

**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 PERIOD ENDED MARCH 31, 2018**

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**KPMG Al Fozan & Partners**  
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**INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM CONDENSED  
FINANCIAL STATEMENTS**

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

**Introduction**

We have reviewed the accompanying interim condensed statement of financial position of **Allianz Saudi Fransi Cooperative Insurance Company** (the "Company") as at 31 March 2018, the interim condensed statements of income, comprehensive income, changes in shareholders' equity and cash flows for the three month period then ended and notes to the interim condensed financial statements. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 ("IAS 34"), "Interim Financial Reporting" as modified by the Saudi Arabian Monetary Authority ("SAMA") for the accounting of zakat and income tax. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements as at 31 March 2018 of **Allianz Saudi Fransi Cooperative Insurance Company** are not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as modified by SAMA for the accounting of zakat and income tax.

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27 Sha'aban 1439H  
13 May 2018



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**ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2018**

		SAR	
	Notes	March 31, 2018 (Unaudited)	December 31, 2017 (Audited)
<b>ASSETS</b>			
Cash and cash equivalents	4	39,390,737	133,330,865
Prepaid expenses and other assets		32,356,460	26,886,205
Premiums receivable, net	5	512,489,042	362,511,115
Reinsurers' balance receivable, net	6	66,864,151	72,541,695
Reinsurers' share of outstanding claims	8.1	193,165,852	196,869,565
Reinsurers' share of claims Incurred but not reported	8.1	78,926,583	85,853,718
Reinsurers' share of unearned premiums	8.2	180,539,535	180,184,370
Deferred policy acquisition costs		30,005,821	23,866,281
Available for sale investments	7.1	338,896,778	309,049,420
Unit linked investments		569,513,106	573,716,396
Property and equipment		3,374,894	3,635,196
Statutory deposit		20,000,000	20,000,000
Accrued income on statutory deposit		847,133	817,056
<b>TOTAL ASSETS</b>		<b>2,066,370,092</b>	<b>1,989,261,882</b>
<b>LIABILITIES</b>			
Accrued and other liabilities		37,254,151	25,542,223
Policyholders claims payable		41,181,725	39,321,155
Reinsurers' balances payable		187,024,435	181,657,278
Outstanding claims	8.1	232,824,027	237,365,286
Claims incurred but not reported	8.1	183,755,861	197,176,081
Unit linked liabilities	8.1	569,554,777	573,051,956
Premium deficiency reserve	8.1	8,543,869	10,717,152
Additional premium reserves	8.1	1,231,208	1,317,438
Unearned premiums	8.2	496,971,846	415,612,645
Unearned reinsurance commission		6,814,754	10,813,751
End-of-service indemnities		15,682,216	15,457,826
Accrued commission income payable to SAMA		847,133	817,056
Zakat and income tax	13	23,010,694	21,416,946
<b>TOTAL LIABILITIES EXCLUDING INSURANCE OPERATIONS' SURPLUS</b>		<b>1,804,696,696</b>	<b>1,730,266,793</b>
<b>INSURANCE OPERATIONS' SURPLUS</b>			
Accumulated surplus		10,318,242	9,582,216
Actuarial reserve for employee benefits		(765,304)	(765,304)
Fair value reserve on investments	7.2	(4,153,958)	(926,182)
<b>TOTAL INSURANCE OPERATIONS' SURPLUS</b>		<b>5,398,980</b>	<b>7,890,730</b>
<b>TOTAL LIABILITIES INCLUDING INSURANCE OPERATIONS' SURPLUS</b>		<b>1,810,095,676</b>	<b>1,738,157,523</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	14	200,000,000	200,000,000
Share premium		22,711,315	22,711,315
Statutory reserve		6,983,645	6,983,645
Retained earnings		27,982,572	19,902,207
Fair value reserve (loss) / gain on investments	7.2	(1,403,116)	1,507,192
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>256,274,416</b>	<b>251,104,359</b>
<b>TOTAL LIABILITIES, INSURANCE OPERATIONS' SURPLUS AND SHAREHOLDERS' EQUITY</b>		<b>2,066,370,092</b>	<b>1,989,261,882</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	9	<b>7,772,310</b>	<b>1,680,000</b>

Xavier Denys  
Chief Executive Officer

Al Waleed Abdulrazak Al Dnyan  
Chairman

Mohammed Koubar  
Chief Financial Officer

The accompanying notes 1 to 18 form an integral part of these interim condensed financial information

**ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED STATEMENT OF INCOME (Unaudited)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

		SAR	
	Notes	2018	2017
<b>REVENUES</b>			
Gross premiums written	8.2	298,480,938	299,540,134
Reinsurance premiums ceded abroad	8.2	(58,472,204)	(41,545,548)
Reinsurance premiums ceded locally	8.2	(3,944,254)	(3,462,500)
Excess of loss expenses	8.2	(2,140,980)	(1,632,765)
<b>Net premiums written</b>		<b>233,923,500</b>	<b>252,899,321</b>
Changes in unearned premiums, net		(81,004,036)	(105,503,789)
<b>Net premiums earned</b>	8.2	<b>152,919,464</b>	<b>147,395,532</b>
Reinsurance commissions		7,507,416	4,146,084
Unrealized gain on unit linked investments		7,092,225	4,434,039
<b>TOTAL REVENUES</b>		<b>167,519,105</b>	<b>155,975,655</b>
<b>UNDERWRITING COSTS AND EXPENSES</b>			
Gross claims paid		(122,873,116)	(98,823,486)
Surrenders and maturities		(35,201,437)	(35,094,674)
Reinsurers' share of claims paid		27,873,062	35,875,525
<b>Net claims and other benefits paid</b>		<b>(130,201,491)</b>	<b>(98,042,635)</b>
Changes in outstanding claims, net		837,546	(2,489,751)
Changes in claims incurred but not reported, net		6,493,085	(11,917,494)
<b>Net claims and other benefits incurred</b>		<b>(122,870,860)</b>	<b>(112,449,880)</b>
Changes in unit linked liabilities		3,497,178	2,910,606
Changes in premium deficiency reserve		2,173,283	(25,420)
Changes in additional premium reserve		86,230	-
Policy acquisition costs		(13,654,526)	(13,149,656)
<b>TOTAL UNDERWRITING COSTS AND EXPENSES</b>		<b>(130,768,695)</b>	<b>(122,714,350)</b>
<b>NET UNDERWRITING INCOME</b>		<b>36,750,410</b>	<b>33,261,305</b>
<b>OTHER OPERATING (EXPENSES) / INCOME</b>			
Reversal of doubtful debts		24,377	565,128
Inspection and supervision fees		(1,782,901)	(1,633,317)
General and administrative expenses		(28,369,775)	(25,843,959)
Other income		4,002,800	3,313,050
<b>TOTAL OTHER OPERATING EXPENSES</b>		<b>(26,125,499)</b>	<b>(23,599,098)</b>
<b>Total income for the period</b>		<b>10,624,911</b>	<b>9,662,207</b>
<b>Total income for the period attributed to the insurance operations</b>		<b>(950,798)</b>	<b>(843,391)</b>
<b>Net income for the period attributable to the shareholders</b>		<b>9,674,113</b>	<b>8,818,816</b>
<b>Earnings per share</b>			
Basic and diluted earning per share		0.48	0.44

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Chief Executive Officer

Al Waleed Abdulrazak Al Dryaan

Chairman

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**ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

	Notes	SAR	
		2018	2017
Total income for the period		10,624,911	9,662,207
<b>Other comprehensive income</b>			
<i>Items that are or may be reclassified to interim condensed statements of income in subsequent periods</i>			
- Fair value change in available for sale investments	7.2	(6,138,084)	1,784,614
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>4,486,827</b>	<b>11,446,821</b>
<b>Total comprehensive (loss) / income attributed to the insurance operations</b>	16(c)	<b>(2,276,978)</b>	<b>1,284,488</b>
<b>Total comprehensive income for the period attributable to the shareholders</b>		<b>6,763,805</b>	<b>10,162,333</b>

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**ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (Unaudited)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

Notes	SAR					Total
	Share capital	Share premium	Statutory reserve	Retained earnings	Fair value reserve (loss) / gain on investments	
	200,000,000	22,711,315	6,983,645	19,902,207	1,507,192	251,104,359
	-	-	-	-	(2,910,308)	(2,910,308)
7.2	-	-	-	9,674,113	-	9,674,113
	-	-	-	9,674,113	(2,910,308)	6,763,805
13	-	-	-	(963,141)	-	(963,141)
13	-	-	-	(630,607)	-	(630,607)
	200,000,000	22,711,315	6,983,645	27,982,572	(1,403,116)	256,274,416
	200,000,000	22,711,315	-	(448,379)	(908,650)	221,354,286
	-	-	-	-	1,343,517	1,343,517
	-	-	-	8,818,816	-	8,818,816
	-	-	-	8,818,816	1,343,517	10,162,333
13	-	-	-	(987,459)	-	(987,459)
13	-	-	-	(681,252)	-	(681,252)
	200,000,000	22,711,315	-	6,701,726	434,867	229,847,908

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**ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED STATEMENT OF CASH FLOWS (Unaudited)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

		SAR	
	Notes	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the period		10,624,911	9,662,207
Adjustments for non-cash items:			
Depreciation of property and equipment		569,210	204,051
Amortization of investments premium		262,327	370,732
Reversal for doubtful debts		(24,377)	(565,128)
Unrealized gain on unit linked investments		(7,092,225)	(4,434,039)
Provision for end-of-service indemnities		1,141,873	1,600,063
		5,481,719	6,837,886
<u>Changes in operating assets and liabilities:</u>			
Reinsurers' balance receivable		5,677,544	(13,868,461)
Premiums receivable		(149,953,550)	(95,602,709)
Deferred policy acquisition costs		(6,139,540)	(8,519,890)
Unit linked investments		11,295,515	3,740,306
Prepaid expenses and other assets		(5,470,255)	(3,046,028)
Reinsurers' balances payable		5,367,157	(3,523,166)
Unearned premiums, net		81,004,036	105,503,789
Unit linked liabilities		(3,497,179)	(2,910,606)
Unearned reinsurance commission		(3,998,997)	(530,949)
Outstanding claims, net		(837,546)	2,489,751
Claims incurred but not reported, net		(6,493,085)	11,917,494
Premium deficiency reserve		(2,173,283)	25,420
Additional premium reserves		(86,230)	-
Accrued expenses and other liabilities		11,711,928	(2,253,825)
Policyholders claims payable		1,860,570	11,616,628
		(56,251,196)	11,875,640
End-of-service indemnities paid		(917,483)	(9,219)
Surplus paid to policy holders		(214,772)	(2,864,766)
<b>Net cash (used in) / generated from operating activities</b>		<b>(57,383,451)</b>	<b>9,001,655</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions in available for sale investments	7.2	(36,247,769)	(18,327,134)
Proceed from disposal of available for sale investments		-	5,000,000
Additions in property and equipment		(308,908)	(223,321)
<b>Net cash used in investing activities</b>		<b>(36,556,677)</b>	<b>(13,550,455)</b>
<b>Net change in cash and cash equivalents</b>		<b>(93,940,128)</b>	<b>(4,548,800)</b>
Cash and cash equivalents, beginning of the period		133,330,865	93,493,581
<b>Cash and cash equivalents, end of the period</b>	4	<b>39,390,737</b>	<b>88,944,781</b>
<b>NON-CASH INFORMATION:</b>			
<b>Change in fair value of available for sale investments</b>	7.2	<b>(6,138,084)</b>	<b>1,784,614</b>

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The accompanying notes 1 to 18 form an integral part of these interim condensed financial information



## **ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY**

### **NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

For the three months period ended March 31, 2018

#### **1. General**

Allianz Saudi Fransi Cooperative Insurance Company (a Joint Stock Company incorporated in Kingdom of Saudi Arabia), "the Company", was formed pursuant to Royal Decree No. 60/M dated 18 Ramadan 1427H (corresponding to 11 October 2006). The Company operates under Commercial Registration no. 1010235601 dated 26 Jumada Thani 1428H corresponding to 12 July 2007. The Company operates through its six branches in the Kingdom of Saudi Arabia. The registered address of the Company's head office is as follows:

Allianz Saudi Fransi Cooperative Insurance Company  
Al Safwa Commercial Building, Khurais Road.  
P.O. Box 3540  
Riyadh 11481, Saudi Arabia.

The purpose of the Company is to transact cooperative insurance operations and all related activities. Its principal lines of business include Medical, Protection and saving, Motor, Engineering, Property and Other general insurance.

On 31 July 2003, corresponding to 2 Jumada II 1424H, the Law on the Supervision of Cooperative Insurance Companies ("Insurance Law") was promulgated by Royal Decree Number (M/32). During March 2008, the Saudi Arabian Monetary Authority ("SAMA"), as the principal authority responsible for the application and administration of the Insurance Law and its Implementing Regulations, granted the Company a license to transact insurance activities in the Kingdom of Saudi Arabia.

The Company management approved the distribution of the surplus from insurance operations in accordance with the Implementing Regulations issued by SAMA, whereby the shareholders of the Company are to receive 90% of the annual surplus from insurance operations and the policy holders are to receive the remaining 10%. Any deficit arising on insurance operations is transferred to the shareholders' operations in full.

Subsequent to 31 December 2017, SAMA suspended the Company from issuing or renewing any third party motor insurance policies due to non-compliance with some of SAMA's regulatory requirements for motor business. This suspension is not expected to have a significant impact on the Company's operations or on its' financial position, and the company is under discussion to resolve this matter with SAMA.

#### **Seasonality of operations**

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

#### **2. Basis of preparation**

##### **(a) Basis of presentation (continued)**

The interim condensed financial information of the Company has been prepared in accordance with 'International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") as modified by SAMA for the accounting of zakat and income tax', which requires, adoption of all IFRSs as issued by the International Accounting Standards Board ("IASB") except for the application of International Accounting Standard (IAS) 12 - "Income Taxes" and IFRIC 21 - "Levies" so far as these relate to zakat and income tax. As per the SAMA Circular no. 381000074519 dated April 11, 2017 and subsequent amendments through certain clarifications relating to the accounting for zakat and income tax ("SAMA Circular"), the zakat and income tax are to be accrued on a quarterly basis through shareholders equity under retained earnings.

The interim condensed financial information is prepared under the going concern basis and the historical cost convention, except for the measurement at fair value of available-for-sale investments and recording of end of service benefits at present value. The Company's interim condensed statement of financial position is not presented using a current/non-current classification. However, the following balances would generally be classified as current: Cash and cash equivalents, Prepaid expenses and other assets, Premiums receivable, net, Reinsurers' receivables, net, Unit linked investments, Deferred policy acquisition costs, Reinsurers' share of outstanding claims, Reinsurers' share of claims incurred but not reported, Reinsurers' share of unearned premiums, Accrued expenses and other liabilities,

## **ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY**

### **NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

For the three months period ended March 31, 2018

#### **2. Basis of preparation (continued)**

##### **(a) Basis of presentation (continued)**

Reinsurers' balances payable, Outstanding claims, Claims incurred but not reported, Additional premium reserves, Unit linked liabilities, Unearned reinsurance commission and Unearned premiums. The following balances would generally be classified as non-current: available for sale investments, property and equipment, Statutory reserves, Accrued income on statutory deposit and end-of-service indemnities.

As required by the Saudi Arabian Insurance Regulations, the Company maintains separate books of accounts for Insurance Operations and Shareholders' Operations and prepares the financial information accordingly. Assets, liabilities, revenues and expenses clearly attributable to either activity are recorded in the respective accounts. The basis of allocation of expenses from joint operations is determined and approved by the management and the Board of Directors.

The interim condensed statement of financial position, statements of income, comprehensive income and cash flows of the insurance operations and shareholders operations which are presented in Note 16 of the financial information have been provided as supplementary financial information and to comply with the requirements of the guidelines issued by SAMA implementing regulations. Until 31 December 2017, this information was shown in the main statements. SAMA implementing regulations requires the clear segregation of the assets, liabilities, income and expenses of the insurance operations and the shareholders operations. Accordingly, the interim condensed statements of financial position, statements of income, comprehensive income and cash flows prepared for the insurance operations and shareholders operations as referred to above, reflect only the assets, liabilities, income, expenses and comprehensive gains or losses of the respective operations. The surplus from insurance operations, fair value reserves from available for sale investments and actuarial reserves for employee benefits are shown separately as Insurance Operation Surplus in the statement of financial position.

In preparing the Company's financial information in compliance with IFRS, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders' operations. Interoperation balances, transactions and unrealised gains or losses, if any, are eliminated in full during amalgamation. The accounting policies adopted for the insurance operations and shareholders operations are uniform for similar transactions and events in similar circumstances.

The inclusion of separate information of the insurance operations with the financial information of the Company in the interim condensed statement of financial position, the statements of income, comprehensive income and cash flows as well as certain relevant notes to the financial information represents additional supplementary information as required by the implementing regulations (Note 16).

The interim condensed financial information do not include all of the information required for full annual financial information and should be read in conjunction with the annual financial information as at and for the year ended December 31, 2017.

These interim condensed financial information are expressed in Saudi Arabian Riyals (SAR).

##### **(b) Critical accounting judgments, estimates and assumptions**

The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty including the risk management policies were the same as those that were applied to the annual financial information as at and for the year ended December 31, 2017.

**ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY****NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

For the three months period ended March 31, 2018

**3. Significant accounting policies (continued)**

The accounting policies, estimates and assumptions used in the preparation of these interim condensed financial information are consistent with those used in the preparation of the annual financial information for the year ended December 31, 2017 except for the adoption of the following new standards and other amendments to existing standards mentioned below which have had no significant financial impact on the 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 period / year have been reclassified to conform to the presentation made in the current period:

***Amendments to IASs' - "Disclosure Initiative" applicable from 1 January 2018.******IFRS 2 Share-based payment***

Amendments to IFRS 2 – "Share-based Payment", applicable for the period beginning on or after 1 January 2018. The amendments cover classification and measurement of three accounting areas, first, measurement of cash-settled share-based payments, second, classification of share-based payments settled net of tax withholdings, and third, accounting for a modification of a share-based payment from cash-settled to equity-settled. The application of this new standard have no material impact on the Company's interim condensed financial statements.

***IFRS 15 Revenue from contracts with customers***

IFRS 15 – "Revenue from Contracts with Customers" applicable from 1 January 2018 presents a five-step model to determine when to recognize revenue, and at what amount. The application of this standard could have a significant impact on how and when revenue is recognized (except for contracts that are within the scope of the Standards on leases, insurance contracts and financial instruments), with new estimates and judgments, and the possibility of revenue recognition being accelerated or deferred. The application of this new standard have no material impact on the Company's interim condensed financial statements.

***Standards issued but not yet effective***

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

***IFRS 9 Financial Instruments***

The implementation of IFRS 9 is expected to result in a significant portion of financial assets currently classified as available-for-sale being re-classified as at fair value through profit or loss or fair value through other comprehensive income (OCI). Credit allowances for financial assets carried at amortized cost and debt securities measured at fair value, with changes in fair value recognized in OCI, are expected to increase due to the introduction of the expected credit loss methodology. The Company will avail of the exemptions available to insurers and is considering deferring the implementation of IFRS 9 until a later date, but no later than January 1, 2021. The impact of the adoption of IFRS 9 on the Company's financial information will, to a large extent, have to take into account the interaction with the forthcoming insurance contracts standard. At the date of publication of these financial statements, it was not practicable to quantify what the potential impact would be on the financial statements once IFRS 9 will be adopted.

***IFRS 17 - Insurance Contracts***

IFRS 17 'Insurance contracts' was published on May 18, 2017 with the effective date of January 1, 2021. IFRS 17 provides comprehensive guidance on accounting for insurance contracts and investment contracts with discretionary participation features. For non-life and short-term life insurance contracts IFRS 17 introduces mandatory discounting of loss reserves as well as a risk adjustment for non-financial risk, for which confidence level equivalent disclosure will be required. Further, IFRS 17 will change the presentation of insurance contract revenue, as gross written premium will no longer be presented in profit or loss. At the date of publication of these financial statements, it was not practicable to quantify what the potential impact would be on the financial statements once IFRS 17 will be adopted.

**ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY****NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

For the three months period ended March 31, 2018

**3. Significant accounting policies (continued)****IFRS 16 Leases**

IFRS 16 – “Leases”, applicable for the period beginning on or after 1 January 2019. The new standard eliminates the current dual accounting model for lessees under IAS 17, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, IFRS 16 proposes on-balance sheet accounting model. The management believes that the adoption of IFRS 16 will not have a material impact on the Company’s financial statements.

**4. Cash and cash equivalents**

Cash and cash equivalents included in the statement of cash flows comprise the following:

		<b>Insurance operations</b>	
		<b>March 31, 2018 (Unaudited)</b>	<b>December 31, 2017 (Audited)</b>
<b>SAR</b>			
Bank balances and cash		7,606,230	77,246,209
Deposits maturing within 3 months from the acquisition date		30,000,000	30,000,000
<b>Total</b>		<b>37,606,230</b>	<b>107,246,209</b>
		<b>Shareholders’ operations</b>	
		<b>March 31, 2018 (Unaudited)</b>	<b>December 31, 2017 (Audited)</b>
<b>SAR</b>			
Bank balances and cash		1,784,507	26,084,656
<b>Total</b>		<b>1,784,507</b>	<b>26,084,656</b>
<b>Total cash and cash equivalents for insurance and shareholders’ operations</b>		<b>39,390,737</b>	<b>133,330,865</b>

**5. Premiums receivable, net**

Premiums receivable comprise amounts due from the following:

		<b>March 31, 2018 (Unaudited)</b>	<b>December 31, 2017 (Audited)</b>
<b>SAR</b>			
Policyholders		285,115,521	242,012,112
Brokers and agents		198,801,304	143,819,453
Related parties (Note-12)		77,320,973	25,452,683
		<b>561,237,798</b>	<b>411,284,248</b>
Provision for doubtful receivable		(48,748,756)	(48,773,133)
<b>Premiums receivable, net</b>		<b>512,489,042</b>	<b>362,511,115</b>

**6. Reinsurers receivable, net**

		<b>March 31, 2018 (Unaudited)</b>	<b>December 31, 2017 (Audited)</b>
<b>SAR</b>			
Receivables from reinsurers		70,025,631	75,703,175
Provision for doubtful reinsurers receivables		(3,161,480)	(3,161,480)
<b>Reinsurers receivable, net</b>		<b>66,864,151</b>	<b>72,541,695</b>

**ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY****NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

For the three months period ended March 31, 2018

**7. Available for sale investments****7.1. Investment are classified as follows**

	<b>Insurance operations</b>	
	<b>March 31, 2018 (Unaudited)</b>	<b>December 31, 2017 (Audited)</b>
<b>SAR</b>		
<b><u>Unquoted</u></b>		
Bond – Floating rate	5,000,000	5,000,000
Sukuk – Fixed rate	10,000,000	-
<b><u>Quoted</u></b>		
Bonds – Floating rate	4,885,579	5,020,031
Bonds – Fixed rate	91,600,761	94,667,945
Mutual Funds	4,706,857	4,736,140
<b>Total</b>	<b>116,193,197</b>	<b>109,424,116</b>
	<b>Shareholders' operations</b>	
	<b>March 31, 2018 (Unaudited)</b>	<b>December 31, 2017 (Audited)</b>
<b>SAR</b>		
<b><u>Unquoted</u></b>		
Sukuk – Floating rate	40,000,000	40,000,000
Sukuk – Fixed rate	35,000,000	25,000,000
Bonds – Floating rate	12,000,000	12,000,000
Equities	3,223,078	3,223,078
<b><u>Quoted</u></b>		
Sukuk – Fixed rate	16,243,842	16,611,422
Bonds – Fixed rate	111,395,111	97,904,545
Mutual funds	4,841,550	4,886,259
<b>Total</b>	<b>222,703,581</b>	<b>199,625,304</b>
<b>Total available for sale investments for insurance and shareholders' operations</b>	<b>338,896,778</b>	<b>309,049,420</b>

**7.2. Movement in available for sale investment balance is as follows**

	<b>Insurance operations</b>	
	<b>March 31, 2018 (Unaudited)</b>	<b>December 31, 2017 (Audited)</b>
<b>SAR</b>		
Opening balance	109,424,116	60,141,396
Purchases	10,061,207	61,161,308
Disposals	-	(10,384,321)
Investment premium amortization	(64,350)	(688,909)
Realized loss on disposal of available for sale investments	-	(283,306)
Changes in fair value of investments (refer note 16c)	(3,227,776)	(522,052)
<b>Closing balance</b>	<b>116,193,197</b>	<b>109,424,116</b>

The cumulative unrealised loss in fair value of available for sale investments amounts to SR 4,153,958 (31 December 2017: loss of SR 926,182) is presented within the insurance operations surplus in the statement of financial position.

**ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY****NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

For the three months period ended March 31, 2018

**7. Available for sale investments (continued)****7.2. Movement in available for sale investment balance is as follows (continued)**

SAR	Shareholders' operations	
	March 31, 2018 (Unaudited)	December 31, 2017 (Audited)
Opening balance	199,625,304	180,253,582
Purchases	26,186,562	38,501,262
Disposals	-	(20,720,694)
Investment premium amortization	(197,977)	(824,688)
Changes in fair value of investments (refer note 16c)	(2,910,308)	2,415,842
<b>Closing balance</b>	<b>222,703,581</b>	<b>199,625,304</b>

The cumulative unrealised loss in fair value of available for sale investments amounts to SR 1,403,116 (31 December 2017: gain of SR 1,507,192) is presented within the shareholders' equity in the statement of financial position.

**8. Technical reserves****8.1 Net outstanding claims and reserves**

Net outstanding claims and reserves comprise of the following:

SAR	March 31, 2018 (Unaudited)	December 31, 2017 (Audited)
Outstanding claims	232,824,027	237,365,286
Claims incurred but not reported	183,755,861	197,176,081
Premium deficiency reserves	8,543,869	10,717,152
Additional premium reserves	1,231,208	1,317,438
Unit linked liabilities	569,554,777	573,051,956
	995,909,742	1,019,627,913
Less:		
- Reinsurers' share of outstanding claims	(193,165,852)	(196,869,565)
- Reinsurers' share of claims Incurred but not reported	(78,926,583)	(85,853,718)
<b>Net outstanding claims and reserves</b>	<b>723,817,307</b>	<b>736,904,630</b>

**8.2 Movement in unearned premiums**

Movement in unearned premiums comprise of the following:

SAR	Three months ended March 31, 2018 (Unaudited)		
	Gross	Reinsurance	Net
Balance as at the beginning of the period	415,612,645	(180,184,370)	235,428,275
Premium written during the period	298,480,938	*(64,557,438)	233,923,500
Premium earned during the period	(217,121,737)	64,202,273	(152,919,464)
<b>Balance as at the end of the period</b>	<b>496,971,846</b>	<b>(180,539,535)</b>	<b>316,432,311</b>

\*This amount includes SR 58,472,204 for reinsurance premium ceded abroad, SR 3,944,254 for reinsurance premium ceded locally and SR 2,140,980 for excess of loss expenses.

**ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY****NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

For the three months period ended March 31, 2018

**8. Technical reserves (continued)****8.2 Movement in unearned premiums (continued)**

SAR	Year ended December 31, 2017 (Audited)		
	Gross	Reinsurance	Net
Balance as at the beginning of the year	459,257,288	(236,460,497)	222,796,791
Premium written during the year	925,536,707	*(274,685,644)	650,851,063
Premium earned during the year	(969,181,350)	330,961,771	(638,219,579)
Balance as at the end of the year	415,612,645	(180,184,370)	235,428,275

\*This amount includes SR 255,476,651 for reinsurance premium ceded abroad, SR 13,850,000 for reinsurance premium ceded locally and SR 5,358,993 for excess of loss expenses.

**9. Commitments and Contingencies**

a) The Company's commitments and contingencies are as follows:

SAR	March 31, 2018 (Unaudited)	December 31, 2017 (Audited)
Letters of guarantee	7,772,310	1,680,000

b) 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 at and for the period ended 31 March 2018. There was no change in the status of legal proceedings as disclosed at December 31, 2017.

**10. Fair values of financial instruments**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction takes place either:

- in the accessible principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous accessible market for the asset or liability

The fair values of on-balance sheet financial instruments are not significantly different from their carrying amounts included in the interim condensed financial information.

**Determination of fair value and fair value hierarchy**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: quoted prices in active markets for the same or identical instrument that an entity can access at the measurement date;

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; and

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

**a. Carrying amounts and fair value**

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation to fair value.

**ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY****NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

For the three months period ended March 31, 2018

**10. Fair values of financial instruments (continued)****10.1 Insurance operations:**

SAR	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
March 31, 2018 (Unaudited)					
Available for sale investments measured at fair value					
Bonds and Sukuk	115,364,971	96,486,340	-	15,000,000	111,486,340
Mutual Funds	4,982,186	4,706,857	-	-	4,706,857
	120,347,157	101,193,197	-	15,000,000	116,193,197

SAR	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
December 31, 2017 (Audited)					
Available for sale investments measured at fair value					
Bonds and Sukuk	105,368,111	99,687,976	-	5,000,000	104,687,976
Mutual Funds	4,982,186	4,736,140	-	-	4,736,140
	110,350,297	104,424,116	-	5,000,000	109,424,116

**10.2 Shareholders' operations:**

		Fair value			
SAR	Carrying value	Level 1	Level 2	Level 3	Total
March 31, 2018 (Unaudited)					
Available for sale investments measured at fair value					
Bonds and Sukuk	216,883,616	127,638,953	-	87,000,000	214,638,953
Mutual Funds	4,000,000	4,841,550	-	-	4,841,550
	220,883,616	126,635,553	-	87,000,000	219,480,503
Available for sales investments not measured at fair value					
Equities	3,223,078	-	-	-	3,223,078



**ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY****NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

For the three months period ended March 31, 2018

**10. Fair values of financial instruments (continued)****10.2 Shareholders' operations (continued):**

		Fair value			
SAR	Carrying value	Level 1	Level 2	Level 3	Total
December 31, 2017 (Audited)					
Available for sale investments measured at fair value					
Bonds and Sukuk	190,895,034	114,515,967	-	77,000,000	191,515,967
Mutual Funds	4,000,000	4,886,259	-	-	4,886,259
	194,895,034	119,402,226	-	77,000,000	196,402,226
Available for sales investments not measured at fair value					
Equities	3,223,078	-	-	-	3,223,078

The unlisted available for sale investments not measured at fair value are 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. The management believes that the carrying amounts of these securities are not materially different from their carrying values.

There were no transfers between Level 1 and Level 3 fair value measurements during the period ended 31 March 2018 and year ended 31 December 2017.

**b. Measurement of fair values****i. Valuation technique and significant unobservable inputs**

The Discounted Cash flow Model (DCF) has been used to determine the fair value of debt securities of both insurance operations and shareholders' operations. This model considers the present value of net cash flows to be generated from the debt securities, discounted at the market yield of similar quoted instruments and adjusted for the effect of non-marketability of the debt securities. The following table shows a reconciliation from the beginning balances to the ending balances for the fair value measurement in level 3 of the fair value hierarchy.

**Insurance operations:**

	Opening	Purchase	Sale	Closing
2018	<u>5,000,000</u>	<u>10,000,000</u>	<u>--</u>	<u>15,000,000</u>
2017	<u>5,000,000</u>	<u>--</u>	<u>--</u>	<u>5,000,000</u>

**Shareholders' operations**

	Opening	Purchase	Sale	Closing
2018	<u>77,000,000</u>	<u>10,000,000</u>	<u>--</u>	<u>87,000,000</u>
2017	<u>57,000,000</u>	<u>20,000,000</u>	<u>--</u>	<u>77,000,000</u>

## **ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY**

### **NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

For the three months period ended March 31, 2018

#### **10. Fair values of financial instruments (continued)**

##### **b. Measurement of fair values (continued)**

##### **Sensitivity Analysis**

The sensitivity to a 1% increase in the risk adjusted discount rate with all other variables constant on the fair value of the level 3 available for sale investments of both insurance and shareholders' operation is SR 2,229,250 and sensitivity to 1% decrease in the risk adjusted discount rate with all other variables constant on the fair value of the level 3 available for sale investments of both insurance and shareholders' operation is SR 2,229,250.

#### **11. Operating Segments**

Operating segments are identified on the basis of internal reports about components of the Company that are regularly reviewed by the Company's Board of Directors in their function as chief operating decision maker in order to allocate resources to the segments and to assess its performance.

Transactions between the operating segments are on normal commercial terms and conditions. The revenue from external parties reported to the Board is measured in a manner consistent with that in the condensed income statement. Segment assets and liabilities comprise operating assets and liabilities.

There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss since December 31, 2017.

Segment assets do not include insurance operations' cash and cash equivalents, prepaid expenses, available for sale investments, reinsurance balances, 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.

The segment information provided to the Company's Board of Directors for the reportable segments for the Company's total assets and liabilities as at March 31, 2018 and December 31, 2017, its total revenues, expenses, and net income for the three months periods then ended, are as follows:

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**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

For the three months period ended March 31, 2018

**11. Operating Segments (Continued)**

	Motor	Engineering	Medical	Property	Other General	Protection and Saving	Shareholders' Operations	Total
	SAR	SAR	SAR	SAR	SAR	SAR	SAR	SAR
<b>For the three months period ended 31 March 2018 (Unaudited)</b>								
Gross written premiums	180,021,790	11,104,683	28,728,324	38,516,816	13,400,916	26,708,409	-	298,480,938
Reinsurance premiums ceded	-	(8,618,142)	(16,985,880)	(30,821,684)	(4,998,594)	(992,158)	-	(62,416,458)
Excess of loss expenses	(1,708,032)	(187,962)	-	(84,374)	(160,612)	-	-	(2,140,980)
<b>Net premiums written</b>	<b>178,313,758</b>	<b>2,298,579</b>	<b>11,742,444</b>	<b>7,610,758</b>	<b>8,241,710</b>	<b>25,716,251</b>	<b>-</b>	<b>233,923,500</b>
Changes in unearned premiums, net	(79,636,127)	170,811	2,330,654	(1,835,660)	(3,948,032)	1,914,318	-	(81,004,036)
<b>Net premiums earned</b>	<b>98,677,631</b>	<b>2,469,390</b>	<b>14,073,098</b>	<b>5,775,098</b>	<b>4,293,678</b>	<b>27,630,569</b>	<b>-</b>	<b>152,919,464</b>
Unrealized gain on unit linked investments	-	-	-	-	-	7,092,225	-	7,092,225
<b>Net claims and other benefits paid</b>	<b>(88,122,321)</b>	<b>(272,146)</b>	<b>(7,525,895)</b>	<b>(672,663)</b>	<b>(645,736)</b>	<b>(32,962,730)</b>	<b>-</b>	<b>(130,201,491)</b>
Changes in outstanding claims, net	2,934,377	132,203	-	947,685	(2,834,451)	(342,268)	-	837,546
Changes in claims incurred but not reported, net	9,003,214	486,513	(1,499,553)	213,946	(897,863)	(813,172)	-	6,493,085
Change in unit linked liabilities	-	-	-	-	-	3,497,178	-	3,497,178
Changes in premium deficiency reserve	-	-	2,173,283	-	-	-	-	2,173,283
Changes in additional premium reserve	-	86,230	-	-	-	-	-	86,230
Policy acquisition costs, net	(7,100,335)	3,046,749	(1,178,851)	(137,086)	(49,860)	(727,727)	-	(6,147,110)
<b>Net underwriting income</b>	<b>15,392,566</b>	<b>5,948,939</b>	<b>6,042,082</b>	<b>6,126,980</b>	<b>(134,232)</b>	<b>3,374,075</b>	<b>-</b>	<b>36,750,410</b>
Reversal of doubtful debts	-	-	-	-	-	-	-	24,377
Inspection and supervision fees	-	-	-	-	-	-	-	(1,782,901)
General and administrative expenses	-	-	-	-	-	-	(269,986)	(28,369,775)
Other income	-	-	-	-	-	-	1,386,920	4,002,800
<b>Total income for the period</b>								<b>10,624,911</b>

**ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

For the three months period ended March 31, 2018

**11. Operating Segments (Continued)**

	<b>Motor</b>		<b>Engineering</b>		<b>Medical</b>		<b>Property</b>		<b>Other General</b>		<b>Protection and Saving</b>		<b>Shareholders' Operations</b>		<b>Total</b>	
	<b>SAR</b>		<b>SAR</b>		<b>SAR</b>		<b>SAR</b>		<b>SAR</b>		<b>SAR</b>		<b>SAR</b>		<b>SAR</b>	
<b>For the three months period ended 31 March 2017 (Unaudited)</b>																
Gross written premiums	199,700,497		12,434,667		14,747,421		24,382,035		15,894,739		32,380,775		-		299,540,134	
Reinsurance premiums ceded	(9,500)		(9,253,964)		(7,546,433)		(17,585,233)		(8,632,599)		(1,980,319)		-		(45,008,048)	
Excess of loss expenses	(1,244,551)		(138,329)		-		(76,673)		(173,212)		-		-		(1,632,765)	
<b>Net premiums written</b>	198,446,446		3,042,374		7,200,988		6,720,129		7,088,928		30,400,456		-		252,899,321	
Changes in unearned premiums, net	(113,343,490)		747,894		8,230,590		(1,009,423)		(1,633,395)		1,504,035		-		(105,503,789)	
<b>Net premiums earned</b>	85,102,956		3,790,268		15,431,578		5,710,706		5,455,533		31,904,491		-		147,395,532	
Unrealized gain on unit linked investments	-		-		-		-		-		4,434,039		-		4,434,039	
<b>Net claims and other benefits paid</b>	(52,851,490)		(688,520)		(11,149,902)		(552,900)		(473,318)		(32,326,505)		-		(98,042,635)	
Changes in outstanding claims, net	(4,504,755)		434,376		-		(1,082,265)		2,923,400		(260,507)		-		(2,489,751)	
Changes in claims incurred but not reported, net	(10,620,626)		65,749		528,538		(156,408)		(1,683,916)		(50,831)		-		(11,917,494)	
Change in unit linked liabilities	-		-		-		-		-		2,910,606		-		2,910,606	
Changes in additional premium reserve	-		-		(25,420)		-		-		-		-		(25,420)	
Policy acquisition costs, net	(6,084,533)		(582,551)		(1,216,026)		251,133		(407,096)		(964,499)		-		(9,003,572)	
<b>Net underwriting income</b>	11,041,552		3,019,322		3,568,768		4,170,266		5,814,603		5,646,794		-		33,261,305	
Reversal of doubtful debts	-		-		-		-		-		-		-		565,128	
Inspection and supervision fees	-		-		-		-		-		-		-		(1,633,317)	
General and administrative expenses	-		-		-		-		-		-		(128,145)		(25,843,959)	
Other income	-		-		-		-		-		-		1,356,437		3,313,050	
<b>Total income for the period</b>															9,662,207	

**ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

For the three months period ended March 31, 2018

**11. Operating Segments (Continued)**

As at 31 March 2018 (Unaudited)	Motor		Engineering		Medical		Property		Other General		Protection and Saving		Shareholders' Operations		Total	
	SAR		SAR		SAR		SAR		SAR		SAR		SAR		SAR	
<b>Assets</b>																
Premiums receivable, gross	236,606,436		29,321,496		79,954,862		48,865,014		162,844,295		3,645,695		-		561,237,798	
Provision for doubtful debts	-		-		-		-		-		-		-		(48,748,756)	
Reinsurers' share of outstanding claims	4,140,902		86,448,936		-		47,498,118		51,208,118		3,869,778		-		193,165,852	
Reinsurers' share of claims Incurred but not reported	1,958,495		28,857,013		20,766,160		8,471,428		12,417,736		6,455,751		-		78,926,583	
Reinsurers' share of unearned premiums	193,370		58,850,148		37,979,242		52,180,372		27,490,125		3,846,278		-		180,539,535	
Deferred policy acquisition costs	18,310,280		3,046,836		2,068,416		5,648,005		2,061,857		(1,129,573)		-		30,005,821	
Unit linked investments	-		-		-		-		-		569,513,106		-		569,513,106	
Unallocated assets	-		-		-		-		-		-		280,413,110		501,730,153	
Total assets															2,066,370,092	
<b>Liabilities</b>																
Outstanding claims	25,156,240		89,683,298		-		51,981,697		59,490,336		6,512,456		-		232,824,027	
Claims incurred but not reported	81,509,846		29,635,577		39,304,521		9,223,464		14,467,481		9,614,972		-		183,755,861	
Unearned premiums	253,959,787		64,521,640		66,813,120		66,949,621		38,360,999		6,366,679		-		496,971,846	
Unearned reinsurance commission	12,569		1,554,645		-		4,520,992		575,101		151,447		-		6,814,754	
Unit linked liabilities	-		-		-		-		-		569,554,777		-		569,554,777	
Unallocated liabilities and surplus	-		-		-		-		-		-		24,138,694		320,174,411	
Shareholders' equity	-		-		-		-		-		-		256,274,416		256,274,416	
Total liabilities and shareholders' equity															2,066,370,092	

**ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

For the three months period ended March 31, 2018

**11. Operating Segments (Continued)**

As at 31 December 2017 (Audited)	Motor		Engineering		Medical		Property		Other General		Protection and Saving		Shareholders' Operations		Total	
	SAR		SAR		SAR		SAR		SAR		SAR		SAR		SAR	
<b>Assets</b>																
Premiums receivable, gross	134,560,050		34,442,350		72,214,624		39,565,519		130,436,452		65,253		-		411,284,248	
Provision for doubtful debts	-		-		-		-		-		-		-		(48,773,133)	
Reinsurers' share of outstanding claims	3,869,594		82,714,668		-		57,412,861		49,704,745		3,167,697		-		196,869,565	
Reinsurers' share of claims Incurred but not reported	75,186		36,002,101		20,927,177		12,683,380		11,106,298		5,059,576		-		85,853,718	
Reinsurers' share of unearned premiums	274,316		66,580,146		36,185,210		45,532,072		25,058,951		6,553,675		-		180,184,370	
Deferred policy acquisition costs	13,641,088		2,946,128		2,482,196		4,491,210		1,398,241		(1,092,582)		-		23,866,281	
Unit linked investments	-		-		-		-		-		573,716,396		-		573,716,396	
Unallocated assets	-		-		-		-		-		-		273,606,727		566,260,437	
<b>Total assets</b>															<b>1,989,261,882</b>	
<b>Liabilities</b>																
Outstanding claims	27,819,309		86,081,233		-		62,844,125		55,152,512		5,468,107		-		237,365,286	
Claims incurred but not reported	88,629,751		37,267,178		37,965,985		13,649,364		12,258,178		7,405,625		-		197,176,081	
Unearned premiums	174,404,606		72,422,449		67,349,742		58,465,661		31,981,793		10,988,394		-		415,612,645	
Unearned reinsurance commission	17,831		4,856,394		-		4,560,308		1,089,144		290,074		-		10,813,751	
Unit linked liabilities	-		-		-		-		-		573,051,956		-		573,051,956	
Unallocated liabilities and surplus	-		-		-		-		-		-		22,502,368		304,137,804	
Shareholders' equity	-		-		-		-		-		-		251,104,359		251,104,359	
<b>Total liabilities and shareholders' equity</b>															<b>1,989,261,882</b>	

**ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY****NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

For the three months period ended March 31, 2018

**12. Related party transactions and balances**

Related parties represent major shareholders, directors and key management personnel of the Company, and companies of which they are principal owners and any other entities controlled, jointly controlled or significantly influenced by them. Pricing policies and terms of these transactions are approved by the Company's management and Board of Directors. The following are the details of the major related party transactions during the period and the related balances:

	Transactions for the period ended		Balance receivable / (payable) as at	
	March 31, 2018 (Unaudited)	March 31, 2017 (Unaudited)	March 31, 2018 (Unaudited)	December 31, 2017 (Audited)
	SAR			
<b>Major shareholders</b>				
- Insurance premium written	58,655,203	66,564,222	-	-
- Insurance premium ceded	17,606,695	8,386,939	-	-
- Claims paid	17,135,296	11,577,376	-	-
- Reinsurers' share of claims paid	6,386,970	4,428,978	-	-
- Commission expense	979,834	800,219	-	-
- Commission income	1,884,14	581,256	-	-
- Other expenses	3,739,568	3,498,752	-	-
- Accrued expenses	-	-	6,781,462	6,753,903
- Premium receivable, net	-	-	77,320,973	25,452,683
- Reinsurance balance payable, net	-	-	33,720,645	23,030,672
- Outstanding claims	-	-	23,248,683	39,957,886

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.

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.

The compensation of key management personnel during the period is as follows:

	March 31, 2018 (Unaudited)	March 31, 2017 (Unaudited)
	<b>SAR</b>	
Salaries and other allowances	1,322,045	6,099,794
End of service indemnities	1,948,251	2,004,725
	<u>3,270,296</u>	<u>8,104,519</u>

**ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY****NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

For the three months period ended March 31, 2018

**13. Zakat and income tax**

A summary of the Company's share capital and percentages of ownership are as follows:

	31 March 2018		31 December 2017	
	SAR	%	SAR	%
Saudi and GCC Shareholders	93,820,000	46.91%	114,760,000	57.38%
Non-Saudi and GCC Shareholders	106,180,000	53.09%	85,240,000	42.62%
Total	200,000,000	100%	200,000,000	100%

As at 31 March 2018 and 31 December 2017, the authorized, issued and fully paid-in share capital of the Company consists of 20 million shares of SR 10 each. The Company's zakat and income tax calculations and corresponding accruals and payments of zakat and income tax are based on the above ownership percentages in accordance with the relevant provisions of the Saudi Arabian zakat and income tax regulations.

The zakat and income tax provision as at the period / year end is as follows:

SAR	31 March 2018	31 December 2017
Provision for Zakat	19,090,824	18,127,683
Provision for Income tax	3,919,870	3,289,263
Total	23,010,694	21,416,946

The Zakat and income tax charge for the three month period is as follows:

SAR	31 March 2018	31 March 2017
Zakat for the three month period	963,141	987,459
Income tax for the month period	630,607	681,252
Total	1,593,748	1,668,711

**Status of assessments**

The Company has filed tax and zakat declarations for the years ended 31 December 2008 to 31 December 2016 and the assessments for these years are still outstanding. The Company has filed appeals against the General Authority for Zakat and Tax (GAZT) assessments of additional zakat arising from disallowance of long term investments from zakat base for the years 2010, 2011, 2012 and 2013. The Company has accounted for the additional zakat provision in the financial statements, however has not paid the same.

**14. 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 2017: SR 200 million divided into 20 million shares of SR 10 each). The founding shareholders of the Company have subscribed and paid for 13 million shares with a nominal value of SR 10 each, which represents 65% of the shares of the Company's capital and the remaining 7 million shares with a nominal value of SR 10 each have been subscribed by general public.

On 25th October 2017, Allianz Europe BV (a 100% subsidiary of Allianz SE) entered in a legally binding agreement with Banque Saudi Fransi (BSF) to purchase from BSF 57% of its shareholding in the Company, representing 18.5% of the share capital of the Company. This agreement received SAMA's no-objection and was completed by Allianz Europe BV on 29 March 2018. Accordingly, Group holds 51.0% of the share capital of Allianz Saudi Fransi Cooperative Insurance Company (Allianz Europe BV holds 18.5%, Allianz France International holds 16.25% and Allianz Mena Holding Bermuda holds 16.25%) and BSF holds 14.0% of the share capital.

Shareholding structure of the Company is as below. The shareholders of the Company are subject to zakat and income tax.



**ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY****NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

For the three months period ended March 31, 2018

**14. Share capital (continued)**

		<b>March 31, 2018</b>	
		<b>No. of Shares</b>	<b>Authorized, issued and paid up capital</b>
		<b>SAR</b>	
Allianz Europe BV		3.70 Million	37 Million
Allianz France International		3.25 Million	32.5 Million
Allianz Mena Holding Bermuda		3.25 Million	32.5 Million
Banque Saudi Fransi		2.80 Million	28 Million
Public		7.00 Million	70 Million
		<b>20.0 Million</b>	<b>200 Million</b>

  

		<b>December 31, 2017</b>	
		<b>No. of Shares</b>	<b>Authorized, issued and paid up capital</b>
		<b>SAR</b>	
Allianz France International		3.25 Million	32.5 Million
Allianz Mena Holding Bermuda		3.25 Million	32.5 Million
Banque Saudi Fransi		6.50 Million	65 Million
Public		7.00 Million	70 Million
		<b>20.0 Million</b>	<b>200 Million</b>

**15. Capital management**

Objectives are set by the Company to maintain stable capital ratios in order to support its business objectives and maximise shareholders' value.

The Company manages its capital requirements by assessing shortfalls between reported and required capital levels on a regular basis. Adjustments to current capital levels are made in light of changes in market conditions and risk characteristics of the Company's activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue shares.

The operations of the Company are subject to local regulatory requirements within the jurisdiction where it is incorporated. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions e.g. capital adequacy to minimize the risk of default and insolvency on the part of the insurance companies and to enable them to meet unforeseen liabilities as these arise.

The Company maintains its capital as per guidelines laid out by SAMA in Article 66 table 3 and 4 of the Implementing Insurance Regulations detailing the solvency margin required to be maintained. According to the said Article, the Company shall maintain solvency margin equivalent to the highest of the following three methods as per SAMA Implementing Regulations:

- ☐ Minimum Capital Requirement of SR 200 million
- ☐ Premium Solvency Margin
- Claims Solvency Margin

The Company has fully complied with the externally imposed capital requirements during the reported financial year.

**ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY**
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

For the three months period ended March 31, 2018

**16. Supplementary information**
**a) Interim condensed financial information**

	SAR '000					
	March 31, 2018 - (Unaudited)			December 31, 2017 - (Audited)		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
<b>ASSETS</b>						
Cash and cash equivalents	37,606	1,785	39,391	107,246	26,085	133,331
Prepaid expenses and other assets	22,153	10,203	32,356	18,732	8,154	26,886
Premiums receivable, net	512,489	-	512,489	362,511	-	362,511
Reinsurers' balance receivable, net	66,864	-	66,864	72,542	-	72,542
Reinsurers' share of outstanding claims	193,166	-	193,166	196,870	-	196,870
Reinsurers' share of claims incurred but not reported	78,926	-	78,926	85,854	-	85,854
Reinsurers' share of unearned premiums	180,540	-	180,540	180,184	-	180,184
Deferred policy acquisition costs	30,006	-	30,006	23,866	-	23,866
Available for sale investments	116,193	222,704	338,897	109,424	199,625	309,049
Unit linked investments	569,513	-	569,513	573,716	-	573,716
Property and equipment	3,375	-	3,375	3,635	-	3,635
Statutory deposit	-	20,000	20,000	-	20,000	20,000
Accrued income on statutory deposit	-	847	847	-	817	817
Due from insurance operation*	-	24,875	24,875	-	18,926	18,926
<b>TOTAL ASSETS</b>	<b>1,810,831</b>	<b>280,414</b>	<b>2,091,245</b>	<b>1,734,580</b>	<b>273,607</b>	<b>2,008,187</b>
<b>LIABILITIES</b>						
Accrued and other liabilities	36,973	281	37,254	25,273	269	25,542
Policyholders claims payable	41,182	-	41,182	39,321	-	39,321
Reinsurers' balances payable	187,024	-	187,024	181,657	-	181,657
Outstanding claims	232,824	-	232,824	237,365	-	237,365
Claims incurred but not reported	183,756	-	183,756	197,176	-	197,176
Unit linked liabilities	569,554	-	569,554	573,052	-	573,052
Premium deficiency reserve	8,544	-	8,544	10,717	-	10,717
Additional premium reserves	1,231	-	1,231	1,317	-	1,317
Unearned premiums	496,972	-	496,972	415,613	-	415,613
Unearned reinsurance commission	6,815	-	6,815	10,814	-	10,814
End-of-service indemnities	15,682	-	15,682	15,458	-	15,458
Accrued commission income payable to SAMA	-	847	847	-	817	817
Zakat and income tax	-	23,011	23,011	-	21,417	21,417
Due to shareholders' operations*	24,875	-	24,875	18,926	-	18,926
<b>TOTAL LIABILITIES EXCLUDING INSURANCE OPERATIONS' SURPLUS</b>	<b>1,805,432</b>	<b>24,139</b>	<b>1,829,571</b>	<b>1,726,689</b>	<b>22,503</b>	<b>1,749,192</b>
<b>INSURANCE OPERATIONS' SURPLUS</b>						
Accumulated surplus	10,318	-	10,318	9,582	-	9,582
Actuarial reserve for employee benefits	(765)	-	(765)	(765)	-	(765)
Fair value reserve on investments	(4,154)	-	(4,154)	(926)	-	(926)
<b>TOTAL INSURANCE OPERATIONS' SURPLUS</b>	<b>5,399</b>	<b>-</b>	<b>5,399</b>	<b>7,891</b>	<b>-</b>	<b>7,891</b>
<b>TOTAL LIABILITIES INCLUDING INSURANCE OPERATIONS' SURPLUS</b>	<b>1,810,831</b>	<b>24,139</b>	<b>1,834,970</b>	<b>1,734,580</b>	<b>22,503</b>	<b>1,757,083</b>
<b>SHAREHOLDERS' EQUITY</b>						
Share capital	-	200,000	200,000	-	200,000	200,000
Share premium	-	22,711	22,711	-	22,711	22,711
Statutory reserve	-	6,984	6,984	-	6,984	6,984
Retained earnings	-	27,983	27,983	-	19,902	19,902
Fair value reserve (loss)/gain on available for sale investments	-	(1,403)	(1,403)	-	1,507	1,507
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>-</b>	<b>256,275</b>	<b>256,275</b>	<b>-</b>	<b>251,104</b>	<b>251,104</b>
<b>TOTAL LIABILITIES, INSURANCE OPERATIONS' SURPLUS AND SHAREHOLDERS' EQUITY</b>	<b>1,810,831</b>	<b>280,414</b>	<b>2,091,245</b>	<b>1,734,580</b>	<b>273,607</b>	<b>2,008,187</b>

\* These items are not included in the interim condensed statement of financial position

**ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY**
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

For the three months period ended March 31, 2018

**16. Supplementary information (continued)**
**b) Interim condensed statement of income**

	SAR '000					
	2018			2017		
	Insurance operations	Share-holders' operations	Total	Insurance operations	Share-holders' operations	Total
<b>REVENUES</b>						
Gross premiums written	298,481	-	298,481	299,540	-	299,540
Reinsurance premiums ceded abroad	(58,472)	-	(58,472)	(41,545)	-	(41,545)
Reinsurance premiums ceded locally	(3,944)	-	(3,944)	(3,463)	-	(3,463)
Excess of loss expenses	(2,141)	-	(2,141)	(1,633)	-	(1,633)
<b>Net premiums written</b>	<b>233,924</b>	<b>-</b>	<b>233,924</b>	<b>252,899</b>	<b>-</b>	<b>252,899</b>
Changes in unearned premiums, net	(81,004)	-	(81,004)	(105,504)	-	(105,504)
<b>Net premiums earned</b>	<b>152,920</b>	<b>-</b>	<b>152,920</b>	<b>147,395</b>	<b>-</b>	<b>147,395</b>
Reinsurance commissions	7,507	-	7,507	4,146	-	4,146
Unrealized gain on unit linked investments	7,092	-	7,092	4,434	-	4,434
<b>TOTAL REVENUES</b>	<b>167,519</b>	<b>-</b>	<b>167,519</b>	<b>155,975</b>	<b>-</b>	<b>155,975</b>
<b>UNDERWRITING COSTS AND EXPENSES</b>						
Gross claims paid	(122,873)	-	(122,873)	(98,823)	-	(98,823)
Surrenders and maturities	(35,201)	-	(35,201)	(35,095)	-	(35,095)
Reinsurers' share of claims paid	27,873	-	27,873	35,876	-	35,876
<b>Net claims and other benefits paid</b>	<b>(130,201)</b>	<b>-</b>	<b>(130,201)</b>	<b>(98,042)</b>	<b>-</b>	<b>(98,042)</b>
Changes in outstanding claims, net	838	-	838	(2,490)	-	(2,490)
Changes in claims incurred but not reported, net	6,493	-	6,493	(11,917)	-	(11,917)
Changes in unit linked liabilities	3,497	-	3,497	2,910	-	2,910
Change in premium deficiency reserve	2,173	-	2,173	(25)	-	(25)
Changes in additional premium reserve	86	-	86	-	-	-
Policy acquisition costs	(13,655)	-	(13,655)	(13,150)	-	(13,150)
<b>Net claims and other benefits incurred</b>	<b>(568)</b>	<b>-</b>	<b>(568)</b>	<b>(24,672)</b>	<b>-</b>	<b>(24,672)</b>
<b>TOTAL UNDERWRITING COSTS AND EXPENSES</b>	<b>(130,769)</b>	<b>-</b>	<b>(130,769)</b>	<b>(122,714)</b>	<b>-</b>	<b>(122,714)</b>
<b>NET UNDERWRITING INCOME</b>	<b>36,750</b>	<b>-</b>	<b>36,750</b>	<b>33,261</b>	<b>-</b>	<b>33,261</b>
<b>OTHER OPERATING (EXPENSES) / INCOME</b>						
Reversal of doubtful debts	24	-	24	565	-	565
Inspection and supervision fees	(1,783)	-	(1,783)	(1,633)	-	(1,633)
General and administrative expenses	(28,099)	(270)	(28,369)	(25,716)	(128)	(25,844)
Other income	2,616	1,387	4,003	1,957	1,356	3,313
<b>TOTAL OTHER OPERATING EXPENSES</b>	<b>(27,242)</b>	<b>1,117</b>	<b>(26,125)</b>	<b>(24,827)</b>	<b>1,228</b>	<b>(23,599)</b>
<b>Total income for the period</b>	<b>9,508</b>	<b>1,117</b>	<b>10,625</b>	<b>8,434</b>	<b>1,228</b>	<b>9,662</b>
<b>Total income attributed to the insurance operations</b>	<b>951</b>	<b>-</b>	<b>951</b>	<b>843</b>	<b>-</b>	<b>843</b>
<b>Net income for the period attributable to the shareholders</b>	<b>-</b>	<b>9,674</b>	<b>9,674</b>	<b>-</b>	<b>8,696</b>	<b>8,696</b>

**ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY****NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

For the three months period ended March 31, 2018

**16. Supplementary information (continued)****c) Interim condensed statement of comprehensive income**

	SAR '000					
	2018			2017		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
Total income for the period						
<b>Other comprehensive income</b>	<b>951</b>	<b>9,674</b>	<b>10,625</b>	<b>843</b>	<b>8,819</b>	<b>9,662</b>
<i>Items that will not be reclassified to interim condensed statement of income in subsequent periods</i>						
- Actuarial gains / (losses) on defined employee benefits	-	-	-	-	-	-
<i>Items that are or may be reclassified to interim condensed statements of income in subsequent periods</i>						
- Fair value change in investments	(3,228)	(2,910)	(6,138)	441	1,344	1,785
- Transferred to realised loss on available for sale investments disposal	-	-	-	-	-	-
<b>TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD</b>	<b>(2,277)</b>	<b>6,764</b>	<b>4,487</b>	<b>1,284</b>	<b>10,163</b>	<b>11,447</b>
<b>Total comprehensive loss / (income) attributed to the insurance operations</b>	<b>2,277</b>	<b>-</b>	<b>2,277</b>	<b>(1,284)</b>	<b>-</b>	<b>(1,284)</b>
<b>Total comprehensive income for the period attributable to the shareholders</b>	<b>-</b>	<b>6,764</b>	<b>6,764</b>	<b>-</b>	<b>10,163</b>	<b>10,163</b>

**ALLIANZ SAUDI FRANSI COOPERATIVE INSURANCE COMPANY**
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

For the three months period ended March 31, 2018

**16. Supplementary information (continued)**
**d) Interim condensed statement of cash flows**

	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Total income for the period	951	9,674	10,625	843	8,819	9,662
Adjustments for non-cash items:						
Depreciation of property and equipment	569	-	569	204	-	204
Investment Premium Amortization	64	198	262	147	224	371
Allowance for doubtful debts	(24)	-	(24)	(565)	-	(565)
Unrealized gain on unit linked investments	(7,092)	-	(7,092)	(4,434)	-	(4,434)
Provision for end-of-service indemnities	1,142	-	1,142	1,600	-	1,600
Shareholders' appropriation from insurance operations' surplus	8,557	(8,557)	-	7,591	(7,591)	-
	4,167	1,315	5,482	5,386	1,452	6,838
Changes in operating assets and liabilities:						
Reinsurers' balance receivable	5,678	-	5,678	(13,868)	-	(13,868)
Premium Receivable	(149,954)	-	(149,954)	(95,602)	-	(95,602)
Deferred policy acquisition costs	(6,140)	-	(6,140)	(8,520)	-	(8,520)
Unit linked investments	11,296	-	11,296	3,740	-	3,740
Prepaid expenses and other assets	(3,421)	(2,049)	(5,470)	(1,923)	(1,123)	(3,046)
Reinsurers' balances payable	5,367	-	5,367	(3,523)	-	(3,523)
Unearned premiums, net	81,004	-	81,004	105,504	-	105,504
Unit linked liabilities	(3,497)	-	(3,497)	(2,911)	-	(2,911)
Unearned commission income	(3,999)	-	(3,999)	(531)	-	(531)
Outstanding claims, net	(838)	-	(838)	2,490	-	2,490
Claims incurred but not reported, net	(6,493)	-	(6,493)	11,917	-	11,917
Premium deficiency reserve	(2,173)	-	(2,173)	25	-	25
Additional premium reserves	(86)	-	(86)	-	-	-
Accrued expenses and other liabilities	11,699	13	11,712	(2,309)	55	(2,254)
Policyholders claims payable	1,861	-	1,861	11,617	-	11,617
End-of-service indemnities paid	(918)	-	(918)	(9)	-	(9)
Surplus paid to policy holders	(215)	-	(215)	(2,865)	-	(2,865)
<b>Net cash generated (used in) / from operating activities</b>	<b>(56,662)</b>	<b>(721)</b>	<b>(57,383)</b>	<b>8,618</b>	<b>384</b>	<b>9,002</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Additions in available for sale investments	(10,061)	(26,187)	(36,248)	-	(18,328)	(18,328)
Proceed from disposal of available for sale investments	-	-	-	-	5,000	5,000
Additions in property and equipment	(309)	-	(309)	(223)	-	(223)
<b>Net cash generated used in investing activities</b>	<b>(10,370)</b>	<b>(26,187)</b>	<b>(36,557)</b>	<b>(223)</b>	<b>(13,328)</b>	<b>(13,551)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>						
Due from / to (insurance operations / shareholder operations)*	(2,608)	2,608	-	(15,000)	15,000	-
<b>Net cash generated used in financing activities</b>	<b>(2,608)</b>	<b>2,608</b>	<b>-</b>	<b>(15,000)</b>	<b>15,000</b>	<b>-</b>
Net change in cash and cash equivalents	(69,640)	(24,300)	(93,940)	(6,605)	2,056	(4,549)
Cash and cash equivalents, beginning of the period	107,246	26,085	133,331	77,221	16,272	93,494
<b>Cash and cash equivalents, end of the period</b>	<b>37,606</b>	<b>1,785</b>	<b>39,391</b>	<b>70,616</b>	<b>18,329</b>	<b>88,945</b>
<b>NON-CASH INFORMATION:</b>						
Change in fair value of available for sale investments	3,228	2,910	6,138	441	1,344	1,785

\* These items are not included in the interim condensed statement of cashflows

**17. Comparative figures**

Certain prior period figures have been reclassified to conform to current period presentation.

**18. Approval of the interim condensed financial information**

The interim condensed financial information have been approved by the Company's Board of Directors on 16 Sha'aban 1439H, corresponding to 2 May, 2018.