

Agreed-upon procedures report factual findings in connection with the accumulated losses of the Company shown in the unaudited financial statement completing the requirements of “Procedures and instructions related to listed Companies with accumulated losses reaching 20% or more of their share capital” which stated:

To the Shareholders
Salama Cooperative Insurance Company,
(A Saudi Joint Stock Company)
Jeddah, Kingdom of Saudi Arabia

Purpose of this Agreed-Upon Procedures Report

Our report is solely for the purpose of compliance with the requirements of “Procedures and instructions related to listed Companies with Accumulated Losses reaching 20% or more of their share capital” issued by the Capital Market Authority and may not be suitable for any other purpose.

Management’s Responsibilities

The management has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement. The management is responsible for the subject matter on which the agreed-upon procedures are performed.

Our Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), *Agreed-Upon Procedures Engagement*, that is endorsed in the Kingdom of Saudi Arabia. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with Salama Cooperative Insurance Company and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Control

We have complied with the International Code of Ethics for Professional Accountants, issued by the International Ethics Standard Board for Accountants, that is endorsed in the Kingdom of Saudi Arabia by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”), “referred as IESBA Code” and the independence requirements in Part 4A of IESBA Code.

Our firm applies International Standard on Quality Control (ISQC) 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, that is endorsed in the Kingdom of Saudi Arabia and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Procedures and Findings

We have performed the procedures described below, which were agreed upon with Salama Cooperative Insurance Company in the terms of engagement dated 31 October 2023, on reducing of the accumulated losses below 35% from their share capital:

S.no	Procedures	Findings
1	Obtaining the Company's interim condensed financial position as of 30 September 2023.	We have obtained the Company's interim condensed statement of financial position as at 30 September 2023 (as in Appendix A) without any exception noted;
2	Obtaining the initial interim condensed financial statements (unaudited) for the period ended 30 September 2023 approved by the Company's board of directors.	We have obtained the Company's interim condensed financial statements for the period ended 30 September 2023 approved by the Company's board of directors (as in Appendix A).
3	Recalculate the percentage of accumulated losses and verify that it is less than 35%.	We have recalculated the percentage of accumulated losses as of 30 September 2023. The percentage is 33.8%.
4	Checking the arithmetical accuracy.	No exceptions noted.

For Al Bassam & Co.

Ahmed Abdulmajeed Mohandis
Certified Public Accountant
License No. 477
Jeddah, Kingdom of Saudi Arabia
5 November 2023
(21 Rabi-Al-Thani 1445H)



APPENDIX “A”

	30 September 2023 (Unaudited)	31 December 2022 (Unaudited)	1 January 2022 (Unaudited)
(All amounts in Saudi Riyals '000)			
ASSETS			
Cash and cash equivalents	332,885	134,765	124,016
Term deposits	27,199	239,043	96,825
Investments:			
Financial assets at fair value through profit or loss (“FVTPL”)	41,799	20,755	101,380
Financial assets at fair value through other comprehensive income (“FVOCI”)	39,703	39,703	37,028
Financial assets at amortised cost	59,992	61,464	65,766
Prepaid expenses and other assets	34,144	30,009	18,360
Reinsurance contract assets	68,220	75,029	63,348
Right-of-use assets	19,072	17,454	18,231
Property and equipment	4,954	5,154	4,107
Intangible assets	952	1,021	418
Statutory deposit	37,500	37,500	37,500
Accrued commission income on statutory deposit	1,833	4,913	3,887
TOTAL ASSETS	668,253	666,810	570,866
LIABILITIES			
Insurance contract liabilities	465,447	524,418	389,729
Reinsurance contract liabilities	297	-	-
Accrued and other liabilities	37,807	20,785	23,950
Lease liabilities	20,204	18,493	20,335
Employee benefit obligations	6,397	6,716	7,895
Provision for zakat	32,442	30,629	27,629
Accrued income payable to SAMA	1,833	4,913	3,887
TOTAL LIABILITIES	564,427	605,954	473,425
EQUITY			
Share capital	100,000	100,000	250,000
Statutory reserve	-	-	5,003
Accumulated losses	(33,813)	(76,783)	(192,920)
Fair value reserve for investments	37,780	37,780	35,110
Remeasurement reserve of employees benefit obligations	(141)	(141)	248
TOTAL EQUITY	103,826	60,856	97,441
TOTAL LIABILITIES AND EQUITY	668,253	666,810	570,866

Date: 31/10/2023

Approval of the financial statements for the quarter three, 2023

With reference to the insufficient quorum of the Audit Committee in the current period to submit its recommendation to the Board of Directors, and after reviewing the financial statements for the Q3 2023 and discussing it with the external auditors as attached in the fourth board meeting (urgent meeting), and in accordance with the approval of the Board of Directors, the following are the resolutions:

- 1- Approval of the financial statements for Q3 2023.
- 2- Executive management shall take the necessary actions to obtain the approvals of the statutory authorities to announce and publish these financials.

Montaser Mohammed Foudah
Chairman of the Board of Directors

