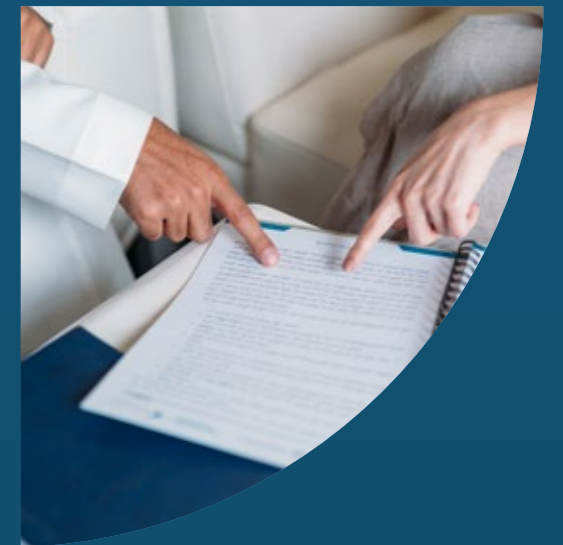


Annual Report

2021



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Custodian of the Two Holy Mosques
King Salman bin Abdulaziz Al Saud



The Crown Prince of Saudi Arabia
Prince Mohammed bin Salman bin Abdulaziz Al Saud

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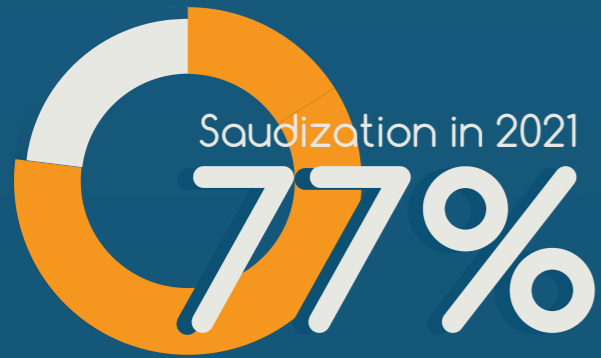
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450+
Employees Number in 2021



Quality Management System



Information Security Management System



60

Total Branches at the end of 2021



Business Continuity Management System



Occupational Health & Safety Management System

14 years of Experience

2.339 billion
Total Written Premiums in 2021



Environmental Management System



Social Responsibility

SAR 646.397 million

Paid up Capital



Enterprise Risk Management System

64.640 million
Number of shares in 2021

169,712
Number of Calls Received



Message from the Chairman of the Board of Directors

Dear Shareholders,

I am pleased to present the report of the Board of Directors of your Company for the year 2021. During 2021, Walaa reported a Gross Written Premium (GWP) of SAR 2.339 billion against SAR 1.473 billion during 2020 (an increase of 59%). The company has done a remarkable job to reach a position where it is now as compared to a modest GWP of SAR 142m written in the year 2009. Despite record growth, the Company has incurred a loss of SAR 122 million during the year, mainly on account of losses suffered in Motor and Health insurance segments.

GWP 2021
2.339 billion

GWP 2020
1.473 billion

Increase
59%

Walaa has successfully faced several challenges and today stands in the league of being one of the preferred Insurance companies in the Kingdom. The report submitted by the CEO of the Company provides more details of the operational aspects of your Company's performance, which is now in its fourteen-year of growth and progress.

I am pleased to inform you that Walaa has successfully signed a binding merger agreement with SABB Takaful and is in the process of getting the necessary approvals to accomplish its second merger.

Walaa's plan was to further strengthen its capital via a rights issue of SAR 775 million in 2021 to support

its ambitious growth plan; the same has been recommended by the Board of Directors of Walaa Cooperative Insurance Company on 11th January 2021. Hopefully with finalizing the merger with SABB Takaful, Walaa will increase its capital by SAR 204 million to reach a paid up capital of SAR 850 million. The Board and management will take necessary steps to raise the remaining amount once the ongoing merger plan is completed.

The major reasons for enhancing our capital base are:

1. Support the growth plan of our Health Insurance portfolio;
2. Increase the retention level in our Property and Casualty business;
3. Activation of our growth plan in Protection & Savings line of business, with a special focus on individual life business.
4. Maintain adequate risk based level of Capital to sustain an "A" Credit Rating.

I am pleased to inform you that S&P affirmed our A-rating (Outlook:Stable) whereas Moody's upgraded the outlook from A3 (Outlook:Negative) to A3 (Outlook:Stable).

In addition to maintaining "A" rating, the Company is also proud to have secured ISO 31000:2018 Enterprise Risk Management System, ISO 9001:2015 Quality Management System, ISO 270001:2017 Information Security Management Certification, ISO 22301:2012 Business Continuity Management System, ISO

45001:2018 Occupational Health & Safety, ISO 14001:2015 Environmental Management System, and ISO 26000:2010 Social Responsibility certifications. Walaa is progressing well with its customer-first approach and always willing to serve policyholders beyond their expectations.

Your Company is implementing eBao, a proven insurance ERP as our core platform for technical operations. Support services, including Finance and HR will use Oracle Financials as the core platform. It is planned to take another 12 to 18 months to complete the digitization initiatives.

The Board of Directors likes to thank its shareholders for their trust and confidence and the workforce of the Company for their dedicated efforts and hard work and hope that this will continue in the future. The Board and Executive Management of the company are fully committed in investing and developing the National talent, starting from the grass-root level. In addition, believes that continuing emphasis must be placed on training for the personal development of the national staff contributing to the overall growth of the Company, to ensure that the company will have qualified and competent Saudi talents to achieve its objectives in all aspects of the business. In this regard we are proud that currently the number of trainees under Walaa Academy has reached to 40+ trainees in various departments at any given time during the year. This program was introduced for a comprehensive training and development program under the name of "Walaa Academy", which is conceptualized with an intent to invest in the development of Saudi talents in various disciplines of the insurance operations to support

and achieve a professional experienced workforce within the insurance industry. Walaa Academy offers a variety of different programs aimed at imparting knowledge and expertise in wide range of insurance operational and technical area to sharpen the technical and actuarial skills. The Vision behind Walaa Academy is to equip a group of young, highly talented national resources who can drive the company in this new age of technology and rapidly changing business environment. Walaa is proud that as at the end of 2021, more than 77% of its workforce was national employees, with several of them occupying senior executive and managerial roles.

The Company also appreciates the trust and faith placed by its business partners in the course of its progress and acknowledges their support. The Board looks forward to the company's growth and progress for the benefit of all stakeholders involved. On behalf of the company's shareholders and fellow members of the Board, I wish to seize the privilege to convey our hearty gratitude and appreciation to Regulators and various officials at Ministries and Governmental Agencies who have kindly extended their support to Walaa at various stages of our operations.

Sincerely,

Mr. Sulaiman Abdullah Al Kadi
Chairman of the Board of Directs



Message from the Chief Executive Officer

Dear Shareholders,

I take the opportunity to present to you the 14th Annual Report of Walaa, and I want to affirm that Walaa is optimistic about the forthcoming years with a prospect of sustained growth. During the year, Walaa became the fourth largest insurer in the Kingdom in terms of Gross Written Premium (GWP). The following graphs shows the Company's progress in Gross Written Premium (GWP) and line of business.

Line of Business Portfolio Mix

Walaa has been depending heavily on Motor Third Party business in the past, and it is our strategic focus on balancing its portfolio mix between lines of business. The Company does not want to rely on a single line of business, as business concentration in one line may lead to specific business challenges subject to any regulatory change or market dynamics. Walaa is very well known in the market for its expertise in the General and Motor business. After completing the merger transaction with MetLife AIG ANB and now signing a binding agreement with SABB Takaful, we are working on enhancing our medical portfolio alongside launching Protection & Savings. The portfolio mix for the past two years is demonstrated in the following diagrams:

The year under review reported a net loss from insurance operations of SR 142.051 million and a total shareholder's net loss of SAR 122 million for 2021, in comparison with a net income from insurance operations of SR 76.266 million and a total shareholder's net income of SAR 51.123 million for 2020. The loss in net income results came from various circumstances that occurred during the year of 2021 and resulted in having a major impact on the insurance industry as a whole.

The Company suffered losses in our Motor as well as Health line of business. Motor insurance business, mainly Third Party Motor Insurance business, is going through a very difficult phase. The reasons for our losses in this line of business are mainly:

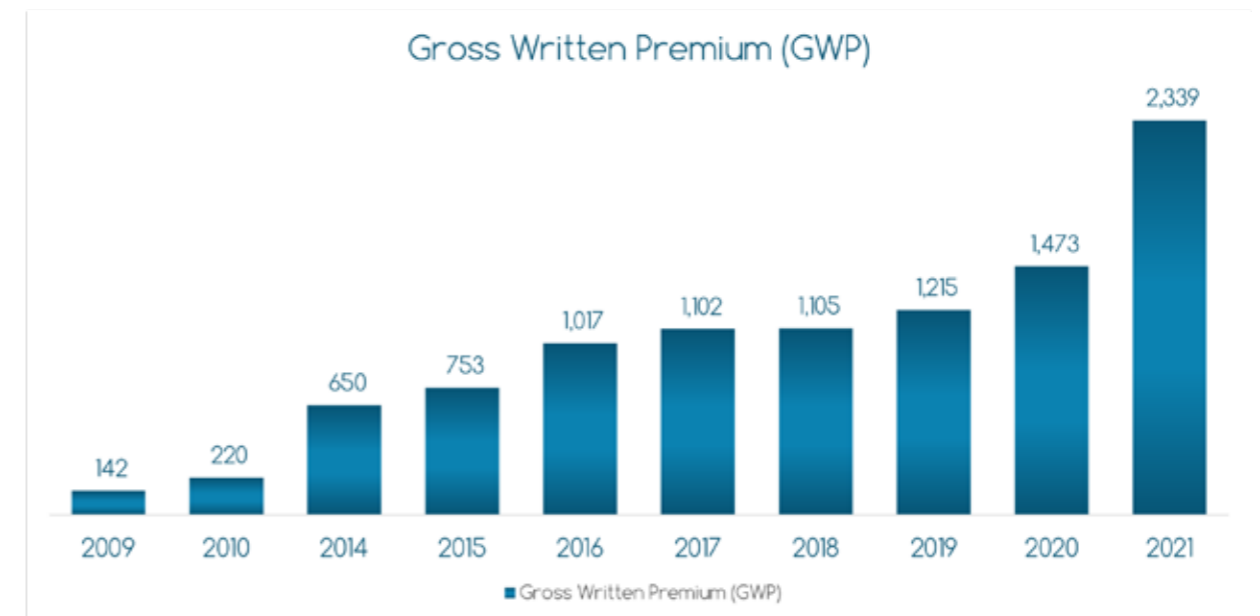
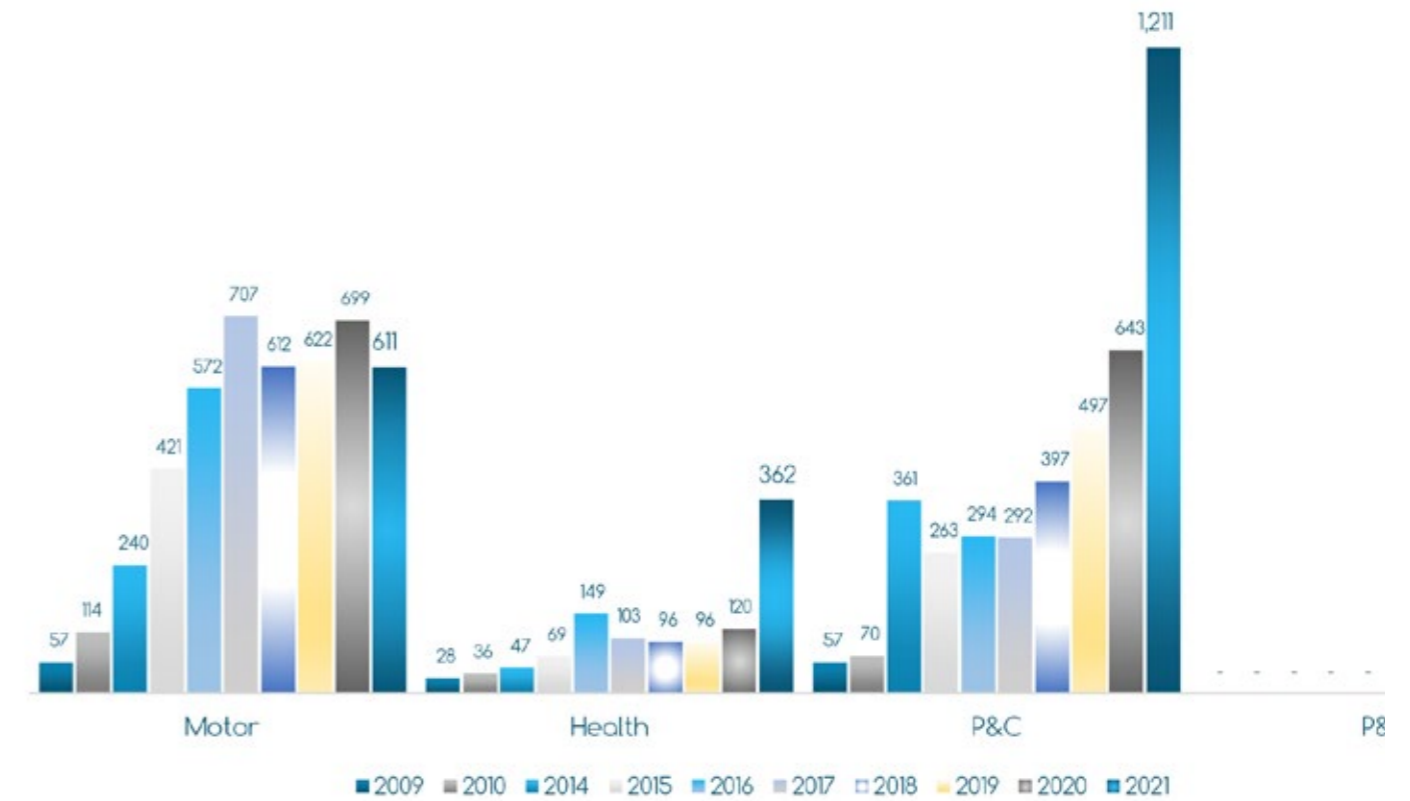
1. Inadequate pricing structure: Cut-throat competition through aggregators have brought the average price down to an unsustainable level;
2. Significant increase in Najm service costs;
3. Increase in damage assessment/repair cost estimates;
4. Customer/TP beneficiary fraud;
5. Lack of motor insurance enforcement.

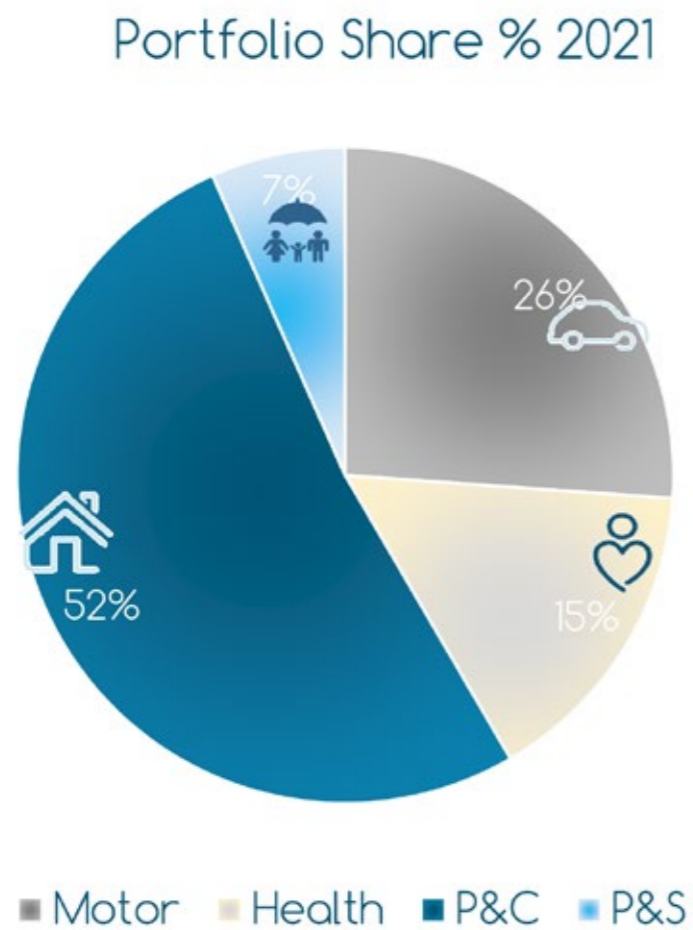
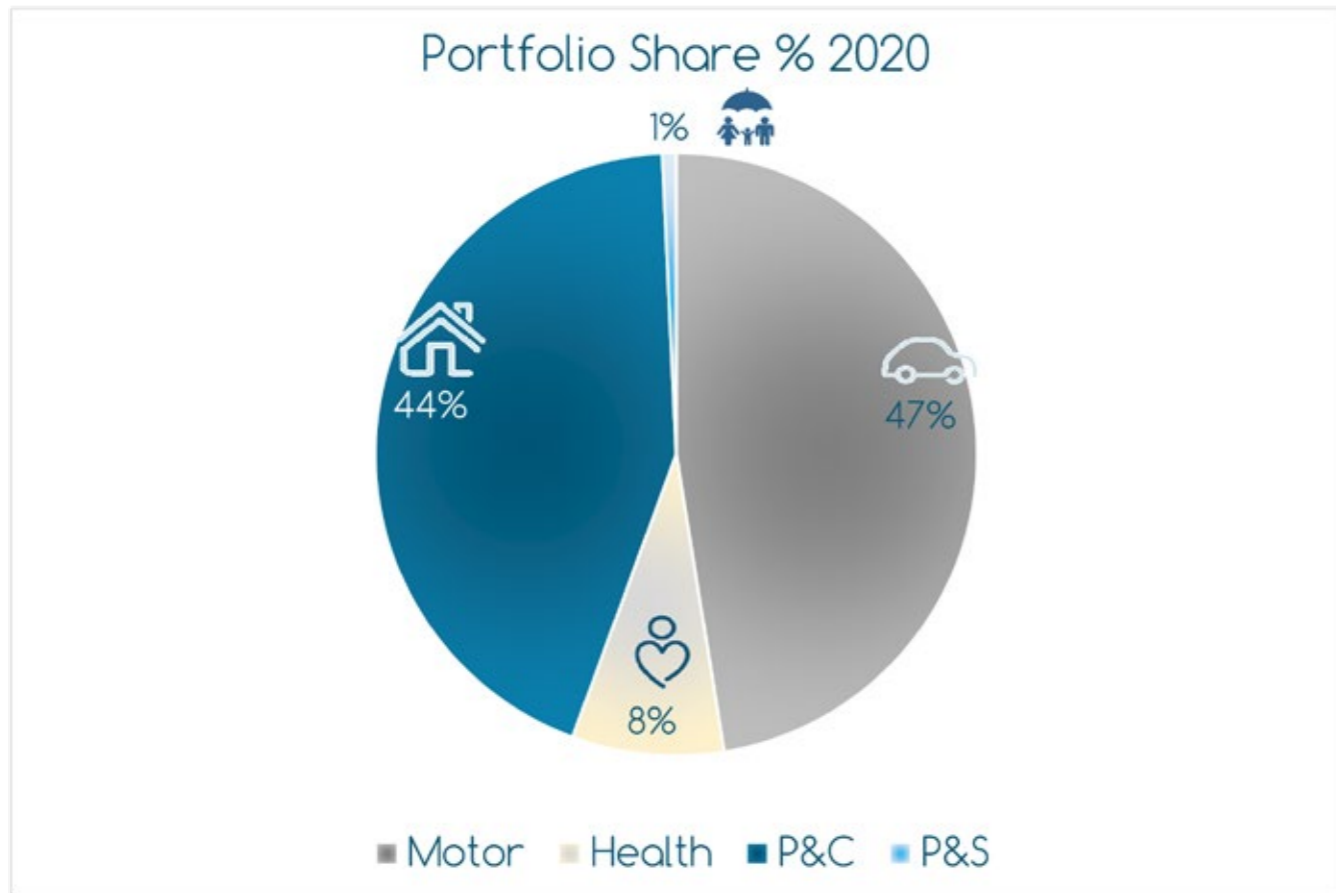
While the Company is making several efforts to address these challenges, including diversification within the motor insurance portfolio, government and regulatory intervention are needed to make this business segment sustainable.

Some of the key initiatives taken by the Company to reduce its reliance of Third-party motor insurance business are:

1. Increase Retail comprehensive motor insurance and Corporate motor insurance;
2. Increase the retention in Property and Casualty business;
3. Accept inward reinsurance;
4. Scale up the Health insurance business line of business;
5. Grow the Protection & Savings line of business;
6. Improve the overall efficiency through digitization of services and internal processes.

The following sections of the report summarize the performance and other aspects of the Company's operations for the twelve-month period ended on 31 December 2021.

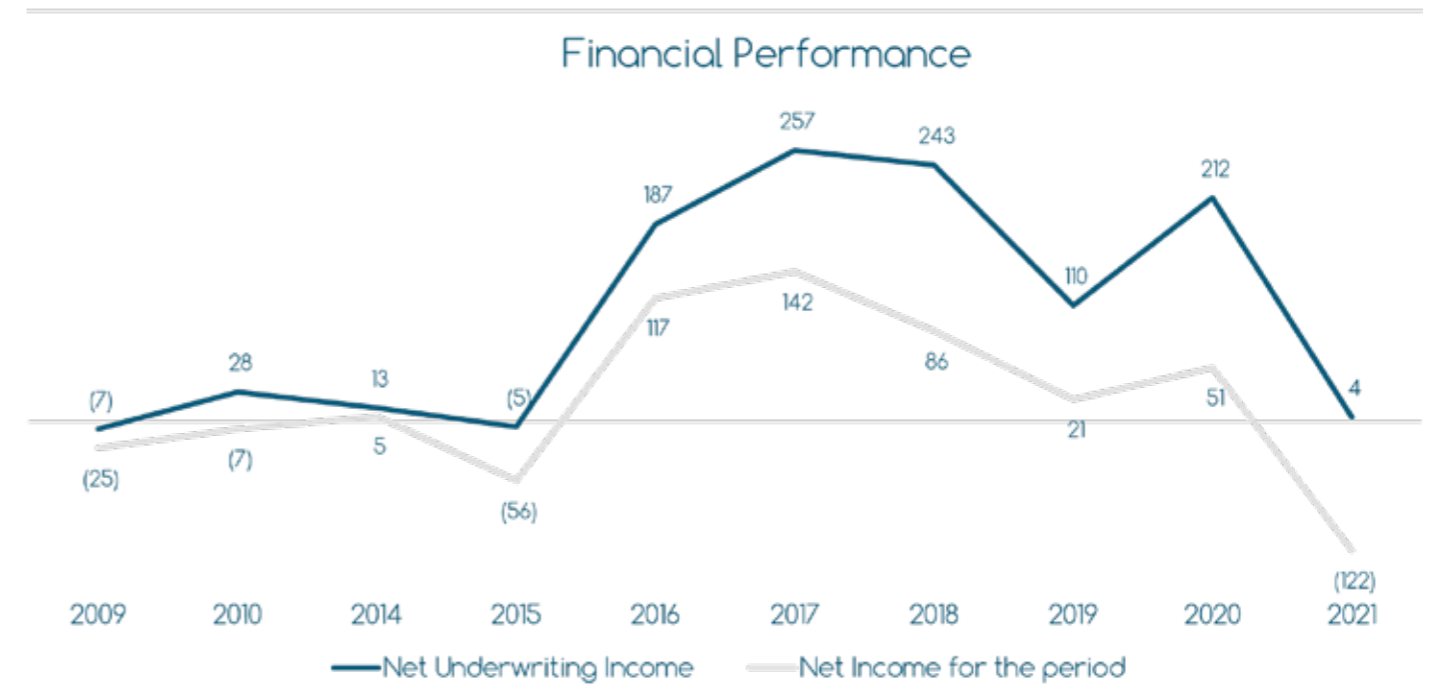
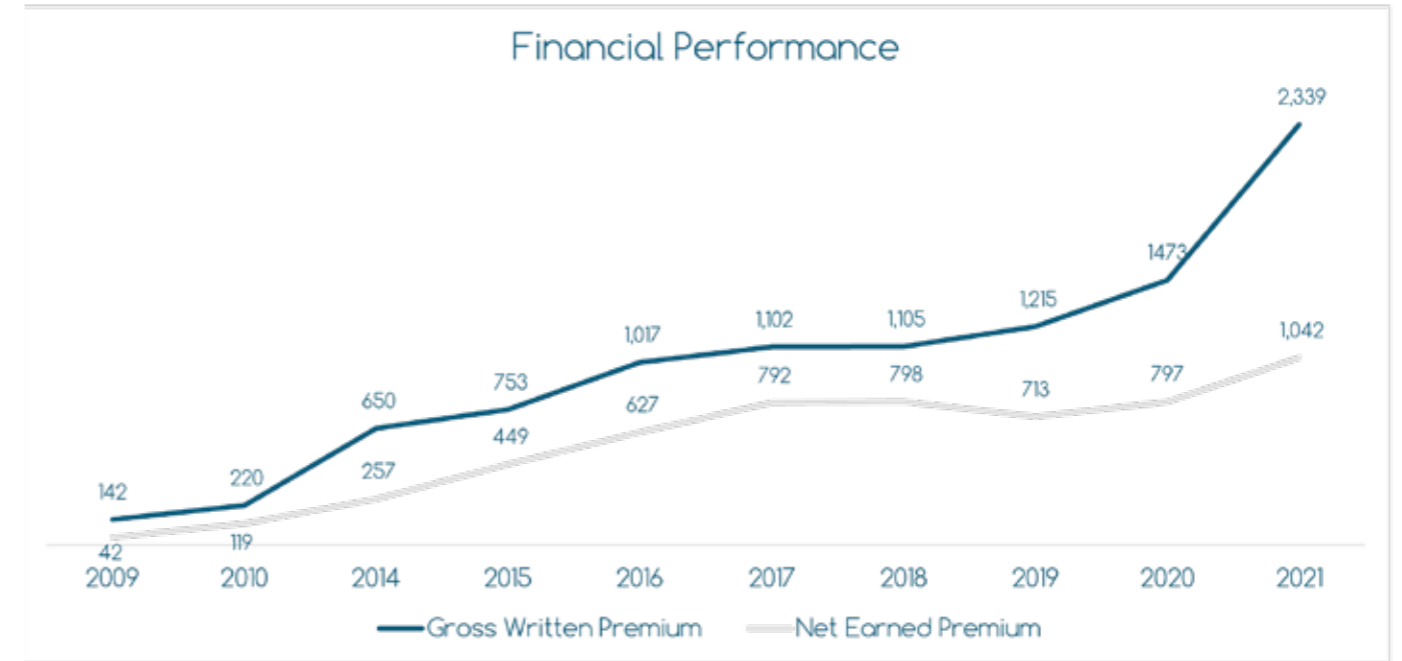




Financial

For the year 2021, the shareholders' net loss was SR 122 million, compared to net income of SR 51.123 million for the year 2020. The following charts summarize the growth achieved by Walaah under various operating parameters:

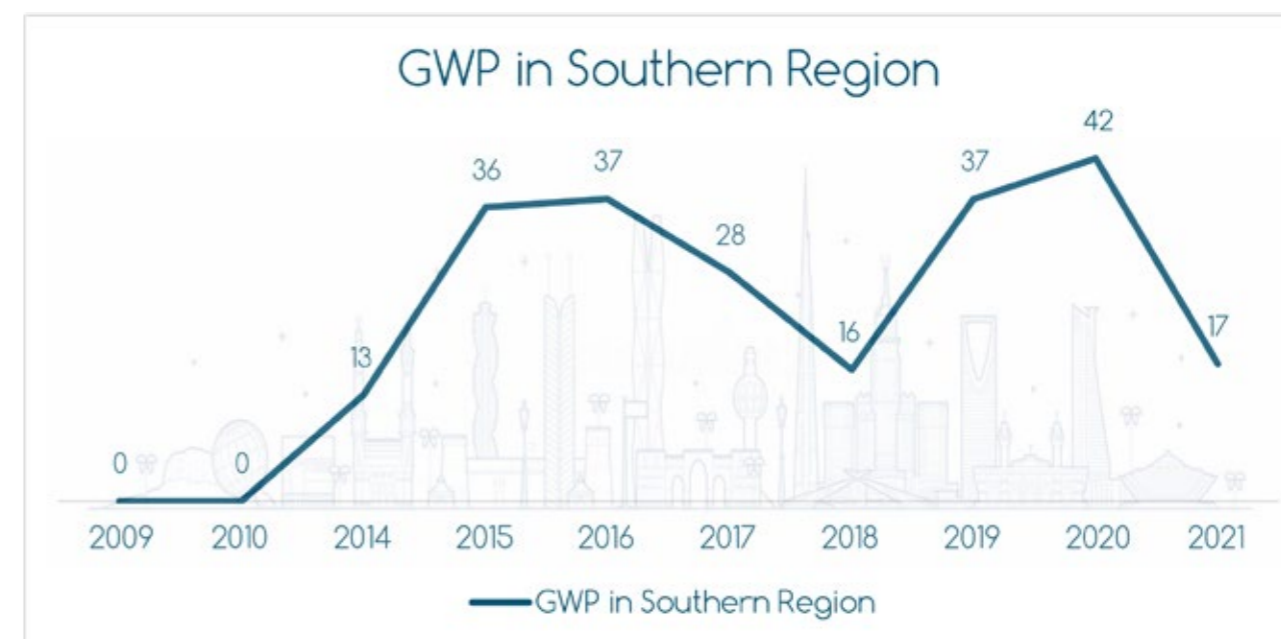
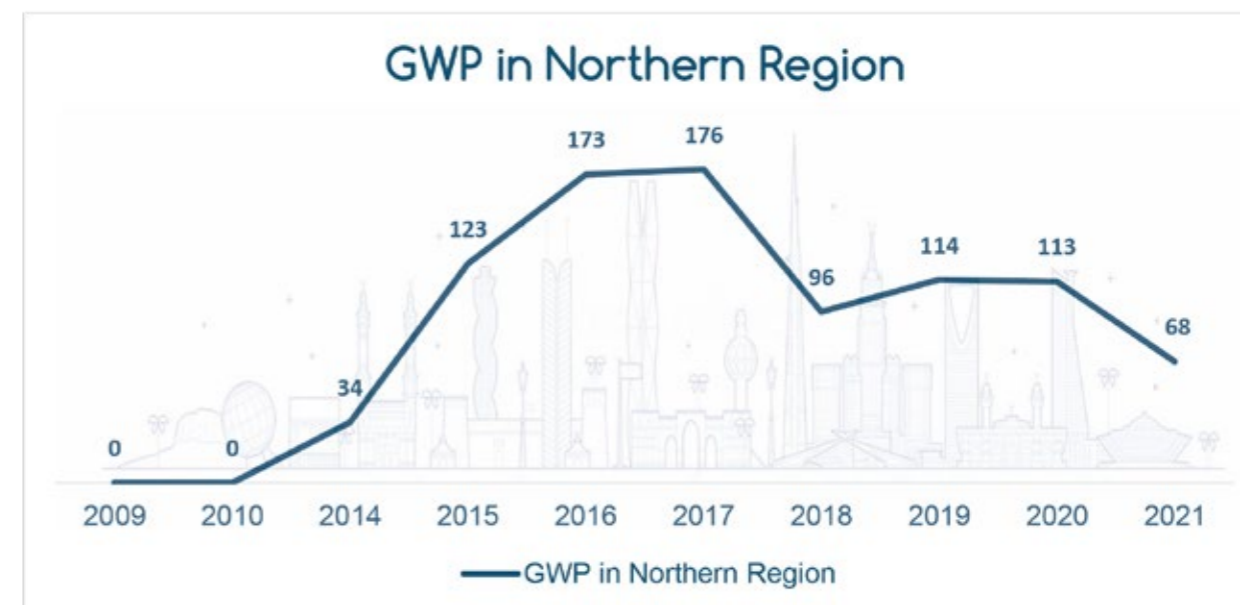
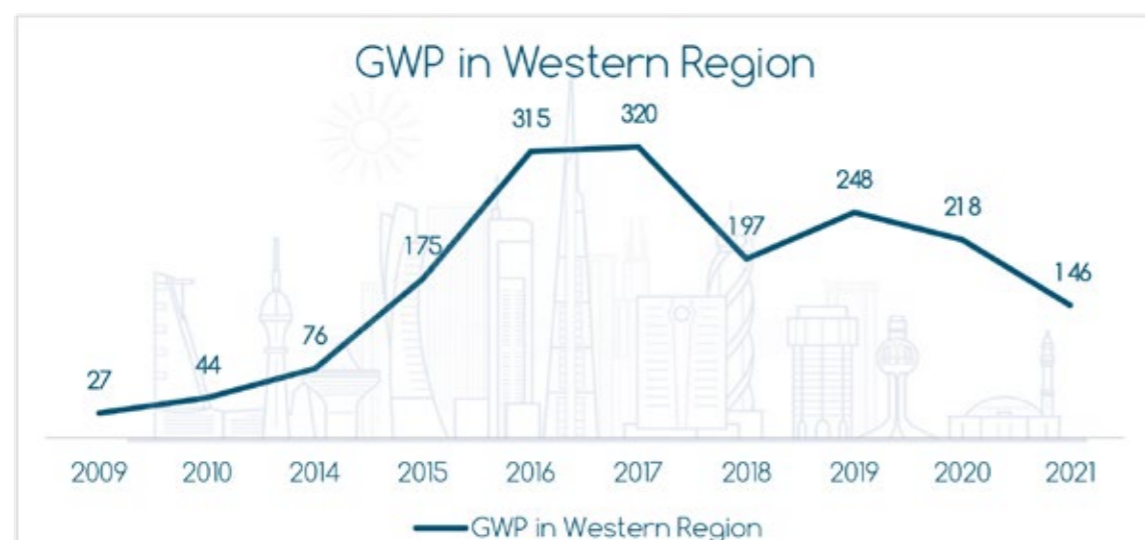
SAR millions



GWP for an insurance company is an important measure based on which the rest of the growth parameters tend to develop. Walaa has achieved a balanced growth across the regions in terms of GWP, and efforts are underway to ensure sustainable growth in this regard.

The following diagrams illustrate the commendable growth in GWP across the regions and sources that we have been operating since inception.

SAR Millions



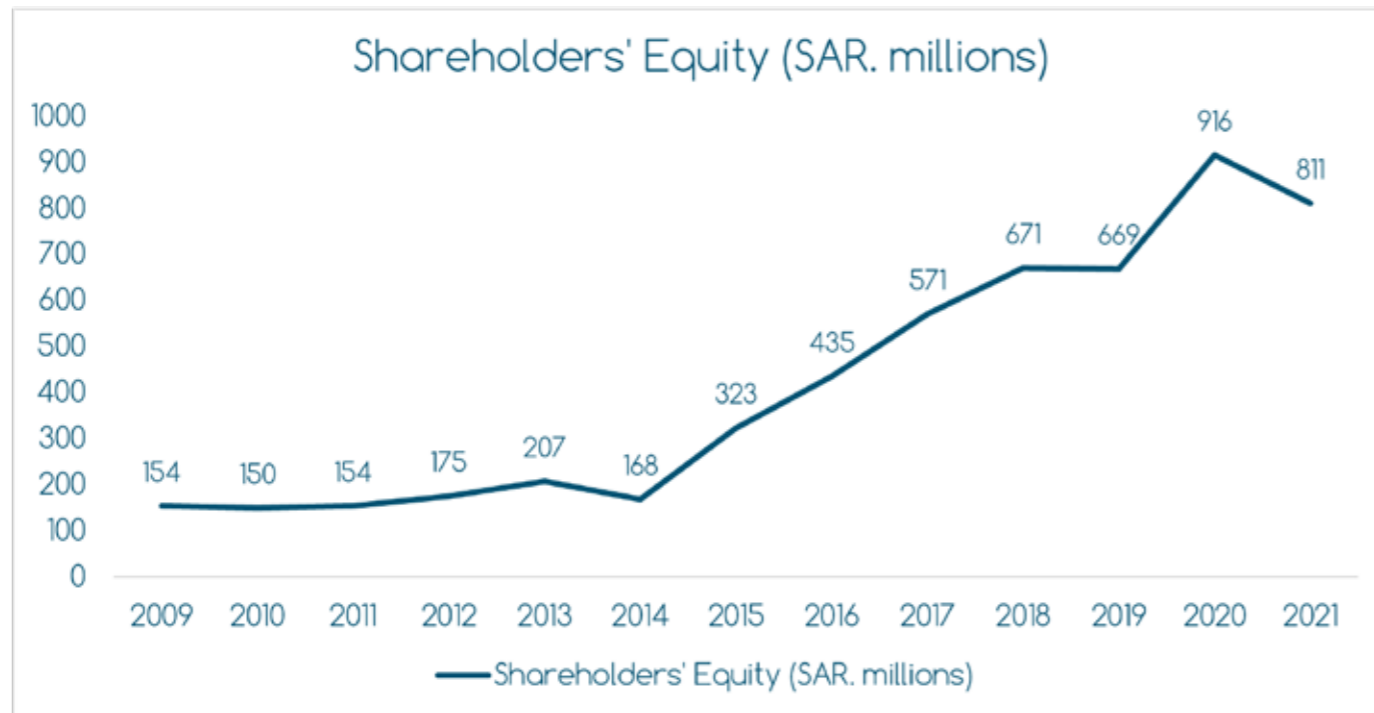
Financial Strength Rating

Walaa has been upgraded from BBB+ to A- by S&P on January 2021 with a stable outlook. At the same time, Walaa's Gulf Global rating is also improved from gcAA+ to gcAAA. We also maintained an A rating from Moody's with a changed outlook from 'negative' to 'Stable' outlook. The A rating indicates a robust risk-based capital adequacy, a satisfactory business risk profile, and an overall upper adequate financial risk profile.

International Organization for Standardization (ISO certifications)

During the year, Walaa has earned a certificate in ISO 14001:2015 Environmental Management System and compliance certification in ISO 31000:2018 Enterprise Risk Management System and ISO 26000:2010 Social Responsibility. Also, Walaa continues to be certified in ISO 9001:2015 Quality Management System, ISO 270001:2017 Information Security Management, ISO 22301:2012 Business Continuity Management System and ISO 45001:2018 Occupational Health & Safety.





Shareholders' Equity since inception

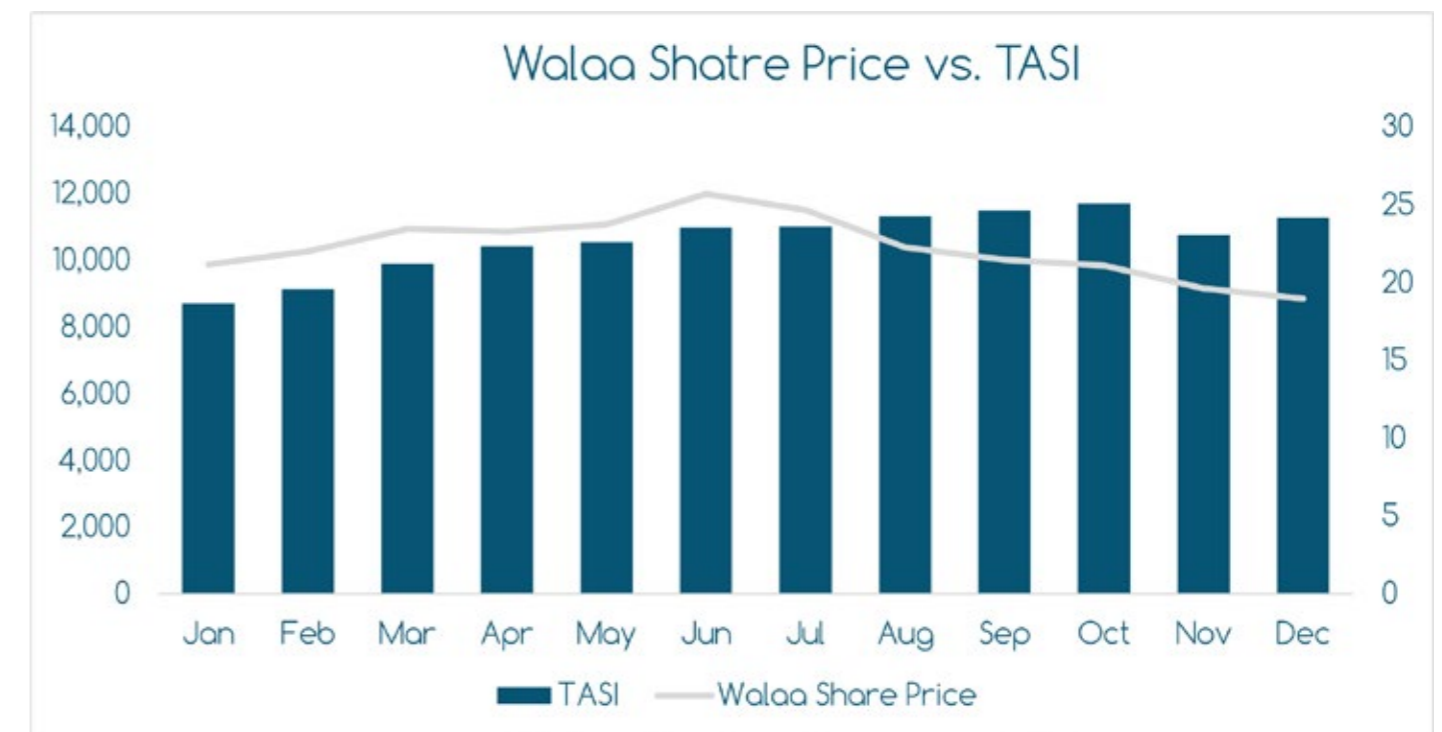
Walaa has suffered from losses during 2021 and reported accumulated losses of SAR 41 million by the end of the year (with a change of SAR -122 million from last year). This loss is offset with an increase of fair value reserve gain on available for sale investments of SAR 17 million. The net effect of the loss had an impact to shareholder's equity resulting a reduction from SAR 916 million in 2020 to SAR 811 million in 2021.

During 2020, the capital increased from SR 528m to SR 646m due to the merging with MetLife AIG ANB Cooperative Insurance Company, by issuing 11,839,706 ordinary shares with a nominal value of SAR 10 per share. The increase in capital represents an increase in the number of fully paid-up shares from 52.8m to 64.6m.

Walaa signed a binding merger agreement with SABB Takaful on 23/07/1443H (corresponding to 24/02/2022G). After having received the necessary governmental approvals, Walaa shall issue 20,418,619 new nominal shares at the nominal value of SAR 10 (the "New Shares") to the benefit of the eligible shareholders in SABB Takaful based on the Exchange Ratio. Accordingly, the share capital of Walaa will be SAR 850.6 million divided into 85,058,235 nominal shares.

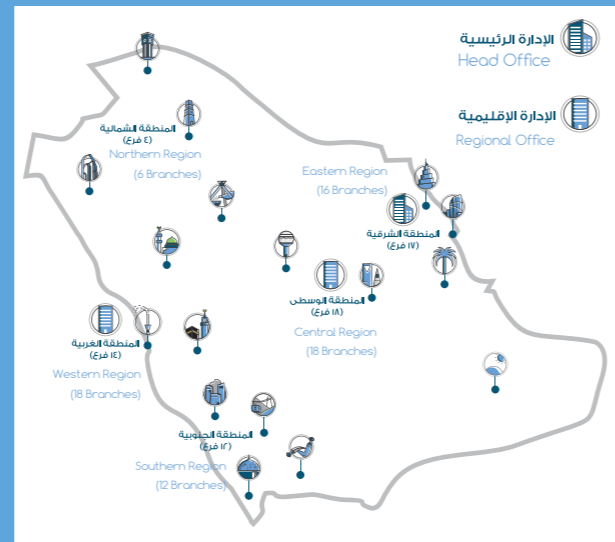
Movement of our share price during the year 2021

Walaa strongly believes in maintaining the confidence of its investors and owners. Providing a reliable opportunity for long-term, sustainable growth is one of the prime objectives of the Company. Despite the challenges during the year, we are confident of delivering long-term growth opportunities in line with the expected fortunes of Saudi Insurance Industry.



Geographical spread and Country-wide Presence

Ever since Walaa commenced its operations during 2007-08, with headquarters at Al-Khobar in the Eastern province, the Company has been committed to a wide geographical presence in the vast country of the Kingdom of Saudi Arabia. In addition to the Central regional office at Riyadh and the Western regional office at Jeddah, Walaa has maintained its expansion plans in a steady manner backed up by a careful study of the importance of various locations at which it could cater to insurance needs of our valued customer. The adjacent map illustrates various locations at which Walaa has its presence, having 65+ branches in 40+ cities around the Kingdom.



Growth strategy and Capital Raise

Walaa's management has prepared a detailed medium-term strategy for the period 2022-2026. This strategy defines Walaa's vision for the coming 5 years. Walaa's business plan, including the simulation of the required capital increase, has been designed based on this strategy. The medium-term strategy and the business plan have been prepared on a bottom-up basis. This effectively means that both the strategy as well as the business plan has been aggregated from the multiple levels of sub-segments.

The medium-term strategy is being designed on the following seven pillars:

1. Comprehensive Strategy for Property & Casualty
2. Comprehensive Strategy for Motor
3. Comprehensive Strategy for Medical
4. Comprehensive Strategy for Protection & Savings
5. Investment Strategy
6. Human Resource Development Strategy
7. IT and Digital Transformation Strategy

IT, Processes, & Digital Transformation Strategy

The strategy towards enabling agile and lean operations revolves around an effective technology platform and environment, supported with the right enablers in achieving this strategy and governed with proper alignment with overall business strategy execution. Walaa has embarked on an ambitious business plan to become one of the preferred insurers in the Kingdom, and this ambition requires a solid and effective vision and framework with a defined alignment with business strategy and

objectives. The Company also acknowledges agile and scalable architecture in technologies which is instrumental towards enabling the business, and with these aspects, the Company has put on major transformational programs to revamp all of its existing platforms and modernize the overall technology environment. The transformation will include core applications, IT infrastructure, and customer experiences.

On data management and utilization, we see the future of analytics as key drivers in our Underwriting and Claims innovation, and adherence to actuarial and regulatory guidelines will ensure that we are adequately banking on a sound foundation to risk pricing and assessment. The Strategy on data will focus on adopting cutting-edge solutions in data management, analytics, and modeling, which should favorably reflect on business objectives. Walaa is undergoing major transformation programs to revamp all current platforms and core applications with more agile, scalable, and future proof to support business objectives and meet key stakeholder's expectations. The program will facelift Underwriting, Reinsurance, Claims, and Support functions working applications and improve processes with sound technologies and reputable implementing partners. We believe the program will have a positive outlook on the business process. Our future application platforms will include eBaoTech General System Suite to support the entire life cycle operations of the General insurance business, whereas Medical and Life business operations will be supported by robust insurance platforms. With respect to our Enterprise solution, Oracle EBS will take care of Finance & Accounting Operations, Procurement, Human

Resource Operations, and act as a single source for data storage, analysis, and maintenance. In addition, compliance to IFRS17 reporting requirement is also another critical compliance matter which Walaa is working towards, and we are investing in Oracle-OFSAA solution for the same.

Infrastructure and Security are the nucleus of the IT environment, which is also undergoing major face-lifting with aspects of solutions deployed, landscape considered, and monitoring tools commissioned. We have gone in implementing a hybrid model of on-premise, and in-house cloud/ virtual environment, which will allow Walaa to get catered for future migration to cloud environments hosted in the kingdom. Security components of technology and practices are on continuous improvement to ensure compliance to SAMA cybersecurity/ISO guidelines and safeguard business applications and environments from threats. Sourcing and reliable partners are vital instruments to the realization of deployment resources, technology, and consultation in areas of development and enhancement. We take partnership with reputable service providers as a prime act in our sourcing engagement.

Human Resources and Saudization

Walaa has over the years developed, and built up a very strong and capable workforce, which is the primary ingredient behind its success. Walaa believes in investing in Human Resources, and this remains at the heart of Walaa's medium-term strategy. As part of its plan to develop Saudi national resources, Walaa has finalized and rolled out the "Walaa Academy" program. Walaa Academy is an integral initiative and remains at the core of Walaa's HR strategy over the medium-term. The Walaa Academy is conceptualized with an intent to invest in the development of Saudi talents in various disciplines of insurance operations. The Executive Management of Walaa is fully committed to investing and developing Saudi talents, starting from the grass-root level. The importance of such investment cannot be overstated as Walaa looks to enter a new and exciting phase of its growth and development. The vision behind Walaa Academy is to equip a group of young, highly talented Saudi males and females who can drive the Company in this new age of technology and rapidly changing business environment. Walaa Academy is a revolutionary program aimed at imparting knowledge and expertise in a wide range of insurance's operational and technical areas to sharpen the technical and actuarial skills.

As at the end of December 2021 at a Saudization level of 77% Walaa retains national employees,

indicating a strong will and commitment to grow with the organization. The Management team works very closely to identify and encourage in-house talents to take up more responsible and senior positions to lead the team. At Walaa, we deeply value the organizational experience and awareness which is utilized in a positive and constructive manner.

Corporate Governance and Risk Management

Walaa has a robust Corporate Governance framework that covers all areas of operation. Wherever found necessary, improvements have been introduced to keep in line with the best practices adopted in the industry. The Company's risk-appetite framework has been clearly identified, defined, and well-documented in a manner that can be appreciated and understood by employees, thus making it easy and friendly to follow these guidelines in an efficient manner. The Risk-Management framework has been further strengthened in the light of experience gained in the domain and in accordance with SAMA's Risk-Based Supervisory (RBS) framework/ISO requirements. Walaa's Corporate Governance documents are regularly reviewed and updated to be in line with revisions issued by the Regulator.

The Company has completed a comprehensive ESG (Environmental, Social, and Governance) framework to be in line with best international practice.

Board Structure

The Company has always had the privilege of having a group of very pro-active and eminent board members drawn across from the business fraternity in the Kingdom, and it looks forward to working closely with them and benefiting from their experience and expertise. Members of the Board carry with them a broad spectrum of knowledge and experience, which is shared with the management team during their regular interactions. The current Board term ends in May 2022, and a new Board will be inducted in the forthcoming Annual General Meeting.

Looking ahead

As outlined in our medium-term Business Plan, Walaa intends to attain holistic growth in the next few years of its progress. With the availability of additional capital, the Company's growth and investment plans have been successfully implemented, subject to the availability of conducive financial market conditions. With improved solvency, the Company expects to achieve its business objectives as planned, despite challenging market situations. The management

has faith in the capabilities of its various functional teams in successfully attaining its perceived growth parameters.

Walaa is firmly committed to being a key 'partner in progress' in the ambitious 'Saudi Vision 2030' – a broad initiative and plan perceived by the Kingdom's wise leadership which is poised to take the Kingdom towards strong overall growth, sustenance, and development in all segments – and lead the Kingdom as an illustrious example of harmonious and holistic achievement.

Walaa strongly believes in complete transparency, fair and honest dealing with its valued clients by providing excellent value in terms of services, quality of risk-coverage provided to its diversified client-base and at the same time, provides a feeling of pride and satisfaction to its clients and business associates for being a part of its success story. In the years to come, Walaa will explore every possible opportunity to participate in projects and programs intended to benefit the society as a whole, recognizing its social responsibility.

Acknowledgements

As always, I am grateful to the stakeholders, business partners, and associates for the continuing support



Oracle E-Business Suite Implementation

and contribution extended to our Company. I take this opportunity to congratulate and thank our staff members for their dedication, hard work, and sincere efforts that are the cornerstones for Walaa's success as a strong and responsible business entity. It is also a privilege for me and my colleagues to thank the Chairman and members of the Board and its Committees for their continuing guidance and support. We also sincerely acknowledge and appreciate the support and guidance provided by SAMA, CCHI, and governmental entities in the Kingdom in achieving our objectives.



Thank you.
Sincerely,

Johnson Varughese
Chief Executive Officer

Board
of Directors

1



Item	Value	Change
1	10.00%	↓
2	15.50%	↓
3	28.80%	↓

1 - Names, qualifications, and experience of the Board members and Executive Management:

As per the regulatory requirements, the members of the Board are selected based on their qualifications, knowledge, and skills in the various areas of the Company's business and operations.

A. Board of Directors



Mr. Sulaiman A. Al Kadi

Chairman of the Board of Directors

Qualifications:

Bachelor of Petroleum Engineering – University of Texas, USA.

Current Positions:

- Chairman of the Board and Member of the Nomination and Remuneration Committee – **Walaa Cooperative Insurance Co.**
- Vice Chairman and Chairman of Audit Committee – **Basic Chemical Industries Co.**
- Member of Board of Directors – **Chemical Development Company.**

Previous Positions:

- CEO – **Saudi Electricity Company**
- General Manager and Board Member – **Saudi Electricity Company (Eastern Province).**
- General Manager – **Saudi Aramco.**
- Member of the Board – **Alawwal Bank.**
- Member of the Board – **Saudi Electricity Company.**

Experience:

Mr. Al Kadi has over 50 years of experience in leadership positions in large organizations.



Mr. Khalifa A. Al Mulhem

Vice Chairman of the Board of Directors

Qualifications:

Bachelor's in Finance - University of Colorado, USA.

Current Positions:

- Chairman of the Board - **Khalifa A. Al Mulhem Limited Company.**
- Vice Chairman of the Board and Chairman of Investment Committee – **Walaa Cooperative Insurance Co.**
- Chairman of the Board and Chairman of Executive Committee – **Advanced Petrochemical Co.**
- Chairman of the Board and Executive Committee Member – **MEHAN.**
- Member of the Board, Member of Executive, Risk, Nomination and Remuneration Committee - **AlJazira Bank.**
- Member of the Board – **The National Shipping Carrier of Saudi Arabia (Bahri).**
- Member of the Board and Executive Committee Member – **White Cement Company**

Previous Positions:

- Held Senior Positions at Saudi Industrial Development Fund
- Member of Board - **Saudi British Bank.**
- Member of Board - **Saudi Spanish Bank.**
- Member of Board – **Al Jazira Bank.**
- Member of Board – **Saudi Industrial Development Fund.**
- Member of Board – **United Gulf Investment Corporation.**
- Member of Board - **General Organization for Social Insurance.**

Experience:

Mr. Al Mulhem has a wide experience in Board membership and Business Management, Family Business in specific.



Dr. Solaiman A. Al Twajri

Board of Directors Member

Qualifications:

- Ph.D. in Accounting – **Case Western Reserve University, USA.**
- Master's Degree in Law – **Higher Institute of Law and Economics, Spain.**
- Master's in Accounting – **University of Illinois, USA.**
- Bachelor's in Industrial Management – **KFUPM, KSA.**
- Certified Fraud Examiner (CFE) – **Association of Certified Fraud Examiners (ACFE).**
- Chartered Global Management Accountant (CGMA) – **American Institute of Certified Public Accountants (AICPA).**
- Certified Information System Auditor (CISA) – **Information Systems Audit and Control Association (ISACA).**
- Certified Public Accountant (CPA) – **Saudi Organization for Certified Public Accountants (SOCPA).**
- Certified Internal Auditor (CIA) – **Institute of Internal Auditors (IIA).**
- Certified in Financial Management (CFM) – **Institute of Management Accountants (IMA).**
- Certified in Management Accountant (CMA) – **Institute of Management Accountants (IMA).**
- Certified Public Accountant (CPA) – **AICPA.**

Current Positions:

- Managing Director - **The National Agricultural Development Company (NADEC).**
- Member of Board and Chairman of Executive and Strategy Committee – **Walaa Cooperative Insurance Co.**
- Member of the Board – **Saudi Arabian Amiantit Group of Companies.**
- Member of Audit Committee – **Saudi Electricity Co.**

Previous Positions:

- CEO – **Saudi Arabian Amiantit Company.**
- Member of Board, Chairman of Executive Committee, and Member of Nomination & Remuneration Committee - **The National Agricultural Development Company (NADEC).**
- Vice Chairman of Board and Chairman of Audit Committee – **Takween Advanced Industries Co.**
- General Manager – **Al Othman Agriculture Production Co. "Nada".**
- Managing Director - **Saudi Arabian Amiantit Group of Companies.**
- Member of Audit Committee – **Alawwal Bank.**
- Member of Audit Committee – **Riyad Bank.**
- Member of Audit Committee – **Saudi Organization for Certified Public Accountants (SOCPA).**
- Member of Board and Chairman of Audit Committee – **Chemical Development Co.**
- Member of Board and Chairman of Audit Committee – **Mulkia Investment Co.**
- Member of Board – **Saudi Power Transmission Network.**
- Member of Board and Member of Nomination & Governance Committee - **Institute of Management Accountants, USA.**
- Member of Audit Committee – **Al Khozama Management Co.**
- Manager and Member of Executive Committee – **Zajoul for Advanced Communications Technology Co.**
- Head of Accounting Department – **KFUPM.**
- Member of Audit Committee – **GIB Capital, Bahrain.**
- Member of Audit Committee and General Secretary – **Higher Education Fund.**

Experience:

Dr. Al Twajri has over 30 years of experience in managerial positions. He has acquired Accounting certificates and participated in the Academic field.



Mr. Waleed M. Al Jafaari

Board of Directors Member

Qualifications:

Bachelor of Economy – King Saud University - 1982

Current Positions:

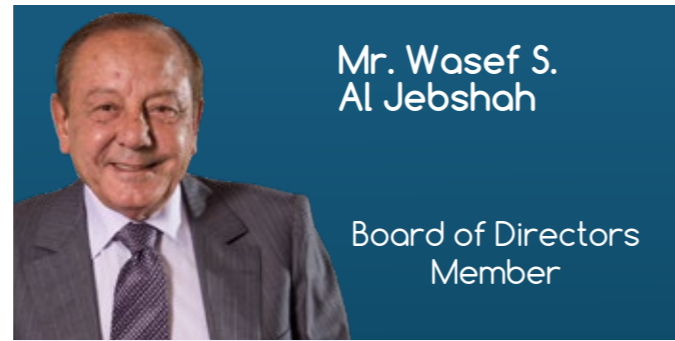
- Vice Chairman of the Board and Member of the Audit, Nomination, and Remuneration Committee – **Advanced Petrochemical Co.**
- Member of the Board, Member of the Audit, Nomination, and Remuneration Committee – **Eastern Cement Company.**
- Member of the Board, Member of the Investment, Nomination, and Remuneration Committee – **Walaa Cooperative Insurance Co.**
- Chairman of the Board, Head of Executive Committee - **Gulf Real Estate co.**
- Chairman of the Board - **Al-Dawaa Medical Services Co. Ltd.**

Previous Positions:

General Manager and Member of Board - Gulf Stevedoring Contracting Company.

Experience:

Mr. Al Jafaari participated as a Board Member of many well-known companies.



Mr. Wasef S. Al Jebshah

Board of Directors Member

Qualifications:

Bachelor of Economics – American University, Cairo

Current Positions:

- CEO and Founder – **International General Insurance Company "IGI".**
- Member of the Board and Member of the Executive and Strategy Committee – **Walaa Cooperative Insurance Co.**

Previous Positions:

General Manager at Abu Dhabi National Insurance Company.

Experience:

Mr. AlJebshah is one of the Insurance Professionals in the Middle East and founded several companies in this sector, such as; Middle East Insurance Brokers & International Marine General Insurance Company



Mr. Abdulaziz S. Al Shaikh

Board of Directors Member

Qualifications:

- Master's in Actuarial Science – **University of Kent, UK.**
- High Diploma in Actuarial Science – **University of Kent, UK.**
- Bachelor's in management science – **King Saud University.**

Current Positions:

- Manager of Strategic & Quality Department, Supervising Actuarial Specialist – **General Organization for Social Insurance (GOSI).**
- Member of the Board and Member of Risk Committee – **Walaa Cooperative Insurance Co.**

Previous Positions:

Statistical Researcher - King Abdulaziz Center for National Dialogue.

Experience:

Mr. AlSheikh has done his specialization in Mathematics, Statistics, & Actuarial Science.



Mr. Abdulrahman A. Balghunaim

Board of Directors Member

Qualifications:

- Master of Science, Applied Mathematics – **DePaul University, USA.**
- Bachelor of Science, Finance – **KFUPM, KSA.**

Current Positions:

- Managing Partner (Data Science and Econometrics Advisor) – **Advanced Analytics fz llc.**
- Member of the Board, Chairman of Audit Committee, and Member of Risk Committee – **Walaa Cooperative Insurance Co.**
- Member of the Board, Member of Audit and Compliance Committee – **Al Yusr Leasing & Financing Co.**
- Chairman of Board of Directors, Member of the Nomination and Remuneration Committee – **Ayyan Investment Co.**
- Member of the Board – **Acceleration Company Ltd.**

Previous Positions:

- Head of Finance and Accounting - **Ajda Food Commercial Company.**
- Economic and Statistics Consultant – **Ministry of Economy & Planning.**
- Senior Data Scientist - **Center for Strategic Studies.**
- Senior Credit Analyst - **Saudi Industrial Development Fund.**

Experience:

Mr. Balghunaim has been working in the Economic and Data Analytics field for years, and have acquired Technical certificates in Finance, Credit & Risk Management.



Mr. Hatem F. Balghoneim

Board of Directors Member

Qualifications:

Bachelor of Petroleum Engineering – KFUPM, KSA.

Current Positions:

- o CEO – **Acceleration Company.**
- o CEO – **Dynamic Oil Tools Manufacturing Company.**
- o Member of the Board – **Saudi Technology Precision and Quality**
- o Member of the Board, Chairman of Nomination & Remuneration Committee, & Member of the Executive and Strategy Committee – **Walaa Cooperative Insurance Co.**
- o Member of Board of Directors – **Neft Energies Training Center.**

Previous Positions:

- o Drilling & Workover Supervisor – **Saudi Aramco.**
- o Chairman of Board of Directors – **Alahsa Development Co.**
- o Member of the Board – **C&J Saudi Arabia.**
- o VP Upstream – **Dynamic Energy.**

Experience:

Mr. Balghoneim completed several Technical courses & certificates and been in the Petroleum engineering field for years.



Mr. Hesham A. Al Jabr

Board of Directors Member

Qualifications:

Secondary & Advanced courses in marketing and administrative sciences humanist.

Current Positions:

- o VP – **Al Jabr Holding Company.**
- o Executive Director – **Canned Soft Drinks Factory**
- o Member of Board – **Walaa Cooperative Insurance Co.**
- o Member of Board – **Arab National Bank “ANB”**

Previous Positions:

None.

Experience:

Mr. Al Jabr has over 22 years of experience in different sectors.



Mr. Jameel A. Al Molhem

Board of Directors Member

Qualifications:

Bachelor of Marketing – KFUPM

Current Positions:

- o Managing Director and Member of the Executive Committee - **Takween Advanced Industries Co.**
- o Member of the Board, Member of the Executive and Strategy Committee, and Chairman of Risk Committee – **Walaa Cooperative Insurance Co.**
- o Member of the Board – **Saudi Telecom Company (STC).**
- o Member of the Board – **Electrical Industries Co.**
- o Member of the Board – **New Marina Plastics.**
- o Member of the Board – **Alessa Industries Co.**
- o Chairman of Audit Committee – **Yanal Financing Co. (Previously Oryx).**

Previous Positions:

- o CEO – **Shaker Group**
- o COO – **Saudi Telecom Company “STC”**
- o Saudi British Bank “SABB”

Experience:

Mr. Al Molhem has been Board member in various companies, and has a good experience in governance, strategic management as well sales & marketing.



Mr. Khalid A. Al Omran

Board of Directors Member

Qualifications:

Bachelor’s in business administration – **St. Edwards University, USA**

Current Positions:

- o Founder – **Dar Wa Emaar for Investment & Real Estate.**
- o Chairman of the Board – **Khalid & Abdulaziz Al Omran Co.**
- o Member of the Board, Member of Investment Committee, and Member of Nomination and Remuneration Committee – **Walaa Cooperative Insurance Co.**
- o Member of the Board – **Dammam Hotels LTD.**

Previous Positions:

- o Vice-Chairman – **Tourism Committee at Sharqiyah Chamber of Commerce.**
- o Member of Board of Directors – **Advanced Petrochemical Co.**

Experience:

Mr. Al Omran is a businessman who has a unique experience in Real Estate & Investments.

External Audit Committee Members

2



B. External Audit Committee Members (Non-Board)



Dr. Sulaiman A. Al Sakran

Qualifications:

- o Ph.D. in Finance Minors: Economic and Statistics – **University of Houston, USA**
- o Master's in Business Administration - **KFUPM**
- o Bachelor's in industrial management – **KFUPM**

Current Positions:

- o Associate Professor – **Prince Sultan University.**
- o Member of Audit Committee – **Walaa Cooperative Insurance Co.**
- o Member of Audit Committee – **Saudi Arabian Amiantit Company.**
- o Member of Audit Committee – **MEFIC.**
- o Member of Audit Committee – **Takween Advanced Co.**
- o Member of Audit Committee – **Fawaz A. Al Hokair Co.**
- o Member of Trustees – **Yamama University.**
- o Member of Internal Audit Committee – **KFUPM.**
- o Member of Investment Committee – **Human Resources Development Fund.**
- o Member of Saudi Economic Association.

Previous Positions:

- o Member of the Board - **The National Agricultural Development Company (NADEC)**
- o Head of Economic and Finance Department – **KFUPM.**
- o Associate Professor (Economic and Finance Department) – **KFUPM.**
- o Assistant Professor (Economic and Finance Department) – **KFUPM.**
- o Member of Audit Committee – **TAQA Co.**
- o Member of Audit Committee – **Saudi Electricity Co.**
- o Member of Audit Committee – **Riyad Bank.**
- o Member of Audit Committee – **Tadawul.**
- o Member of Audit Committee – **Salama Cooperative Insurance Co.**
- o Member of Board and Chairman of Audit Committee - **Al Khozama Management Co.**
- o Member of Board and Chairman of Audit Committee - **Kirnaf Co.**
- o Member of Board - **Chemical Development Co.**
- o Member of Finance Committee – **Chamber of Commerce & Indust**
- o Member of Finance Committee – **Saudi Arabian Football Federation**
- o Member of Board – **KFUPM University Schools, Dhahran**
- o Chairman of Professional Performance Quality Committee – **Saudi Organization for Certified Public Accountants (SOCPA).**
- o Member of Board – **Shuaa Capital.**

Experience:

Dr. Al Sakran has over 31 years of experience in the academic field.



Mr. Adeeb S. Al Fuhaid

Qualifications:

- o Bachelor of Accounting – **King Saud University, KSA.**
- o International Auditor Fellowship Program.

Current Positions:

- o Member of Audit Committee – **Walaa Cooperative Insurance Co.**
- o Internal Audit Manager – **Tamimi Group of companies**

Previous Positions:

- o Commercial Manager, **Ali A. Al-Tamimi Co**
- o Performance Audit Manager, **General Auditing Bureau**
- o Performance Audit Supervisor, **General Auditing Bureau**
- o Auditor, **General Auditing Bureau**

Experience:

- o Mr. Al Fuhaid has more than 30 years in auditing including financial, performance, compliance, and operational audit. In both public and private sector. Contributes in several local and international professional committees and workgroups.

3



Executive Management



Mr. Johnson Varughese

Current Positions

- Chief Executive Officer.
- Chairman of the Insurance Finance Sub-Committee.
- Member of the Insurance Executive Committee (IEC).

Previous Positions

- Member of SAMA Insurance Advisory Committee.
- Chief Financial Officer (2007-2012) – Walaa Cooperative Insurance Co.
- Regional Financial Controller – Future Pipe Group.

Qualifications

- Bachelor's in Business & Commerce – University of Kerala.
- Chartered Public Accountant (CPA) – Institute of Chartered Accountants of India.

Experience

More than 30 years of experience in executive positions, and in the financial field.



Mr. Mohannad Al Desouki

Current Positions

- Chief Financial Officer.
- Investment Committee Secretary.
- Executive and Strategy Committee Secretary.
- Member and Secretary of the Insurance Finance Sub-Committee.

Previous Positions

- Finance Manager – Walaa
- Financial Controller – Siemens
- Financial Analyst – General Electrics "GE"

Qualifications

- Master's in Business Administration – KFUPM, KSA.
- Bachelor's in finance – KFUPM, KSA.
- Associate Marketing Degree – Dammam Community College, KSA.
- Project Management Professional (PMP) – PMI.

Experience

More than 12 years of experience of diversified work experience in the Saudi market.



Mr. Turki Al-Buraik

Current Positions

- VP, HR, Admin, Government, and Public Relations.

Previous Positions

- Regional Manager for Administrative Affairs of Government Personal and Human Reassurances – Al Nuaimi Group.
- Regional Manager Advisor of Human Resources and Personal Affairs and Public Relations – National Petroleum Services Co.
- Assistant Manager of Public Relations and Personnel Affairs and Government Relations – BJ Service Arabia LTD. Co.

Qualifications

- Bachelor's Administration – King Saud University, KSA.
- Diploma in International Leadership for Human Resources Managers – Artec Poland University.

Experience

Over 21 years of experience in Human Resources, admin, Government, and Public Relations.



Mr. Syed Raza Haider

Current Positions

- Appointed Actuary

Previous Positions

- Appointed Actuary in Alinma Tokio Marine Company
- Chief Actuary and CRO in Alinma Tokio Marine Company
- Head of Actuarial and Strategy in Alinma Tokio Marine Company
- Head of Actuarial Department in SABB Takaful Company

Qualifications

- Fellow of Institute and Faculty of Actuaries (UK)

Experience

Qualified actuary with 24 years of experience in the actuarial field



Mr. Wasif Minhas

Current Positions

- Chief Technical Officer (Motor & General)

Previous Positions

- VP Technical – Walaa Cooperative Insurance Co.
- Sales & Operation General Manager – AON Insurance Brokerage.
- During his work years at New Jubilee Insurance Company in Pakistan, he held several senior positions.

Qualifications

- Master of Management – Sydney University, Australia.
- MBA in Marketing – National College of Business Administration and Economics.
- Bachelor's in Commerce – Punjab College of Commerce, University of Punjab.

Experience

An Insurance Professional with over than 20 years of experience. He is also a holder of "ACII" and other Insurance Certificates.



Mr. Ghayas Khan

Current Positions

- Chief Technical Officer (Life & Medical)

Previous Positions

- Chief Risk Officer (Acting) - Walaa
- Internal Actuary - Walaa

Qualifications

- Associate of Society of Actuaries, USA

Experience

An insurance professional with over than 20 years of experience of working in multiple functions like Actuarial, Individual Life Underwriting, Bancassurance, Group Life & Medical and Risk Management.



Mr. Fahad Aba Alkhail

Current Positions

- VP, Sales

Previous Positions

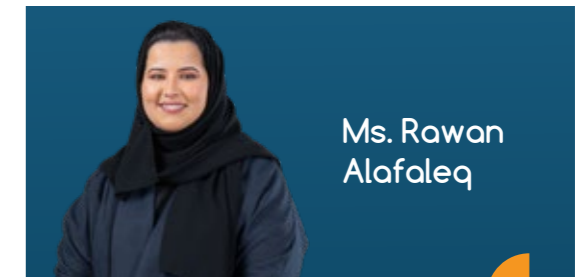
- Head of Compliance/Board Secretary – Walaa
- Key accounts manager/Board Secretary – Walaa
- Head of Corporate Sales – Walaa
- Head of Compliance – Gulf International Bank
- Head of AML - Arab National Bank
- Compliance officer - SAMBA Financial Group

Qualifications

- Bachelor's in Management Information System (MIS) – Arab Academy for Science and Technology.

Experience

Over 21 years of experience in financial sector, specifically in banking and insurance.



Ms. Rawan Alafaleq

Current Positions

- Board Secretary and Governance Official.
- Nomination and Remuneration Committee Secretary.
- Treasury and Tax Manager.

Previous Positions

- Financial Reporting Assistant Manager – Walaa Cooperative Insurance Co.
- Financial Reporting Analyst – Walaa Cooperative Insurance Co.

Qualifications

- Master's of Business Administration – Willamette University, USA.

Bachelor's of Accounting – King Faisal University, KSA.

Experience

Over 7 years of experience in accounting, treasury management, taxation, and capital market laws and regulations.



**Ms. Abrar
Al Kaabi**

Current Positions

- Acting Internal Audit Manager.
- Audit Committee Secretary.

Previous Positions

- Accounting Assistant Manager – Walaa Cooperative Insurance Co.
- Internal Audit Assistant Manager – Walaa Cooperative Insurance Co.
- Internal Auditor – Walaa Cooperative Insurance Co.

Qualifications

- Bachelor's in Finance - Prince Muhammed Bin Fahad University, KSA.
- Certified Risk Based Auditor.

Experience

Over 5 years of experience in internal audit focused in the insurance sector.



**Ms. Khulood
Al Shreif**

Current Positions

- Customer Care Manager.

Previous Positions

- Operations Manager – Walaa Cooperative Insurance Co.
- Medical Department Assistant Manager – Walaa Cooperative Insurance Co.
- Medical Department Assistant Manager – Tawuniya.

Qualifications

- Bachelor's in Arts (English Literature) – Dammam University, KSA.
- AHIP – Health Insurance Associate.
- AHIP – Healthcare Customer Service Associate.
- AHIP – Healthcare Anti-Fraud Associate.
- CII Certified.
- Certified Manager of Quality and Organizational Excellence – ASQ.
- Certified Strategy & Business Planning Professional – TKI.
- Certified KPI Professional – TKI.
- Certified Balanced Scorecard Management System Professional – TKI.

Experience

Over 17 years of experience in Insurance Sector.



**Ms. Shaima
Al Mulhim**

Current Positions

- Acting Risk Manager.
- Risk Committee Secretary.

Previous Positions

- Assistant Risk Manager – Walaa Cooperative Insurance Co.
- Risk Analyst – Walaa Cooperative Insurance Co.

Qualifications

- Bachelor's of Management Information System (MIS) – King Faisal University, KSA.

Experience

Over 5 years of experience in risk management focused in the insurance sector.



**Mr. Khalid
Omran**

Current Positions

- Compliance Manager.

Previous Positions

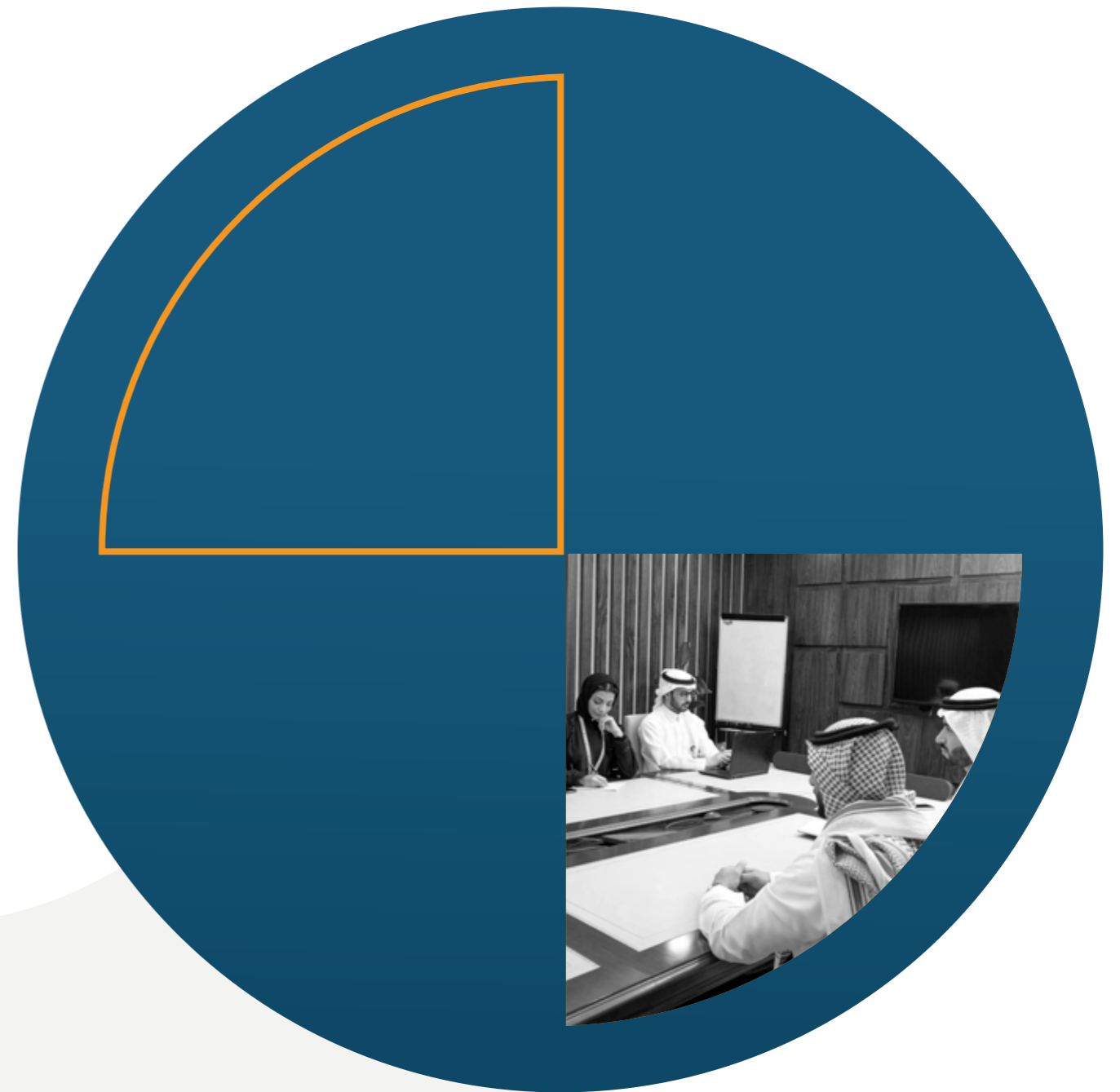
- Compliance Manager – Buruj Cooperative Insurance Co.
- Compliance Officer – Walaa Cooperative Insurance Co.
- Data Analyst – L3 Communication.

Qualifications

- Bachelor's in Business Administration – Kalamazoo College, USA.
- Certified Compliance Officer – Financial Academy.
- Diploma in Banking Operations – Institute of Public Administration.

Experience

Over 12 years of experience in Insurance Sector and Compliance.



 **18.6%**

WOMEN NOW REPRESENT 18.6% OF WALAA'S EMPLOYEES



2 - Names of the companies inside and outside the Kingdom in which a Board member is a member of their current or previous Board member or manager:

Board Member Name	Name of the Company which a Board member is currently a member of their Board or Manager	Inside / Outside the Kingdom	Type of Company	Name of the Company which a Board member was previously a member of their Board or Manager	Inside / Outside the Kingdom	Type of Company
Sulaiman A. Al Kadi	Basic Chemical Industriesv	Inside Kingdom	Listed	Alawwal Bank	Inside Kingdom	Listed
	Chemical Development Company	Inside Kingdom	Not listed	Saudi Electricity Company	Inside Kingdom	Listed
	Walaa Cooperative Insurance Company	Inside Kingdom	Listed			
Khalifa A. Al Mulhim	Advanced Petrochemical Co	Inside Kingdom	Listed	Saudi British Bank "SABB"	Inside Kingdom	Listed
	National Shipping Company of Saudi Arabia "Bahri"	Inside Kingdom	Listed	Saudi Industrial Development Fund	Inside Kingdom	Not Listed
	Saudi White Cement Company	Inside Kingdom	Not Listed	NAMA Chemicals Group	Inside Kingdom	Listed
	Al Jazira Support Services Company	Inside Kingdom	Not Listed	United Gulf Investment Corporation	Outside Kingdom	Listed
	KAMCO Limited	Inside Kingdom	Not Listed	General Organization for Social Insurance	Inside Kingdom	Not Listed
	KAMCO Holding	Inside Kingdom	Not Listed	Saudi Spanish Bank	Outside Kingdom	Listed
	MENA Financial Group Limited	Outside Kingdom	Not Listed			
	Walaa Cooperative Insurance Company	Inside Kingdom	Listed			
Wasef S. Al Jabsheh	Al Jazira Bank	Inside Kingdom	Listed			
	International General Insurance (IGI)Co. Ltd.	Outside Kingdom	Not Listed			
	International General Insurance (UK) Co. Ltd.	Outside Kingdom	Not Listed			
	International General Insurance Co. Ltd. - Labuan Branch	Outside Kingdom	Not Listed			
	International General Insurance Co. Ltd. (Dubai)	Outside Kingdom	Not Listed			
	North Star Underwriting Limited	Outside Kingdom	Not Listed			

Board Member Name	Name of the Company which a Board member is currently a member of their Board or Manager	Inside / Outside the Kingdom	Type of Company	Name of the Company which a Board member was previously a member of their Board or Manager	Inside / Outside the Kingdom	Type of Company
Wasef S. Al Jabsheh	IGI Underwriting Limited	Outside Kingdom	Not Listed			
	Specialty Malls Investment Company	Outside Kingdom	Not Listed			
	IGI Services Ltd.	Outside Kingdom	Not Listed			
	Eastern Insurance Brokers	Outside Kingdom	Not Listed			
	International General Insurance Holdings Limited	Outside Kingdom	Not Listed			
	International General Insurance Holdings Ltd.	Outside Kingdom	Listed on Nasdaq - Symbol "IGIC"			
	Walaa Cooperative Insurance Company	Inside Kingdom	Listed			
Solaiman A. Al Twaijri	Mulkia Investment Co.	Inside Kingdom	Listed	Saudi Power Transmission Network	Inside Kingdom	Not Listed
	Tawzea Company	Inside Kingdom	Not Listed	Al Othman Agriculture Production Co. "Nada"	Inside Kingdom	Listed
	Amitech Moroco	Outside Kingdom	Not Listed	Riyad Bank	Inside Kingdom	Listed
	International Infrastructure Management & Operation Company Ltd.	Inside Kingdom	Not Listed	GIB Capital	Inside Kingdom	Not Listed
	Amiantit Rubber Industries Ltd.	Inside Kingdom	Not Listed	Zajoul for Advanced Communications Technology Co.	Inside Kingdom	Not Listed
	Amiantit Fiberglass Industries Co. Ltd.	Inside Kingdom	Not Listed	Al Khozama Management Co.	Inside Kingdom	Not Listed
	Ameron Saudi Arabia Ltd.	Inside Kingdom	Not Listed	Flowtite Technology - Norway	Outside Kingdom	Not Listed
	Factory of Bondstrand Ltd.	Inside Kingdom	Not Listed	Flowtite Technology - Bahrain	Outside Kingdom	Not Listed
	Saudi Arabian Ductile Iron Pipes Co. Ltd.	Inside Kingdom	Not Listed	Amitch - Spain	Outside Kingdom	Not Listed

Board Member Name	Name of the Company which a Board member is currently a member of their Board or Manager	Inside / Outside the Kingdom	Type of Company	Name of the Company which a Board member was previously a member of their Board or Manager	Inside / Outside the Kingdom	Type of Company	
Solaiman A. Al Twaibri	Saudi Arabia Concrete Products (SACOP) Ltd.	Inside Kingdom	Not Listed	Amitch - Poland	Outside Kingdom	Not Listed	
	Saudi Amicon Co. Ltd.	Inside Kingdom	Not Listed	Amitech Pipes Romania	Outside Kingdom	Not Listed	
	PWT GmbH	Outside Kingdom	Not Listed	Amiantit Germany	Outside Kingdom	Not Listed	
	Amiantit Qatar Pipes Co. Ltd.	Outside Kingdom	Not Listed	Takween Advanced Industrial Company	Inside Kingdom	Listed	
	Sarplast Qatar	Outside Kingdom	Not Listed	Chemical Development Company	Inside Kingdom	Not Listed	
	Ameron Egypt	Outside Kingdom	Not Listed	Amiantit Saudi Arabia	Inside Kingdom	Listed	
	Amiantit Fiberglass Egypt	Outside Kingdom	Not Listed				
	Saudi Arabian Amiantit Management	Inside Kingdom	Not Listed				
	Infrastructure Engineering Contracting Co. Ltd.	Inside Kingdom	Not Listed				
	PWT KSA	Inside Kingdom	Not Listed				
	Ductile Technology Bahrain Ltd.	Outside Kingdom	Not Listed				
	Amiantit International Holding Ltd. - Bahrain	Outside Kingdom	Not Listed				
	Amiblu - Austria	Outside Kingdom	Not Listed				
	Subor Boru - Turkey	Outside Kingdom	Not Listed				
	Subor Gap - Turkey	Outside Kingdom	Not Listed				
	NADEC	Inside Kingdom	Listed				
	Wala Cooperative Insurance Company	Inside Kingdom	Listed				
	Saudi Electricity Co.	Inside Kingdom	Listed				
	Waleed M. Al Jaafari	Advanced Petrochemical Company	Inside Kingdom	Listed			
		Eastern Cement Company	Inside Kingdom	Listed			

Board Member Name	Name of the Company which a Board member is currently a member of their Board or Manager	Inside / Outside the Kingdom	Type of Company	Name of the Company which a Board member was previously a member of their Board or Manager	Inside / Outside the Kingdom	Type of Company
Waleed M. Al Jaafari	Gulf Real Estate	Inside Kingdom	Not Listed	Gulf Stevedoring Contracting Company	Inside Kingdom	Listed
	Star of Kingdom Contracting Limited	Inside Kingdom	Not Listed			
	Siyaha International Company	Inside Kingdom	Not Listed			
	Al Dawaa Medical Services Co LTD.	Inside Kingdom	Not Listed			
	Wala Cooperative Insurance Company	Inside Kingdom	Listed			
	Industrialization & Energy Services Co. (Taq)	Inside Kingdom	Not Listed			
Hatem F. Balghoneim	Fahad Sulaiman Balghoneim Sons Co.	Inside Kingdom	Not Listed	Ahsa Development Company	Inside Kingdom	Listed
	Saudi Quality and Inspection Company	Inside Kingdom	Not Listed	C & J Saudi Arabia	Inside Kingdom	Not Listed
	Wala Cooperative Insurance Company	Inside Kingdom	Listed			
	Acceleration Company	Inside Kingdom	Not Listed			
	Neft Energies Training Center	Inside Kingdom	Not Listed			
Abdulrahman A. Balghunaim	Ayyan Investment Co.	Inside Kingdom	Listed			
	Acceleration Company	Inside Kingdom	Not Listed			
	Advanced Analytics fz llc	Outside Kingdom	Not Listed			
	Wala Cooperative Insurance Company	Inside Kingdom	Listed			
	Al Yusr Leasing & Financing Co.	Inside Kingdom	Not Listed			
Khalid A. Al Omran	Dar Wa Emaar Real Estate & Investment Company	Inside Kingdom	Not Listed	Saraya Towers Al Olaya Company		
	Khalid & Abdulaziz Al Omran Company	Inside Kingdom	Not Listed	Advanced Petrochemical Co.		
	Dammam Hotels Limited Company	Inside Kingdom	Not Listed			
	Al Rashid & Al Omran Company	Inside Kingdom	Not Listed			
	Wala Cooperative Insurance Co.	Inside Kingdom	Listed			

Board Member Name	Name of the Company which a Board member is currently a member of their Board or Manager	Inside / Outside the Kingdom	Type of Company	Name of the Company which a Board member was previously a member of their Board or Manager	Inside / Outside the Kingdom	Type of Company
Jameel A. Al Molhem	Takween Advanced Industrial Company	Inside Kingdom	Listed	Al Hassan Ghazi "Shaker Group"	Inside Kingdom	Listed
	New Marina Plastics Co.	Outside Kingdom	Not Listed	Energy Services Co.	Outside Kingdom	Not Listed
	Electrical Industries Co.	Inside Kingdom	Listed	Selco Company	Inside Kingdom	Not Listed
	Walaa Cooperative Insurance Company	Inside Kingdom	Listed	Contact Center Company	Inside Kingdom	Not Listed
	Alessa Industries Co.	Inside Kingdom	Not Listed	New Vision Company	Outside Kingdom	Not Listed
	Saudi Telecom Company (STC)	Inside Kingdom	Listed	Viva Kuwait	Outside Kingdom	Listed
				Viva Bahrain	Outside Kingdom	Not Listed
				Cell-C Copany	Outside Kingdom	Not Listed
				Avea Company	Outside Kingdom	Not Listed
				Türk Telekom Company	Outside Kingdom	Listed
			Intigral Company	Outside Kingdom	Not Listed	
Abdulaziz S. Al Sheikh	Walaa Cooperative Insurance Company	Inside Kingdom	Listed			
Hesham A. Al Jabr	Arab National Bank	Inside Kingdom	Listed	Nattily Co. - Furniture and Interior Design	Inside Kingdom	Not Listed
	Al Jabr Holding Company	Inside Kingdom	Not Listed			
	Walaa Cooperative Insurance Company	Inside Kingdom	Listed			
	Gulf Carton Factory Company	Inside Kingdom	Not Listed			
	Haier & Al Jabr Saudi Electronics Trading Co.	Inside Kingdom	Not Listed			
	Nama (Future Development) Co.	Inside Kingdom	Not Listed			

3 – Composition of the Board and classification of its members:

As per article (15) of the company's Bylaws, the Company shall be managed by a Board of Directors consisting of no less than five members and not exceeding eleven members, elected by the General Assembly for three years duration. The Board composition shall reflect the suitable representation of Non-executive and Independent Members. In 2019, new Board members were elected for the Board of Directors 5th term, which starts on 26/05/2019. Consequent to the merger with MetLife AIG ANB Cooperative Insurance Company, ANB nominated Mr. Hesham A. Al Jabr as a member of the Board, which has since been regularized after obtaining NRC, Board, and SAMA approvals. The below table shows the name of members of the Board and details of their membership.

Board Member Name	Type of Membership	Classification of Membership
Sulaiman A. Al Kadi	Chairman	Non-Executive
Khalifah A. Al Mulhim	Vice-Chairman	Non-Executive
Wasef S. Al Jabsheh	Member	Non-Executive
Solaiman A. Al Twaijri	Member	Non-Executive
Waleed M. Al Jaafari	Member	Non-Executive
Abdulrahman A. Balghunaim	Member	Independent
Hatem F. Balghoneim	Member	Independent
Khalid A. Al Omran	Member	Independent
Jameel A. Al Molhem	Member	Non-Executive
Abdulaziz S. Al Sheikh	Member	Independent
Hesham A. Al Jabr ¹	Member	Non-Executive

⁽¹⁾ Member was appointed in 25th May 2020 till the conclusion of the remaining term of the Board.

4 – Procedure taken to the Board to inform its members, Non-Executive Directors in particular, of the shareholders' suggestions and remarks on the Company and its performance:

The Company's **Investor Relation Unit** ensures and maintains Shareholder rights, as it highly considers and responds to all shareholders inquires and complaints and opinions or suggestions, by all means, to be reported to the Board of Directors in every Board meeting. Any action or decision by Board members in regards to shareholders' inquires will be taken.

Investor Relation Contact Information	
Email:	investors@wala.com
Phone Number:	013-829-9405
Fax:	013-865-2255
Website:	https://www.wala.com/investor-relation

"We invite Walaa's investors to be part of the investors Survey 2022 where we explore Walaa's investors' aspirations for investment into the insurance sector over the next two years. We appreciate your valuable time to participate in the survey by visiting this link:

<http://survey.wala.com/s/investors-feedback/tt-ef0886>

5 - Board of Directors and Committees

The Board of Directors is entrusted with effective management and control of the company, which includes but not limited to the following responsibilities:

1. Set the performance goals and monitor implementation and overall performance at the Company.
2. Supervise the senior management and monitor the performance of the Company compared to the performance goals determined by the Board.
3. Upgrade the level and standards of corporate governance, ensuring compliance with relevant laws and regulations at all times.
4. Approve, review, and regularly update the key policies and procedures.
5. Ensure the validity of financial and accounting systems, including relevant financial reporting systems.
6. Develop policies and procedures, ensuring that the Company complies with the laws and regulations and fulfills its obligation to disclose the material information of the Shareholders, creditors, and other stakeholders.
7. To supervise the management of the Company's financial affairs, cash flows, and financial relations with third parties.

The Board of Directors shall conduct at least four meetings on an annual basis as the below table shows the attendance of each Board member:

Board Member	Total Number of Meetings: (5)					Total
	1 st Meeting	2 nd Meeting	3 rd Meeting	4 th Meeting	5 th Meeting	
	28/03/2021	03/05/2021	23/06/2021	19/09/2021	26/12/2021	
Sulaiman A. Al Kadi	✓	✓	✓	✓	✓	5 / 5
Khalifa A. Al Mulhim	✓	✓	✓	✓	✓	5 / 5
Wasef S. Al Jabsheh	✓	✓	✓	✓	✓	5 / 5
Waleed M. Al Jafaari	✓	✓	✓	✓	✓	5 / 5
Sulaiman A. Al Twajjri	✓	✓	✓	✓	✓	5 / 5
Abdulrahman A. Balghunaim	✓	✓	✓	✓	✓	5 / 5
Hatem F. Balghoneim	✓	✓	✓	✓	✓	5 / 5
Khalid A. Al Omran	✓	✓	X	✓	✓	4 / 5
Jameel A. Al Molhem	✓	✓	✓	✓	✓	5 / 5
Abdulaziz S. Al Shaikh	✓	✓	✓	✓	✓	5 / 5
Hesham A. Al Jabr	✓	✓	✓	✓	✓	5 / 5
Attendance	100%	100%	90%	100%	100%	-

The Board has appointed the following committees to ensure full control and effectiveness of the management:

A. Executive and Strategy Committee (EXC)

The Executive and Strategy Committee shall make recommendations to the Board on important topics such as strategic plans, business plans, and the Board shall delegate to the Executive Committee to carry out its functions in some cases. Executive Committee shall conduct at least six meetings on an annual basis as the below table shows the attendance of each Committee member:

Name of Member	Total Number of Meetings: (9)									Total
	1 st Meeting 04/01/2021	2 nd Meeting 14/03/2021	3 rd Meeting 05/04/2021	4 th Meeting 04/05/2021	5 th Meeting 30/05/2021	6 th Meeting 19/06/2021	7 th Meeting 07/09/2021	8 th Meeting 22/11/2021	9 th Meeting 07/12/2021	
Solaiman Al Twajjri (Chairman)	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9
Jameel Al Molhem (Member)	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9
Hatem Balghoneim (Member)	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9
Wasef Al Jebshah (Member)	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9
Attendance	100%	100%	100%	100%	100%	100%	100%	100%	100%	-

B. Audit Committee (AC)

The Audit Committee shall ensure the implementation of the Board of Director's recommendations for overseeing the company's financial reports and assess the adequacy of internal and external audits and evaluation and monitoring of the internal audit and compliance. Audit Committee shall conduct at least six meetings on an annual basis as the below table shows the attendance of each Committee member:

Name of Member	Total Number of Meetings: (9)									Total
	1 st Meeting 31/01/2021	2 nd Meeting 17/02/2021	3 rd Meeting 25/03/2021	4 th Meeting 27/04/2021	5 th Meeting 01/08/2021	6 th Meeting 25/10/2021	7 th Meeting 28/11/2021	8 th Meeting 16/12/2021	9 th Meeting 26/12/2021	
Abdulrahman A. Balghunaim (Chairman)	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9
Sulaiman A. Al Sakran (Member)	X	✓	✓	✓	✓	✓	✓	✓	✓	8/9
Adeeb S. Al Fuhaid (Member)	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9
Attendance	67%	100%	100%	100%	100%	100%	100%	100%	100%	-

C. Investment Committee (IC)

The Investment Committee shall monitor and review the investment policy tasks and oversee the implementation and approval of investment activities and monitor the performance of investment portfolios.

Name of Member	Total Number of Meetings: (2)		
	1 st Meeting 11/10/2021	2 nd Meeting 27/12/2021	Total
Khalifa A. Al Mulhim (Chairman)	✓	✓	2/2
Khalid A. Al Omran (Member)	✓	✓	2/2
Waleed M. Al Jafaari (Member)	✓	✓	2/2
Attendance	100%	100%	-

D. Nomination & Remuneration Committee (NRC)

Nominations and remuneration Committee is responsible for recommendations to the Board of Directors and annual audit of appropriate skills requirements for membership of the Board, the Committee shall review the structure of the Board of Directors and make recommendations on changes that can be made, as it reviews the company structure and supervises the recruitment process. Nomination and remuneration Committee shall conduct at least two meetings on annual basis as the below table shows the attendance of each Committee member:

Name of Member	Total Number of Meetings: (3)			
	1 st Meeting 04/04/2021	2 nd Meeting 28/10/2021	3 rd Meeting 15/12/2021	Total
Hatem F. Balghoneim (Chairman)	✓	✓	✓	3/3
Sulaiman A. Al Kadi (Member)	✓	✓	✓	3/3
Waleed M. Al Jafaari (Member)	✓	✓	✓	3/3
Khalid A. Al Omran (Member)	✓	✓	X	2/3
Attendance	100%	100%	67%	-

E. Risk Management Committee (RMC)

The Risk Management Committee duties are to ensure the implementation of the Board recommendations regarding the evaluation and control of risk management and its mitigations and the efficiency of internal controls. Risk Committee shall conduct at least two meetings on an annual basis as the below table shows the attendance of each Committee member:

Name of Member	Total Number of Meetings: (4)				
	1 st Meeting 02/03/2021	2 nd Meeting 06/06/2021	3 rd Meeting 05/09/2021	4 th Meeting 05/12/2021	Total
Jameel A. Al Molhem (Chairman)	✓	✓	✓	✓	4/4
Abdulrahman A. Balghunaim (Member)	✓	✓	✓	✓	4/4
Abdulaziz S. Al Shaikh (Member)	✓	✓	✓	✓	4/4
Attendance	100%	100%	100%	100%	-

6 - Board and Board Committee Evaluation:

As per article 41 of the Corporate Governance Regulations issued by the Capital Market Authority, the Board shall carry out the necessary arrangements to obtain an assessment of its performance from a competent third party every three years. Therefore, the Board engaged an external consultant to carry out the evaluation process. The external consultant conducted a questionnaire-based Board and Sub-Committee evaluations and prepared a report highlighting areas in which the Board could improve upon. However, in FY 2019 and FY 2020, the Nomination and Remuneration Committee (NRC), using formal, transparent, and objective criteria carried out the evaluation of the Board members, the Board as an entity, and the Board Sub-Committees.

The following criteria were used to evaluate the members:

1. Attendance;
2. Member's readiness and preparedness prior to the Board and sub-committee meetings;
3. Demonstration of knowledge, understanding, and technical experience during Board and sub-committee meetings;
4. Member's awareness of the Company's goals and business activity;
5. Member's productive and active engagement in discussions and communications;
6. Member's awareness and utilization of modern technology.

Further, evaluation resulted that while individual members possess diverse skills, all of them made an effort to understand the challenges and contributed effectively to the deliberations in the Board and sub-committee meetings. Evaluation summary was presented to the Board of Directors.

7 - Compensation Paid to Directors and Executive Management:

The Company confirms that all of the remuneration of the Board of Directors, Board Sub-Committee members, and Directors of the Company were disclosed in the Remuneration Policy approved by the General Assembly on 23/06/2021. The Company further ensures that there is not any significant deviation between the remuneration stated in the policy.

A - Board of Directors Remunerations and Fees:

The table below shows details of the remuneration and fees paid to the members of the Board and sub-committees

All Figures are in SAR Millions

Name of Board of Director	Fixed Remunerations					Variable Remunerations	End of Service Benefit	Aggregate Amount*	Expense Allowance**
	Specific Amount	Allowance for attending Board meetings	Total Allowance for attending Committee meetings	Remunerations for technical, managerial, & consultative work	Total				
(1) Independent Members									
Abdulrahman A. Balghunaim	0.180	0.025	0.203	-	0.408	-	-	0.408	-
Hatem F. Balghonaim	0.180	0.025	0.170	-	0.375	-	-	0.375	-
Khalid A. Al Omran	0.180	0.020	0.150	-	0.350	-	-	0.350	-
Abdulaziz S. Al Shaikh	0.180	0.025	0.080	-	0.285	-	-	0.285	-
(2) Non-Executive Members									
Sulaiman A. Al Kadi	0.250	0.025	0.078	-	0.353	-	-	0.353	-
Khalifa A. Al Mulhim	0.180	0.025	0.075	-	0.280	-	-	0.280	-
Wasef S. Al Jabsheh	0.180	0.025	0.093	-	0.298	-	-	0.298	-
Waleed M. Al Jafaari	0.180	0.025	0.153	-	0.358	-	-	0.358	-
Jameel A. Al Molhem	0.180	0.025	0.173	0.163	0.541	-	-	0.541	-
Solaiman A. Al Twajiri	0.180	0.025	0.093	0.158	0.456	-	-	0.456	-
Hesham A. Al Jabr	0.180	0.025	-	-	0.205	-	-	0.205	0.003
(3) Executive Members									
None									

* Member of the Board of Directors can be paid up to SAR 500,000/- per annum (inclusive of allowances for attending the Board and Sub-Committee meetings) as specified in the company's bylaws, except for the remuneration of the Audit Committee members that do not fall within the scope of the maximum limit stipulated in the Companies Law.

** Expenses allowance includes transportation and accommodation expenses for members of the Board of Directors and its committees whom are not located in Khobar.

Note that Dr. Solaiman A. Al Twajiri has been appointed by the Board of Directors to provide consultative services "Chairing the IFRS17 Steering Committee" and Mr. Jameel A. Al Molhem has been appointed by the Board of Directors to provide consultative services "Chairing the ERP Implementation Steering Committee" during the year 2021. This is in accordance to article (3) of the Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies, which states that "A Board member may receive a Remuneration for his/her membership in the audit committee formed by the General Assembly, for any additional executive, technical, managerial or consultative – pursuant to a professional license- duties or positions carried out by the Board member, and such Remuneration should be in addition to the Remuneration he/she may receive in his/her capacity as a member in the Board and in the committees formed by the Board, pursuant to the Companies Law and the Company's bylaws".

Note that other than the above amounts, Board members had not been granted to any in-linked benefits. In addition, none of the members received a percentage of profits or periodic remuneration or short/long term incentive plans.

B - Executive Management's Remunerations:

The Company's policy in the remuneration of senior executives are as follows:

The Board of Directors shall, upon the recommendation of the Nomination and Remuneration Committee, determine the remuneration of Senior Executives in which includes the following:

1. Fixed amount paid as salary and allowances. The allowances include housing, transportation, annual tickets for expats, and any other allowances proposed by the Nomination and Remuneration Committee and approved by the Board of Directors.
2. An annual bonus linked to performance indicators in accordance with the annual assessment completed for this regard.
3. Plans, policies, and types of bonuses for employees and Senior Executives are approved by the Board of Directors based on the recommendation of Nomination and Remuneration Committee.

The following statement shows the remunerations and benefits received by five Executives of the company, including the Chief Executive Officer and Chief Financial Officer, as follows:

Senior Executive	Fixed Remuneration				Variable - Periodic Remunerations*	End of Service Benefits	Aggregated Amount
	Salaries	Allowances	In-Kind Benefits	Total			
Five Senior Executives who have received the highest remuneration from the Company, including Chief Executive Officer and Chief Financial Officer.	4,250,620	1,487,723	-	5,738,343	-	951,384	6,689,727

No loans arranged by any director with a third party is guaranteed by the Company.

C. Members of Committees' Remunerations and Fees:

Member's Name	Fixed Remuneration (Excluding Meeting Allowances)	Meeting Attendance Allowances	Total In SAR m
Executive Committee			
Solaiman A. Al Twajjri (Chairman)	0.070	0.023	0.093
Hatem F. Balghoneim (Member)	0.070	0.023	0.093
Wasef S. Al Jebshah (Member)	0.070	0.023	0.093
Jameel A. Al Molhem (Member)	0.070	0.023	0.093
Audit Committee			
Abdulrahman A. Balghunaim (Chairman)	0.100	0.023	0.123
Sulaiman A. Al Sakran (Member)	0.100	0.020	0.120
Adeeb S. Al Fuhaid (Member)	0.100	0.023	0.123
Investment Committee			
Khalifa A. Al Mulheim (Chairman)	0.070	0.005	0.075
Khalid A. Al Omran (Member)	0.070	0.005	0.075
Waleed M. Al Jafaari (Member)	0.070	0.005	0.075
Nomination & Remuneration Committee			
Hatem F. Balghoneim (Chairman)	0.070	0.0075	0.0775
Sulaiman A. Al Kadi (Member)	0.070	0.0075	0.0775
Khalid A. Al Omran (Member)	0.070	0.0075	0.0775
Waleed M. Al Jafaari (Member)	0.070	0.0075	0.0775
Risk Management Committee			
Jameel A. Al Molhem (Chairman)	0.070	0.010	0.080
Abdulrahman A. Balghunaim (Member)	0.070	0.010	0.080
Abdulaziz S. Al Shaikh (Member)	0.070	0.010	0.080

8 - Preventive Restriction / Penalty

Based on the company's By-Law and article 14 of the Law on Supervision of Cooperative Insurance Companies issued by the Saudi Central Bank ("SAMA"), the Company has placed a statutory deposit of 10% of its capital to the order of the Saudi Central Bank ("SAMA").

A. Saudi Central Bank ("SAMA") Violation

The Subject of Violation	FY 2020		FY 2021	
	Number of Executive Decisions	Total Fines Amount (SAR)	Number of Executive Decisions	Total Fines Amount (SAR)
1 Violating SAMA Supervisory Regulation	1	5,000	3	240,000

B. A Fine of SAR 4,000 (Four Thousand Saudi Riyals) has been issued against the Company for violating Council of Cooperative Health Insurance implementing regulation.

9 - Corporate Governance

The Company's Corporate Governance responsibilities fall under the Board Secretary to foster the implementation of the governance rules. It carries out all tasks related to Shareholders, the Board of Directors, and other stakeholders, as well as updating the internal corporate governance framework and the corporate policies.

The Company ensures its compliance with the Insurance Companies Corporate Governance Regulations issued by Saudi Central Bank "SAMA" and Corporate Governance Regulations issued by Capital Market Authority "CMA", except for the below mentioned in Corporate Governance Regulation of CMA:

Article	Not implemented	Comments
Article (85) Paragraph (2)	Establishing a scheme for granting Company shares or a percentage of the Company profits and pension programs for employees, and setting up an independent fund for such program.	Guiding Article.
Article (85) Paragraph (3)	Establishing social organizations for the benefit of the Company's employees.	Guiding Article.
Article (95)	Formation of a Corporate Governance Committee.	Guiding Article. The Nomination and Remuneration Committee (NRC), in line with its terms of reference, is entrusted with the periodical revisions to ensure consistency of the applications and structures of governance adopted by the Company and to present their recommendations to the Board on such matters.
Article 93 Paragraph (4/B)	Five Senior Executives who have received the highest remuneration from the Company, provided that the Chief Executive Officer and Chief Financial Officer are among them.	Mandatory. The Company committed to disclose the total remuneration of the Senior Executive Management (Top Five). In order to protect the interests of the Company, its shareholders, and its employees and to avoid any damage that may result from the disclosure in details as per job titles and positions, hence description of remuneration is not presented pursuant to Appendix (I) Remuneration Schedule of Corporate Governance Rules related to Senior Executives and that is based on paragraph (B) article (60) of Rules on The offer of Securities and Continuing Obligations.

10 - Internal Control

As per the rules and regulations in KSA, the Board of Directors has formed an Audit Committee, with the prime responsibility of which includes discharging the Board's responsibilities in respect of supervision of the Company's financial reporting and evaluating the adequacy and effectiveness of the Company's audit (both internal and external) and risk management processes.

The Committee comprises of three members, all are independent. The chairman is an independent non-executive director of the Company. The Audit Committee held nine meetings in the year 2021, including its annual meeting with the Board. The purposes of these meetings included, among others, the following:

- Review and recommend the interim and annual financial results of the Company for Board of Directors' approval.
- Evaluate the adequacy and effectiveness of the internal and external audit functions.
- Evaluate the adequacy and effectiveness of the Compliance and AML departments.
- Assess the effectiveness of risk management practices and procedures.
- Review the Appointed Actuary reports and making recommendations thereon to the Board of Directors.
- Monitor the implementation of IFRS 17 Insurance Contracts project.

The satisfactory annual audit of the financial statements provides insights into the effectiveness of the Company's internal control environment and procedures and its risk management practices. In addition to that, the Internal Audit function of the Company assists the Audit Committee and consequently the Board of Directors in providing assurance that the Company's internal control system is adequate and effective in mitigating various risks faced by the company and hence ensuring that the objectives of the Company will be met.

The Internal Audit department maintains its organization's independence by functionally reporting to the Audit Committee as required the regulations and the best practices. As instructed by the Audit Committee and the requirement of policies and procedures of the company as well as best practices, the procedure followed by the Internal Audit department in discharging its responsibilities is as follows:

- All significant business processes are periodically risk-assessed and classified as high, medium, and low-risk types of business processes.
- An audit plan is then prepared and submitted to the Audit Committee for approval on an annual basis. The audit plan is risk-focused, i.e., the high-risk business processes are subject to more frequent audits and more rigorous internal audit procedures.
- As a result of evolving circumstances, the audit plan may require revisions. Any revisions to the audit plan are also approved by the Audit Committee.
- The audits are conducted in accordance with the approved audit plan, and its results are submitted in the form of a report to the Audit Committee.

The Internal Audit department has conducted a number of audits in accordance with the approved internal audit plan and reported the findings to the Audit Committee as a result of these audits, together with management's response. In addition, the progress towards the resolution of the audit findings is also reported periodically. The department also presents separately the most significant findings, if any, either as part of the scheduled or specially arranged meetings.

Based on the risk assessments, audit plan, and the internal audit review reports submitted by the Internal Audit department and the results of the quarterly reviews and the annual audits performed by the external auditors, the Audit Committee was able to conclude that internal control system in the company is effective.

Moreover, the Compliance function of the company assists the Audit Committee in ensuring compliance by the company's Management, the Board of Directors, and approved persons with all

relevant regulatory requirements, guidelines, and directives issued by SAMA, CMA, CCHI, and other statutory authorities. The compliance function's key responsibilities include the following:

- Developing, implementing, documenting and updating as needed compliance monitoring and risk management strategies, systems, procedures, processes and controls to meet SAMA's regulatory requirements, directives and Anti-Money Laundering regulations
- Ensuring Compliance with CMA rules and regulations, including listing requirements, regulatory compliance, and corporate governance.
- Monitoring changes in legislation for insurance and ensure that the company acts in accordance with the revised/changed requirements.
- Undertaking ongoing monitoring and ad hoc audits and checks to assess the validity and application of internal procedures and processes and their compliance with regulations and/or directives
- Ensuring that the company fulfills all the conditions required by SAMA and develops and maintains a professional relationship with SAMA and other statutory bodies.
- Working with departmental heads to direct compliance issues to appropriate channels for investigation and resolution
- Consulting with the company's legal advisors as needed to resolve legal compliance issues.

11. List of the dates of the General Assembly meetings held during the fiscal year 2021 and the names of the Board members who attended these meetings

As per the Company's Bylaws article (30), the Board on an annual basis announces to its Shareholders the date, time, and the location of the meeting to discuss and approve all related items to the shareholders' Board members and other matters through ordinary general assembly or non-ordinary (extraordinary) general assembly meeting.

Board Member	Ordinary General Assembly Meeting 23/06/2021
	Attendance
Sulaiman A. Al Kadi	✓
Khalifa A. Al Mulheim	✓
Wasef S. Al Jabsheh	X
Solaiman A. Al Twajjri	✓
Waleed M. Al Jafaari	✓
Abdulrahman A. Balghunaim	✓
Hatem F. Balghoneim	✓
Khalid A. Al Omran	X
Jameel A. Al Molhem	✓
Abdulaziz S. Al Shaikh	✓
Hesham A. Al Jabr ¹	✓

12 - Principal Activities

The Company is involved in cooperative insurance and reinsurance in the Motor, General, Health, and Protection & Savings lines of business and related investment activities. Though the company is engaged in inward reinsurance business, it does not contribute materially to the turnover and the reported surplus of the company for the year under review. Company has started writing Protection & Savings Insurance production after the completion of merging MetLife AIG ANB.

The composition of activities between major lines of business is as follows:

LOB (SAR' millions)	2021					2020				
	Motor	Health	P&C	P&S	Total	Motor	Health	P&C	P&S	Total
Gross Written Premium	611	362	1,211	155	2,339	699	120	643	11	1,473
Net Earned Premium	641	231	50	120	1,042	655	102	37	3	797
Total Revenue	642	233	125	121	1,121	657	107	81	4	849
Net Underwriting Income	(46)	(23)	63	10	4	148	3	58	3	212

13 - Company's Social Contributions

Since its founding, one of Walaa's core principles has been to improve the communities where we operate, creating social, environmental, and economic value.

Employee development and capacity building

The Company's culture is important because it is the very foundation of every organization; strong culture is an acknowledgment that people are the most critical asset a company holds and that protecting its people is the surest way to continued success.

Walaa invests in its personnel and has implemented a number of training and skills development programs. The Company believes these programs allow it to shape its workforce for the future.

Walaa Academy collaborates with top local and international institutions to provide robust career development programs. Walaa engages with top platforms, such as Lumofy, and LinkedIn.

In 2021, over 550 selected employees and trainees attended various training programs conducted externally or internally. Walaa Academy provides the opportunity to give advantage to Walaa employees' relatives in terms of getting their university training in addition to post-graduation training. Furthermore, Walaa have trained over 100 trainees (fresh graduates and university students/ COOP) during the year.

Occupational health and safety

Our focus on health and safety supports the Company's goal of protecting its workforce, preventing property losses, and avoiding business interruptions. We are proud to have successfully achieved ISO 45001: 2018, the world's first global health and safety management standard.

As a company that constantly focuses on people's health and safety, we are extremely honored to have successfully achieved this new standard.

The ISO 45001:2018 is based on a number of management principles about health and safety in the workplace including employee safety, reduction of workplace risks and creation of better working conditions.

Walaa Academy aims to take the opportunity to provide QHSE training in Ramadan month to

all employees starting with 2021, where Walaa had provided all personnel with safe driving, firefighting and first aid training. Walaa has applied these specific requirements and standards in its management system aimed at guaranteeing optimal working conditions, improving the efficiency of company processes and workplace safety performances, creating a culture of prevention as well as reducing the risk of accidents, injuries and occupational diseases. The Company benchmarks its safety performance against industry standards and performance targets. Safety performance is measured and tracked through a set of KPIs established by the QHSE Committee.

This certification demonstrates the strive of our management team to achieve improvements in occupational health and safety performance of our employees and clients. Even during these tough times, committed to coping with the Covid-19 health emergency, this goal proves our efforts to continually improve.



Fire Drill Awareness

Local citizenship

Walaa engages in a range of corporate social responsibility projects and initiatives to support the communities and the environment in which it operates.

Walaa is closely linked to the community and we believe we have a social and humanitarian duty towards society and the people of this great country. Walaa provided distinguished programs directed to charitable work and the development of the Saudi society, based on the teachings of the true Islamic religion. The Social Responsibility Group has established many programs and activities directed at members of Saudi society. And that through supporting and organizing activities and programs in the fields of Social, humanitarian, cultural, and national social events.

Our Social Initiative targets the most vulnerable members of society. For example, Walaa allocates SAR 1 per insurance policy issued to be donated; half for Bina'a for Orphans Care, and the other half would be donated to Prince Sultan Rehabilitation for Disabled People "Efa'a". Both are licensed charities in the Kingdom of Saudi Arabia. Orphans and their mothers under the Bina'a organization were provided support after they have lost their parents.

We have an agreement with the Comprehensive rehabilitation center for disabled males where we aimed to support them by providing suitable training, workplace and work opportunities. Walaa offers installment facilities for recovery cases and a discount for exceptional recovery cases, based on the individual financial conditions upon delivering proof of their difficult conditions from an official governmental organization.

Walaa participated in the Easterngreen initiative to plant around 1 Million tree. The initiative comes to establish a culture of concern for the environment, spread environmental and health awareness in the community, and the importance of afforestation for the country.

Walaa Insurance participated in a unique national initiative to support and sponsor the national day campaign coordinated by the Ministry of Human Resources and Social Development in cooperation with 18 different Government entities, under the slogan "Painting of a Nation" in celebration of the 91st Saudi National Day, in the waterfront of Al-Khobar "Corniche". The idea revolved around a large picture (2,400 sqm), with 8 parts of the components of the homeland and its spectrum, raised by volunteers to form one unique artistic image, which was the largest picture in the Kingdom in celebration of the Saudi National Day. More than 500+ volunteers had participated including the Egyptian, Indian, Pakistani, Bangladeshi, and Filipino Community, all working together, sharing the joy of this initiative, by presenting excellent team effort.

To help save the environment, Walaa donated computers to support the Ertiqa association's programs, which aim to develop society and protect the environment, which had a clear and tangible impact on achieving success.

We are proud to have reached and sustained a Saudization rate of over 75%. Walaa also seeks to prepare young Saudi men and women to take up challenging careers in the current and future labor market.

Walaa contributed to world health day by spreading awareness and sharing concerns about health issues in general and COVID19- in particular with employees and customers.

Walaa Supports Ithra 'Alsharqiya Gets Creative' by organizing a handcraft session for employees to launch their creativity by creating a large handcrafted logo of Walaa.



Easterngreen initiative

14 - Financial Performance

SAR' millions	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
Insurance operations:						
Gross written premium	2,339	1,473	1,215	1,105	1,102	1,017
Net Earned Premium	1,042	797	713	798	792	627
Reinsurance Commission	76	41	24	29	17	20
Other Underwriting Income	4	11	2	4	6	5
Total Revenue	1,121	849	739	831	815	652
Net Incurred Claims	(969)	(557)	(561)	(480)	(484)	(406)
Policy acquisition cost	(60)	(48)	(46)	(72)	(73)	(62)
Other Underwriting Expenses	(106)	(32)	(23)	(10)	(3)	(29)
Additional Premium Reserves	17	21	(4)	(5)	(2)	36
Other Technical Reserve	1	(22)	3	(21)	5	(5)
Total Underwriting Expenses	(1,117)	(637)	(629)	(588)	(558)	(466)
Net Underwriting Income	4	212	110	243	257	187
Operating Expenses/income	(146)	(136)	(97)	(130)	(92)	(63)
Income / (Loss) from insurance Operations	(142)	76	13	113	165	124
Insurance Operation's Net Income	-	8	1	11	17	12
Shareholder's operations:						
Income / (Loss) Transferred to Shareholders	(142)	69	12	102	149	112
Commission Income from Deposits	13	12	15	11	4	6
Dividend income on investments	10	3	1	1	1	-
Realized Gain / (Impairments) on Investments	16	1	-	(8)	(5)	3
Unrealized Gain on HFT investment	2	-	-	-	-	-
General & Administrative Expenses	(12)	(11)	(5)	(6)	(6)	(3)
Zakat and Income Tax	(9)	(22)	(2)	-	-	-
Net Income / (Loss) for the Period	(122)	51	21	100	142	118
Unrealized Gain/Loss from Investments	17	4	21	14	7	5
Other Comprehensive Income / (Loss)	(106)	55	42	114	149	122
Earnings / (loss) Per Share (EPS)	(1.89)	0.82	0.40	1.62	3.22	2.93

SAR' millions	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
Insurance Operation's Assets:						
Cash and cash equivalents	323	253	361	223	290	594
Short term deposits	202	485	330	431	400	-
Long term deposits	100	-	-	-	-	-
Premium and RI receivables, net	582	333	150	202	127	105
RI share of unearned premium	539	364	274	196	130	137
RI share of outstanding claims	339	163	98	125	111	151
RI share on claims IBNR	150	58	44	42	42	-
RI share of mathematical reserves	124	139	-	-	-	-
Deferred policy acquisition cost	36	25	17	24	37	33
Investments	63	-	-	-	-	-
Due from shareholder's operations	-	-	-	-	-	-
Prepaid expenses and other assets	97	90	49	34	28	47
Property and equipment	31	14	17	9	9	10
Intangible assets	5	2	1	1	1	-
Accrued commission income	2	-	0.2	2	3	-
Total insurance operation's assets	2,592	1,925	1,342	1,288	1,178	1,076
Shareholders Operation's Assets:						
Cash and cash equivalents	2	-	-	21	20	290
Short term deposits	-	167	211	448	425	-
Long term deposits	-	50	-	-	-	-
Investments / other financial assets	710	516	404	163	97	110
Due to shareholders operations	4	86	12	27	15	20
Prepaid expenses and other assets	0.2	0	-	-	-	-
Intangible assets	33	32	-	-	-	-
Goodwill	24	26	-	-	-	-
Statutory deposits	65	65	53	44	40	40
Accrued income on statutory deposits	11	10	6	4	3	2
Accrued commission income	5	4	5	3	2	-
Total Shareholders operation's assets	855	956	691	709	602	462
Total Assets	3,447	2,880	2,033	1,997	1,780	1,358

SAR' millions	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
Insurance Operation's Liabilities:						
Policyholders' claims payable	48	35	21	17	14	-
Accrued and other liabilities	189	152	97	115	72	75
Reinsurance balance payable	335	233	173	141	62	16
Unearned premium	1,074	790	638	537	539	495
Unearned reinsurance commission	31	21	14	12	10	7
Outstanding claims	481	234	140	152	161	430
Claims incurred but not reported	266	171	193	198	256	-
Gross mathematical reserves	124	139	-	-	-	-
Additional premium reserves	9	26	5	9	3	1
Other technical reserves	8	9	30	26	5	11
End of service indemnities	22	22	18	15	13	7
Due to insurance/shareholders' operations	4	86	12	27	15	20
Insurance operations surplus	2	10	4	14	31	15
Total insurance operation's assets	2,592	1,926	1,345	1,291	1,180	1,076
Shareholders Operation's Assets:						
Accrued and other liabilities	2	0	0	5	2	24
Zakat and income tax	31	29	16	29	26	-
Accrued income payable to SAMA	11	10	6	4	3	2
Due to insurance/shareholders' operations	-	-	-	-	-	-
Total shareholder operation's liabilities	44	39	22	38	31	26
Shareholders' Equity						
Share Capital	646	646	528	440	400	400
Share premium	103	103	30	30	30	30
Statutory reserve	63	63	53	49	32	6
Retained earnings / (Accumulated Losses)	(41)	81	40	155	127	24
Fair value reserve	39	22	18	(3)	(17)	(24)
Total Shareholders Equity	811	916	669	671	571	436
Remeasurement of benefits obligations	(0.1)	(1)	(3)	(2)	(2)	-
Total Equity	855	915	667	669	569	436
Total Liabilities and Equity	3,447	2,880	2,033	1,997	1,780	1,538

15 - Significant plans, decisions, and future prospects

The year 2021 was a challenging year for the insurance industry. Due to the impact of post COVID-19 lockdown period, both motor and medical segments was impacted from the increase of claims. The individual Third Party Motor Insurance business faced stiff competition in pricing, on the other hand it suffered from increase of underwriting expenses and increase number of accidents which was mainly caused from the majority of the individuals not travelling outside of the kingdom for the whole year. Yet under the challenging environment and stiff competition, Walaa has managed to maintain its market share during the year, while increasing its diversification in other lines such as Protection & Saving and General insurance segments. Walaa is proud of crossing the '2 Billion-Riyal' mark with a 59% growth in GWP from last year.

The insurance industry in KSA is highly regulated, with several onerous regulatory and disciplinary requirements imposed by the Regulators. The Company ensures its compliance with all the related laws and regulations issued by the regulatory institutions in the Kingdom.

Walaa continue to intend to secure business opportunities across a wide geographical spectrum in the Kingdom and also be in a position of supporting its valued clients in addressing their insurance and claim requirements. It is a well-recognized fact that an insurance cover is needed by all segments of society – be it an individual for motor vehicle or health, or complex industries and installations where the risk-management as a function occupies a very critical position. Walaa intends to reach out to all these segments in the society by providing top-quality risk-management products, backed up by strong technical and support teams. Walaa is committed to building its own sales team who are qualified to better understand the growing needs in the insurance market across the nation and in line with the kingdoms vision 2030. The Company wants to further strengthen its working relationship with all brokers functioning in the Kingdom and, at the same time, focus on insure-tech solutions such as aggregators. Walaa continues would like to capitalize on its partnership with ANB bank as a result of the merger transaction MetLife AIG ANB Cooperative Insurance Co., and would be able to partner with SABB Bank upon the completions of the merger with SABB Takaful Company.

Walaa's outreach is well spread across the kingdom through its retail branches and points of sale. The company is planning to sell other retail products through the branch network, to diversify and also to reduce dependence on motor retail. The Company is planning to increase its sales in motor and medical corporate business and, at the same time, continue to do well in other general products. In addition, company is also concentrating and focused to increase its Protection and Saving production.

In today's world, business models are driven primarily by support from information technology. Our current IT systems played a vital role in the success of our Company, but as the company grow, it was important to implement new ERP system that will take the company to its next stages, as such we are proud to announce that the company have implemented new ERP:- eBao a proven insurance system as our core platform for technical operations, and Oracle for the support services, including Finance, procurement and HR. It is planned to take another 12 to 18 months to complete all the digitization initiatives of the company.

Walaa has successfully completed the first merger transaction in the KSA insurance market on 1st March 2020 with MetLife AIG ANB Cooperative Insurance Company (MAA). This is another first and commendable achievement of Walaa, where Walaa has fully acquired MAA with several benefits of increasing the capital of Walaa from SAR 528 million to SAR 646 million, having Arab National Bank as a shareholder came with an advantage of signing various agreements for insurance coverage. Furthermore, the company entered into Protection & Savings business benefiting from MAA's previous experience. As part of further regrowth opportunities, Walaa will be conducting its 2nd merger, as we have successfully signed a binding merger agreement with SABB Takaful, through this 2nd merger Walaa will increase its capital by SAR 204 million to reach a paid up capital of SAR 850 million, and will have SABB Bank as strategic shareholder and partner which will further expand Walaa's distribution network, and help to grow the Protection & Saving market share.

The financial stability is what sets Walaa apart from its competitors and is driving the company towards successful growth. Walaa has been assigned an A3 Insurance Financial Strength Rating (IFSR) with a stable outlook by Moody's Investors Service. Additionally, Walaa has a Financial Credit Rating of A- with a stable outlook from S&P. The Company has also secured a gc AAA long term Gulf Cooperation Council Regional-scale financial strength credit rating from S&P. These ratings of Walaa reflect its strong brand and market position, strong asset quality, good capital adequacy, strong reserve adequacy, and consistent performance, indicating that Walaa is a robust core insurance platform and have a commendable degree of financial strength to honor our Policyholders' obligations.

Furthermore, the rating agency expects that Walaa will improve its profitability and increase its capital to further support it's underwriting growth.

As a company, Walaa aims to be known as the best-governed company in the region. The Company's performance and Shareholders' Equity is now well-positioned and is set to grow stronger in the years to come. In addition to maintaining "A" rating, the Company is also proud to be following international standards and best practices, by holding ISO 31000:2018 Enterprise Risk Management System, ISO 9001:2015 Quality Management System, ISO 270001:2017 Information Security Management Certification, ISO 22301:2012 Business Continuity Management System, ISO 45001:2018 Occupational Health & Safety, ISO 14001:2015 Environmental Management System, and ISO 26000:2010 Social Responsibility certifications. This will help Walaa to progress well with its customer-first approach and always be able to serve policyholders beyond their expectations.

Shariah Compliance

Operating under the Cooperative Insurance module and servicing clients within the kingdom of Saudi Arabia, being a Shariah Compliant company is important to the management and the board of directors. Walaa has appointed Shariyah Review Bureau Co. as a Shariyah Review Committee. Part of the committee duties is to review annually the company's financial activates, investments, insurance mechanism, insurance programs, products and services from an Islamic point of view, to confirm their compliance with the Shariyah principles, and then report the review processes results periodically – after which the company executes any required amendments if they exist - to the board of the Shariyah Review Bureau for certification, taking into consideration any modification as may be required by the Shariyah board in order to approve the company's activates. If any purification is required, the company ensures that the purification is conducted as required, thus the shareholders are not required to make any purifications from their side. The Shariyah Board consists of eminent scholars as nominated by them from time-to-time.



16 - Risks faced by the Company:

The Company has established a Risk Management Framework to protect the Company from events that hinder the sustainable achievement of its performance objectives, including failing to exploit opportunities.

The main risks faced by the Company can be categorized as follows:

a) Strategic risk: Strategic risk is the risk of a loss in earnings, capital, or franchise value that are created by or impact decisions relating to the business plan or strategic objectives; like the process of setting strategic and business plan objectives, specifications on how to achieve those objectives, as well as the implementation of those objectives and plans. This includes the failure to respond adequately to changing conditions. The Board of Directors ensures that The Company continuously adapts to changes and developments with regard to regulatory regime and new technology trends and to protect and enhance the company's reputation, brand, and trust. Post-pandemic, there was no huge impact on the Strategic Risk as the company has developed and implemented a robust business continuity management system to ensure appropriate preparedness of opportunities and recovery procedures used in response to events impacting critical business functions is in place.

Strategic Risks are typically attributed to the following risk categories:

- Changing regulatory, legal, and behavioral environment affecting the Company's volume or quality of sales performance or the profitability of the business in force (customer protection, Conduct of Business, underwriting practices, reserving, and solvency requirements). This may put the Company in a disadvantageous position due to additional costs required to incur to meet the requirements.
- Changes in competitor landscape or market position and can include the behavior of competitors (pricing strategy).
- Distribution Risk of losses in shareholder value due to less than expected performance of distribution channels on a systemic basis, which may affect the volume or quality of new sales, renewals or the profitability of in force business.
- Concentration risk refers to significant losses in shareholder value driven by a lack of diversification in exposure, such as risk factors, industries, or geographic.

b) Non-Life Underwriting Risk: The risk arising from the inherent uncertainties about the occurrence, amount and timing of insurance contract liabilities and premiums.

- Underwriting Risk: Underwriting Risk is the risk of loss arising from underwriting activities like inadequate pricing, accepting errors risk and incorrect risk assessment. The Company monitors Non-Life Underwriting risk where it strictly follows Underwriting procedures, guidelines, and the application of the four-eye principle. The company has set proper mechanisms in place to limit the exposure to non-preferred risks and has zero tolerance towards the exposure of any unplaced reinsurance covers. Therefore, The Board of Directors of The Company ensures to provide need-based customized insurance solution after adequate evaluation of risk.

- Reinsurance Risk: In order to minimize financial exposure arising from large claims, the Company, in the ordinary course of business, enters into agreements with other parties for reinsurance purposes. To mitigate its exposure to significant losses from reinsurer insolvencies, the Company evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics of the reinsurers.

The Company evaluates the significant portion of reinsurance business ceded placed on a treaty and facultative basis with retention limits varying by product lines. Amounts recoverable from reinsurers are estimated in a manner consistent with the assumptions used for ascertaining the underlying policy benefits. The Company ensures that reinsurers are selected using the following parameters and guidelines set by the Company's Board of Directors. The criteria may be summarized as follows:

- Minimum acceptable credit rating by recognized rating agencies (e.g. S&P) that is not lower than BBB or equivalent.
- Reputation of particular reinsurance companies.
- Existing or past business relationship with the reinsurer.

Furthermore, the financial strength and managerial and technical expertise as well as historical performance of the reinsurers, wherever applicable, are thoroughly reviewed by the Company and agreed to pre-set requirements of the Company's Board of Directors and Reinsurance Committee before approving them for exchange of reinsurance business.

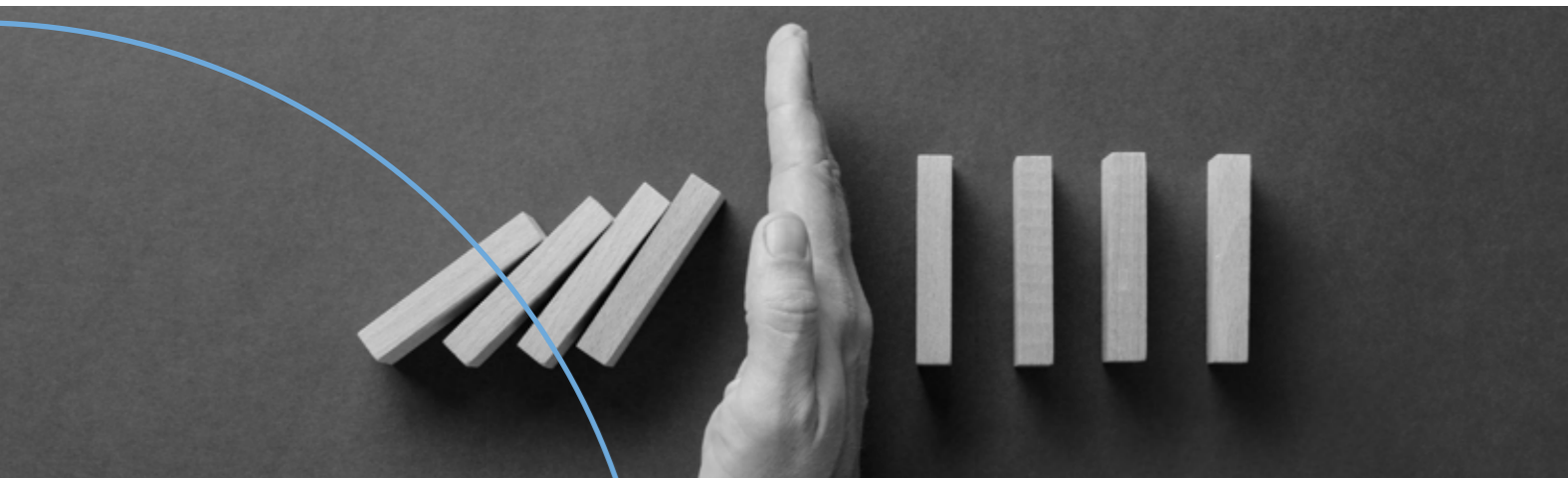
c) Market Risk: is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest-rate risk), and market prices (price risk).

- The Company's market risk policy sets out the assessment and determination of what constitutes a market risk for the Company. Compliance with the policy is monitored, and exposures and breaches are reported to the Company risk committee. The policy is reviewed regularly for pertinence and for changes in the risk environment.
- Guidelines are set for asset allocation and portfolio limit structure to ensure that assets back specific policyholders' liabilities and that assets are held to deliver income and gains for policyholders which are in line with their expectations.
- The Company stipulates diversification benchmarks by type of instrument and geographical area, as the Company is exposed to guaranteed bonuses, cash, and annuity options when interest rates fall.
- There is strict control over hedging activities (e.g., equity derivatives are only permitted to be held to facilitate portfolio management or to reduce investment risk).

The Board of Directors of the Company ensures that the overall market risk exposure is maintained at prudent levels and is consistent with the available capital. While the Board gives a strategic direction and goals, risk management of market risk is mainly the responsibility of the Investment Committee team. The team prepares forecasts showing the effects of various possible changes in market conditions related to risk exposures. This risk is being mitigated through the proper selection of securities. The Company maintains diversified portfolio and performs regular monitoring of developments in related markets. In addition, the key factors that affect stock and Sukuk market movements are monitored, including analysis of the operational and financial performance of investees.

d) Counterparty Default Risk: Default of a counterparty or obligor under various legal agreements with the Company, including payment agreements, reimbursement agreements, guarantees, and other financial obligations including financial instruments, reinsurance, etc. It also includes the risk of the counterparty or obligor's credit rating being downgraded, which may impact an insured's payment and other financial obligations to The Company as well as a reduction in asset market value of a security.

The concentration of Counterparty Default risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to The Company's total credit exposure. The Company's portfolio of financial instruments is broadly diversified, and transactions are entered into with diverse credit-worthy counterparties, thereby mitigating any significant concentrations of Counterparty Default risk.



The Company ensures that reinsurers are selected using the following parameters and guidelines set by the Company's Board of Directors. The criteria may be summarized as follows:

- Minimum acceptable credit rating by recognized rating agencies (e.g. S&P) that is not lower than BBB or equivalent.
- Managerial and technical expertise.
- Historical performance.

Covid-19 pandemic impacts the business performance, as this has an impact on the entire insurance sector and the Saudi economy as a whole. Given that business operations have been disrupted, which drives to a reduction in revenues and profit. As a result, loss that arises from payments that are yet to be received that are past due date as agreed upon in the invoice/ not being able to collect premium from customers when it's due - overdue receivable.

e) Liquidity Risk: is the risk that the Company will encounter difficulty in raising funds to meet obligations and commitments associated with financial liabilities. The Company has a proper cash management system, where daily cash collections and payments are strictly monitored and reconciled on a regular basis. The Company manages liquidity risk by maintaining maturities of financial assets and financial liabilities and investing in liquid financial assets.

- The Company has a liquidity risk policy that sets out the assessment and determination of what constitutes liquidity risk for the Company. Compliance with the policy is monitored, and exposures and breaches are reported to the Company risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.
- Guidelines are set for asset allocations, portfolio limit structures, and maturity profiles of assets in order to ensure sufficient funding is available to meet insurance and investment contract obligations.
- Contingency funding plans are in place, which specifies minimum proportions of funds to meet emergency calls as well as specifying events that would trigger such plans.
- The Company's catastrophe excess-of-loss reinsurance contracts contain clauses permitting the immediate drawdown of funds to meet claim payments should claim events exceed a certain size.

To manage the liquidity risk arising from financial liabilities mentioned above, the Company holds liquid assets comprising cash and cash equivalents and investment securities. These assets can be readily sold to meet liquidity requirements.

Post- Covid-19 situation, the Company has assessed its liquidity position and was not expecting any significant liquidity risk. Since the Company is rich in cash and the company's investments in short-term assets can be liquidated at any point in time.

f) Operational Risk: Operational Risk is the risk of potentially losing a portion of shareholder value as a result of failed internal processes, personnel, systems, or external events. This includes manual and computerized internal processes systems, including IT, communications, legal, strategic, and reputational risks. Robust systems and processes are in place to ensure that Operational risks are within the set appetite limits. Significant resources are devoted to maintain efficiency and effectiveness, throughout all operations, within the Company's framework of corporate responsibility, policies, and business ethics code. The Company's Executive Team oversees aggregate operational risk exposure and reports to the Board.

The Company has an internal control function that oversees various controls to ensure adherence to all policies and procedures, the staff has adequate training and experience and fosters effective communication related to operational risk management, regular operational risk reviews, and reports on findings, developments, and updates of IT systems.

The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors.

As the situation changes, Covid-19 may affect essential operations of The Company, and to reduce the impact of the pandemic, The Company has developed a proper Business Continuity Management System to ensure the continuity of services during emergencies or crisis maintaining confidentiality, integrity, and availability of the Business data at all the times. To support the Business Continuity Plan, ICT Disaster Recovery procedure was created to apply a recovery of all critical IT systems, primary data center and all employees and non – employees of the Company who are directly or indirectly responsible for managing these systems which were set by the Company's Board of Directors.

g) Regulatory and AML Risk: Regulatory and AML Risk is the risk arising from lack of awareness or misunderstanding of, ambiguity in, or misapplication of, the way law and regulation apply to the Company, its relationships, processes, products, and services. The Company's management and compliance manager should ensure compliance with all regulatory requirements, initiate a timely update for regulatory changes, and enable the Company to remain compliant with all regulatory changes.

The Board of Directors of the Company ensures compliance with all regulatory requirements, strives to create a balance between timeliness and effective assessment of claims and has no appetite for breaching SAMA claim settlement requirements and complaints handling.

h) Cyber Security Risk: is the potential loss in earnings capital or franchise value resulting from failures or vulnerabilities in the governance and security of organizational assets, individuals, other organizations, and the nation due to the potential for unauthorized access, use, disclosure, disruption, modification, inspection, recording or destruction of information. That may take any format, whether electronically or physically.

The Board of Directors ensures that the company is not exposed to any successful cyber-attacks or damage to its assets from malicious activities that will eventually lead to system breakdown. In which this risk is being mitigated through the proper selection of security controls and monitoring of Cyber Security activities (SOC).

17 - Geographical operations

The Company does not have any overseas subsidiaries and operates within the Kingdom of Saudi Arabia. The geographical spread of Gross Written Premiums written within the Kingdom during several years is as follows:

Geographical Spread of Gross Written Premium, SAR' m						
Year	Eastern	Central	Western	North	South	Total
2021	1,791	317	146	68	17	2,339
2020	868	232	218	113	42	1,473
2019	714	102	248	114	37	1,215
2018	697	99	197	96	16	1,105
2017	474	104	320	176	28	1,102
2016	417	75	315	173	37	1,017

18 - Material Variations from previous year:

Please find below the table for reported the operational results for the year 2021 as compared to previous year, along with the explanation for variance: Figures in SAR Millions.

Reported Line Item (SAR' millions)	Year		Change in		Explanation for Change
	2021	2020	Amount	%	
Gross Written Premium	2,339	1,473	866	59%	Increased mainly due Medical, Production & Savings and Energy lines.
Net Earned Premium	1,042	797	245	31%	Increase in RI Commission mainly from Engineering, Liability, and Energy lines.
Net Claims Incurred	(969)	(557)	412	74%	Mainly Increase in Medical and Motor line of business as in 2020, the company had a positive impact on Motor due to COVID-19 lockdown period.
Change In Other Technical Reserve	1	(22)	(23)	-104%	Due to COVID-19 lockdown period Motor TPL policies was extend by 2 months, an additional premium deficiency reserves was created to account for such extension.
Policy Acquisition Cost	(60)	(48)	12	25%	Increase in commissions payable, in line with the business growth.
Other Underwriting Expenses	(106)	(32)	74	231%	Increase in Najm fees, due to the change of charging mechanism to be based on policy issuance instead of claims processed.
Operating And General Expenses-PH	(146)	(136)	10	7%	Mainly Increase in: doubtful debts provisions (inline with the business growth) and information technology expenses (in line with the new systems implementation initiative).
Commission On Bank Deposits-PH Operation	10	3	8	270%	Interest commission increased due to improvement in market interest rates.
Net Income From Insurance Operations	(142)	76	(218)	-287%	Due to the reasons stated above.
Commission Income from Deposits - SH Operation	13	12	1	10%	Mainly due to increase on the exposure of sukuk investments.
Dividend income on investments - SH Operations	10	3	7	281%	The company has diversified its investment book by placing funds in dividend generating investments.
Realized Gain / (Impairments) on Investments - SH Operations	16	1	16	3165%	Increase mainly due realization of Saudi equity investments inline with the market improved performance .
Zakat And Income Tax	(9)	(22)	(13)	-58%	inline with the zakat base calculation, part of the reduction was due to the optimization of the zakat base by placing more investments in government sukuku.
Net Income For The Period	(122)	51	(173)	-340%	Due to the reasons stated above.
Unrealized Change In Fair Value	17	4	13	313%	Saudi market equity, subject to market movements.
Total Comprehensive Income	(106)	55	(161)	-292%	Due to the reasons stated above.

19 – Accounting Standards

The Company adheres to the International Financial Reporting Standards ("IFRSs") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). IFRS 17 has been published on May 18, 2017, which applies to insurance contracts issued, reinsurance contracts, and investment contracts. Currently, the effective date of IFRS 17 is January 01, 2023, whereas the comparative period starts from January 01, 2022. Implementing IFRS 17 will result in a change to the accounting policies for insurance contracts together with amendments to presentation and disclosures at the date of the publication of these financial statements. The Company expects that adopting the standard will likely have an impact on IT systems and data requirements. The Company however, does not expect a significant financial impact from adopting the standard due to the short-term nature of its insurance contracts and the related settlement patterns of its cash flows.

Consequently, IFRS 17 will enable investors, analysts, and others to make better economic decisions using transparent and timely information about the risks from, and variability in, obligations arising from insurance contracts. IFRS 17 requires a company to recognize profits as it delivers insurance services as well as to provide information about insurance contract profits that the company expects to recognize in the future. This information will provide additional metrics that can be used to evaluate the performance of insurers and how that performance changes over time.

20 – Name of each affiliate company, its capital, the company's ownership percentage, the main scope of business, country of operation and country of incorporation

The Company does not have any affiliate company.

21 - Details of shares and debt instruments issued for each affiliate company

The Company does not have any affiliates companies.

22 - Dividend Policy

The Company adopts the requirements to distribute dividends as and when declared, as per its Bylaws article (46), each shareholder is entitled to his share of the profit according to the General Assembly resolution. The Dividends resolution shall state the due and distribution dates. Moreover, the shareholders who are registered in the shareholder book/record are eligible for the profit of the determined date. The Company shall notify CMA without delay of the Dividends resolution or recommendation with regards to proceed at a place and time determined by the Board and in accordance with the instructions issued by the regulators taken into consideration Saudi Central Bank (SAMA)'s approval.

During the year 2019, Company declared a cash dividend of 10% and bonus shares of 20%, utilizing a good portion of the retained earnings.

The Board of Directors did not recommend the distribution of any dividends for the year 2021 due to the accumulated losses.

23 - Description of any interest in a class of voting shares held by persons (other than the company's directors, Senior Executives and their relatives) who have notified the company of their holdings

During 2021, there was no interest in a class of voting shares held by persons (other than the company's Directors, Senior Executives and their relatives) who have notified the Company.

24 - Interest, Options and Subscription rights

During the year 2021, details of interests, options, and subscription rights of the issuer's Board of Directors, Senior Executives, their spouses, and minor children in the shares of the Company or debt instruments are as follows:

	Name of Person of Interest	Beginning of 2021		End of 2021		Total Change	Percentage of change
		No. of Shares	debt instruments	No. of Shares	debt instruments		
1	Sulaiman A. Al Kadi	2,719	-	2,719	-	-	-
2	Khalifa A. Al Mulhim	1,701,129	-	1,951,129	-	250,000	15%
3	Wasef S. Al Jebseh ¹	2,020,569	-	2,020,569	-	-	-
4	Solaiman A. Al Twajjri	1,320	-	-	-	(1,320)	(100%)
5	Waleed M. Al Jafaari	633,600	-	633,600	-	-	-
6	Abdulrahman A. Balghunaim	-	-	-	-	-	-
7	Hatem F. Balghoneim	64,532	-	6,524	-	(58,008)	(90%)
8	Khalid A. Al Omran	2,061,916	-	2,061,916	-	-	-
9	Jameel Al Molhem	1,200	-	1,200	-	-	-
10	Hesham A. Al Jabr ²	3,545,146	-	3,545,146	-	-	-
11	Abdulaziz S. Al Shaikh	-	-	-	-	-	-

(1) Shares owned by International General Insurance Company Ltd.

(2) Shared owned by Arab National Bank. Appointment was effective 25th May 2020 till the conclusion of the remaining term of the Board.

Senior Executives and their spouses and minor children have no interests, options, and subscriptions rights in the Shares or Debt Instruments of the Company.

25 – Borrowings, Issue/Redemption of Securities

The Company has neither borrowed any funds nor issued or redeemed any securities during the year 2021 and does not have any outstanding convertible and/or redeemable debt instruments, options, warrants or similar rights.

26 – Description of the class and number of any convertible debt instruments, contractual securities, preemptive right or similar rights issued or granted by the company during the fiscal year

During 2021, there were no convertible debt instruments, contractual securities, preemptive right, or similar rights issued or granted by the Company.

27 - Description of any conversion or subscription rights under any convertible debt instruments, contractually based securities, warrants or similar rights issued or granted by the company

During 2021, there were no conversion or subscription rights under any convertible debt instruments, contractually based securities, warrants or similar rights issued or granted by the Company.

28 – Description of any redemption, purchase or cancellation by the company of any redeemable debt instruments and the value of such securities outstanding, distinguishing between those listed securities purchased by the company and those purchased by its affiliates

During 2021, there was no redemption, purchase, or cancellation by the Company of any redeemable debt instruments.

29 - Shareholders Records

The shareholders' records were requested by the Company nine times during the year 2021, as shown in the below table:

Request Date	Date of Shareholders Record	Reason to Request
03 Mar 2021	31 Jan 2021	Others - Update of Shareholder Records
03 Mar 2021	28 Feb 2021	Others - Update of Shareholder Records
01 Apr 2021	31 Mar 2021	Others - Update of Shareholder Records
17 Jun 2021	16 Jun 2021	Corporate Action
23 Jun 2021	23 Jun 2021	General Assembly
01 Jul 2021	30 Jun 2021	Others - Update of Shareholder Records
13 Sep 2021	12 Sep 2021	Others - Update of Shareholder Records
07 Oct 2021	06 Oct 2021	Others - Update of Shareholder Records
03 Nov 2021	02 Nov 2021	Others - Update of Shareholder Records

30 - Related Party Transactions:

Related parties represent major shareholders, Board of Directors, key Management personnel of the Company, and entities controlled, jointly controlled, or significantly influenced by such parties. All transactions with such related parties are conducted on normal terms and conditions, which are approved by the management.

The table below illustrates the details of related parties' transactions during the year ended 31st December 2021:

Related Party Name	Board Member (Representative for the Related Party)	Relationship Nature	Nature of Transactions	Nature as per Account Register	Contract Duration	Transaction Amount
Sulaiman A. Al Kadi	Sulaiman A. Al Kadi	Chairman	Motor Insurance	Insurance Operations	12-months	0.021
Advanced Petrochemical Company	Khalifa A. Al Mulhiem	Vice Chairman	Various Insurance	Insurance Operations	12-months	2.266
Al Jazeera Support Services Company (MEHAN)						
Khalifa A. Al Mulhiem Company LTD (KAMCO)						
The National Shipping Company						
Precast Building System						
Khalifa A. Al Mulhiem						
Acceleration Company	Hatem F. Balghoniem	Member	Motor Insurance	Insurance Operations	12-months	0.2
Hatem F. Balghoniem						
Abdulrahman A. Balghunaim	Abdulrahman A. Balghunaim	Member	Motor Insurance	Insurance Operations	12-months	0.003
Khalid A. Al Omran	Khalid A. Al Omran	Member	Motor Insurance	Insurance Operations	12-months	0.02
Abdulaziz S. Al Shaikh	Abdulaziz S. Al Shaikh	Member				-
Al-Dawaa Medical Service Co. LTD.	Waleed M. Al Jafaari	Member	Various Insurance	Insurance Operations	12-months	2.523
Amiantit Group of Companies	Solaiman A. Al Twajiri	Member	Various Insurance	Insurance Operations	12-months	0.03
Solaiman A. Al Twajiri						
Arab National Bank (ANB)	Hesham A. Al Jabr	Member	Various Insurance	Insurance Operations	12-months	45.68
International General Insurance (IGI)	Wasef S. Al Jesbshah	Member				-
Takween Advanced Industries	Jameel A. Al Molhem	Member	Various Insurance	Insurance Operations	12-months	2.91
Jameel A. Al Molhem						
Total - (SAR in Million)						53.653

31 - Any business or contract to which the company is a party and in which a director of the company, a Senior Executive, or any person related to any of them is or was interested

Senior Executive Name	Position	Nature of Transaction	Nature as per Account Register	Contract Duration	Transaction Amount*
Johnson Varughese	Chief Executive Officer	Motor Insurance	Insurance Operations	12 Months	0.013
Mohannad M. Al Desouki	Chief Financial Officer	Motor Insurance	Insurance Operations	12 Months	0.062
Wasif F. Minhas	Chief Technical Officer (General & Motor)	Motor Insurance	Insurance Operations	12 Months	0.055
Syed Raza Haider	Appointed Actuary	-	-	-	-
Turki A. Al Buraik	VP, HR and Admin	Motor Insurance	Insurance Operations	12 Months	0.074
Total					0.210

*Please note that figures are in millions

32 - Description of any arrangement or agreement under which a director or a Senior Executive of the company has waived any remuneration

No member of the Board of Directors or senior executives of the Company has made any waiver of any remuneration.

33 - Any arrangement or agreement under which a shareholder of the company has waived any rights to dividends

No shareholder of the company has waived any rights to dividends.

34 - Statutory dues and payments

During the year 2021, the Company has made the following statutory payments on account of zakat, taxes, and other fees. The company does not have any outstanding statutory dues as on 31 December 2021, except for the following:

All Figures in SAR Millions

Statutory Expenditure Type	2021		Brief Description	Due Reasons
	Paid Amount	Due Amount		
General Authority of Zakat & Tax (GAZT)	37.91	31.21	Annual Zakat and Tax in conformity with the regulations of ZATCA.	Includes outstanding Zakat and Tax for previous years in accordance with final assessment orders in conformity with the regulations of ZATCA (SAR 21.95 million) with note that the company has provided provision of (SAR 9.25 million) for Zakat to cover Zakat obligations for the year.
Saudi Central Bank (SAMA)	-	-	Inspection and Supervision Fees.	Company is exempted from SAMA fees for 3 years starting Q4 2020, as an incentive to the merger.
General Organization for Social Insurance (GOSI)	8.14	0.67	Social insurance contributions for company employees.	Due for December 2021 and paid in January 2022
Council of Cooperative Health Insurance (CCHI)	3.43	1.14	Inspection and Supervision Fees.	Due for December 2021 and paid in January 2022
Ministry of Interior, Chamber, Labor Office, SAGIA	1.21	-	Fees for issuance of visas, passports, and other government fees for company and its employees.	Paid on time (no dues).
Saudi Stock Exchange (Tadawul)	0.55	-	Listing Fees.	Paid on time (no dues).
Total	51.24	33.02		

35 - Employees' Benefits

The Company did not make any investments or set up any reserves for the benefit of the employees. The Company provides personal accidents with group life insurance cover to its employees against any accidental death or disability.

36 - Statements of Affirmation

The management and the Board of Directors' of Wala Cooperative Insurance Company confirms the following:

- Proper books of account have been maintained;
- The system of internal control is sound in design and has been effectively implemented;
- There are no significant doubts concerning the Company's ability to continue its activities;
- There is no conflict between the recommendations of the Audit Committee and the resolutions of the Board of Directors.

37 - If the external auditor's report contains reservations on the annual financial statements, the Board report shall highlight this mentioning the reasons and any relevant information

The external auditors' report did not negatively qualify any matter on the annual financial statements of Wala Cooperative Insurance Company (Wala), nor did it contain any reservations.

38 - External Auditors

Ordinary General Assembly meeting was held on 23th June 2021, whereby approval of appointment of the auditors among the nominated as recommended by the Audit Committee to audit and review the Company's accounts for the second, third quarter and annual statements for the year 2021 and first quarter of 2022, and determination of their fees. Auditors are El Sayed El Ayouty & Partners and Abdullah Mohammed Al Azem & Salman Bandar Al Sudairy Company.

39 - Board of Director's recommendation to replace the external auditor before the end of its term

The Board of Directors did not recommend replacing the Appointed External Auditors prior to the end of their term.

40 - Audit Committee recommendations, which are inconsistent with the decision of the Board, or which the Board has refused to consider regarding the external auditor

There are no recommendations made by the Audit Committee, which are inconsistent with the decision of the Board, or which the Board has refused to consider regarding the external auditor.

Conclusion:

The Board of Directors would like to thank and express its appreciation to the Company's valued clients for their high confidence, and the Board is pleased to express its sincere thanks and gratitude to the shareholders who played a key role in the development of the Company and making it progress well in the insurance market in the Kingdom, and the Board is keen to express its sincere thanks and appreciation to the directors, managers, and employees for their dedicated efforts throughout the reporting period.

Board of Directors of Wala Cooperative Insurance Company



In Wala, we are building
an institution to last for
our future generations.



Walaa والاء

Walaa Cooperative Insurance Company
Saudi Joint Stock Company



Paid up Capital: SAR 646,397,060
Commercial Registration number: 2051034982
Unified number: 7001526578
Under the supervision and control of Saudi Central Bank
(SAMA) - Authority License (TMN/16/2008)

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