	-	68,471,550
Bonds – Floating	-	12,000,000	12,000,000
Mutual Funds	4,442,030	-	4,442,030
Equities	-	3,223,078	3,223,078
Total	104,759,435	65,223,078	169,982,513

	<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
Total	109,168,293	58,223,078	167,391,371

The cumulative unrealised loss in fair value of available for sale investments amounting to SR 2,084,081 (31 December 2015: SR 2,273,196) is presented within the shareholders' equity in the interim statement of financial position.

At 30 June 2016

9 AVAILABLE FOR SALE INVESTMENTS (continued)

The available for sale investments comprise of bonds issued by corporate and financial institutions and mutual funds located 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		30 June 2016	31 December 2015
	Agency	Financial Instrument		
Very strong quality AA	S&P/ Moody's	Bonds/ Sukuk	24,082,549	23,728,722
Strong quality A+	S&P	Bonds/ Sukuk	11,683,526	120,626,531
Satisfactory quality A-	S&P	Sukuk	100,252,710	4,911,855
Unrated	N/A	Equities/ Bonds/ Sukuk/ Mutual Funds	94,656,080	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 June 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 June 2016 – Unaudited (SR)			
	Level 1	Level 2	Level 3	Total
Bonds	55,857,977	-	-	55,857,977
Mutual Funds	4,834,375	-	-	4,834,375
Total	60,692,352	-	-	60,692,352

At 30 June 2016

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
Total	59,303,915	-	-	59,303,915

ii. Shareholders' operations

	<i>30 June 2016 – Unaudited (SR)</i>			
	Level 1	Level 2	Level 3	Total
Bonds	100,317,405	-	-	100,317,405
Mutual Funds	4,442,030	-	-	4,442,030
Total	104,759,435	-	-	104,759,435

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

There were no transfers between Level 1 and Level 2 fair value measurements during the period ended 30 June 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 June 2016 (Unaudited) SR</i>	<i>31 December 2015 (Audited) SR</i>
Local funds	573,739,495	572,531,152
Foreign funds	15,366,969	14,437,475
	589,106,464	586,968,627

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.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2016

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 June 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 June 2016.

14 RELATED PARTY TRANSACTIONS AND BALANCES

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

Related party	Nature of transaction	<i>For the three month ended 30 June 2016 (Unaudited) SR</i>	<i>For the three month ended 30 June 2015 (Unaudited) SR</i>	
Entities controlled, jointly controlled or significantly influenced by the Company.	-Insurance premiums written	60,572,132	13,058,749	
	-Insurance premiums ceded	41,102,921	53,186,716	
	-Gross claims paid	21,680,253	9,183,143	
	-Reinsurance share of claims paid	34,808,178	43,216,542	
	-Commission expense	2,331,177	3,593,385	
	-Commission income	3,976,671	2,750,021	
	Other expenses			
	-Third party administrator (TPA) fees	144,234	1,200,647	
	Key management personnel	-Remuneration and related expenses	1,497,592	2,811,849
	Board members	-Fees and related expenses	603,825	568,960

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.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2016

14 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

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

	<i>30 June 2016 (Unaudited) SR</i>	<i>31 December 2015 (Audited) SR</i>
Entities controlled, jointly controlled or significantly influenced by the Company. - Accrued expenses	<u>5,421,643</u>	<u>7,476,053</u>
- Premiums receivable, net	<u>34,802,671</u>	<u>20,183,990</u>
- Reinsurance balances payable	<u>11,874,423</u>	<u>50,386,974</u>
- Outstanding claims	<u>8,888,775</u>	<u>2,567,664</u>

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.

As per the Company policy the business done with the reinsurer have rating not less than “A” as calculated by international rating agency.

15 BASIC AND DILUTED EARNINGS PER SHARE

	<i>For the three month period ended 30 June 2016 (Unaudited)</i>	<i>For the three month period ended 30 June 2015 (Unaudited)</i>	<i>For the six month period ended 30 June 2016 (Unaudited)</i>	<i>For the six month period ended 30 June 2015 (Unaudited)</i>
Net income for the period	<u>6,287,284</u>	<u>5,707,309</u>	<u>13,050,927</u>	<u>11,244,709</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>
Basic and diluted earnings per share (SR)	<u><u>0.31</u></u>	<u><u>0.29</u></u>	<u><u>0.65</u></u>	<u><u>0.56</u></u>

16 SEGMENT INFORMATION

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

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

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

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

Operating segments

Following are the operating segments identified for segment reporting purposes;

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

At 30 June 2016

16 SEGMENT INFORMATION (continued)

	<i>Motor</i>	<i>Engineering</i>	<i>Medical</i>	<i>Property</i>	<i>Other General</i>	<i>Protection and</i>	<i>Shareholders'</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>Saving</i>	<i>Operations</i>	<i>SR</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
<u>For the three month period ended</u>								
<u>30 June 2016 (Unaudited)</u>								
Gross written premiums	84,747,934	14,141,645	38,012,318	55,053,495	25,777,005	54,052,885	-	271,785,282
Reinsurance premiums ceded	(494,993)	(10,077,100)	(17,124,314)	(45,797,253)	(18,241,050)	(14,452,032)	-	(106,186,742)
Net written premiums	<u>84,252,941</u>	<u>4,064,545</u>	<u>20,888,004</u>	<u>9,256,242</u>	<u>7,535,955</u>	<u>39,600,853</u>	-	<u>165,598,540</u>
Net premiums earned	56,451,476	3,540,338	13,411,278	6,232,609	5,234,518	35,107,795	-	119,978,014
Unrealized gain on unit linked investments	-	-	-	-	-	6,100,848	-	6,100,848
Net claims incurred	(51,106,182)	(1,140,716)	(9,478,488)	(730,703)	(1,481,567)	(36,460,331)	-	(100,397,987)
Premium deficiency reserves	-	-	-	-	-	-	-	-
Change in unit linked liabilities	-	-	-	-	-	2,231,211	-	2,231,211
Commission								
(expenses)/income, net	(4,312,949)	(3,712,060)	(1,862,713)	5,063,076	374,971	(1,569,096)	-	(6,018,771)
Inspection and supervision fees	(423,740)	(70,708)	(190,062)	(275,268)	(509,007)	(270,264)	-	(1,739,049)
Net underwriting results	608,605	(1,383,146)	1,880,015	10,289,714	3,618,915	5,140,163	-	20,154,266
Unallocated income							-	2,259,111
General and administrative expenses							-	(16,480,420)
Surplus from insurance operations							-	5,932,957
Retained in insurance operations							-	(593,296)
Shareholders' total revenue							1,145,067	1,145,067
General and administrative expenses							(197,444)	(197,444)
Net income for the period								<u>6,287,284</u>

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2016

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>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
<u>For the six month period ended</u>								
<u>30 June 2016 (Unaudited)</u>								
Gross written premiums	148,272,185	23,026,547	54,883,786	81,981,522	35,482,498	86,742,069	-	430,388,607
Reinsurance premiums ceded	(1,507,932)	(16,241,975)	(26,177,583)	(67,500,821)	(21,625,483)	(14,730,811)	-	(147,784,605)
Net written premiums	<u>146,764,253</u>	<u>6,784,572</u>	<u>28,706,203</u>	<u>14,480,701</u>	<u>13,857,015</u>	<u>72,011,258</u>		<u>282,604,002</u>
Net premiums earned	110,354,262	7,292,016	26,027,174	11,999,344	10,854,489	69,851,636	-	236,378,921
Unrealized gain on unit linked investments	-	-	-	-	-	4,828,101	-	4,828,101
Net claims incurred	(92,129,778)	(1,837,521)	(17,299,849)	230,474	(2,323,973)	(68,973,667)	-	(182,334,314)
Change in unit linked liabilities	-	-	-	-	-	5,757,491	-	5,757,491
Commission (expenses)/income, net	(8,704,752)	(4,303,618)	(3,375,164)	4,325,641	(33,238)	(2,689,694)	-	(14,780,825)
Inspection and supervision fees	(741,361)	(115,133)	(274,419)	(409,908)	(726,250)	(433,710)	-	(2,700,781)
Net underwriting results	<u>8,778,371</u>	<u>1,035,744</u>	<u>5,077,742</u>	<u>16,145,551</u>	<u>7,771,028</u>	<u>8,340,157</u>	-	<u>47,148,593</u>
Unallocated income							-	3,208,591
General and administrative expenses							-	(37,210,350)
Surplus from insurance operations							-	13,146,834
Retained in insurance operations							-	(1,314,683)
Shareholders' total revenue							1,654,185	1,654,185
General and administrative expenses							(435,409)	(435,409)
Net income for the period								<u><u>13,050,927</u></u>

At 30 June 2016

16 SEGMENT INFORMATION (continued)

As at 30 June 2016 (Unaudited)	<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 and Saving</i> <i>SR</i>	<i>Shareholders' Operations</i> <i>SR</i>	<i>Total</i> <i>SR</i>
<u>Insurance Operations' Assets</u>								
Reinsurers' share of unearned premiums	145,312	127,641,605	25,205,434	56,892,912	36,887,535	14,637,264	-	261,410,062
Reinsurers' share of outstanding claims	3,668,431	135,038,126	14,619,420	115,737,592	77,877,838	5,711,030	-	352,652,437
Deferred policy acquisition costs	10,006,912	4,174,094	1,919,799	4,972,350	1,829,926	669,125	-	23,572,206
Premiums receivable, gross	99,282,293	61,741,017	45,290,581	55,570,109	85,564,670	20,575,365	-	368,024,035
Provision for doubtful debts	-	-	-	-	-	-	-	(40,494,221)
Unit linked investments	-	-	-	-	-	589,106,464	-	589,106,464
Unallocated assets	-	-	-	-	-	-	-	195,284,472
Shareholders' assets	-	-	-	-	-	-	228,979,310	228,979,310
Total assets								1,978,534,765
<u>Insurance Operations' Liabilities</u>								
Unearned premiums	142,431,202	139,139,422	51,444,260	70,849,968	46,137,216	21,978,609	-	471,980,677
Outstanding claims	41,273,520	141,049,061	29,238,839	122,149,794	89,892,707	9,798,344	-	433,402,265
Unearned commission income	22,015	6,898,314	322	8,718,623	1,358,665	666,221	-	17,664,160
Unit linked reserves	-	-	-	-	-	587,094,002	-	587,094,002
Unallocated liabilities and surplus	-	-	-	-	-	-	-	239,414,351
Total Shareholders' liabilities and equity							228,979,310	228,979,310
Total insurance operations liabilities, surplus and shareholders' liabilities and equity								1,978,534,765

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2016

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>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
<u>For the three month period ended 30 June 2015</u>								
Gross written premiums	57,090,538	15,906,049	37,614,296	57,546,719	22,804,443	58,345,548	-	249,307,593
Reinsurance premiums ceded	(288,319)	(11,182,170)	(16,337,509)	(48,263,782)	(16,780,478)	(12,795,334)	-	(105,647,592)
Net written premiums	<u>56,802,219</u>	<u>4,723,879</u>	<u>21,276,787</u>	<u>9,282,937</u>	<u>6,023,965</u>	<u>45,550,214</u>	-	<u>143,660,001</u>
Net premiums earned	34,329,589	3,628,276	3,326,047	6,402,437	5,401,914	41,614,760	-	94,703,023
Unrealized gain on unit linked investments	-	-	-	-	-	3,919,330	-	3,919,330
Net claims incurred	(28,941,531)	(663,681)	(1,626,443)	(1,360,138)	(5,430,657)	(41,061,472)	-	(79,083,922)
Premium deficiency reserves	-	-	192,807	-	(289,583)	-	-	(96,776)
Change in unit linked liabilities	-	-	-	-	-	6,752,822	-	6,752,822
Commission (expenses)/income, net	(2,967,852)	459,843	(141,295)	122,850	(220,905)	(1,916,011)	-	(4,663,370)
Inspection and supervision fees	(285,453)	(79,530)	(188,072)	(287,733)	(490,166)	(291,727)	-	(1,622,681)
Net underwriting results	<u>2,134,753</u>	<u>3,344,908</u>	<u>1,563,044</u>	<u>4,877,416</u>	<u>(1,029,397)</u>	<u>9,017,702</u>	-	<u>19,908,426</u>
Unallocated income							-	1,061,381
General and administrative expenses							-	(15,468,790)
Surplus from insurance operations							-	5,501,017
Retained in insurance operations							-	(550,101)
Shareholders' total revenue							1,001,758	1,001,758
General and administrative expenses							(245,365)	(245,365)
Net income for the period								<u>5,707,309</u>

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2016

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>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
<u>For the six month period ended 30 June 2015</u>								
Gross written premiums	96,874,331	41,628,074	53,688,990	95,987,455	42,016,727	99,564,677	-	429,760,254
Reinsurance premiums ceded	(1,677,299)	(31,198,231)	(28,278,815)	(79,787,913)	(29,940,575)	(16,135,466)	-	(187,018,299)
Net written premiums	<u>95,197,032</u>	<u>10,429,843</u>	<u>25,410,175</u>	<u>16,199,542</u>	<u>12,076,152</u>	<u>83,429,211</u>	-	<u>242,741,955</u>
Net premiums earned	61,255,304	6,843,548	6,541,438	11,856,415	11,228,414	78,765,401	-	176,490,520
Unrealized gain on unit linked investments	-	-	-	-	-	7,155,504	-	7,155,504
Net claims incurred	(45,597,160)	(412,236)	(4,029,100)	(1,864,776)	(5,932,414)	(72,204,624)	-	(130,040,310)
Premium deficiency reserves	-	-	-	-	(289,583)	-	-	(289,583)
Change in unit linked liabilities	-	-	-	-	-	(1,548,538)	-	(1,548,538)
Commission (expenses)/income, net	(5,064,349)	327,645	(341,297)	117,364	320,992	(3,556,731)	-	(8,196,376)
Inspection and supervision fees	<u>(484,372)</u>	<u>(208,140)</u>	<u>(268,445)</u>	<u>(479,937)</u>	<u>(746,974)</u>	<u>(497,823)</u>	-	<u>(2,685,691)</u>
Net underwriting results	10,109,423	6,550,817	1,902,596	9,629,066	4,580,435	8,113,189	-	40,885,526
Unallocated income							-	2,116,341
General and administrative expenses							-	<u>(32,231,662)</u>
Surplus from insurance operations							-	10,770,205
Retained in insurance operations							-	(1,077,020)
Shareholders' total revenue							1,971,194	1,971,194
General and administrative expenses							(419,670)	<u>(419,670)</u>
Net income for the period								<u>11,244,709</u>

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2016

16 SEGMENT INFORMATION (continued)

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

Geographical segments

The Company, during the three month periods ended 30 June 2016 and 30 June 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 22 Shawwal 1437H, corresponding to 27 July 2016.