



13th Annual Board of
Directors' Report

2020



Year ended - 31. December. 2020





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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Message from the Chairman of the Board of Directors

Dear Shareholders,

I am delighted to present the report of the Board of Directors of your Company for the year 2020. During 2020, Walaa reported a Gross Written Premium (GWP) of SAR 1.473 billion against SAR 1.215 billion during 2019 (an increase of 21%). 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. Since then, 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 thirteenth-year of growth and progress.

GWP 2020
1.473 billion

GWP 2019
1.215 billion

Increase
21% ↑

I am pleased to inform you that Walaa has successfully completed the first merger transaction in the KSA insurance industry with Metlife AIG ANB Insurance Company (MAA) on 29th February 2020. Since then, Walaa has been working tremendously well in order to integrate financial records, systems, business, and people of two entities. I am happy to inform you that Walaa has achieved its target integration plan well on time even though the company faced some challenges due to COVID-19 situation. Most importantly, this merger has provided Walaa with the opportunity of entering into the Protection & Savings (P&S) business.

Walaa plans 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. The main reason this capital is required, is to maintain not just the statutory solvency level but to also increase the risk-based capital base in the coming five years, particularly since Walaa has put together an aggressive plan in the following year:

1. Significant growth in the Medical line of business, which will require capital support to manage the increased solvency requirement.
2. Material change in the reinsurance strategy for Property and Casualty line of business, with focus on increasing the retention and, consequently, profits within Walaa's books.
3. Activation and aggressive growth in Protection & Savings line of business, with a special focus on individual life business. Walaa has the intention to develop back-end loaded unit-linked products, which can be capital intensive, especially when accumulating large volumes.

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) in December 2018. Additionally, S&P has upgraded Walaa's rating from BBB+ to A-.



In addition to securing “A” rating, the Company is also proud to have secured ISO 9001:2015 (Quality Management System), ISO 27001:2017 (Information Security Management), ISO 22301:2012 (Business Continuity Management Systems), and ISO 45001:2018 (Occupational Health & Safety) certifications. Walaa is progressing well with its customer-first approach and always willing to serve policyholders beyond their expectations.

The Board of Directors likes to thank its shareholders for their trust and confidence and also the work-force of the Company for their dedicated efforts and hard-work and hope that this will continue the same 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 in place, qualified and competent trained Saudi employees to achieve its objectives in all aspects of the business. In this regard Walaa is introducing a comprehensive training and development program “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 2020, more than 77% of its work-force 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 heartily 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

Johnson Varughese
Chief Executive Officer

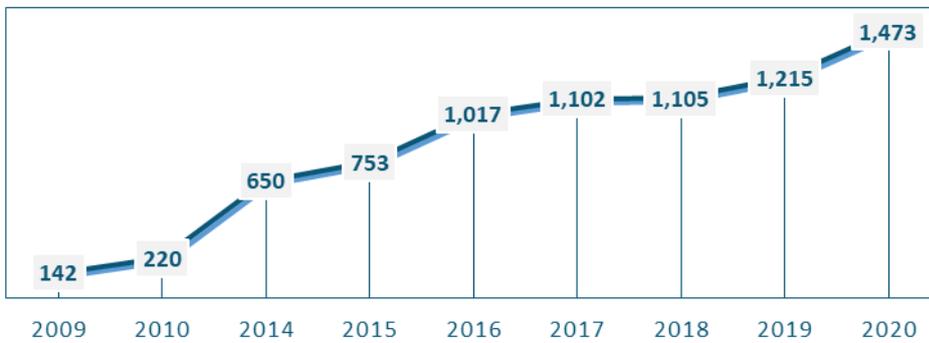


Dear Shareholders,

With pride and privilege that the 13th Annual Report of Walaa is presented to you with satisfying results and with a prospect of sustained growth expected in the forthcoming years, Walaa has established its name in the league of preferred insurance companies in KSA. The Company's progress in Gross Written Premiums (GWPs) and lines of business are captured in the following charts:

GROSS WRITTEN PREMIUM (GWP)

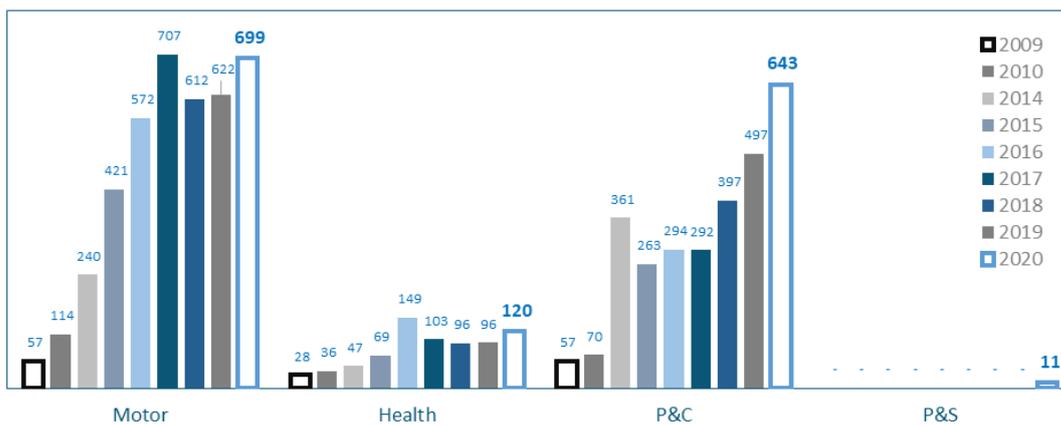
— GWP (SAR millions)



From a modest GWP of SR 142m in its first year of reported operation, Walaa has grown and consolidated its position as a responsible insurer in the Kingdom with a carefully designed plan for sustained growth.

Walaa reached the mark of **SR 1 billion** in the year 2016, continued with a stable growth, until it crossed the 1.4 Billion mark in 2020.

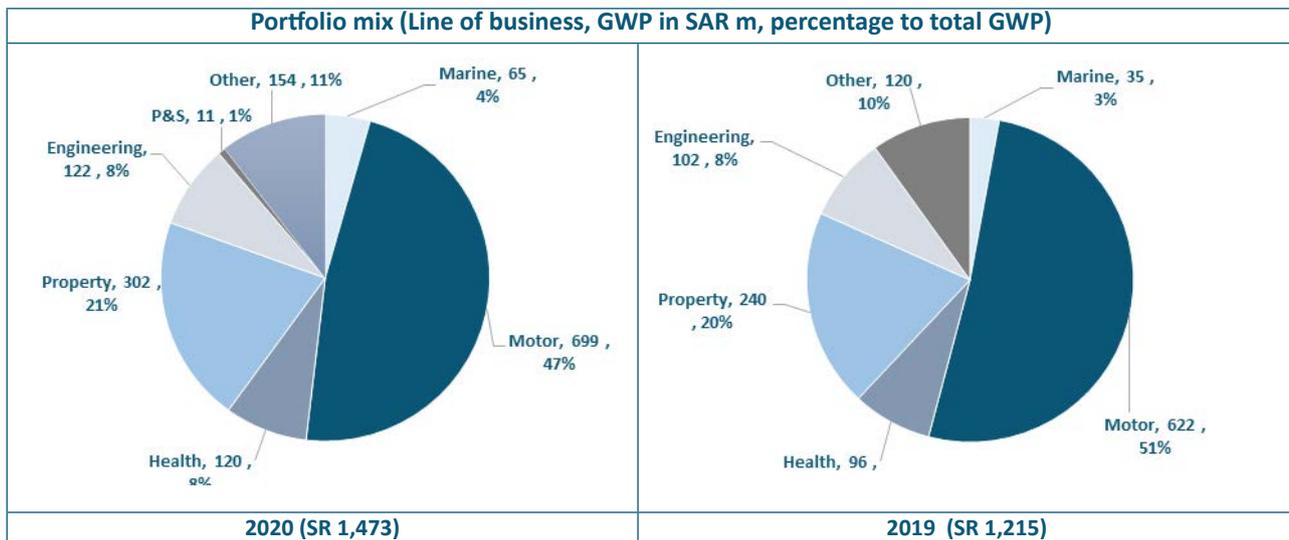
Gross Written Premium (GWP) (Line of business, GWP in SAR m)



Walaa writes major diversified lines, in which the growth that has been achieved over the years with a new line added to its portfolio in 2020 of Protection and Savings as shown in the above chart. The results can show that through diversification of the company's portfolio, the company has reported continuous growth in all lines with a significant focus on Property & Casualty line. In addition, Walaa is planning to increase its market share of the Medical and Production & Savings products.

Line of Business Portfolio Mix

Walaah has a 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. Walaah is known very well in the market for its expertise in the General and Motor business. Now after completing the merger transaction, we are also working to enhance our Medical portfolio alongside launching Protection & Savings. The portfolio mix for the past two years is demonstrated in the following diagram:



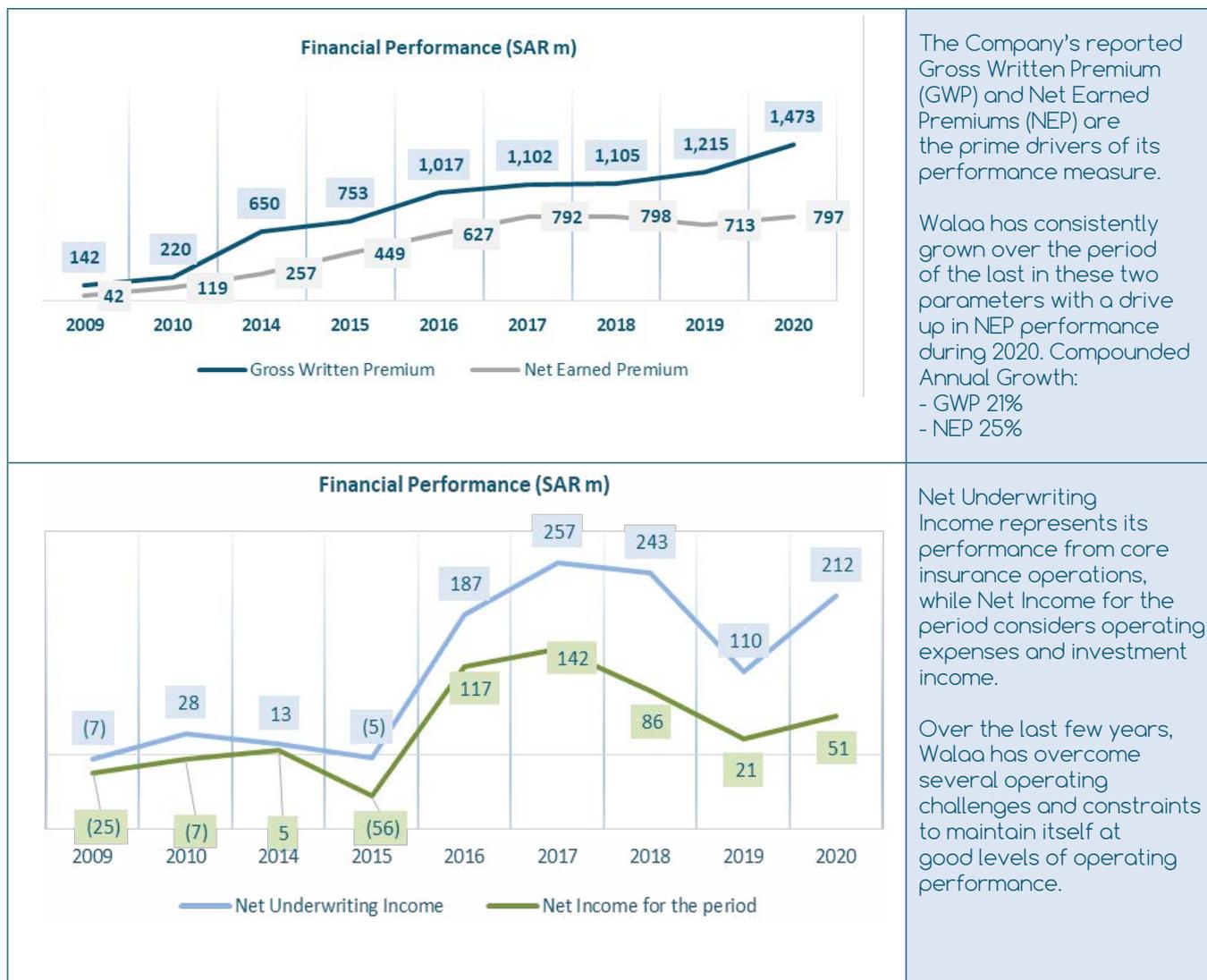
The year under review reported a net income from insurance operations of SR 76.27m and a total shareholder's net income of SAR 51.12m for 2020, which is an increase in comparison with a net income from insurance operations of SR 13.43m and a total shareholder's net income of SAR 21.37m for 2019. The overall increase in net income results comes from various circumstances occurred during the year of 2020 and resulted in having a major impact to the insurance industry. The impact of lockdown due to COVID-19 Pandemic resulted in a significant reduction in claims paid for the Motor line of business. Furthermore, the impact of the successful merger with MetLife AIG ANB Insurance Company resulted in writing a new line of business of Protection and Savings (Life Insurance). The below Financial Statements provide more details in this regard.

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 2020.



Financial

For the year 2020, the shareholders' net income was SR 51.12m, compared to SR 21.37m for the year 2019. The following charts summarize the growth achieved by Walaa under various operating parameters:



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 fairly 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.

GWP Growth in Eastern Region (SARm)



The Eastern region is one of the prominent areas in the insurance market of KSA, with several petrochemical plants, mining industries, and power-sector plants located. The Company is headquartered in Khobar city, thus giving the benefit of exploring several growth opportunities in this region. The Eastern Region has been a significant geographical growth segment for Wala'a since its inception.

GWP Growth in Western Region (SARm)



GWP Growth in Cental Region (SARm)



The Western Region is very strategic and a prominent area in the insurance market of KSA with a huge population belt covered in this geographical segment. With places like Mecca, Medina, and Yanbu located in this belt, several infra-structure, hospitality, transportation, growth, and development projects are concentrated in this area. Wala'a continues to explore opportunities to further its business growth in this geographical area, with high expectations in the coming 3-5 years due to the government announced projects.

The Central Region is a vital area in the insurance market of KSA with several critical infrastructure, public sector, transport, residential, health-care, and other projects in progress. Wala'a continues to explore opportunities to further its business growth in this geographical area. Wala'a is investing additional resources and efforts in this region to secure further growth in the forthcoming years.

GWP Growth in Northern Region (SARm)

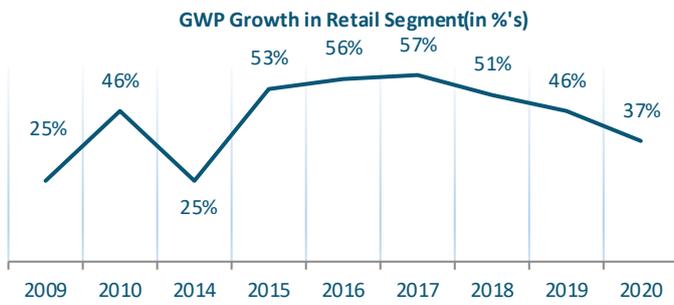


GWP Growth in Southern Region (SARm)



With the development of a strong Retail presence, the business has expanded selectively into Northern Region and, the growth has been impressive. The retail branches network has played a significant role not only in policy issuance but also in prompt service provided to claimants to attend to their business needs. Wala'a continues to expand its presence in this geographical segment. GWP decreased in 2018 due to the introduction of No Claim Discount (NCD) and fierce price competition.

Similar to the Northern Region, the growth and expansion in the Southern region have been achieved with the development of Retail presence covering remote locations. Wala'a continues its efforts to enter this region which is fairly significant in its size and population support. Wala'a looks to expand its other lines in addition to Motor and Health in both Northern and Southern regions. GWP decreased in 2018 due to the introduction of No Claim Discount (NCD) and fierce price competition.



Retail business is a vital component in the insurance market of KSA, especially in compulsory insurance. The Company also has very active plans to cover niche segments of clientele within the retail segment by offering friendly facilities and features which will provide increased value and service benefits as compared to a standard insurance product. Walaa's portfolio has been strengthening in the corporate business, which lead to the further diversification of products and reduction of the retail ratio of the total GWP.

Financial Strength Rating

S&P recently upgraded Walaa rating from BBB+ to A- with a stable outlook. At the same time, Walaa's Gulf Global rating is also improved from gcAA+ to gcAAA. We also have an A rating from Moody's and hope to get the 'negative' outlook improved during the next review. The A rating indicates a robust risk-based capital adequacy, a satisfactory business risk profile, and an overall upper adequate financial risk profile. Walaa continues to be certified ISO 9001:2015 Quality Management System and ISO 270001:2017 Information Security Management and secured ISO 22301:2012 Business Continuity Management System and ISO 45001:2018 Occupational Health & Safety during the year under review.

Shareholders' Equity grows into a positive mark: Value to shareholders



Walaa has been able to achieve a positive mark in its Shareholders' Equity, thereby demonstrating our commitment to the valued Shareholders.

In 2020 the capital increased from SR 528m up to SR 646m due to 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

Movement of our share price during the year 2020 is given below



Walaa strongly believes in maintaining the confidence of its investors and owners. Providing to them a reliable opportunity for long-term, sustainable growth is one of the prime objectives of the Company.

Growth strategy and Capital Raise

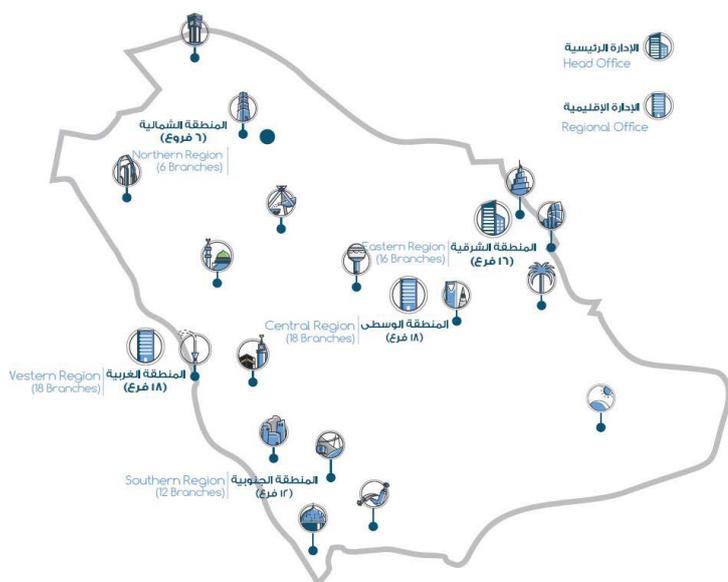
The Management of Walaa has prepared a detailed medium-term strategy for the period 2021-2025. This strategy defines the vision of Walaa for the coming 5 years. The business plan of Walaa, including the simulation of the required capital increase, has been constructed based on this strategy. The medium-term strategy and the business plan of Walaa 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 of Walaa is being constructed on 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 Strategy

Geographical Spread and Country-wide Presence





Ever since Walaa commenced its operations during 2007-08, with headquarters at Al-Khobar City in the Eastern province, the Company has taken up its commitment to achieving a wide geographical presence in a vast country such as 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 72 branches in 42 cities around the Kingdom.

IT, Processes, & Digital 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 deployed is instrumental towards enabling the business, and with these aspects, the Company has put on major transformational programs to revamp existing platforms and modernize the overall technology environment. The transformation will include core applications, 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 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 current platform and core applications with more agile, scalable, and future proof to support business objectives and meet key stakeholder expectations. The program will facelift Underwriting, Reinsurance, Claims, and Support function 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 and service excellence. 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 TCSBancs Insurance Suite covering bancassurance and group life channels as well. 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 of true for data storage, analysis, and maintenance. In addition, compliance to IFRS reporting requirement is also another critical compliance Walaa is working towards, and we are investing on Oracle OFSAA solution catering to our needs to implement the new IFRS17 requirements.

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 that could compromise. 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 operational and technical areas to sharpen the technical and actuarial skills.

As at the end of December 2020, at a Saudization level of 77% Walaa retains national employees indicated by 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. 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. Respected shareholders can view our first ESG and Sustainability Report by accessing our investor relation page below:

<https://www.walaa.com/investor-relation>

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 teams during their regular interactions.

COVID-19 Impact on Business

COVID-19 Lockdown was unprecedented in a number of ways. It had a significant impact on business around the world, and the insurance sector in Saudi Arabia was no exception. The nature of COVID-19 and its lockdown in Saudi Arabia meant that different lines of business within the insurance sector were impacted differently, some positively and some negatively.

Motor: The impact on Motor was, perhaps, the most significant. The lockdown meant that the traffic on roads reduced significantly, resulting in very low accident rates. This translated into low loss ratios, which was initially difficult to ascertain without the aid of accident data and statistics.

Medical: The impact on medical was very unique. The government of Saudi Arabia announced that it would cover all the costs associated with the testing and treatment of COVID-19, and all citizens and residents would be treated in case of infection. This was a landmark decision from the insurer's perspective, as the potential cost of testing and treatment would have impacted the health insurance industry significantly.

There was further positive impact due to the under-utilization of medical services during the lockdown. Some of the elective treatments, which were deferred due to COVID-19, were witnessed in Q3 and Q4 of 2020. However, on an overall basis, the medical insurance market has benefitted slightly due to COVID-19. The impact of claim deferral also varied by the class in which the business is concentrated. The deferral impact was more pronounced in higher classes (such as VIP) compared to lower classes.

Property & Casualty (P&C): There were indications of positive impact on the claims due to reduced economic activities. However, since Walaa has heavily ceded reinsurance arrangements, this impact was not visible on a net basis.

Protection & Savings (P&S): P&S portfolios in the industry have been impacted due to COVID-19 death claims. Walaa, at that time, did not have any notable P&S business and is, therefore, not been impacted.

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 plan 'Saudi Vision 2030' – a broad-based 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 collective 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, as part of recognizing its social responsibility.

Acknowledgements

As always, I am grateful to the stakeholders, business partners, and associates for the continuing support 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- 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 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 – **Saudi Aramco.**
- Member of Board of Directors – **Alawwal Bank.**
- Member of Board of Directors – **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 – **Walaa Cooperative Insurance Co.**
- Chairman of the Board – **Advanced Petrochemical Co.**
- Chairman of the Board – **MEHAN.**
- Member of the Board - **Al Jazira Bank.**
- Member of the Board – **National Shipping Carrier of Saudi Arabia (Bahri) .**

Previous Positions:

- Held Senior Positions – **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 good experience in Board membership and Business Management, Family Business in specific.



Dr. Solaiman A. Al Twaijri

Board of Directors
Member

Qualifications:

- Ph.D. in Accounting – Case Western Reserve University.
- Master's in Accounting – University of Illinois.
- Bachelor's in Industrial Management – KFUPM.

Current Positions:

- CEO – Saudi Arabian Amiantit Company.
- Member of Board and Chairman of Executive Committee – Walaa Cooperative Insurance Co.
- 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.
- Member of Audit Committee – Saudi Electricity Co.

Previous Positions:

- 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 – Riyadh 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 Twaijri has 29 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 Board and Member of Audit, Nomination, and Remuneration Committee – **Advanced Petrochemical Co.**
- Member of Board, Member of Audit, Nomination, and Remuneration Committee – **Eastern Cement Company.**
- Member of Board, Member of 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 and Managing Director - **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 & Founder – **International General Insurance Company “IGI”**
- Member of the Board and Member of the Executive 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:

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

Current Positions:

- o Manager of Strategic & Quality Department, Supervising Actuarial Specialist – Public Pension Agency.
- o Member of Board of Directors 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:

- o Master of Science, Applied Mathematics – DePaul University.
- o Bachelor of Science, Finance – KFUPM.

Current Positions:

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

Previous Positions:

- o Head of Finance and Accounting - Ajda Food Commercial Company.
- o Economic and Statistics Consultant – Ministry of Economy & Planning.
- o Senior Data Scientist - Center for Strategic Studies.
- o 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

Current Positions:

- CEO – Dynamic Oil Tools Manufacturing Company.
- Member of Board of Directors, Chairman of Nomination & Remuneration Committee, & Member of Executive Committee – **Walaa Cooperative Insurance Co.**
- Member of Board of Directors – **Neft Energies Training Center.**

Previous Positions:

- Drilling & Workover Supervisor – **Saudi Aramco.**
- Chairman of Board of Directors – **Alahsa Development Co.**
- Member of Board of Directors – **C&J Saudi Arabia.**
- 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:

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

Previous Positions:

None.

Experience:

Mr. Al Jabr has over 21 years of experience in different sectors.



Mr. Jameel A. Al Molhem

Board of Directors
Member

Qualifications:

Bachelor of Marketing – KFUPM

Current Positions:

- Managing Director and Member of Executive Committee - **Takween Advanced Industries Co.**
- Member of Board, Member of Executive Committee, and Chairman of Risk Committee – **Walaa Cooperative Insurance Co.**
- Member of Board – **Electrical Industries Co.**
- Member of Board – **New Marina Plastics**
- Member of Board – **Alessa Industries Co.**

Previous Positions:

- CEO – **Shaker Group**
- COO – **Saudi Telecom Company “STC”**
- 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:

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

Previous Positions:

- Vice-Chairman – **Tourism Committee at Sharqiyah Chamber of Commerce.**
- 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



B. External Audit Committee Members (Non-Board)



Dr. Sulaiman A. Al Sakran

Qualifications:

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

Current Positions:

- Associate Professor, Prince Sultan University, Riyadh
- Member of Audit Committee – **Walaa Cooperative Insurance Co.**
- Member of Audit Committee – **Saudi Arabian Amiantit Company**
- Member of Audit Committee – **Takween Advanced**
- Member of Audit Committee – **Fawaz A. Al Hokair Co.**
- Member of the Board - **The National Agricultural Development Company (NADEC)**
- Member of Trustees – **Yamama University**
- Member of Internal Audit Committee – **KFUPM**
- Member of Investment Committee – **Human Resources Development Fund**
- Member of Saudi Economic Association

Previous Positions:

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

Experience:

Dr. Al Sakran has over 30 years of experience in the academic field.



Mr. Adeeb S. Al Fuhaid

Qualifications:

- Bachelor of Accounting, 1987, King Saud University, Qassim
- International Auditor Fellowship Program 2009

Current Positions:

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

Previous Positions:

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

Experience:

- 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.

Walaa's Management



Executive Management

Johnson Varughese



Current Positions

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

Previous Positions

- Chief Financial Officer of Walaa (2007-2012)
- Regional Financial Controller – Future Pipe Group

Qualifications

- Bachelor's in business & Commerce
- Chartered Accountant

Experience

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

Mohannad M. Al Desouki



Current Positions

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

Previous Positions

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

Qualifications

- Master's in Business Administration “MBA” - KFUPM
- Bachelor's in finance – KFUPM

Experience

In addition to his technical experience, Mr. Al Desouki has acquired Project Management Professional “PMP”

Wasif F. Minhas



Current Positions

- Chief Technical Officer (Motor & General)

Previous Positions

- 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
- MBA in Marketing
- Bachelor's in commerce

Experience

An Insurance Professional with 20 years of experience. He is also a holder of “ACII” and other Insurance Certificates

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 20 years of experience of working in multiple functions like Actuarial, Individual Life Underwriting, Bancassurance, Group Life & Medical and Risk Management.

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

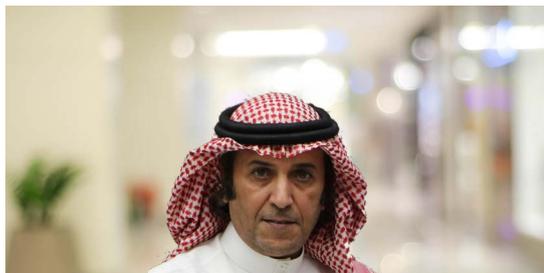
Qualifications

- Fellow of Institute and Faculty of Actuaries (UK)

Experience

Qualified actuary with 23 years of experience in the actuarial field

Mr. Salah M. Al Jaber*



Current Positions

- Chief Operating Officer

Previous Positions

- VP Sales & Marketing of Walaa for (2012-2017)
- Regional Manager - Weqaya Takaful Insurance Co
- Marketing Manager – Al Tamimi Group

Qualifications

- Bachelor's in business administration, major in Marketing

Experience

In addition to his experience in the Saudi insurance market, he has been a member of various committees at Sharqiyah Chamber of Commerce

*Mr. Al Jaber has retired on 28th February 2021

Fahad Aba Alkhail



Current Positions

- VP Sales (Acting)

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 in Management Information System (MIS)

Experience

12 years of experience in the financial sector, in banking and insurance, with regulatory and sales background

Turki Al-Buraik



Current Positions

- Head of HR, Admin, Government, and public relation

Previous Positions

- Regional Manager for Administrative affairs of Government Personnel and Human Resources - Al Nuaimi Group.
- Regional Manager advisor of Human Resource and Personal Affairs and Public Relations - National Petroleum Services Company.
- Assistant of Manager of Public Relations and Personnel Affairs and Government Relations - BJ Service Arabia Ltd Company.

Qualifications

- Business Administration - King Saud University
- Diploma in International Leadership for Human Resource Managers - Artec Poland University

Experience

Over 20 years' of experience in Human Resources, Admin, Government, and public relation

Rawan Munther Alafaleq



Current Positions

- Board Secretary & Investor Relations
- Tax & Treasury Manager
- Nomination and Remuneration Committee Secretary

Previous Positions

- Financial Reporting Assistant Manager – Walaa

Qualifications

- Masters of Business Administration, USA
- Bachelors of Accounting

Experience

Professional with 6 years of experience in accounting, treasury management, taxation, and capital market laws and regulations.

Khalid Omran



Current Positions

- Compliance & AML Manager

Previous Positions

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

Qualifications

- Bachelors in Business Administration
- Certified Compliance Officer
- Diploma Banking Operation

Experience

Over 11 years' of experience in insurance sector and compliance

Mraya Lafi Al-Subaei



Current Positions

- Internal Audit Manager
- Audit Committee Secretary

Previous Positions

- Internal Audit Manager – Saudi Arabian AMIANTIT Co.
- Internal Auditor – Al- Turki Group
- Audit Committee Member in International Water Distribution Company (TAWZEA)

Qualifications

- Bachelors of Accounting
- Certified Fraud Examiner

Experience

13 years' Experience in auditing and Accounting; Audit Committee Secretary in multiple companies

Rakan AlAssaf



Current Positions

- Cyber Security Manager (Acting)

Previous Positions

- Information Security Officer - Allianz Saudi Fransi
- Information Security Officer – AXA

Qualifications

- Bachelor in Computer Science (Computer Security & Information Assurance)
- ISO 27001 LI ISMS
- Certified Ethical Hacker

Experience

More than 5 years of experience in Information/ Cyber Security

Sukainah Ali Alkhalifah



Current Positions

- Risk Manager
- Risk Committee Secretary

Previous Positions

- Acting Risk Manager – Walaa
- Senior Risk Analyst – Walaa
- Risk Analyst – Walaa
- Assistant Risk Analyst – Walaa

Qualifications

- Bachelors in Business Administration (Information System), USA
- International Certificate in Enterprise Risk Management (CertIRM), the institute of Risk Management, UK

Experience

Experience in Risk Management

Khulood Al Shreif



Current Positions

- Customer Care Manager

Previous Positions

- Operations Manager – Walaa
- Medical Department Assistant Manager – Walaa
- Customer Service Executive – Medical Department - Tawuniya

Qualifications

- Bachelors in Arts (English Literature)
- AHIP-Health Insurance Associate
- AHIP-Healthcare Customer Service Associate.
- AHIP-Healthcare Anti-Fraud Associate
- CII Certified
- Certified Manager of Quality & Organizational Excellence -ASQ
- Certified Strategy & Business Planning Professional-TKI
- Certified KPI Professional-TKI
- Certified Balanced Scorecard Management System Professional-TKI

Experience

16+ years' experience in Insurance Sector



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 Industries	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
	IGI Underwriting Co	Outside Kingdom	Listed	Al Ittifaq Steel Company	Inside Kingdom	Not 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			
	Al Jazira Bank	Inside Kingdom	Listed			
Wasef S. Al Jabsheh	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			

	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	Chemical Development Company	Inside Kingdom	Not Listed	Amiantit Saudi Arabia	Inside Kingdom	Listed
	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
	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			
	Sarplast Qatar	Outside Kingdom	Not Listed			
	Ameron Egypt	Outside Kingdom	Not 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			
	Takween Advanced Industrial Company	Inside Kingdom	Listed			
	NADEC	Inside Kingdom	Listed			
	Walaa Cooperative Insurance Company	Inside Kingdom	Listed			
Waleed M. Al Jaafari	Advanced Petrochemical Company	Inside Kingdom	Listed	Gulf Stevedoring Contracting Company	Inside Kingdom	Listed
	Eastern Cement Company	Inside Kingdom	Listed			
	Gulf Real Estate	Inside Kingdom	Not Listed			
	Star of Kingdom Contracting Limited	Inside Kingdom	Not Listed			
	Siyaha International Company	Inside Kingdom	Not Listed			
	Aldawaa Medical services co ltd	Inside Kingdom	Not Listed			
	Walaa Cooperative Insurance Company	Inside Kingdom	Listed			
Hatem F. Balghoneim	Industrialization & Energy Services Co. (Taqa)	Inside Kingdom	Not Listed			
	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
	Walaa Cooperative Insurance Company	Inside Kingdom	Listed			
	Neft Energies Training Center	Inside Kingdom	Not Listed			

Abdulrahman A. Balghunaim	Ayyan Investment Co.	Inside Kingdom	Listed			
	Advanced Analytics fz llc	Outside Kingdom	Not Listed			
	Walaa Cooperartive Insurance Company	Inside Kingdom	Listed			
	Al Yusr Leasing & Financing Co.	Inside Kingdom	Not Listed			
	Acceleration Company Ltd	Inside Kingdom	Not Listed			
Khalid A. Al Omran	Dar Wa Emaar Real Estate & Investment Company	Inside Kingdom	Not Listed	Saraya Towers Al Olaya Company	Inside Kingdom	Not Listed
	Khalid & Abdulaziz Al Omran Company	Inside Kingdom	Not Listed	Advanced Petrochemical Co.	Inside Kingdom	Listed
	Dammam Hotels Limited Company	Inside Kingdom	Not Listed			
	Al Rashid & Al Omran Company	Inside Kingdom	Not Listed			
	Walaa Cooperative Insurance Co.	Inside Kingdom	Listed			
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 Cooperartive 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
				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 Cooperartive Insurance Company	Inside Kingdom	Listed			
Hesham A. Al Jabr ¹	Arab National Bank	Inside Kingdom	Listed	Gulf Carton Factory Company	Inside Kingdom	Not Listed
	Al Jabr Holding Company	Inside Kingdom	Not Listed			
	Walaa Cooperartive Insurance Company	Inside Kingdom	Listed			
	Nattily Co. - Furniture and Interior Design	Inside Kingdom	Not Listed			
	Haier & Al Jabr Saudi Electronics Trading Co.	Inside Kingdom	Not Listed			
	Nama (Future Development) Co.	Inside Kingdom	Not Listed			

⁽¹⁾ Member was appointed in 25th May 2020.



Completion of the 1st Merger Transaction in the Insurance Sector in KSA.

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 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 Jobsheh	Member	Non-Executive
Solaiman A. Al Twajjri	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:

Our **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@walaq.com
Phone Number:	013-829-9405
Fax:	013-865-2255
Website:	https://www.walaq.com/investor-relation

"We invite Walaq's investors to be part of the investors Survey 2021 where we explore Walaq'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.walaq.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	
	27/01/2020	29/03/2020	29/06/2020	20/09/2020	27/12/2020	
Sulaiman A. Al Kadi	✓	✓	✓	✓	✓	5 / 5
Khalifa A. Al Mulhim	✓	✓	✓	✓	✓	5 / 5
Wasef S. Al Jabsheh	✓	✓	✓	✓	✓	5 / 5
Waleed M. Al Jafaari	✓	✓	✓	✓	✓	5 / 5
Solaiman A. Al Twaijri	✓	✓	✓	✓	✓	5 / 5
Abdulrahman A. Balghunaim	✓	✓	✓	✓	✓	5 / 5
Hatem F. Balghoneim	✓	✓	✓	✓	✓	5 / 5
Khalid A. Al Omran	✓	✓	✓	✓	✓	5 / 5
Jameel A. Al Molhem	✓	✓	✓	✓	✓	5 / 5
Abdulaziz S. Al Shaikh	✓	✓	✓	✓	✓	5 / 5
Hesham A. Al Jabr ¹			✓	✓	✓	3 / 5
Attendance	100%	100%	100%	100%	100%	-

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

Board Secertary, Rawan Alafaleq

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

A. Executive Committee (EXC)

The Executive 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: (8)								
	1 st Meeting 27/01/2020	2 nd Meeting 29/03/2020	3 rd Meeting 27/04/2020	4 th Meeting 29/06/2020	5 th Meeting 16/09/2020	6 th Meeting 15/11/2020	7 th Meeting 23/11/2020	8 th Meeting 13/12/2020	Total
Solaiman Al Twajri (Chairman)	✓	✓	✓	✓	✓	✓	✓	✓	8/8
Jameel Al Molhem (Member)	✓	✓	✓	✓	✓	✓	✓	✓	8/8
Hatem Balghoneim (Member)	✓	✓	✓	✓	✓	✓	✓	✓	8/8
Wasef Al Jebshah (Member)	✓	✓	✓	✓	✓	✓	✓	✓	8/8
Attendance	100%	100%	100%	100%	100%	100%	100%	100%	-

Executive Committee Secretary, Mohannad Al Desouki

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, as well as monitor the performance and activities of internal audit and compliance departments of the company. 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: (8)								
	1 st Meeting 27/01/2020	2 nd Meeting 08/03/2020	3 rd Meeting 02/06/2020	4 th Meeting 23/07/2020	5 th Meeting 22/10/2020	6 th Meeting 04/11/2020	7 th Meeting 17/12/2020	8 th Meeting 27/12/2020	Total
Abdulrahman A. Balghunaim (Chairman)	✓	✓	✓	✓	✓	✓	✓	✓	8/8
Sulaiman A. Al Sakran (Member)	✓	✓	✓	X	✓	✓	✓	✓	7/8
Adeeb S. Al Fuhaid (Member)	✓	✓	✓	✓	✓	✓	✓	✓	8/8
Attendance	100%	100%	100%	87%	100%	100%	100%	100%	-

Audit Committee Secretary, Mraya Al Subaie

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: (3)			
	1 st Meeting 28/04/2020	2 nd Meeting 19/10/2020	3 rd Meeting 27/12/2020	Total
Khalifa A. Al Mulhim (Chairman)	✓	✓	✓	3/3
Khalid A. Al Omran (Member)	✓	✓	✓	3/3
Waleed M. Al Jafaari (Member)	✓	✓	✓	3/3
Attendance	100%	100%	100%	-

Investment Committee Secretary, Mohannad Al Desouki

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 05/05/2020	2 nd Meeting 06/10/2020	3 rd Meeting 20/12/2020	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)	✓	✓	✓	3/3
Attendance	100%	100%	100%	-

Nomination and Remuneration Committee Secretary, Rawan Alafaleq

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)				Total
	1 st Meeting 27/01/2020	2 nd Meeting 14/04/2020	3 rd Meeting 13/09/2020	4 th Meeting 13/12/2020	
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%	-

Risk Committee Secretary, Sukainah Al Khalifa

6 - Board and Board Committee Evaluation:

Board evaluation is done on an annual basis. In 2018, the Board availed the help of an external consultant whereas in 2019 and 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.

NRC noted 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. Orientation materials provided to the newly inducted members proved to be beneficial and useful. NRC evaluation summary was presented to the Board.

7 - Compensation Paid to Directors and Executive Management:

- All of the remunerations of the Board of Directors and its Sub-Committees Members and directors of the Company were disclosed in the Remuneration Policy approved by the General Assembly on 21/05/2019.
- We would also like to ensure 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	0.200	0	0.405	0.100	0	0.505	0.003
Hatem F. Balghonaim	0.180	0.025	0.168	0	0.373	0.100	0	0.473	-
Khalid A. Al Omran	0.180	0.025	0.155	0	0.360	0.100	0	0.460	-
Abdulaziz S. Al Shaikh	0.180	0.025	0.080	0	0.285	0.100	0	0.385	0.002
(2) Non-Executive Members									
Sulaiman A. Al Kadi	0.250	0.025	0.078	0	0.353	0.150	0	0.500	-
Khalifa A. Al Mulhim	0.180	0.025	0.078	0	0.283	0.100	0	0.383	-
Wasef S. Al Jabsheh	0.180	0.025	0.090	0	0.295	0.100	0	0.395	-
Waleed M. Al Jafaari	0.180	0.025	0.155	0	0.360	0.100	0	0.460	-
Jameel A. Al Molhem	0.180	0.025	0.170	0	0.375	0.100	0	0.475	-
Solaiman A. Al Twajjri	0.180	0.025	0.090	0.160	0.455	0.100	0	0.555	-
Hesham A. Al Jabr	0.108	0.015	0	0	0.123	0.060	0	0.183	-
(3) Executive Members									
None									

* Variable Remunerations is periodic bonuses for the members of the Board of Directors.

** 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 Twaijri has been appointed by the Board of Directors to provide consultative services “Chairing the IFRS17 Steering Committee” during the FY 2020. 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”. The total remunerations amount SAR 0.160 for FY 2020 that was paid subsequent to the year ended 31st December 2020.

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 NRC, 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 NRC 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 NRC.



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	Amount
	Salaries	Allowances	In-Kind Benefits	Total			
CEO	1,440,000	504,000	-	1,944,000	1,000,000	162,000	3,106,000
COO	756,000	284,600	-	1,040,600	300,000	85,050	1,425,650
CTO	756,000	264,600	-	1,020,600	375,000	85,050	1,480,650
CFO	390,000	136,500	-	526,500	250,000	33,322	809,822
Appointed Actuary	540,000	209,000	-	749,000	150,000	30,375	929,375
Total	3,882,000	1,398,700	-	5,280,700	2,075,000	395,797	7,751,497

*The total remunerations amount includes an amount of SAR 2,075,000 on account of bonus for FY 2020 that was paid to the executives subsequent to the year ended on 31st December 2020.

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 Twaibri (Chairman)	0.070	0.020	0.090
Hatem F. Balghoneim (Member)	0.070	0.020	0.090
Wasef S. Al Jebshah (Member)	0.070	0.020	0.090
Jameel A. Al Molhem (Member)	0.070	0.020	0.090
Audit Committee			
Abdulrahman A. Balghunaim (Chairman)	0.100	0.020	0.120
Sulaiman A. Al Sakran (Member)	0.100	0.0175	0.117
Adeeb S. Al Fuhaid (Member)	0.100	0.020	0.120
Investment Committee			
Khalifa A. Al Mulheim (Chairman)	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
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").

The Company was fined SAR 5,000 (Five Thousand Saudi Riyals Only) by the Saudi Central Bank (SAMA) for not complying with social distancing requirements in one of the departments of the company. Wala took this as an opportunity to implement better and stricter safety measurements to ensure compliance with the regulations.

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.

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).

The Committee comprises of three members, all are independent. The chairman is an independent non-executive director of the company. The Audit Committee held eight meetings in the year 2020, including its annual meeting with the Board. The purpose of these meetings included, among others, the following:

- a. Review and recommend the interim and final results of the company for approval.
- b. Evaluate the adequacy and effectiveness of the internal and external audit functions.
- c. Evaluate the adequacy and effectiveness of the compliance and AML department.
- d. Review the Appointed Actuary reports and make recommendations thereon for the Board.
- e. Review and present a study of the fundamental risks faced by the company, which include financial, operational and legal risks, and review the policies applied by the management related to the processes of identifying and evaluating the risks.
- f. Review and approve the annual plan for both Internal Audit and Compliance Departments.
- g. Recommend appointment company's external auditors to review committee's competencies, independency, and potential risks of conflict of interest in addition to their annual fees.
- h. Review the reports of the external auditors, the Internal Audit Department, and Compliance Department and submit any recommendations to the Board of Directors.
- i. Review SAMA's and other regulatory bodies observations and submit any recommendations to the Board of Directors.
- j. Review the most important accounting policies and procedures.
- k. Review related parties contracts & transactions and submit any views to the Board of Directors.
- l. Monitor important lawsuits filed between the company or against it, and submit periodic reports on this matter to the Board of Directors.
- m. Determine monthly salary and bonuses for the Internal Audit and Compliance Managers based on the internal policies approved by the Board.
- n. Ensure the ideal use of information technology, and the availability of controls to obtain accurate and reliable data.

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 by both 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 as follows:

- a. All significant business processes are periodically risk-assessed and classified as high, medium, and low-risk types of business processes.
- b. 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.
- c. 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.
- d. 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:

- a. 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
- b. Ensuring Compliance with CMA rules and regulations, including listing requirements, regulatory compliance, and corporate governance.
- c. Monitoring changes in legislation for insurance and ensure that the company acts in accordance with the revised/changed requirements.
- d. 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
- e. Ensuring that the company fulfills all the conditions required by SAMA and develops and maintains a professional relationship with SAMA and other statutory bodies.
- f. Working with departmental heads to direct compliance issues to appropriate channels for investigation and resolution
- g. Consulting with the company's legal advisors as needed to resolve legal compliance issues.

Company's Social Contributions



11 - Company's Social Contributions

Given the eagerness of the Board towards social participation and the charity conduct and its responsibility to serve the community, the Company has considered the following:

- Allocation of 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.
- Support the "Kids Paintings & Creatives" by Children with Disabilities Association.
- Management & Employees participated in the blood donation campaign for World Diabetes Day adopted by the Council of Cooperative Health Insurance & Ministry of Labor.
- Every year, Walaa coordinates with different universities to train more than 25 university students through its summer or internship programs.
- Walaa welcomes university students who request the management to participate in their academic researches related to the insurance sector or listed companies.
- 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 focuses on safety – therefore, it continuously participates in safety events such as the 5th International Traffic Safety Forum and Exhibition, which aimed to enhance road safety and reduce the number of deaths and injuries resulting from traffic accidents. The company has also participated in "Your Family Needs You" exhibition held at Saudi Aramco, which specializes in safety. Further, in cooperation with Najm Insurance Services Co., General Traffic Department, and SAMA, the company launched a campaign under the slogan "Their Life, Do Not Stop It" to enhance awareness of traffic safety and security rules.

Year	Training Duration	Total No. Trainees	Total No. Training Days	Total No. Training Hours
2019	2-4 months	6	440	3,250
	5-7 months	20	2,750	22,000
	Total	26	3,190	25,520
2020	2-4 months	1	66	528
	5-7 months	29	3,872	30,976
	Total	30	3,938	31,504



12 - List of the dates of the General Assembly meetings held during the last fiscal year and the names of the Board members who attended them:

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 matter through ordinary general assembly or non-ordinary general assembly meeting.

Board Member	Extraordinary General Assembly Meeting 27/01/2020	Extraordinary General Assembly Meeting 29/06/2020
	Attendance	Attendance
Sulaiman A. Al Kadi	✓	✓
Khalifa A. Al Mulhim	✓	✓
Wasef S. Al Jabsheh	X	X
Solaiman A. Al Twajri	✓	✓
Waleed M. Al Jafaari	X	✓
Abdulrahman A. Balghunaim	✓	✓
Hatem F. Balghoneim	✓	✓
Khalid A. Al Omran	✓	✓
Jameel A. Al Molhem	✓	✓
Abdulaziz S. Al Shaikh	✓	✓
Hesham A. Al Jabri	-	✓

• Appointment was effective 25th May 2020 till the conclusion of the remaining term of the Board.

13 - Principal Activities

The Company is involved in cooperative insurance and reinsurance in the 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	2020					2019			
	Motor	Health	P&C	P&S	Total	Motor	Health	P&C	Total
Gross Written Premium	699	120	643	11	1,473	622	96	497	1,215
Net Earned Premium	655	102	37	3	797	609	68	36	713
Total Revenue	657	107	81	4	849	612	68	59	739
Net Underwriting Income	148	3	58	3	212	71	(6)	45	110

14 - Financial Performance

SAR' millions	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Insurance operations:						
Gross written premium	1,473	1,215	1,105	1,102	1,017	753
Net earned premium	797	713	798	792	627	436
Reinsurance commission	41	24	29	17	20	18
Other underwriting income	11	2	4	6	5	3
Total revenue	849	739	831	815	652	456
Net incurred claims	(557)	(561)	(480)	(484)	(406)	(383)
Policy acquisition cost	(48)	(43)	(72)	(73)	(62)	(45)
Other underwriting expenses	(32)	(26)	(10)	(3)	(29)	(19)
Additional premium reserves	(21)	3	(5)	(2)	36	(10)
Other technical reserve	22	(3)	(21)	5	(5)	(5)
Total underwriting expenses	(637)	(629)	(588)	(558)	(466)	(461)
Net underwriting income	212	110	243	257	187	(5)
Net Operating Expenses/income	(136)	(97)	(130)	(92)	(63)	(54)
Income from insurance operations	76	13	113	165	124	(59)
Insurance operation's net income	8	1	11	17	12	-
Shareholder's operations:						
Income transferred to shareholders	69	12	102	149	112	(59)
Commission income from deposits	15	16	11	4	6	1
Realized gain/(loss) on Investments	-	-	(7)	(5)	3	2
General & Administrative expenses	(11)	(5)	(6)	(6)	(3)	(1)
Net income for the period Before Zakat	73	23	100	142	117	(56)
Zakat and income tax	(22)	(2)	(15)	-	-	(4)
Net income for the period After Zakat	51	21	85	142	117	(60)
Unrealized gain/loss from investments	4	21	14	7	5	(16)
Other comprehensive income	55	42	99	149	122	(76)
Earnings per Share (EPS)	0.82	0.40	1.62	3.22	2.93	(2.22)

SAR' millions	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Insurance Operation's Assets:						
Cash and cash equivalents	253	361	223	290	594	373
Short term deposits	485	330	431	400	-	-
Premium and RI receivables, net	333	150	202	127	105	113
RI share of unearned premium	364	274	196	130	137	118
RI share of outstanding claims	163	98	125	111	151	177
RI share on claims IBNR	58	44	42	42	-	-
RI share of mathematical reserves	139	-	-	-	-	-
Deferred policy acquisition cost	25	17	24	37	33	23
Due from shareholder's operations	-	-	-	-	-	1
Prepaid expenses and other assets	90	49	34	28	47	34
Property and equipment	14	17	9	9	10	5
Intangible assets	2	1	1	0.5	-	-
Accrued commission income	-	0.2	2	3	-	-
Total insurance operation's assets	1,925	1,342	1,288	1,178	1,076	844
Shareholders Operation's Assets:						
Cash and cash equivalents	-	-	21	20	290	214
Short term deposits	167	211	448	425	-	-
Long term deposits	50	-	-	-	-	-
Investments / other financial assets	516	404	163	97	110	85
Due to shareholders operations	86	12	27	15	20	-
Prepaid expenses and other assets	0.2	-	-	-	-	-
Intangible assets	33	-	-	-	-	-
Goodwill	24	-	-	-	-	-
Statutory deposits	65	53	44	40	40	40
Accrued income on statutory deposits	10	6	4	3	2	1
Accrued commission income	4	5	3	2	-	0.5
Total Shareholders operation's assets	956	691	709	602	462	341
Total Assets	2,880	2,033	1,997	1,780	1,358	1,185

SAR' millions	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Insurance Operation's Liabilities:						
Policyholders' claims payable	35	21	17	14	-	-
Accrued and other liabilities	152	97	115	72	75	65
Reinsurance balance payable	233	173	141	62	16	10
Unearned premium	790	638	537	539	495	350
Unearned reinsurance commission	21	14	12	10	7	10
Outstanding claims	234	140	181	161	430	359
Claims incurred but not reported	171	193	198	256	-	-
Gross mathematical reserves	139	-	-	-	-	-
Additional premium reserves	26	5	8	3	1	37
Other technical reserves	9	30	26	5	11	6
End of service indemnities	22	18	15	13	7	6
Due to insurance/shareholders' operations	86	12	27	15	20	-
Insurance operations surplus	10	4	14	31	15	2
Total insurance operation's liabilities	1,926	1,345	1,291	1,180	1,076	844
Shareholder Operation's Liabilities:						
Accrued and other liabilities	0.2	0.4	5	2	24	15
Zakat and income tax	29	16	29	26	-	-
Accrued income payable to SAMA	10	6	4	3	2	1.4
Due to insurance/shareholders' operations	-	-	-	-	-	1.3
Total shareholder operation's liabilities	39	22	38	31	26	18
Shareholders' Equity						
Share Capital	646	528	440	400	400	400
Share premium	103	30	30	30	30	30
Statutory reserve	63	53	49	32	6	-
Retained earnings	81	40	155	127	24	(78)
Fair value reserve	22	18	(3)	(17)	(24)	(29)
Total Shareholders Equity	916	669	671	571	436	323
Remeasurement of benefits obligations	(1)	(3)	(2)	(2)	-	-
Total Equity	915	667	669	569	436	323
Total Liabilities and Equity	2,880	2,033	1,997	1,780	1,538	1,185

15 - Significant plans, decisions, and future prospects

The year 2020 was a tough, challenging year for the insurance industry. The impact of COVID-19 lockdown, especially on the retail sales, was felt in the 2nd quarter of 2020. The insurance companies decided to provide a free extension in motor coverage for two months during the lockdown, which also meant that two months' worth of business opportunities were lost. Under the challenging environment and stiff competition, Walaa has managed to finish the year with a reasonable increase from the previous year's GWP and reported a moderate profit. Walaa looks forward to sustain growth and progress in the coming years.

Walaa is proud of maintaining its position into a niche league of 'Billion-Riyal' insurer in the Kingdom's insurance market. The insurance segment 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 intends 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 build its own sales team who are qualified to better understand the growing needs in the insurance market across the nation. The Company wants to further strengthen its working relationship with all insurance brokers functioning in the Kingdom and, at the same time, would like to capitalize on its recent partnership with ANB bank as a result of the merger transaction, thereby consolidating its position as their reliable partner-in-progress.

The challenges of writing retail business have increased over a period of time, and Walaa has got a significant proportion of business through its retail motor sales. Management is very keen to ensure that this segment is conducted in full compliance with regulatory requirements. 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 to high attention on Protection and Saving products.

In today's world, business models are driven primarily by support from information technology. Walaa is proud to have in place an IT system that is responsive to its needs, flexible, and, at the same time, poised to develop into an integrated system that will meet its growing business requirements. The IT plan envisaged by the company, adequately addresses related business risks and relevant security measures to address the same. Our current IT systems played a vital role in the success of our Company. Now we have reached to a level where we are focusing on niche products and planning to expand our operations to the GCC region. At this stage, Company has identified a need for having a Core Insurance System, tried and tested in the insurance market. In this regard, Walaa has identified two (2) insurance systems, one catering to its Motor and P&C business while the other catering to its Medical and P&S business.

Walaa will start the implementation of both systems in a parallel basis and is planning to complete the end to end system implementation in 18 to 24 months

Walaa has successfully completed the first merger transaction in the KSA insurance market on 1st March 2021 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 by increasing the number of ordinary shares with 11,839,706 (nominal value of SAR 10 per share), having Arab National Bank as a shareholder came with an advantage of signing various agreements for insurance coverage. Furthermore, the company entered Protection & Savings business benefiting from MAA's previous experience.

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 in Dec 2018. Later, after the announcement of the possible merger with MetLife AIG ANB, Moody's revisited our rating and continued with our assigned A3 IFSR, but only changed the outlook from stable to negative. The change in outlook to a negative from stable reflects the potential short-term downside risks associated with the merger. Walaa is one of the three Insurance companies having an A rating in Saudi Arabia. The A3 IFSR of Walaa reflects its strong brand and market position, strong asset quality, good capital adequacy, strong reserve adequacy, and consistent profitability. Furthermore, the rating agency expects that Walaa will maintain or improve its profitability growing the business and thereby further aid its capital adequacy.

Additionally, Walaa has affirmed a Financial Credit Rating of A- with a stable outlook from S&P. The Company has also secured a GCC AAA long term Gulf Cooperation Council Regional-scale financial strength credit rating from S&P, indicating that we are on a robust core insurance platform and have a commendable degree of financial strength to honor our Policyholders' obligations. The financial position of Walaa builds a solid structure for continuous business evolution. Walaa has continuously maintained its capital adequacy and solvency well above the required and recommended levels. Walaa based on its consistent performance and customer-centric approach, has been recognized as one of the preferred insurers in KSA. 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 securing A rating, the Company is also proud to be the first insurance company in Saudi Arabia to get ISO 9001:2015 (Quality Management System) and ISO 22301:2012

(Business Continuity Management Systems) certificates. In addition to ISO 27001:2017 (Information Security Management) and ISO 45001:2018 (Occupational Health & Safety) certifications.

Walaa is progressing well with its customer-first approach and always willing to serve policyholders beyond their expectations.

Shariah Compliant - Walaa has appointed Shariyah Review Bureau Co. as a Shariyah Review Committee.

Their main role is to study and revise the company's financial and investments activities, and review the principles of insurance mechanism, insurance programs and products to confirm their compliance with the Shariyah principles.

Part of the committee duties is to review annually the company's products and services from an Islamic point of view and then report the review processes results periodically-after the company executes 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 and its products. 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. During the 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.

During 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
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
2015	334	85	175	123	36	753

18 - Material Variations from previous year:

Please find below the table for reported the operational results for the year 2020 as compared to previous year, along with the explanation for variance: Figures in SAR Millions.

Reported Line Item	Year		Change in		Explanation for Change
	2020	2019	Amount	%	
Gross Written Premium	1,473	1,215	258	21%	Increase resulted from motor, property, and liability lines.
Net Earned Premium	797	713	84	12%	Increase is due to the reduction in reinsurance unearned premium ceded compared to 2019.
Net Claims Incurred	557	561	-4	-1%	Reduction due to COVID-19 lockdown period.
Change In Additional Premium Reserve	21	-3.6	24.6	-	Increase in premium deficiency reserve due to the two months extension of retail motor coverage.
Change In Other Technical Reserve	-22	3.3	-25.3	-	Release of reserves due to the change in Najm fees structure.
Policy Acquisition Cost	48	46	2	4%	In line with business growth.
Other Underwriting Expenses	32	23	9	39%	Mainly due to increase in number of Najm Net service
Operating And General Expenses-PH	139	107	32	30%	Mainly due to increase in staff salary costs (due to the merger), and provision of doubtful debtst.
Commission On Bank Deposits-PH Operation	3	10	-7	-70%	Reduction in interest income.
Net Income From Insurance Operations	76	13	66	+100%	In line with business growth.
Commission On Bank Deposits-SH Operation	12	15	-3	-20%	Reduction in interest offered by the banks, reflecting the economic situation.
Realized Gain On Dividend	3.02	1.14	1.88	+100%	Increase mainly due to distribution on Sukuk investments and equity.
Zakat And Income Tax	21.5	1.78	19.72	+100%	Includes provisions for prior years assessments.
Net Income For The Period	51	21	30	+100%	In line with business growth.
Unrealized Change In Fair Value	4	21	-17	-80%	Fluctuating according to the equity market condition.
Total Comprehensive Income	55	42	13	31%	In line with business growth.

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 Certified Public 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 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. In order to preserve the capital to support the growth plan and in view of the proposed capital raise plan, the Board decided not to recommend any dividend this year.

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 2020, 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 2020, details of interests, options and subscription rights of the issuer's directors, senior executives and their spouses and minor children in the Shares of the company or Debt Instruments are as follows:

	Name of Person of Interest	Beginning of 2020		End of 2020		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	1,634,596	-	1,701,129	-	66,533	4%
3	Wasef S. Al Jebseheh ¹	2,772,000	-	2,020,569	-	(751,431)	(27%)
4	Solaiman A. Al Twajjri	1,320	-	1,320	-	-	-
5	Waleed M. Al Jafaari	633,600	-	633,600	-	-	-
6	Abdulrahman A. Balghunaim	-	-	-	-	-	-
7	Hatem F. Balghoneim	109,363	-	64,532	-	(44,831)	(41%)
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 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 2020, 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 2020, 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 2020, 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 (16) times during 2020, as shown in the below table:

Request Date	Date of Shareholders Record	Reason to Request
02 Jan 2020	02 Jan 2020	Annual Report 2019
09 Jan 2020	09 Jan 2020	Corporate Action
16 Jan 2020	16 Jan 2020	Corporate Action
23 Jan 2020	23 Jan 2020	Corporate Action
27 Jan 2020	27 Jan 2020	General Assembly
04 Mar 2020	03 Mar 2020	Corporate Action
02 Apr 2020	31 Mar 2020	Update of Shareholder Records
30 Apr 2020	30 Apr 2020	Update of Shareholder Records
01 Jun 2020	31 May 2020	Update of Shareholder Records
21 Jun 2020	21 Jun 2020	Update of Shareholder Records
29 Jun 2020	29 Jun 2020	General Assembly
01 Jul 2020	30 Jun 2020	Update of Shareholder Records
23 Jul 2020	23 Jul 2020	Update of Shareholder Records
01 Sep 2020	01 Sep 2020	Update of Shareholder Records
30 Sep 2020	30 Sep 2020	Update of Shareholder Records
02 Dec 2020	01 Dec 2020	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 2020:

						SAR Million
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	0.003
Advanced Petrochemical Company	Khalifa A. Al Mulhiem	Vice Chairman	Various Insurance	Insurance Operations	12-months	9.817
Al Jazeera Support Services Company (MEHAN)						
Khalifa A. Al Mulhiem Company LTD (KAMCO)						
Hatem F. Balghoniem	Hatem F. Balghoniem	Member	Motor Insurance	Insurance Operations	12-months	0.011
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	0.019
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	1.559
Mishraf Construction Development.						
Waleed Mohammed Al Jafaari						
Saudi Arabian Ductile Iron Pipes Co. LTD.	Solaiman A. Al Twaijri	Member	Various Insurance	Insurance Operations	12-months	0.285
Amiantit Group of Companies						
Saudi Arabian Amiantit Co. LTD (SAAC).						
Amiantit Fiberglass Industries LTD.						
LTD (SADIP).						
Amiantit YACOAT Company.						
Solaiman A. Al Twaijri						
Arab National Bank (ANB)	Hesham A. Al Jabr	Member	Various Insurance	Insurance Operations	12-months	31.69
Arab National Bank (ANB)						
Arab National Bank (ANB)						
International General Insurance (IGI)	Wasef S. Al Jesbshah	Member	Various Insurance	Insurance Operations	12-months	-
Takween Advanced Industries	Jameel A. Al Molhem	Member	Various Insurance	Insurance Operations	12-months	3.37
Advanced Fabrics Factory (SAAF)						
Saudi Plastic Packing System - Alayoun						
Saudi Plastic Packing System - Jeddah						
Saudi Plastic Packing System - Riyadh						
Saudi Plastic Packing System - Al Jarn						
Saudi Plastic Packing System - Khobar						
Al Sharq Plastic Factory						

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

						SAR Million
Senior Executive Name	Position	Nature of Transactions	Nature as per Account Register	Contract Duration	Transaction Amount	
Mr. Johnson Varughese	Chief Executive Officer	-	-	-	-	
Mr. Salah M. Al Jabr	Chief Operating Officer	Motor Insurance	Insurance Operations	12-months	0.011	
Mr. Wasif F. Minhas	Chief Technical Officer (General & Motor)	Motor Insurance	Insurance Operations	12-months	0.004	
Mr. Mohannad M. Al Desouki	Chief Financial Officer	Motor Insurance	Insurance Operations	12-months	0.003	
Mr. Syed Raza Haider	Appointed Actuary	Motor Insurance	Insurance Operations	12-months	0.002	

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 2020, 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 2020, except for the following:

All Figures in SAR Millions

Statutory Expenditure Type	2020		Brief Description	Due Reasons
	Paid Amount	Due Amount		
General Authority of Zakat & Tax (GAZT)	14.08	28.86	Annual Zakat and Tax in conformity with the regulations of the GAZT.	Includes outstanding Zakat and Tax for previous years in accordance with final assessment orders in conformity with the regulations of GAZT (SR 18.36) with note that the company has provided provision of SR 10.5 for Zakat to cover Zakat obligations for the year.
Saudi Central Bank (SAMA)	3.83	-	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)	7.57	0.77	Social insurance contributions for company employees.	Due for December 2020 and paid in January 2021.
Council of Cooperative Health Insurance (CCHI)	0.69	0.94	Inspection and Supervision Fees.	Due for December 2020 and paid in January 2021.
Ministry of Interior, Chamber, Labor Office, SAGIA	0.81	-	Fees for issuance of visas, passports, and other government fees for company and its employees.	Paid on time (no dues).
Saudi Stock Exchange (Tadawul)	0.80	-	Listing Fees.	Paid on time (no dues).
Total	27.78	30.57		

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 Walaa 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 activity;
- and 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 Walaa Cooperative Insurance Company (Walaa), nor did it contain any reservations.

38 - External Auditors

Extraordinary General Assembly meeting was held on 29th June 2020, 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 2020 and first quarter of 2021, 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.

Conclusion:

The Board of Directors would like to thank and express its appreciation to our 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, which resulted in distinct and consistent results.

Board of Directors of Walaa Cooperative Insurance Company



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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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