

**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 SIX MONTH PERIODS  
ENDED 30 JUNE 2015**

<b>INDEX</b>	<b>PAGES</b>
INDEPENDENT AUDITORS' REVIEW REPORT	1
INTERIM STATEMENT OF FINANCIAL POSITION	2-3
INTERIM STATEMENT OF INCOME - INSURANCE OPERATIONS	4
INTERIM STATEMENT OF COMPREHENSIVE INCOME - INSURANCE OPERATIONS	5
INTERIM STATEMENT OF INCOME - SHAREHOLDERS' OPERATIONS	6
INTERIM STATEMENT OF COMPREHENSIVE INCOME - SHAREHOLDERS' OPERATIONS	7
INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	8
INTERIM STATEMENT OF CASH FLOWS - INSURANCE OPERATIONS	9
INTERIM STATEMENT OF CASH FLOWS - SHAREHOLDERS' OPERATIONS	10
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS	11 – 27

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

INTERIM STATEMENT OF FINANCIAL POSITION

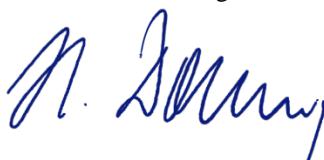
	<i>Note</i>	<b>30 June 2015 (Unaudited) SR</b>	<b>31 December 2014 (Audited) SR</b>
<b>INSURANCE OPERATIONS' ASSETS</b>			
Office equipment and furniture		1,856,006	2,104,837
Reinsurers' share of outstanding claims	6	273,905,340	195,791,834
Reinsurers' share of unearned premiums		247,390,852	196,712,050
Deferred policy acquisition costs		22,249,575	13,837,659
Unit linked investments	10	596,960,295	587,082,779
Available for sale investments	9	60,734,719	66,290,823
Premiums receivable, net	7	249,298,068	233,013,943
Reinsurance balances receivable		53,191,250	39,406,041
Prepayments and other assets		12,278,779	14,321,740
Cash and cash equivalents		45,409,877	62,981,132
<b>TOTAL INSURANCEOPERATIONS' ASSETS</b>		<b>1,563,274,761</b>	<b>1,411,542,838</b>
<b>SHAREHOLDERS' ASSETS</b>			
Statutory deposit	8	20,076,025	20,076,025
Available for sale investments	9	154,289,186	150,416,786
Due from insurance operations		28,380,945	18,687,760
Prepayments and other assets		585,698	569,613
Cash and cash equivalents		1,371,834	5,705,081
<b>TOTAL SHAREHOLDERS' ASSETS</b>		<b>204,703,688</b>	<b>195,455,265</b>
<b>TOTAL ASSETS</b>		<b>1,767,978,449</b>	<b>1,606,998,103</b>

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)

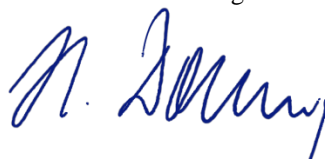
	Note	<b>30 June 2015 (Unaudited) SR</b>	<b>31 December 2014 (Audited) SR</b>
<b>INSURANCE OPERATIONS' LIABILITIES AND SURPLUS</b>			
Employees' end of service benefits		11,412,785	10,063,959
Unearned premiums		405,794,489	288,864,252
Unearned commission income		14,383,466	12,295,482
Unit linked liabilities		595,172,450	593,623,912
Outstanding claims	6	337,873,929	277,155,299
Premium deficiency reserves		289,583	
Due to shareholders' operations		28,380,945	18,687,760
Reinsurance balances payable		140,266,189	188,838,218
Accrued expenses and other liabilities		26,712,143	19,674,465
<b>TOTAL INSURANCE OPERATIONS' LIABILITIES</b>		<b><u>1,560,285,979</u></b>	<b><u>1,409,203,347</u></b>
<b>INSURANCE OPERATIONS' SURPLUS</b>			
Accumulated surplus		3,914,316	2,837,296
Fair value reserve for available for sale investments	9	(925,534)	(497,805)
<b>TOTAL INSURANCE OPERATIONS' LIABILITIES AND SURPLUS</b>		<b><u>1,563,274,761</u></b>	<b><u>1,411,542,838</u></b>
<b>SHAREHOLDERS' LIABILITIES AND EQUITY</b>			
<b>SHAREHOLDERS' LIABILITIES</b>			
Zakat and income tax payable		11,416,095	10,552,927
Accrued expenses and other liabilities		201,923	124,824
<b>TOTAL SHAREHOLDERS' LIABILITIES</b>		<b><u>11,618,018</u></b>	<b><u>10,677,751</u></b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	11	200,000,000	200,000,000
Share premium		22,711,315	22,711,315
Accumulated losses		(29,250,264)	(38,094,433)
Fair value reserve for available for sale investments	9	(375,381)	160,632
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b><u>193,085,670</u></b>	<b><u>184,777,514</u></b>
<b>TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY</b>		<b><u>204,703,688</u></b>	<b><u>195,455,265</u></b>
<b>TOTAL INSURANCE OPERATIONS' LIABILITIES AND SURPLUS AND SHAREHOLDERS' LIABILITIES AND EQUITY</b>		<b><u>1,767,978,449</u></b>	<b><u>1,606,998,103</u></b>

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 INCOME - INSURANCE OPERATIONS

	Note	<i>For the three months ended</i>		<i>For the six months ended</i>	
		<i>30 June 2015 Unaudited SR</i>	<i>30 June 2014 Unaudited SR</i>	<i>30 June 2015 Unaudited SR</i>	<i>30 June 2014 Unaudited SR</i>
Gross written premiums		249,307,593	221,718,873	429,760,254	402,681,817
Reinsurance premiums ceded		(105,647,592)	(86,860,798)	(187,018,299)	(157,700,362)
<b>Net written premiums</b>	5	143,660,001	134,858,075	242,741,955	244,981,455
Changes in unearned premiums		(91,425,219)	(32,648,450)	(116,930,237)	(39,637,272)
Reinsurance share of unearned premiums		42,468,241	8,026,166	50,678,802	7,839,447
<b>Net change in unearned premiums</b>	5	(48,956,978)	(24,622,284)	(66,251,435)	(31,797,825)
<b>Net premiums earned</b>	5	94,703,023	110,235,791	176,490,520	213,183,630
Commission earned		4,245,999	5,310,641	9,162,614	11,140,029
Unrealized gain on unit linked investments		3,919,330	1,931,358	7,155,504	7,982,221
Other income		1,061,381	923,565	2,116,341	1,398,540
<b>Total revenues</b>		103,929,733	118,401,355	194,924,979	233,704,420
Gross claims paid		(146,157,811)	(117,781,540)	(259,722,614)	(233,622,698)
Reinsurance share of claims paid		73,452,573	42,094,062	112,287,428	83,655,893
<b>Net claims paid</b>		(72,705,238)	(75,687,478)	(147,435,186)	(149,966,805)
Changes in gross outstanding claims		(35,974,562)	1,903,251	(60,718,630)	(32,132,697)
Changes in reinsurance share of outstanding claims		29,595,878	(8,531,197)	78,113,506	16,366,444
<b>Changes in net outstanding claims</b>		(6,378,684)	(6,627,946)	17,394,876	(15,766,253)
<b>Net claims incurred</b>		(79,083,922)	(82,315,424)	(130,040,310)	(165,733,058)
Change in premium deficiency reserves		(96,776)	(1,070,518)	(289,583)	(2,730,773)
Change in unit linked liabilities		6,752,822	(4,636,480)	(1,548,538)	(8,648,860)
Commission expenses		(8,909,369)	(11,273,031)	(17,358,990)	(22,146,448)
Inspection and supervision fees		(1,622,681)	(1,299,257)	(2,685,691)	(2,421,471)
General and administrative expenses		(15,468,790)	(16,694,511)	(32,231,662)	(37,279,106)
<b>Total claims and expenses</b>		(98,428,716)	(117,289,221)	(184,154,774)	(238,959,716)
<b>Net surplus/(deficit) for the period</b>		<b>5,501,017</b>	1,112,134	<b>10,770,205</b>	(5,255,296)
Net (surplus)/deficit transferred to interim statement of income of shareholders' operations	3	(4,950,916)	(1,112,134)	(9,693,185)	5,255,296
<b>Net insurance operations' surplus after shareholders' transfer for the period</b>		<b>550,101</b>	-	<b>1,077,020</b>	-

Xavier Denys



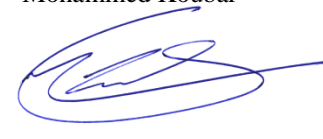
Chief Executive Officer

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 months ended</i>		<i>For the six months ended</i>	
	<i>30 June 2015 Unaudited SR</i>	<i>30 June 2014 Unaudited SR</i>	<i>30 June 2015 Unaudited SR</i>	<i>30 June 2014 Unaudited SR</i>
<b>Net insurance operations surplus after shareholders' transfer for the period</b>	<b>550,101</b>	<b>-</b>	<b>1,077,020</b>	<b>-</b>
<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	(760,241)	637,338	(116,719)	1,384,377
Transferred to realized gain on available for sale investments disposal	-	-	(311,010)	-
<b>Total comprehensive (loss)/income for the period</b>	<b>(210,140)</b>	<b>637,338</b>	<b>649,291</b>	<b>1,384,377</b>

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 INCOME - SHAREHOLDERS' OPERATIONS

	<i>For the three months ended</i>		<i>For the six months ended</i>	
	<i>30 June 2015 Unaudited SR</i>	<i>30 June 2014 Unaudited SR</i>	<i>30 June 2015 Unaudited SR</i>	<i>30 June 2014 Unaudited SR</i>
Special commission income	1,001,758	1,217,286	2,346,388	2,505,826
Realised gain/(loss) on available for sale investments	-	136,915	(375,194)	136,915
<b>Total revenues</b>	<b>1,001,758</b>	<b>1,354,201</b>	<b>1,971,194</b>	<b>2,642,741</b>
Net surplus/(deficit) transferred from interim statement of income of insurance operations	4,950,916	1,112,134	9,693,185	(5,255,296)
General and administrative expenses	(245,365)	(195,722)	(419,670)	(380,225)
<b>Net income/(loss) for the period</b>	<b>5,707,309</b>	<b>2,270,613</b>	<b>11,244,709</b>	<b>(2,992,780)</b>
<b>Basic and diluted earnings/(loss) per share (Note 15)</b>	<b>0.29</b>	<b>0.11</b>	<b>0.56</b>	<b>(0.15)</b>

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 - SHAREHOLDERS' OPERATIONS**

	<i>For the three months ended</i>		<i>For the six months ended</i>	
	<i>30 June 2015 Unaudited SR</i>	<i>30 June 2014 Unaudited SR</i>	<i>30 June 2015 Unaudited SR</i>	<i>30 June 2014 Unaudited SR</i>
Net income/(loss) for the period	<b>5,707,309</b>	2,270,613	<b>11,244,709</b>	(2,992,780)
<i>Other comprehensive income not to be reclassified subsequently to the statement of income- shareholders' operations</i>				
Provision for zakat and income tax	(1,137,651)	(590,389)	(2,400,540)	(1,203,122)
<i>Other comprehensive income to be reclassified subsequently to the statement of income- shareholders' operations</i>				
Fair value change in available for sale investments	(1,732,659)	197,756	(911,207)	1,210,444
Transferred to realized (gain)/loss on disposal of available for sale investments	-	(136,915)	375,194	(136,915)
<b>Total comprehensive income/(loss) for the period</b>	<b><u>2,836,999</u></b>	<b><u>1,741,065</u></b>	<b><u>8,308,156</u></b>	<b><u>(3,122,373)</u></b>

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 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 loss for the period	-	-	(2,992,780)	-	(2,992,780)
<i>Other comprehensive income:</i>					
- Provision for zakat and income tax	-	-	(1,203,122)	-	(1,203,122)
- Fair value change in available for sale investments	-	-	-	1,210,444	1,210,444
- Transferred to statement of income of shareholders' operations	-	-	-	(136,915)	(136,915)
Total comprehensive income for the period	-	-	(4,195,902)	1,073,529	(3,122,373)
<b>Balance as at 30 June 2014 - Unaudited</b>	<b>200,000,000</b>	<b>22,711,315</b>	<b>(53,814,743)</b>	<b>848,263</b>	<b>169,744,835</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	-	-	11,244,709	-	11,244,709
<i>Other comprehensive income:</i>					
- Provision for zakat and income tax	-	-	(2,400,540)	-	(2,400,540)
- 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	-	-	8,844,169	(536,013)	8,308,156
<b>Balance as at 30 June 2015 – Unaudited</b>	<b>200,000,000</b>	<b>22,711,315</b>	<b>(29,250,264)</b>	<b>(375,381)</b>	<b>193,085,670</b>

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 CASH FLOWS - INSURANCE OPERATIONS**

	<b>For the six months ended</b>	
	<b>30 June</b>	<b>30 June</b>
	<b>2015</b>	<b>2014</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>SR</b>	<b>SR</b>
<b>OPERATING ACTIVITIES</b>		
Insurance operations' surplus after shareholders' appropriation	1,077,020	-
Adjustments for:		
Employees' end of service benefits	1,472,203	2,476,005
Depreciation	624,767	685,955
Gain on disposal of available for sale investments	(311,010)	-
Unrealized gains on unit linked investments	(7,155,504)	(7,982,221)
Shareholders' appropriation from insurance operations' surplus/(deficit)	9,693,185	(5,255,296)
	<hr/>	<hr/>
Operating surplus/(deficit) before changes in operating assets and liabilities	<b>5,400,661</b>	(10,075,557)
<b>Changes in operating assets and liabilities:</b>		
Deferred policy acquisition costs	(8,411,916)	(1,924,623)
Unit linked investments	(2,722,012)	(2,626,805)
Premiums receivable	3,687,346	54,031,556
Prepayments and others assets	2,042,961	(4,165,363)
Unearned premiums, net	66,251,435	31,797,826
Unit linked reserves	1,548,538	8,648,860
Outstanding claims, net	(17,394,876)	15,766,254
Premium deficiency reserves	289,583	2,730,773
Unearned commission income	2,087,984	(2,106,959)
Reinsurance balances payable, net	(62,357,238)	(67,521,712)
Accrued expenses and other liabilities	(12,933,793)	(26,944,335)
	<hr/>	<hr/>
Cash used in operations	<b>(22,511,327)</b>	(2,390,085)
Employees' end of service benefits paid	(123,377)	(433,846)
	<hr/>	<hr/>
<b>Net cash used in operating activities</b>	<b>(22,634,704)</b>	(2,823,931)
<b>INVESTING ACTIVITIES</b>		
Purchase of office equipment and furniture	(375,936)	(375,708)
Purchase of available for sale investments	(4,909,191)	(5,000,000)
Proceeds from sale of available for sale investments	10,348,576	-
	<hr/>	<hr/>
<b>Net cash from/(used in) investing activities</b>	<b>5,063,449</b>	(5,375,708)
<b>FINANCING ACTIVITIES</b>		
Due to shareholders operations	-	(3,000,000)
	<hr/>	<hr/>
<b>Net cash used in financing activities</b>	<b>-</b>	(3,000,000)
	<hr/>	<hr/>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(17,571,255)</b>	(11,199,639)
Cash and cash equivalents at the beginning of the period	<b>62,981,132</b>	50,206,611
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>45,409,877</b>	39,006,972
	<hr/> <hr/>	<hr/> <hr/>
<b>Non-cash supplemental information:</b>		
Net changes in fair value of available for sale investments	<b>(116,719)</b>	1,384,377
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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 CASH FLOWS - SHAREHOLDERS' OPERATIONS**

	<b>For the six months ended</b>	
	<b>30 June 2015 (Unaudited) SR</b>	<b>30 June 2014 (Unaudited) SR</b>
<b>OPERATING ACTIVITIES</b>		
Net income/(loss) for the period	11,244,709	(2,992,780)
Adjustments for:		
Realized loss/(gain) on available for sale investments	375,194	(136,915)
Shareholders' appropriation from insurance operations' (surplus) /deficit	(9,693,185)	5,255,296
Operating surplus before changes in operating assets and liabilities	<b>1,926,718</b>	2,125,601
<b>Changes in operating assets and liabilities:</b>		
Prepayments and other assets	(16,085)	127,103
Accrued expenses and other liabilities	77,099	(1,798)
Cash from operations	<b>1,987,732</b>	2,250,906
Income tax paid	(1,537,372)	(1,297,789)
<b>Net cash from operating activities</b>	<b>450,360</b>	953,117
<b>INVESTING ACTIVITIES</b>		
Purchase of available for sale investments	(30,364,374)	(4,000,000)
Proceeds from sale of available for sale investments	25,580,767	11,204,993
<b>Net cash (used in)/from investing activities</b>	<b>(4,783,607)</b>	7,204,993
<b>FINANCING ACTIVITIES</b>		
Due from insurance operations	-	3,000,000
<b>Net cash used in financing activities</b>	-	3,000,000
<b>(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(4,333,247)</b>	11,158,110
Cash and cash equivalents at the beginning of the period	<b>5,705,081</b>	1,815,310
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>1,371,834</b>	12,973,420
<b><u>Non-cash supplemental information:</u></b>		
Net changes in fair value of available for sale investments	<b>(911,207)</b>	1,210,444

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 June 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 six month periods ended 30 June 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.

At 30 June 2015

**5 PREMIUMS***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
<b>Written premiums</b>	<b>249,307,593</b>	<b>(105,647,592)</b>	<b>143,660,001</b>
Change in unearned premiums	(91,425,219)	42,468,241	(48,956,978)
<b>Premiums earned</b>	<b>157,882,374</b>	<b>(63,179,351)</b>	<b>94,703,023</b>

*For the three month period ended 30 June 2014**Unaudited (SR)*

	<i>Gross</i>	<i>Reinsurers' Share</i>	<i>Net</i>
General insurance	159,687,648	(75,680,368)	84,007,280
Protection and saving insurance	62,031,225	(11,180,430)	50,850,795
<b>Written premiums</b>	<b>221,718,873</b>	<b>(86,860,798)</b>	<b>134,858,075</b>
Change in unearned premiums	(32,648,450)	8,026,166	(24,622,284)
<b>Premiums earned</b>	<b>189,070,423</b>	<b>(78,834,632)</b>	<b>110,235,791</b>

*For the six month period ended 30 June 2015**Unaudited (SR)*

	<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
<b>Written premiums</b>	<b>429,760,254</b>	<b>(187,018,299)</b>	<b>242,741,955</b>
Change in unearned premiums	(116,930,237)	50,678,802	(66,251,435)
<b>Premiums earned</b>	<b>312,830,017</b>	<b>(136,339,497)</b>	<b>176,490,520</b>

At 30 June 2015

**5 PREMIUMS (continued)**

	<i>For the six month period ended 30 June 2014</i>		
	<i>Unaudited (SR)</i>		
	<i>Gross</i>	<i>Reinsurers' share</i>	<i>Net</i>
General insurance	298,558,951	(145,197,502)	153,361,449
Protection and saving insurance	104,122,866	(12,502,860)	91,620,006
Written premiums	402,681,817	(157,700,362)	244,981,455
Change in unearned premiums	(39,637,272)	7,839,447	(31,797,825)
Premiums earned	<u>363,044,545</u>	<u>(149,860,915)</u>	<u>213,183,630</u>

**6 OUTSTANDING CLAIMS**

	<i>As at 30 June 2015 - Unaudited (SR)</i>		
	<i>Gross</i>	<i>Reinsurers' share</i>	<i>Net</i>
General insurance	325,669,704	(267,486,927)	<b>58,182,777</b>
Protection and saving insurance	12,204,225	(6,418,413)	<b>5,785,812</b>
<b>Total outstanding claims</b>	<b><u>337,873,929</u></b>	<b><u>(273,905,340)</u></b>	<b><u>63,968,589</u></b>

	<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**

30 June 2015 Unaudited	Total	<i>Past due not impaired</i>		<i>Past due and impaired</i>	
		Neither past due nor impaired	Up to 90 days	Less than 180 days	More than 180 days
<i>Amount in SR</i>					
Premiums receivable	288,389,899	-	211,957,705	22,951,481	53,480,713
Provision for doubtful debts	(39,091,831)	-	-	(3,442,722)	(35,649,109)
Premiums receivable, net	<b><u>249,298,068</u></b>	<b><u>-</u></b>	<b><u>211,957,705</u></b>	<b><u>19,508,759</u></b>	<b><u>17,831,604</u></b>

At 30 June 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 six months ended 30 June 2015 (Unaudited) SR</i>	<i>For the six months ended 30 June 2014 (Unaudited) SR</i>
Balance at the beginning of the period	<b>39,891,831</b>	34,968,775
Provided for the period	-	623,056
Reversed during the period	(800,000)	-
Balance at the end of the period	<u><b>39,091,831</b></u>	<u>35,591,831</u>

**8 STATUTORY DEPOSIT**

As required by Saudi Arabian Insurance Regulations, 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 is the same as for the previous year; SR 76,025 (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 June 2015 (Unaudited) SR</i>	<i>As at 31 December 2014 (Audited) SR</i>
Bonds-quoted	<b>55,859,562</b>	51,052,925
Funds-quoted	<b>4,875,157</b>	15,237,898
<b>Total</b>	<u><b>60,734,719</b></u>	<u><b>66,290,823</b></u>

The cumulative unrealised loss in fair value of available for sale investments amounting to SR 925,534 (31 December 2014: SR 497,805) is presented within the insurance operation's surplus in the interim statement of financial position.



At 30 June 2015

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

	<i>30 June 2015 - Unaudited (SR)</i>		
	<i>Quoted</i>	<i>Unquoted</i>	<i>Total</i>
Bonds	101,816,836	-	101,816,836
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>111,066,108</b>	<b>43,223,078</b>	<b>154,289,186</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 (SR 375,381) (31 December 2014: 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 June 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 and Level 3 for sukuk and equities. 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 June 2015 – Unaudited (SR)</i>			
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Bonds	55,859,562	-	-	<b>55,859,562</b>
Funds	4,875,157	-	-	<b>4,875,157</b>
<b>Total</b>	<b>60,734,719</b>	<b>-</b>	<b>-</b>	<b>60,734,719</b>

Allianz Saudi Fransi Cooperative Insurance Company (A Saudi Joint Stock Company)  
 NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
 At 30 June 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
Total	<u>66,290,823</u>	<u>-</u>	<u>-</u>	<u>66,290,823</u>

ii. Shareholders' operations

	<i>30 June 2015 – Unaudited (SR)</i>			
	Level 1	Level 2	Level 3	Total
Bonds	101,816,836	-	-	101,816,836
Sukuk	-	-	40,000,000	40,000,000
Funds	9,249,272	-	-	9,249,272
Equities	-	-	3,223,078	3,223,078
Total	<u><b>111,066,108</b></u>	<u><b>-</b></u>	<u><b>43,223,078</b></u>	<u><b>154,289,186</b></u>

	<i>31 December 2014 – Audited (SR)</i>			
	Level 1	Level 2	Level 3	Total
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
Total	<u>107,193,708</u>	<u>-</u>	<u>43,223,078</u>	<u>150,416,786</u>

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements during the period ended 30 June 2015 and year ended 31 December 2014.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

	<i>30 June 2015 (Unaudited) SR</i>	<i>31 December 2014 (Audited) SR</i>
As the beginning of the period	43,223,078	44,228,078
Disposal / maturities during the period	-	(1,005,000)
As the end of the period	<u><b>43,223,078</b></u>	<u><b>43,223,078</b></u>

### 10 UNIT LINKED INVESTMENTS

Following represents fair value for unit-linked investments:

	<i>30 June 2015 (Unaudited) SR</i>	<i>31 December 2014 (Audited) SR</i>
Local funds	585,304,354	574,525,805
Foreign funds	11,655,941	12,556,974
	<u>596,960,295</u>	<u>587,082,779</u>

### 11 SHARE CAPITAL

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

### 12 STATUTORY RESERVE

In accordance with the by-laws of the Company, 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 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.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2015

**14 RELATED PARTY TRANSACTIONS AND BALANCES**

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

Related party	Nature of transaction	For the six months ended 30 June 2015 (Unaudited) SR	For the six months ended 30 June 2014 (Unaudited) SR
		Entities controlled, jointly controlled or significantly influenced by related parties.	-Insurance premiums written
	-Insurance premiums ceded	<b>53,186,716</b>	5,927,718
	-Gross claims paid	<b>9,183,143</b>	1,175,537
	-Reinsurance share of claims paid	<b>43,216,542</b>	6,316,137
	-Commission expense	<b>3,593,385</b>	2,909,839
	-Commission income	<b>2,750,021</b>	431,170
	Other expenses		
	-Third party administrator (TPA) fees	<b>1,200,647</b>	1,882,959
Key management personnel	-Remuneration and related expenses	<b>2,811,849</b>	3,554,279
Board members	-Fees and related expenses	<b>568,960</b>	199,430

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:

	30 June 2015 (Unaudited) SR	31 December 2014 (Audited) SR
Entities controlled, jointly controlled or significantly influenced by related parties.		
- Accrued expenses	<b>5,198,036</b>	3,117,963
- Premiums receivable, net	<b>20,381,396</b>	9,816,531
- Reinsurance balances payable	<b>46,870,854</b>	50,504,175
- Outstanding claims	<b>5,051,942</b>	6,036,255

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 months ended 30 June 2015 Unaudited</i>	<i>For the three months ended 30 June 2014 Unaudited</i>	<i>For the six months ended 30 June 2015 Unaudited</i>	<i>For the six months ended 30 June 2014 Unaudited</i>
Net income/(loss) for the period (SR)	<b>5,707,309</b>	2,270,613	<b>11,244,709</b>	(2,992,780)
Weighted average number of ordinary shares	<b>20,000,000</b>	20,000,000	<b>20,000,000</b>	20,000,000
<b>Basic and diluted earnings per share (SR)</b>	<b>0.29</b>	0.11	<b>0.56</b>	(0.15)

**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

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2015

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 months ended 30 June 2015 (Unaudited)</u></b>								
Gross written premiums	57,090,538	15,906,049	37,614,296	57,546,719	22,804,443	58,345,548	-	<b>249,307,593</b>
Reinsurance premiums ceded	(288,319)	(11,182,170)	(16,337,509)	(48,263,782)	(16,780,478)	(12,795,334)	-	<b>(105,647,592)</b>
Net written premiums	<b>56,802,219</b>	<b>4,723,879</b>	<b>21,276,787</b>	<b>9,282,937</b>	<b>6,023,965</b>	<b>45,550,214</b>	-	<b>143,660,001</b>
Net premiums earned	<b>34,329,589</b>	<b>3,628,276</b>	<b>3,326,047</b>	<b>6,402,437</b>	<b>5,401,914</b>	<b>41,614,760</b>	-	<b>94,703,023</b>
Unrealized loss 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 reserves	-	-	-	-	-	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	<b>2,134,753</b>	<b>3,344,908</b>	<b>1,563,044</b>	<b>4,877,416</b>	<b>(1,029,397)</b>	<b>9,017,702</b>	-	<b>19,908,426</b>
Unallocated (expenses) income	-	-	-	-	-	-	-	1,061,381
Unallocated expenses	-	-	-	-	-	-	-	(15,468,790)
<b>Surplus from insurance operations</b>	-	-	-	-	-	-	-	<b>5,501,017</b>
<b>Retained in insurance operations</b>	-	-	-	-	-	-	-	<b>(550,101)</b>
Shareholders' total revenue	-	-	-	-	-	-	1,001,758	1,001,758
General and administrative expenses	-	-	-	-	-	-	(245,365)	(245,365)
<b>Net income for the period</b>								<b>5,707,309</b>

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2015

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 six months ended 30 June 2015 (Unaudited)</u></b>								
Gross written premiums	96,874,331	41,628,074	53,688,990	95,987,455	42,016,727	99,564,677	-	<b>429,760,254</b>
Reinsurance premiums ceded	(1,677,299)	(31,198,231)	(28,278,815)	(79,787,913)	(29,940,575)	(16,135,466)	-	<b>(187,018,299)</b>
7Net written premiums	<b>95,197,032</b>	<b>10,429,843</b>	<b>25,410,175</b>	<b>16,199,542</b>	<b>12,076,152</b>	<b>83,429,211</b>	-	<b>242,741,955</b>
Net premiums earned	<b>61,255,304</b>	<b>6,843,548</b>	<b>6,541,438</b>	<b>11,856,415</b>	<b>11,228,414</b>	<b>78,765,401</b>	-	<b>176,490,520</b>
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 reserves	-	-	-	-	-	(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	(484,372)	(208,140)	(268,445)	(479,937)	(746,974)	(497,823)	-	(2,685,691)
Net underwriting results	<b>10,109,423</b>	<b>6,550,817</b>	<b>1,902,596</b>	<b>9,629,066</b>	<b>4,580,435</b>	<b>8,113,189</b>	-	<b>40,885,526</b>
Unallocated income	-	-	-	-	-	-	-	2,116,341
Unallocated expenses	-	-	-	-	-	-	-	(32,231,662)
<b>Surplus from insurance operations</b>	-	-	-	-	-	-	-	<b>10,770,205</b>
<b>Retained in insurance operations</b>	-	-	-	-	-	-	-	<b>(1,077,020)</b>
Shareholders' total revenue	-	-	-	-	-	-	1,971,194	1,971,194
General and administrative expenses	-	-	-	-	-	-	(419,670)	(419,670)
<b>Net income for the period</b>								<b>11,244,709</b>

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2015

16 SEGMENT INFORMATION (continued)

<u>As at 30 June 2015 (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	158,881	118,921,790	21,699,592	60,621,519	31,341,233	14,647,837	-	247,390,852
Reinsurers' share of outstanding claims	4,103,505	72,814,833	-	130,769,596	59,798,993	6,418,413	-	273,905,340
Deferred policy acquisition costs	7,463,370	5,407,241	2,868,115	4,397,965	1,305,801	807,083	-	22,249,575
Premiums receivable, gross	58,369,360	35,946,075	46,250,788	46,212,332	80,345,899	21,265,445	-	288,389,899
Provision for doubtful debts	-	-	-	-	-	-	-	(39,091,831)
Unit linked investments	-	-	-	-	-	596,960,295	-	596,960,295
Unallocated assets	-	-	-	-	-	-	-	173,470,631
Shareholders' assets	-	-	-	-	-	-	204,703,688	204,703,688
<b>Total assets</b>								<b><u>1,767,978,449</u></b>
<b><u>Insurance Operations' Liabilities</u></b>								
Unearned premiums	92,503,142	132,426,711	43,390,842	74,034,365	40,957,368	22,482,061	-	405,794,489
Outstanding claims	31,533,576	77,246,910	4,772,187	141,029,230	71,087,801	12,204,225	-	337,873,929
Unearned commission income	24,671	6,477,595	-	6,047,005	1,147,719	686,476	-	14,383,466
Premium deficiency reserves	-	-	-	-	289,583	-	-	289,583
Unit linked reserves	-	-	-	-	-	595,172,450	-	595,172,450
Unallocated liabilities and surplus	-	-	-	-	-	-	-	209,760,844
<b>Shareholders' liabilities and equity</b>							204,703,688	204,703,688
<b>Total insurance operations liabilities, surplus and shareholders' liabilities and equity</b>								<b><u>1,767,978,449</u></b>



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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2015

16 SEGMENT INFORMATION (continued)

	<i>Motor</i>	<i>Engineering</i>	<i>Medical</i>	<i>Property</i>	<i>Other General</i>	<i>Protection &amp; Saving</i>	<i>Shareholders' Operations</i>	<i>Total</i>
<u>For the three months ended 30 June 2014</u> <u>(Unaudited)</u>	<u>SR</u>	<u>SR</u>	<u>SR</u>	<u>SR</u>	<u>SR</u>	<u>SR</u>		<u>SR</u>
Gross written premiums	60,980,961	23,590,961	19,066,227	37,566,987	18,482,513	62,031,224	-	221,718,873
Reinsurance premium ceded	(753,255)	(20,516,231)	(10,882,730)	(30,761,247)	(12,766,905)	(11,180,430)	-	(86,860,798)
Net written premium	<u>60,227,706</u>	<u>3,074,730</u>	<u>8,183,497</u>	<u>6,805,740</u>	<u>5,715,608</u>	<u>50,850,794</u>	-	<u>134,858,075</u>
Net premiums earned	45,973,557	2,728,741	8,307,850	4,451,945	5,874,049	42,899,649	-	110,235,791
Unrealized gain on unit linked investments	-	-	-	-	-	1,931,358	-	1,931,358
Net claims incurred	(40,244,232)	(188,919)	(6,027,627)	(1,872,885)	(645,462)	(33,336,299)	-	(82,315,424)
Premium deficiency reserves	(1,070,518)	-	-	-	-	-	-	(1,070,518)
Change in unit linked reserves	-	-	-	-	-	(4,636,480)	-	(4,636,480)
Commission (expenses)/income, net	(4,405,391)	373,213	(511,898)	335,324	761,518	(2,515,156)	-	(5,962,390)
Inspection and supervision fees	(304,905)	(117,955)	(95,331)	(187,835)	(283,075)	(310,156)	-	(1,299,257)
Net underwriting results	<u>(51,489)</u>	<u>2,795,080</u>	<u>1,672,994</u>	<u>2,726,549</u>	<u>5,707,030</u>	<u>4,032,916</u>	-	<u>16,883,080</u>
Unallocated income	-	-	-	-	-	-	-	923,565
Unallocated expenses	-	-	-	-	-	-	-	(16,694,511)
Surplus from insurance operations	-	-	-	-	-	-	-	1,112,134
Retained in Insurance operations	-	-	-	-	-	-	-	-
Shareholders' total revenue	-	-	-	-	-	-	1,354,201	1,354,201
General and administrative expenses	-	-	-	-	-	-	(195,722)	(195,722)
Net income for the period								<u>2,270,613</u>

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2015

16 SEGMENT INFORMATION (continued)

	<i>Motor</i>	<i>Engineering</i>	<i>Medical</i>	<i>Property</i>	<i>Other General</i>	<i>Protection &amp; 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>
<b>For the six months ended 30 June 2014</b>								
<b>(Unaudited)</b>								
Gross written premiums	107,894,382	33,278,925	40,806,154	62,286,789	54,292,702	104,122,865	-	402,681,817
Reinsurance premium ceded	(2,258,167)	(27,764,522)	(22,713,509)	(50,969,887)	(41,491,417)	(12,502,860)	-	(157,700,362)
Net written premium	<u>105,636,215</u>	<u>5,514,403</u>	<u>18,092,645</u>	<u>11,316,902</u>	<u>12,801,285</u>	<u>91,620,005</u>	-	<u>244,981,455</u>
Net premiums earned	86,121,902	5,536,349	17,291,642	8,510,396	11,882,406	83,840,935	-	213,183,630
Unrealized gain on unit linked investments	-	-	-	-	-	7,982,221	-	7,982,221
Net claims incurred	(77,763,609)	(2,023,685)	(12,105,675)	(3,177,402)	(1,159,360)	(69,503,327)	-	(165,733,058)
Premium deficiency reserves	(3,666,889)	-	936,116	-	-	-	-	(2,730,773)
Change in unit linked reserves	-	-	-	-	-	(8,648,860)	-	(8,648,860)
Commission (expenses)/income, net	(8,577,453)	1,354,490	(1,141,455)	1,340,834	777,980	(4,760,815)	-	(11,006,419)
Inspection and supervision fees	<u>(539,472)</u>	<u>(166,395)</u>	<u>(204,031)</u>	<u>(311,434)</u>	<u>(679,525)</u>	<u>(520,614)</u>	-	<u>(2,421,471)</u>
Net underwriting results	(4,425,521)	4,700,759	4,776,597	6,362,394	10,821,501	8,389,540	-	30,625,270
Unallocated income	-	-	-	-	-	-	-	1,398,540
Unallocated expenses	-	-	-	-	-	-	-	<u>(37,279,106)</u>
Deficit from insurance operations	-	-	-	-	-	-	-	(5,255,296)
Retained in Insurance operations	-	-	-	-	-	-	-	-
Shareholders' total revenue	-	-	-	-	-	-	2,642,741	2,642,741
General and administrative expenses	-	-	-	-	-	-	(380,225)	<u>(380,225)</u>
Net loss for the period								<u>(2,992,780)</u>

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2015

16 SEGMENT INFORMATION (continued)

<u>As at 31 December 2014 (Audited)</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>
<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
Premium deficiency reserves	-	-	-	-	-	-	-	-
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 June 2015 and 30 June 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 27 Ramadan 1436 H, corresponding to 14 July 2015.