



Annual Report 2022







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



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

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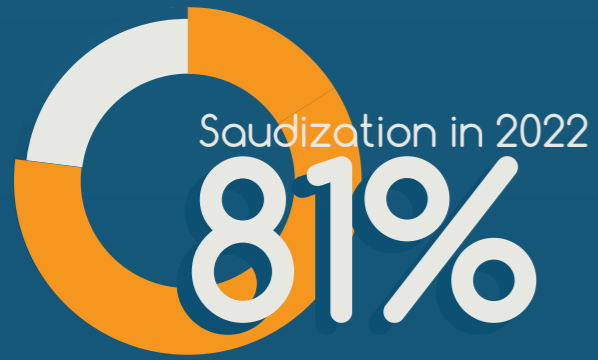
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500+
Employees Number in 2021



Quality Management System



Information Security Management System



50

Total Branches at the end of 2022



Business Continuity Management System



Occupational Health & Safety Management System

15
years of Experience

2.642 billion
Total Written Premiums in 2022



Environmental Management System



Social Responsibility

SAR 850.583 million

Paid up Capital



Enterprise Risk Management System

85.058 million
Number of shares in 2022

376,908
Number of Calls Received



Message from the Chairman of the Board of Directors

Dear Shareholders,

I am pleased to present the report of the Board of Directors of your Company for the year 2022. During 2022, Walaa reported a Gross Written Premium (GWP) of SAR 2.642 billion against SAR 2.339 billion during 2021 (an increase of 12.96%). 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.

GWP 2022
2.642 billion

GWP 2021
2.339 billion

Increase
12.96%

Despite continuing to have a record growth, unfortunately the Company has incurred a loss of SAR 27.5 million during the year, which was reduced from a loss of 122 million during 2021, the bottom line impacted mainly on account of losses incurred in Motor and Health insurance segments, which was posing a huge challenge for the entire industry during the year 2022.

Walaa has successfully faced and overcome 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 fifteen-year of growth and progress.

I am pleased to inform you that Walaa is the first insurance company in KSA to successfully complete 2nd merger transaction. After the merger with MetLife ANB AIG back in 2020, Walaa have successfully concluded its 2nd merger transaction with SABB Takaful on 19th Oct. 2022. This 2nd merger provided Walaa an additional

capital of SAR 204 million, by issuing 20.5 million new shares, with a nominal value of SAR 10, in favor of the shareholders of SABB Takaful Company (issuing 0.6005476176470590 shares in Walaa company for each share owned in SABB Takaful Company), increasing Walaa's paid-up capital to SAR 850 million. This merger will bring many benefits to Walaa, including but not limited to:

- 1- Enjoying a stronger capital, which will enhance the margin of solvency, the ability to take risks, write more insurance business, and increase investment returns;
- 2- It will enable the company to maintain the current credit rating provided by international financial rating agencies;
- 3- Enhancing competitive capabilities in the sector in terms of acquiring a larger market share in general insurance and protection and saving products;
- 4- The company's ability to provide insurance products covering all insurance sectors, especially the protection and savings insurance sector for individuals;
- 5- Increase and diversify the customer base; Enhancing the geographical spread of the company's business, specifically in the central region;
- 6- Having SABB Bank as a shareholder and strategic partner of the company, which will reflect on strengthening the Bancassurance sales channels and expanding the scope of marketing and selling insurance products.

At the right time and under the right market conditions, Walaa is planning to further strengthen its capital via a rights issue/mergers in the future, to support its ambitious growth plan. The major reasons for the need of a capital increase are:

- 1- Support the growth plan of our Health Insurance

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

I am pleased to inform you that Walaa still maintained its "A3" Insurance Financial Strength Rating (IFSR) with a stable outlook by Moody's Investors Service, and a Financial Credit Rating of "A-" with a stable outlook from S&P. The Company has also secured a "gc AAA" long term Gulf Cooperation Council Regional-scale and a national scale rating of "ksaAAA" financial strength credit rating from S&P. These ratings of Walaa reflect its strong brand and market position, strong asset quality, good capital adequacy, strong reserve adequacy, and consistent performance, indicating that Walaa is a robust core insurance platform and have a commendable degree of financial strength to honor our Policyholders' obligations. In addition to maintaining "A" rating, the Company is also proud to maintain its current ISO certifications, as it aims to be known as the best-governed company in the region.

I'm proud to announce that your Company have successfully implemented eBao system which is a proven insurance ERP as a core platform for General business operations, and Oracle EBS for the support services, including Finance (including OFSAA tool for IFRS17 reporting), procurement and HR. It is planned to take another 12 to 18 months to complete all the digitization initiatives of the company. Starting 1st Jan 2023, IFRS 17 Insurance Contracts will supersede IFRS 4, and for these reasons the Company conducted changes in the systems and data to be ready for the

adopt of this new standard.

The Board of Directors likes to thank its workforce of the Company for their dedicated efforts and hard-work and hope that this will continue in the future. Both the Board and Executive Management of the company are fully committed in investing and developing the National talent, to ensure that the company will have qualified and competent Saudi talents to achieve its objectives in all aspects of the business. In this regard we are proud to announce that the efforts of our "Walaa Academy" have materialized and has been recognized by the Minister of Human Resources & Social Development with the award of the best on-the-job training program for employees, it is to be noted that Walaa was the only insurance company out of the 24 companies who were awarded by the ministry. Walaa is very proud that more than 81% of its workforce are national employees, and 26% of its workforce are females with several of them occupying senior executive and managerial roles.

The Board of Directors likes to thank its shareholders for their trust and confidence. The Board of Directors also appreciates the trust and faith placed by its business partners in the course of its progress and acknowledges their support. 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 usual support to Walaa at various stages of our operations and especially during our second merger.

Sincerely,

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



Message from the Chief Executive Officer

Dear Shareholders,

I take the opportunity to present to you the 15th Annual Report of Walaa, and I want to affirm that Walaa is optimistic about the forthcoming years with a prospect of sustained growth. During the year, Walaa became the fifth largest insurer in the Kingdom in terms of Gross Written Premium (GWP). The following graphs shows the Company's progress in Gross Written Premium (GWP) and line of business.

This report may contain several forward-looking statements based on management's estimates and outlook and these may not be considered as an assurance on the future performance of the Company.

Line of Business Portfolio Mix

In the past Walaa has been depending heavily on Motor business, but since 2020, our strategic focus changed to balance our portfolio mix between all other 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 market dynamics. Walaa's Motor portfolio was reduced to 17% of total GWP in 2022 from 26% in 2021, on the other hand the Medical growth was sizable where its share of total Walaa GWP grew from 15% in 2021 to 25% in 2022, which was in line with the company's plan of growth in the Medical line.

Walaa is very well known in the market for its expertise in General Insurance business, where Walaa has got 2nd highest market share of overall General insurance business in KSA. On the other hand, after completing merger transaction with SABB Takaful, we are working on enhancing our Protection & Savings portfolio focusing on the individual life business. The portfolio mix for the past two years is demonstrated in the diagrams.

The year under review reported a net loss from insurance operations of SR 105.586 million and a total shareholder's net loss of SAR 27.364 million for 2022, in comparison with a net loss from insurance operations of SR 142.051 million and a total shareholder's net loss of SAR 121.054 million for 2021. The net loss for the year resulted from various circumstances that continued from the year 2021 and resulted in having a major impact on the insurance industry as a whole including Walaa.

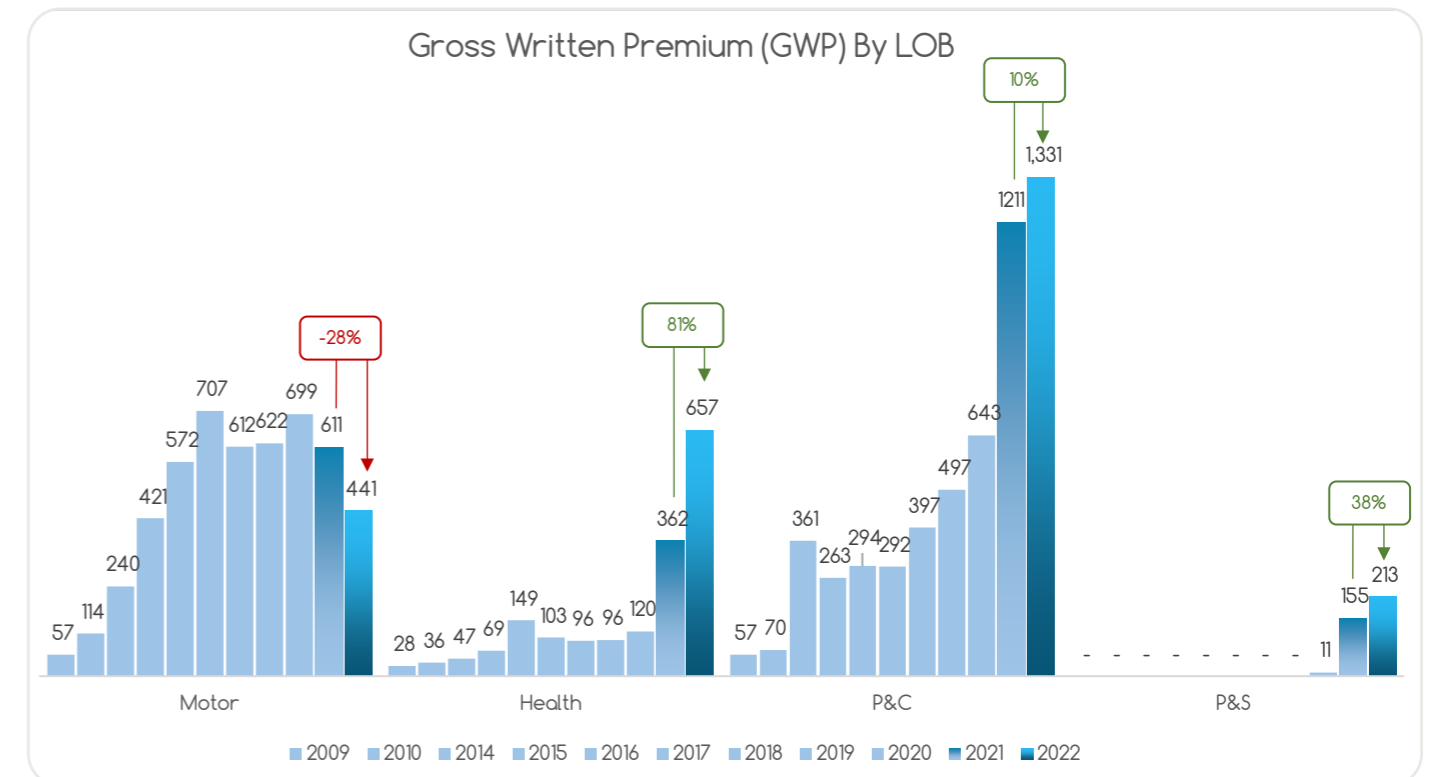
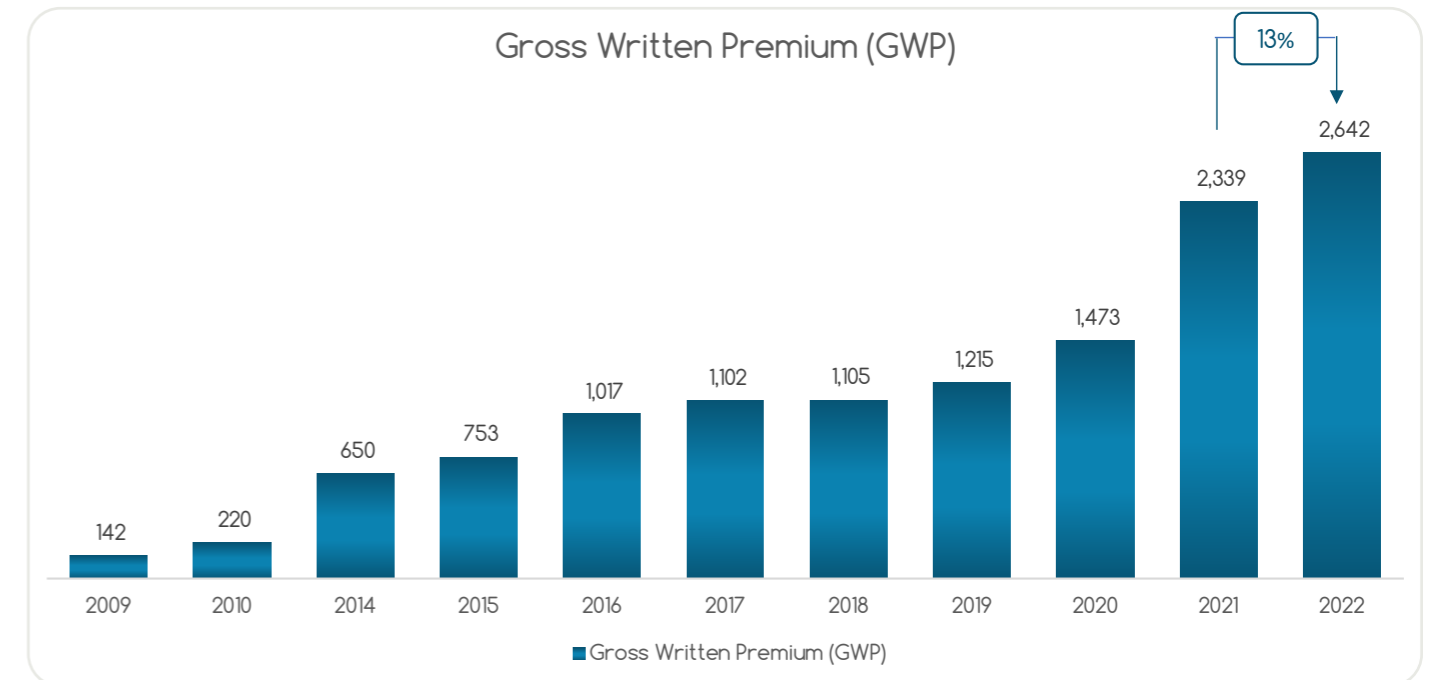
The Company suffered losses in the Motor as well as Health line of business. Motor insurance business, is going through a very difficult phase. Motor business in the Kingdom went through a

similar situation during 2014-2015 period but the recovery was faster as the Regulator intervened and enforced companies to follow prices recommended by Actuaries. This time, the recovery is taking a longer time as the price correction initiatives were left to the insurance companies. I am happy to mention that the motor prices have been corrected and therefore expect a better performance of this line of business in 2023. The reasons for our losses during this year continue to be the same of 2021:

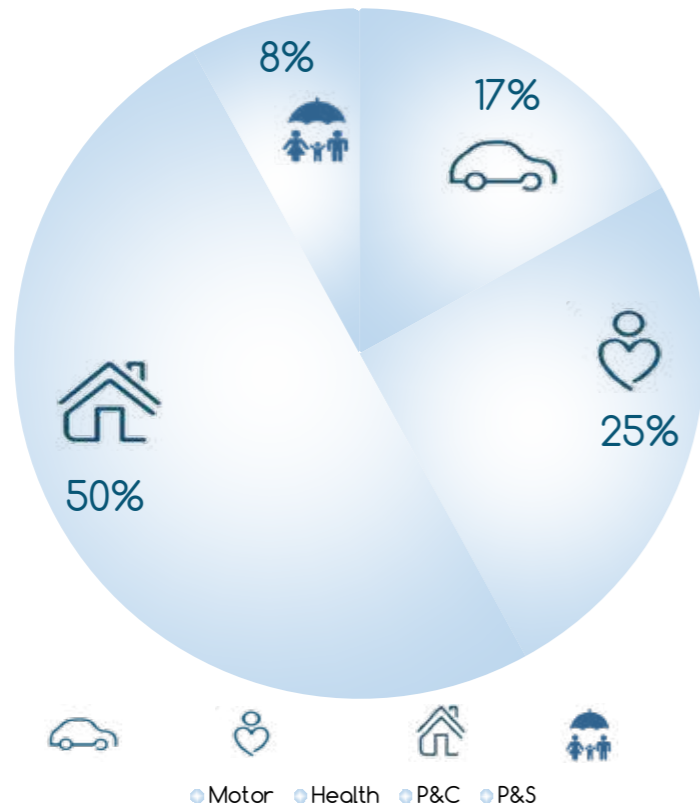
1. Inadequate pricing structure: Cut-throat competition through aggregators have brought the average price down to an unsustainable level, which just got corrected by the market by end of Q3, and would require more time for the overall price corrections to reflect on the industry profitability;
2. Leasing business is becoming price driven, similar to the aggregator business, where each client would have a minimum of 3 prices before issuing the policy;
3. Overall increase in claims frequency in the market, to a point which is higher than pre-covid era;
4. Increase in damage assessment/repair cost estimates;
5. Customer/Third Party beneficiary fraud, especially for Third Party as it is a cash reimbursement without actual repairs;

The Company is making several efforts to address these challenges, including reducing its exposure to the motor portfolio, until the price correction in the market reaches to the desired levels. Some of these key initiatives taken/under progress:

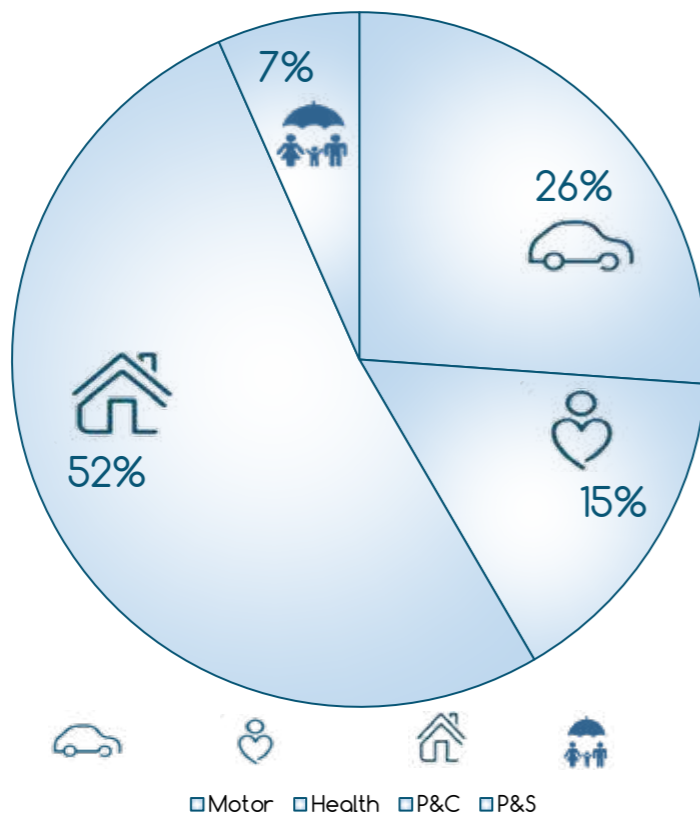
1. Increasing the portfolio of the medium sized corporate clients within the Motor line, and focus on a very specific individual client base;
2. Closing the branches which become loss making due to the changes in the Motor business dynamics;
3. Focusing on retail products other than motor, such as Home, Tourism visa, Outbound travel, Domestic Worker, and Medical Malpractice insurance;
4. Focusing on medical insurance for SME business.
5. Increasing the retention in Property and Casualty business;
6. Having wider presence in Western and Central regions;
7. Accepting inward reinsurance business;
8. Scaling up the Health insurance business, including building inhouse claims management system;
9. Growing the Protection & Savings line of business, especially bancassurance channel;
10. Improving the overall efficiency through digitization of services, and cost optimization initiatives.



Portfolio Share % 2022



Portfolio Share % 2021



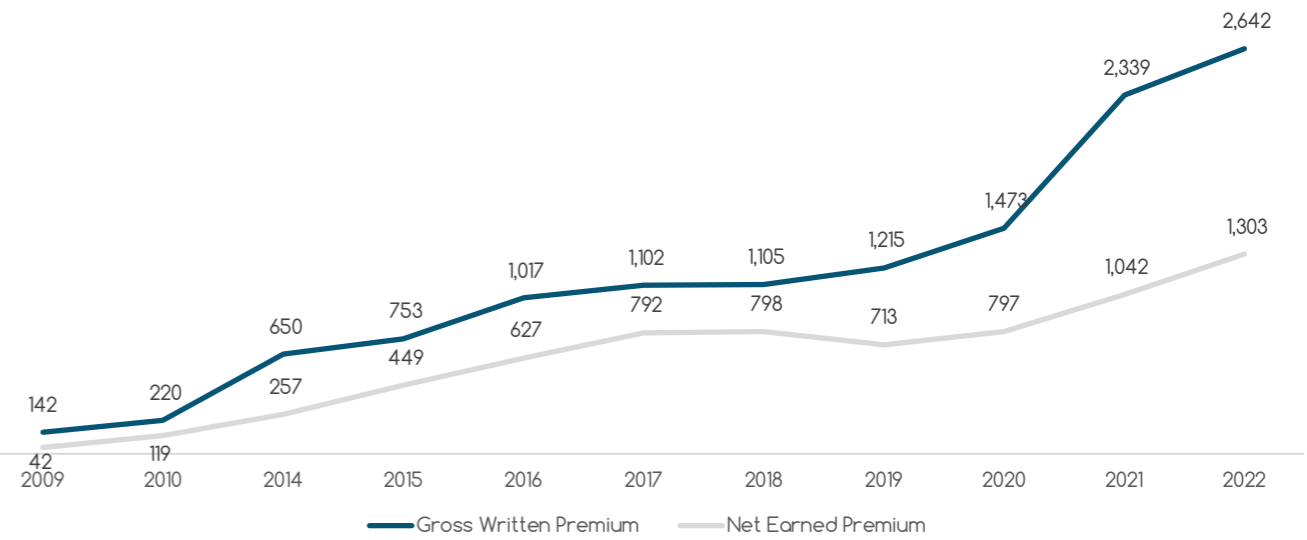
The following sections of the report summarize the performance and other aspects of the Company's operations for the twelve-month period ended on 31 December 2022.

Financial

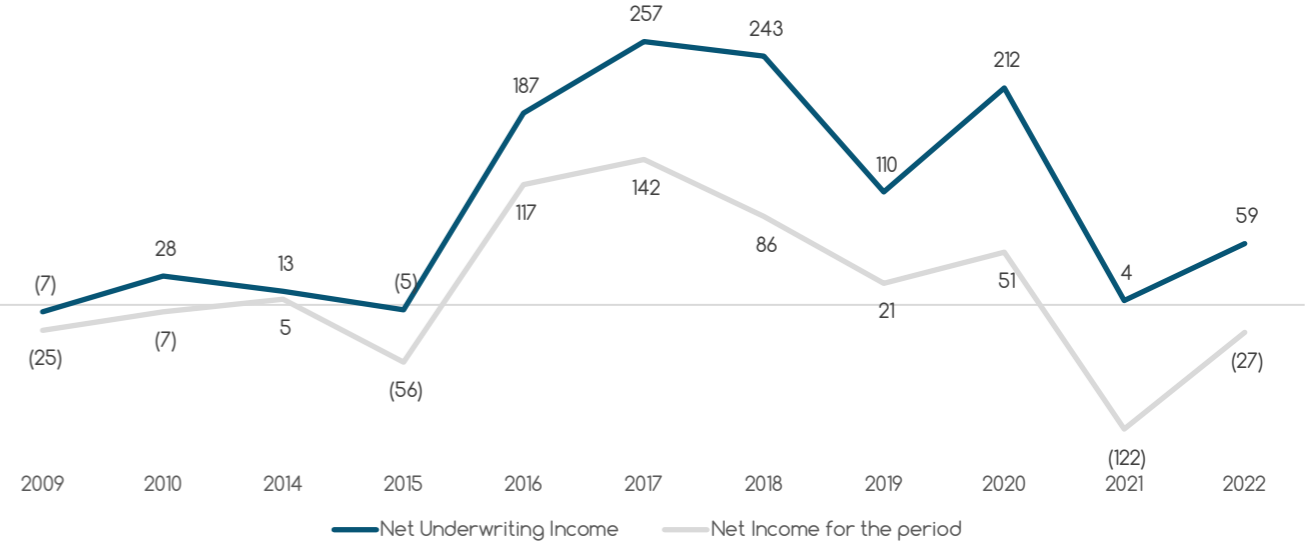
The growth in net earned premium from SAR 1,042 million in 2021 to SAR 1,303 million in 2022, helped reducing the shareholders' losses from SAR 122 million in 2021 to a loss of SAR 27 million in 2022. The following charts summarize the growth achieved by Walaa under various operating parameters:

GWP for an insurance company is an important measure based on which the rest of the growth parameters tend to develop. Walaa has lost sales in the Northern and Southern regions mainly due to reduction of motor sales, which are driven by our retail branches and a significant portion of our retail branch business have moved away from branches to aggregator portals. Management is making efforts to optimize expenses by improving efficiency, closing or moving loss making branches, optimizing our investment returns particularly on fixed income securities and deposits. Digitization efforts including system enhancements are another area where your company is expected to gain from in the medium to long term. Merger with SABB Takaful has also resulted in a one-time gain of SAR 49 million.

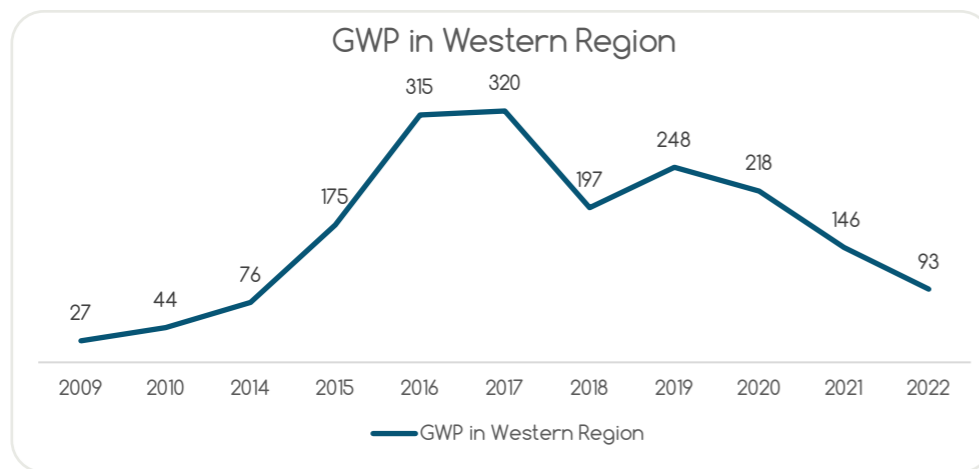
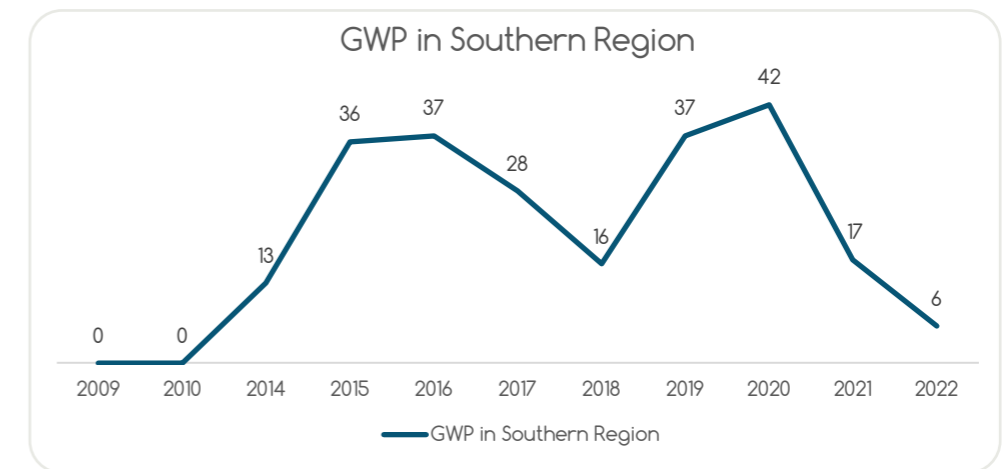
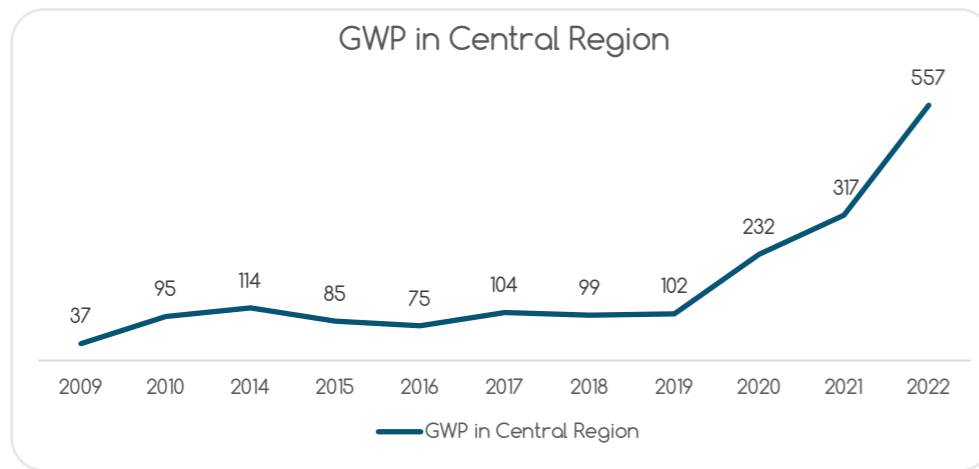
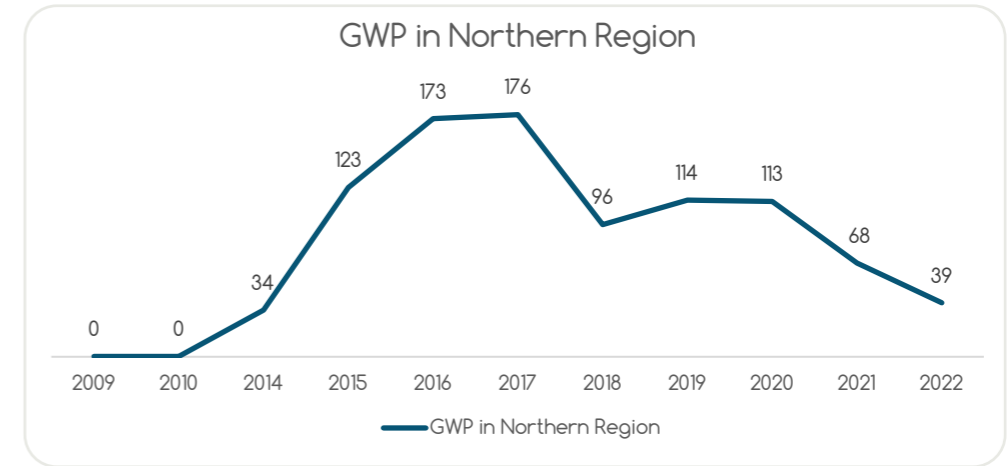
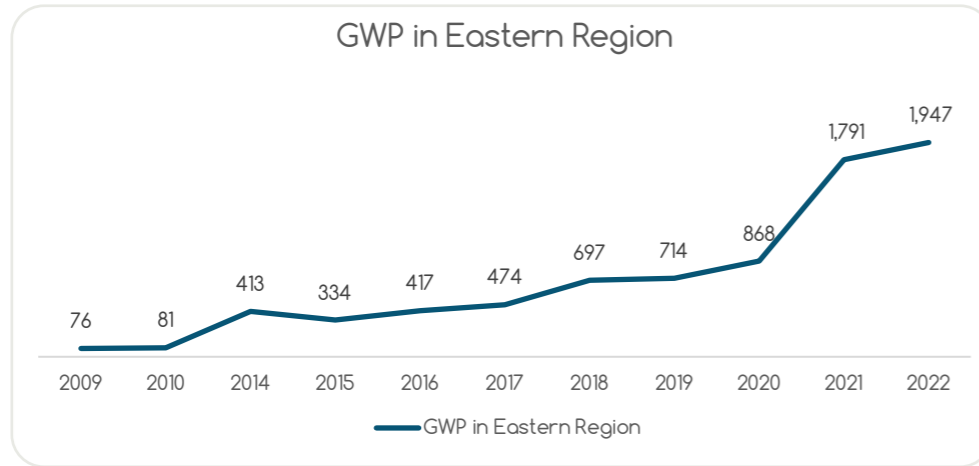
Financial Performance



Financial Performance



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



Financial Strength Rating

Despite the losses Walaa has been able to sustain its credit ratings A- (stable outlook) by S&P and A3 (stable outlook) by Moody's. This rating indicates a robust risk-based capital adequacy, a satisfactory business risk profile, and an overall upper adequate financial risk profile.

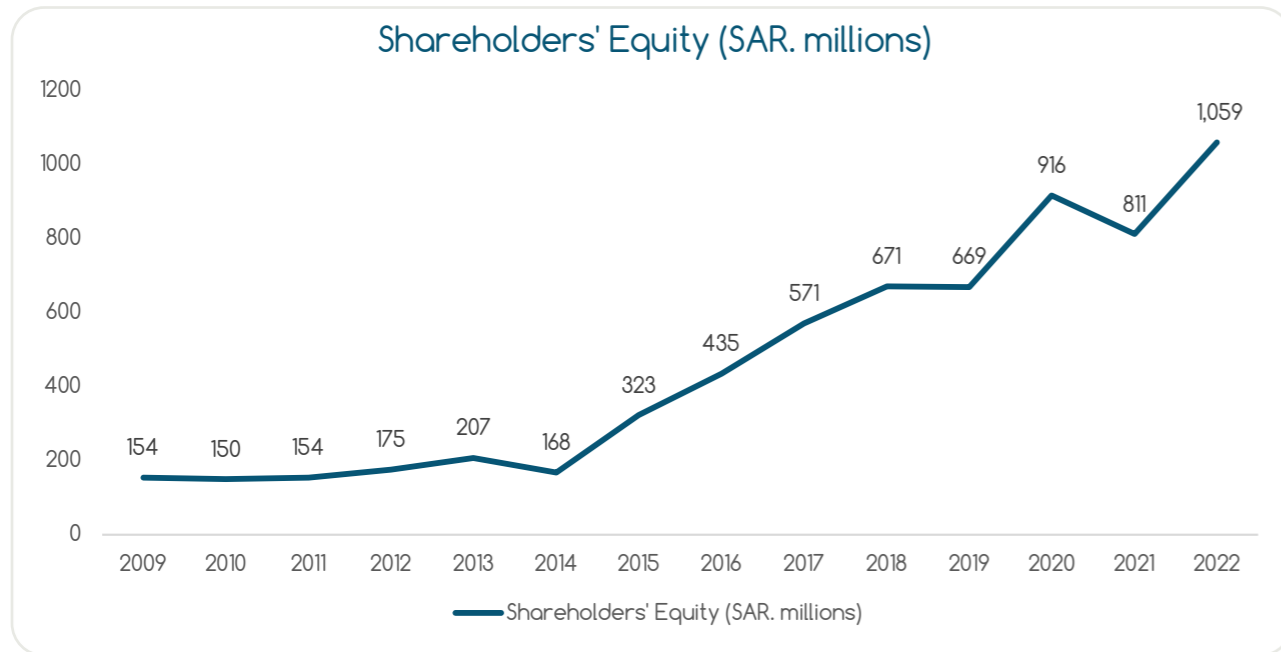
International Organization for Standardization (ISO certifications)

Walaa aims to be known as one of the best-governed companies in the region. The Company is proud to be following international standards and best practices that would help Walaa to progress well with its customer-first approach and always be able to serve policyholders beyond their expectations, by continuing to hold:

- ISO 31000:2018 Enterprise Risk Management System.
- ISO 9001:2015 Quality Management System.
- ISO 270001:2017 Information Security Management Certification.
- ISO 22301:2012 Business Continuity Management System.
- ISO 45001:2018 Occupational Health & Safety.
- ISO 14001:2015 Environmental Management System.
- ISO 26000:2010 Social Responsibility certifications.



During 2022 Walaa received the cybersecurity compliance certification (CCC) program, which was established to ensure all Saudi Aramco third parties are in compliance with the cybersecurity requirements in the Third Party Cybersecurity Standard (SACS-002).



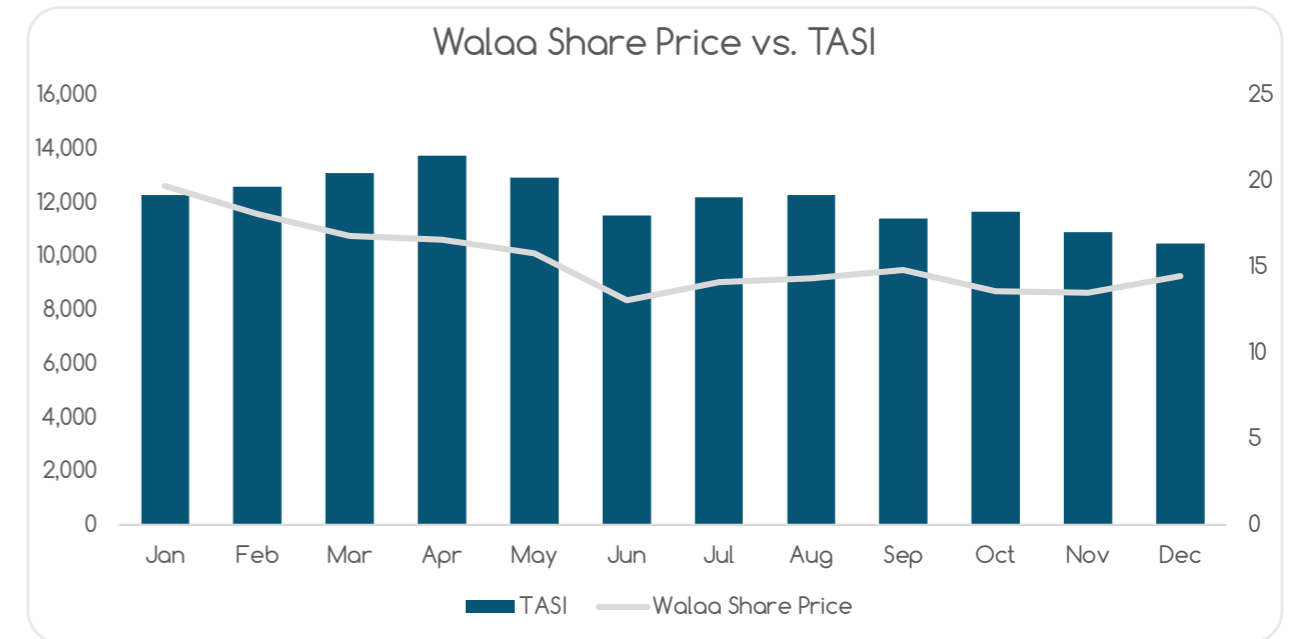
Shareholders' Equity since inception:

Walaa has suffered from losses during 2022 and reported accumulated losses of SAR 68 million by the end of the year (with a change of SAR -27 million from last year). This loss was further impacted with a loss in the fair value on available for sale investments of SAR 18 million. The net effect of the loss along with a positive impact of SAR 294 from the merger with SABB Takaful, had a positive impact to shareholder's equity resulting an increase from SAR 811 million in 2021 to SAR 1,059 million in 2022.

During 2022, the capital increased from SAR 646 million to SAR 850 million due to the merging with SABB Takaful Company, by issuing 20,418,619 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 64.6 million to 85.5 million.

Movement of our share price during the year 2022

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



Geographical spread and Country-wide Presence

Ever since Walaa commenced its operations during 2007 (Insurance operations began in 2009), with headquarters at Al-Khobar in the Eastern province, the Company has been committed to a wide geographical presence in the vast country of the Kingdom of Saudi Arabia. In addition to the Central regional office at Riyadh and the Western regional office at Jeddah, Walaa has wide network of branches located through the kingdom. The adjacent map illustrates various locations at which Walaa has its presence, having +50 branches in +30 cities around the Kingdom.



Growth Strategy and Capital Raise

Walaa's management has prepared a detailed medium-term strategy that is under progress. This strategy defines Walaa's vision for the coming 5 years. Walaa's business strategy, including a simulation of the required capital based on multiple scenarios throughout the coming years.

This strategy was designed to address the following pillars:

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

IT, Processes, & Digital Transformation Strategy

To enabling agile and lean operations an effective technology platform and environment, is a must. Walaa has embarked on an ambitious business plan to become one of the preferred insurers in the Kingdom. The Company also acknowledges agile and scalable architecture in technologies which is instrumental towards enabling the business, and with these aspects, the Company has embarked on a major transformational programs back in

2021 to revamp all of its existing platforms and modernize the overall technology environment. The transformation includes core applications, IT infrastructure, and customer experiences.

Walaa is undergoing major transformation programs to revamp all current platforms and core applications with more agile, scalable, and future proof systems to support business objectives and meet key stakeholder's expectations. The program will facelift Underwriting, Reinsurance, Claims, and Support functions working applications and improve processes with sound technologies and reputable implementing partners. During 2022 Walaa have implemented eBaoTech General System Suite to support the entire life cycle operations of the General insurance business, this implementation was happening in phases, and by the end of Q3 2023 all general insurance products and group life would be live on this new system. In regards to the Medical and individual Life business operations the new system implementation would commence in 2023. With respect to our Enterprise solution, Oracle E-Business Suite has been implemented during 2022 to take care of Finance & Accounting Operations, Procurement, Human Resource Operations, and act as a single source for data storage, analysis, and maintenance. In addition, meeting the new accounting standard of IFRS17 reporting requirement is also another critical compliance matter which Walaa has

accomplished by implementing Oracle-OFSAA solution & FIS Profit as an actuarial solution. To improve customer service, Walaa started the implementations of Microsoft Dynamics 365 as customer relationship management software, and Mindex software to uplift and develop all the digital platforms, portals, website services, and mobile application.

Human Resources and Saudization

Walaa has over the years developed, and built a very strong and capable workforce, which is the primary driver behind its success. Walaa believes in investing in Human Resources, and this remains at the heart of Walaa's long-term strategy. As part of its plan to develop Saudi national resources, Walaa rolled out the "Walaa Academy" program back in 2021. Walaa Academy is an integral initiative and remains at the core of Walaa's HR strategy over the long-term. The Walaa Academy is conceptualized with an intent to invest in the development of Saudi talents in various disciplines of insurance operations. The importance of such investment is critical 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 men and women who can drive the Company's growth plan in this new age of technology and rapidly changing business environment. As at the end of December 2022 the Saudization level was 81%, and 26% of its workforce are female employees.

Corporate Governance and Risk Management

Walaa continues to improve its Corporate Governance framework over the years to ensure that it covers all areas of operation and stay in line with the best practices adopted in the region. 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. The Risk-Management framework has been further strengthened in the light of experience gained in the domain and in accordance with SAMA's Risk-Based Supervisory (RBS) framework/ ISO requirements, and been updated post-merger to accommodate the new operations which are related to the individual life business. Walaa's Corporate Governance documents are regularly reviewed and updated to be in line with revisions issued by the Regulators.

The Company continues to emphasize on the importance

of ESG (Environmental, Social, and Governance) framework to be in line with best international practice.

Board Structure

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

The last Board term ended in May 2022, and a new Board was inducted.

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 that was generated through the merger transaction, the Company's growth plan continues to be on track. Despite the raise of capital from the merger, to be able to achieve its medium plan, the management still believe that an additional capital would still be required, which will be addressed in the future subject to future performance of the company and the availability of conducive market conditions.

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

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

Acknowledgements

As always, I am grateful to the stakeholders, business partners, and associates for the continuing support 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 despite the challenges faced during the short term. 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, CHI, and governmental entities in the Kingdom in achieving our objectives.



SABB Merger 2022



Thank you.
Sincerely,

Johnson Varughese
Chief Executive Officer

1



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 the various areas of the Company's business and operations.

A. Board of Directors



Mr. Sulaiman A. Al Kadi

Chairman of the Board of Directors

Qualifications:

Bachelor of Petroleum Engineering – University of Texas, USA.

Current Positions:

- Chairman of the Board and Member of the Nomination and Remuneration Committee and Investment 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 the Board – **Alawwal Bank.**
- Member of the Board – **Saudi Electricity Company.**

Experience:

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



Mr. Khalifa A. Al Mulhem

Vice Chairman of the Board of Directors

Qualifications:

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

Current Positions:

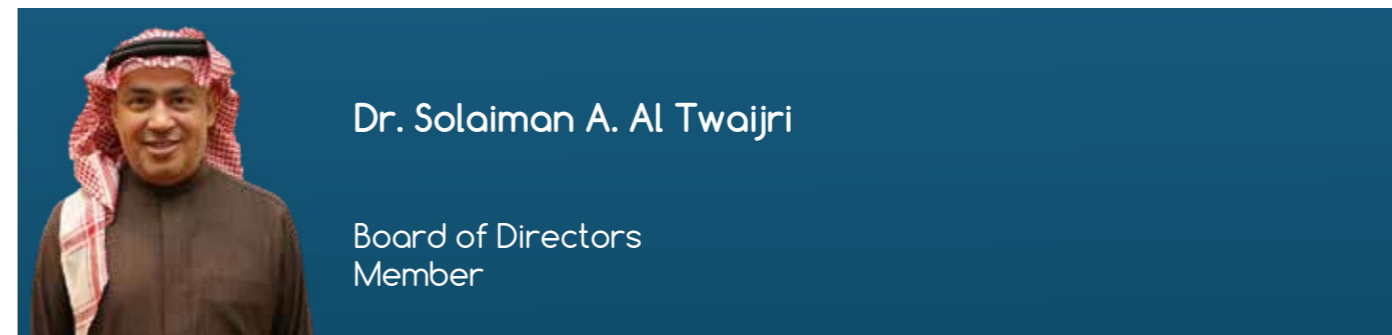
- Chairman of the Board - **Khalifa A. Al Mulhem Limited Company.**
- Vice Chairman of the Board and Chairman of Investment Committee – **Walaa Cooperative Insurance Co.**
- Chairman of the Board and Chairman of Executive Committee – **Advanced Petrochemical Co.**
- Chairman of the Board and Executive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

Previous Positions:

- Held Senior Positions at Saudi Industrial Development Fund
- Member of Board - **Saudi British Bank.**
- Member of Board - **Saudi Spanish Bank.**
- Member of Board – **Saudi Industrial Development Fund.**
- Member of Board – **United Gulf Investment Corporation.**
- Member of Board - **General Organization for Social Insurance.**
- Member of executive board - **NAMA Chemicals Group.**

Experience:

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



Dr. Solaiman A. Al Twajri

Board of Directors Member

Qualifications:

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

Current Positions:

- CEO - **The National Agricultural Development Company (NADEC).**
- Member of Board and Chairman of Executive and Strategy, and risk management Committee – **Walaa Cooperative Insurance Co.**
- Member of the Board – **Saudi Arabian Amiantit Group of Companies.**
- Member of Audit Committee – **Saudi Electricity Co.**
- Chairman of the Board - **First Abu Dhabi Bank Capital.**

Previous Positions:

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

Experience:

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



Mr. Waleed M. Al Jafaari
Board of Directors Member

Qualifications:

Bachelor of Economy – King Saud University

Current Positions:

- o Vice Chairman of the Board and Member of the Audit, Nomination, and Remuneration Committee – **Advanced Petrochemical Co.**
- o Member of the Board and Member of the Audit, Committee – **Eastern Cement Company.**
- o Member of the Board and Member of the Investment Committee – **Walaa Cooperative Insurance Co.**
- o Chairman of the Board, Head of Executive Committee - **Gulf Real Estate co.**
- o Chairman of the Board - **Al-Dawaa Medical Services Co. Ltd.**
- o Member of the Board and member of Nomination, and Remuneration Committee - **Industrialization & energy services co. (Taqa).**
- o General Manager - **Meshraf Real estate.**
- o Board Member - **Siyaha International Company**

Previous Positions:

- o General Manager and Member of Board - **Gulf Stevedoring Contracting Company.**
- o General Manager - **Star of Kingdom Contracting Limited**

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:

- o CEO and Founder – **International General Insurance Company "IGI".**
- o Member of the Board and Member of the Investment Committee – **Walaa Cooperative Insurance Co.**
- o Director - **W. Jabsheh Investment Company Ltd.**
- o Director - **Al Bawaba Middle East Ltd.**

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. Abdulatif K. Almulhim
Board of Directors Member

Qualifications:

- o Bachelor's Degree in Civil Engineering - **Concordia University, Montreal**

Current Positions:

- o Member of the Board of Directors and member of the Nominations and Remunerations Committee - **Industrialization Company**
- o Member of the Board of Directors - **Bank Aljazira**
- o Member of the Board of Directors and member of the Executive and Strategy and Nominations and Remuneration Committee - **Walaa Cooperative Insurance**
- o Chief Operating Officer (COO) - **Khalifah Abdullatif Al-Mulhem Holding co.**
- o Vice Chairman - **Khalifah Abdullatif Al-Mulhem Limited Co.**

Previous Positions:

Credit Analyst - **Saudi Industrial Development Fund**

Experience:

Mr. Almulhim has intensive experience in project finance and risk assessment



Mr. Osama M. Al-Khonaizi
Board of Directors Member

Qualifications:

- o Bachelor's degree in Finance - **KFUPM, KSA.**

Current Positions:

- o Chief Executive Officer and Board Member - **Dar and Emaar Investment and Real Estate Development Company**
- o Member of the Board of Directors, Member of the Nominations and Remuneration and Risk Management Committee - **Walaa Cooperative Insurance**

Previous Positions:

- o Senior Vice President, Corporate Banking Group - **Gulf International Bank**
- o Group Director of Strategy, Corporate, Products development and Marketing - **at Amlak International Company for Real Estate Development and Finance.**
- o Corporate & Investment Banking Group – Central region, Team Leader - **Samba**

Experience:

Mr. Al Khonaizi is executive professional with over 20 years of diversified experience that creates investment value and provides a high-level strategic perspective and practical experience in all aspects of corporate banking, mortgage well as complex real estate development projects.



Mr. Hatem F. Balghoneim

Board of Directors Member

Qualifications:

Bachelor of Petroleum Engineering – KFUPM, KSA.

Current Positions:

- Chairman and CEO – **Acceleration Company.**
- Member of the Board – **Dynamic Oil Tools Manufacturing Company.**
- Member of the Board – **Technology Precision and Quality Saudi contracting company (QTECH)** Member of the Board, Chairman of Nomination & Remuneration Committee, & Member of the Executive and Strategy Committee – **Walaa Cooperative Insurance Co.**
- Member of Board of Directors – **Neft Energies Training Center.**
- Member of the Board - **Drilling & production petrochemical co. (PetrolChem)**

Previous Positions:

- Chairman of Board of Directors – **Alahsa Development Co. (Ayan)**
- Member of the Board – **C&J Saudi Arabia.**
- VP Upstream – **Dynamic Energy.**
- Member of the Board - **Fahad Sulaiman Balghoneim Sons Co**

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, and member of risk management Committee – **Walaa Cooperative Insurance Co.**
- Member of the Board and Member of the Executive Committee – **Arab National Bank “ANB”**
- General Manager- **Haier & Aljabr Saudi Electronics Trading Company**
- Chairman - **khuta-alkhair Company.**
- Chairman - **Einas trading company.**
- Member of the Board - **Gulf carton factory company.**
- Member of the Board - **Future Development Company (NAMA).**

Previous Positions:

- Member of the Board - **united gas transmission company limited.**
- Member of the Board - **khaleeji commercial bank**

Experience:

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



Mr. Jameel A. Al Molhem

Board of Directors Member

Qualifications:

Bachelor of Marketing – KFUPM, KSA

Current Positions:

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

Previous Positions:

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

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. Abdulaziz S. Al-Shabeebi

Board of Directors Member

Qualifications:

- Bachelor’s degree in Accounting - **King Faisal University**
- Fellowship of American accountants in accounting from **(CPA) the American Institute**
- Fellowship of Saudi accountants in accounting from **Saudi Organization for Certified Public Accountants (SOCPA)**

Current Positions:

- Owner of Maham Professional Consulting Company
- Member of the Board of Directors - **Walaa Cooperative Insurance Company**
- Member of the Board - **Allitfeaq Steel Products Company**

Previous Positions:

- Partner in **Ernst Wing**
- Member of the Advisory Committee of **Capital Market Authority.**
- Member of the Board - **Saudi Organization for Certified Public Accountants.**

Experience:

Mr. AlShabeebi has more than 24 years of experience in the field of accounting, and he holds two associate degrees in accounting.

2



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, KSA**
- Bachelor's in industrial management – **KFUPM, KSA**

Current Positions:

- Member of the Board – **Middle East Financial Investment Company**
- 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 Trustee Board – **KFUPM**

Previous Positions:

- Member of Investment Committee – **Human Resources Development Fund**
- Member of **Saudi Economic Association**
- Member of the Board - **The National Agricultural Development Company (NADEC)**
- Member of Trustees – **Yamama University**
- 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 and private sector.



Mr. Adeeb S. Al Fuhaid

Qualifications:

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

Current Positions:

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

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.

3



Walaa's
Management

Executive Management



Mr. Johnson Varughese

Current Positions

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

Previous Positions

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

Qualifications

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

Experience

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



Mr. Mohannad Al Desouki

Current Positions

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

Previous Positions

- Finance Manager – Wala Cooperative Insurance Co.
- Financial Controller – Siemens
- Financial Analyst – General Electrics "GE"

Qualifications

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

Experience

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



Mr. Turki Al-Buraik

Current Positions

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

Previous Positions

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

Qualifications

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

Experience

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



Mr. Syed Raza Haider

Current Positions

- Appointed Actuary

Previous Positions

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

Qualifications

- Fellow of Institute and Faculty of Actuaries (UK)

Experience

Qualified actuary with 24 years of experience in the actuarial field



Mr. Wasif Minhas

Current Positions

- Chief Technical Officer (Motor & General)

Previous Positions

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

Qualifications

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

Experience

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



Mr. Ghayas Khan

Current Positions

- Chief Technical Officer (Life & Medical)

Previous Positions

- Chief Risk Officer (Acting) - Wala Cooperative Insurance Co.
- Internal Actuary - Wala Cooperative Insurance Co.
- Assistant General Manager – Group Life Division – EFU Life Insurance Company

Qualifications

- Associate of Society of Actuaries, USA
- Bachelors in Commerce – Karachi University

Experience

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



Mr. Fahad Aba Alkhail

Current Positions

- VP, Sales and Marketing.

Previous Positions

- Head of Corporate Sales – Wala Cooperative Insurance Co.
- Key Accounts Manager/Board Secretary – Wala Cooperative Insurance Co.
- Head of Compliance/Board Secretary – Wala Cooperative Insurance Co.
- Head of Compliance – Gulf International Bank.
- Head of AML – Arab National Bank.
- Compliance Officer – SAMBA Financial Group.

Qualifications

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

Experience

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



Ms. Rogayah Al Thawadi

Current Positions

- Legal Manager
- Secretary of the Board of Directors

Previous Positions

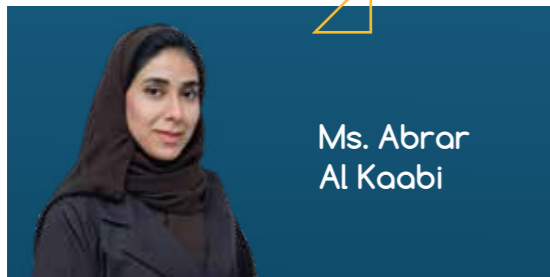
- Legal Supervisor - Wala Cooperative Insurance Company.
- Senior Legal Specialist - Ebrahim Mohammed AlMana & Brothers Co. (Almana General Hospitals).
- Legal Specialist - Ebrahim Mohammed AlMana & Brothers Co. (Almana General Hospitals).

Qualifications

- Master's degree in legal studies from Southern Illinois University - Carbondale, United States.
- Bachelor's degree in Islamic Studies from the University of Dammam, Saudi Arabia.

Experience

More than 8 years of experience in corporate legal departments.



**Ms. Abrar
Al Kaabi**

Current Positions

- Internal Audit Manager.
- Audit Committee Secretary.

Previous Positions

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

Qualifications

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

Experience

Has over than 6 years of experience in internal audit focused in the insurance sector.



**Ms. Khulood
Al Shreif**

Current Positions

- Customer Care Manager.

Previous Positions

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

Qualifications

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

Experience

Over 18 years of experience in Insurance Sector.



**Mr. Abdullah
Redwan Hussien**

Current Positions

- Senior Manager- Business Transformation
- ERP Steering Committee Secretary

Previous Positions

- Business Transformation Manager – Walaa Cooperative Insurance Co.
- Special Projects Manager – Walaa Cooperative Insurance Co.
- Internal Audit Manager – Walaa Cooperative Insurance Co.
- Audit Committee Secretary- Walaa Cooperative Insurance Co.
- Internal Audit & Risk Management Executive – AIRajhi Takaful.

Qualifications

- Master of Science, Islamic Finance –Coventry University
- Professional Development Program, Fintech-Georgetown University
- Advanced Diploma, Islamic Finance- Bahrain Institute of Banking & Finance
- Bachelors of Accounting- Hawassa University

Experience

Has over than 15 years of experience in the Retail & Insurance industry.



**Ms. Shaima
Al Mulhim**

Current Positions

- Acting Risk Manager.
- Risk Committee Secretary.

Previous Positions

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

Qualifications

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

Experience

Over 6 years of experience in risk management focused in the insurance sector.



**Mr. Khalid
Omran**

Current Positions

- Compliance Manager.

Previous Positions

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

Qualifications

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

Experience

Has over than 13 years of experience in Insurance Sector and Compliance.





26.22%

WOMEN NOW REPRESENT 26.22% 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	Saudi Aramco	Inside Kingdom	Listed
Khalifa A. Al Mulhim	Advanced Petrochemical Co	Inside Kingdom	Listed	Saudi British Bank "SABB"	Inside Kingdom	Listed
	National Shipping Company of Saudi Arabia "Bahri"	Inside Kingdom	Listed	Al Ittifaq Steel Company	Inside Kingdom	Not Listed
	Saudi White Cement Company	Inside Kingdom	Not Listed	Saudi Industrial Development Fund	Inside Kingdom	Not Listed
	Al Jazira Support Services Company "MEHAN"	Inside Kingdom	Not Listed	NAMA Chemicals Group	Inside Kingdom	Listed
	KAMCO Limited	Inside Kingdom	Not Listed	United Gulf Investment Corporation	Outside Kingdom	Listed
	KAMCO Holding	Inside Kingdom	Not Listed	General Organization for Social Insurance	Inside Kingdom	Not Listed
	Canadian medical center	Inside Kingdom	Listed	Saudi Spanish Bank	Outside Kingdom	Listed
	Walaa Cooperative Insurance Company	Inside Kingdom	Listed	International general insurance co. ltd. (Amman)	Outside Kingdom	Not Listed
	Al Jazira Bank	Inside Kingdom	Listed	MENA Financial Group Limited	Outside Kingdom	Not Listed
				IGI Underwriting Co	Outside Kingdom	Not Listed
Wasef S. Al Jabsheh	International General Insurance (IGI)Co. Ltd.	Outside Kingdom	Not Listed	Abu Dhabi National Insurance Company.	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			

Board Member Name	Name of the Company which a Board member is currently a member of their Board or Manager	Inside / Outside the Kingdom	Type of Company	Name of the Company which a Board member was previously a member of their Board or Manager	Inside / Outside the Kingdom	Type of Company
Wasef S. Al Jabsheh	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"			
	W. Jabsha Investment Company Limited	Outside Kingdom	Not Listed			
	Al-Bawaba Middle East Company Limited	Outside Kingdom	Not Listed			
	Walaa Cooperative Insurance Company	Inside Kingdom	Listed			
Solaiman A. Al Twajjri	First Abu Dhabi Bank Capital	Inside Kingdom	Not Listed	Saudi Power Transmission Network	Inside Kingdom	Not Listed
	International Water Distribution Company Limited	Inside Kingdom	Not Listed	Al Othman Agriculture Production Co. "Nada"	Inside Kingdom	Listed
	The Arabian building materials & industrial equipment trade co. Ltd.	Inside Kingdom	Not Listed	Riyad Bank	Inside Kingdom	Listed
	NADEC	Inside Kingdom	Listed	GIB Capital	Inside Kingdom	Not Listed
	Saudi Arabia Concrete Products (SACOP) Ltd.	Inside Kingdom	Not Listed	Zajoul for Advanced Communications Technology Co.	Inside Kingdom	Not Listed
	Amiantit Rubber Industries Ltd.	Inside Kingdom	Not Listed	Al Khozama Management Co.	Inside Kingdom	Not Listed
	Amiantit Fiberglass Industries Co. Ltd.	Inside Kingdom	Not Listed	Flowtite Technology - Norway	Outside Kingdom	Not Listed
	Ameron Saudi Arabia Ltd.	Inside Kingdom	Not Listed	Flowtite Technology - Bahrain	Outside Kingdom	Not Listed
	Bond strand Co. Ltd.	Inside Kingdom	Not Listed	Amitch - Spain	Outside Kingdom	Not Listed

Board Member Name	Name of the Company which a Board member is currently a member of their Board or Manager	Inside / Outside the Kingdom	Type of Company	Name of the Company which a Board member was previously a member of their Board or Manager	Inside / Outside the Kingdom	Type of Company
Solaiman A. Al Twaibri	Saudi Arabian Amiantit Co.	Inside Kingdom	Not Listed	Amitch - Poland	Outside Kingdom	Not Listed
	Saudi Electricity Co.	Inside Kingdom	Listed	Amitech Pipes Romania	Outside Kingdom	Not Listed
	Saudi Amicon Co. Ltd.	Inside Kingdom	Not Listed	Amiantit Germany	Outside Kingdom	Not Listed
	Walaa Cooperative Insurance Company	Inside Kingdom	Listed	Saudi Arabian Amiantit Management co.	Inside Kingdom	Not Listed
				Amitech Morocco	Outside Kingdom	Not Listed
				Takween Advanced Industrial Company	Inside Kingdom	Listed
				PWT GmbH	Outside Kingdom	Not Listed
				Amiantit Qatar Pipes Co. Ltd.	Outside Kingdom	Not Listed
				ACWA power co.	Outside Kingdom	Not Listed
				Ameron Egypt	Outside Kingdom	Not Listed
				Amiantit Fiberglass Egypt	Outside 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	
			Factory of Bond strand Ltd.	Inside Kingdom	Not Listed	
			Saudi Arabian Ductile Iron Pipes Co. Ltd.	Inside Kingdom	Not Listed	

Board Member Name	Name of the Company which a Board member is currently a member of their Board or Manager	Inside / Outside the Kingdom	Type of Company	Name of the Company which a Board member was previously a member of their Board or Manager	Inside / Outside the Kingdom	Type of Company
Waleed M. Al Jaafari	Advanced Petrochemical Company	Inside Kingdom	Listed	Gulf Stevedoring Contracting Company	Inside Kingdom	Not Listed
	Eastern Cement Company	Inside Kingdom	Listed	Star of Kingdom Contracting Limited	Inside Kingdom	Not Listed
	Gulf Real Estate	Inside Kingdom	Not Listed			
	Meshraf Real estate	Inside Kingdom	Not Listed			
	Siyaha International Company	Inside Kingdom	Not Listed			
	Aldawaa Medical services co.	Inside Kingdom	Listed			
	Walaa Cooperative Insurance Company	Inside Kingdom	Listed			
	Industrialization & Energy Services Co. (Taqa)	Inside Kingdom	Not Listed			
Hatem F. Balghoneim	Acceleration Company	Inside Kingdom	Not Listed	Ahsa Development Company	Inside Kingdom	Listed
	Technology Precision and Quality Saudi contracting company (QTECH)	Inside Kingdom	Not Listed	C & J Saudi Arabia	Inside Kingdom	Not Listed
	Walaa Cooperative Insurance Company	Inside Kingdom	Listed	Fahad Sulaiman Balghoneim Sons Co.	Inside Kingdom	Not Listed
	Neft Energies Training Center	Inside Kingdom	Not Listed	Dynamic Energy	Inside Kingdom	Not Listed
	Dynamic oil tools Manufacturing co.	Inside Kingdom	Not Listed			
	Drilling & production petrochemical co. (PetrolChem)	Inside Kingdom	Not Listed			
Hesham A. Al Jaber	Arab National Bank	Inside Kingdom	Listed	United Gas Transmission Company Limited	Outside Kingdom	Not Listed
	Al Jabr Holding Company	Inside Kingdom	Not Listed	Khaleeji Commercial Bank	Outside Kingdom	Listed
	Walaa Cooperative Insurance Company	Inside Kingdom	Listed			
	Gulf Carton Factory Company	Inside Kingdom	Not Listed			
	Haier & Al Jabr Saudi Electronics Trading Co.	Inside Kingdom	Not Listed			
	Einas Trading Company	Inside Kingdom	Not Listed			
	Khuta - Alkhair Company	Inside Kingdom	Not Listed			
	Canned soft drinks factory co.	Inside Kingdom	Not Listed			
	Future Development Co. (Nama).	Inside Kingdom	Not Listed			

Board Member Name	Name of the Company which a Board member is currently a member of their Board or Manager	Inside / Outside the Kingdom	Type of Company	Name of the Company which a Board member was previously a member of their Board or Manager	Inside / Outside the Kingdom	Type of Company
Jameel A. Al Molhem	Saudi telecom company (STC)	Inside Kingdom	Listed	Al Hassan Ghazi "Shaker Group"	Inside Kingdom	Listed
	New Marina Plastics Co.	Outside Kingdom	Not Listed	Energy Services Co.	Outside Kingdom	Not Listed
	Electrical Industries Co.	Inside Kingdom	Listed	Selco Company	Inside Kingdom	Not Listed
	Walaa Cooperative Insurance Company	Inside Kingdom	Listed	Contact Center Company	Inside Kingdom	Not Listed
	Alessa Industries Co.	Inside Kingdom	Not Listed	New Vision Company	Outside Kingdom	Not Listed
	Takween Advanced Industrial Company	Inside Kingdom	Listed	Viva Kuwait	Outside Kingdom	Listed
	Saudi Post	Inside Kingdom	Not Listed	Viva Bahrain	Outside Kingdom	Not Listed
	Yanal Financing Co. (Previously Oryx).	inside Kingdom	Not Listed	Cell-C Company	Outside Kingdom	Not Listed
				Avea Company	Outside Kingdom	Not Listed
				Türk Telekom Company	Outside Kingdom	Not Listed
			Intigral Company	Outside Kingdom	Not Listed	
Osama M. Alkonaizi	Dar wa emaar real estate investment & development co.	Inside Kingdom	Not Listed			
	Walaa Cooperative Insurance Company	Inside Kingdom	Listed			
Abdulaziz S. Shabeebi	Walaa Cooperative Insurance Company	Inside Kingdom	Listed	Saudi Organization for Certified Public Accountants (SOCPA)	Inside Kingdom	Not Listed
	Maham consultants	Inside Kingdom	Not Listed	Advisory Committee of Capital Market Authority (CMA)	Inside Kingdom	Not Listed
	Alltfeaq Steel Products Company	Inside Kingdom	Not Listed			
Abdulatif K. Almulhem	Walaa Cooperative Insurance Company	Inside Kingdom	Listed			
	Tasnee co.	Inside Kingdom	Listed			
	Aljazera bank	Inside Kingdom	Listed			
	KAMCO limited	Inside Kingdom	Not Listed			
	KAMCO holding	Inside Kingdom	Not Listed			

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

As per article (15) of the company's Bylaws, the Company managed by a Board of Directors consisting of (11) member, elected by the General Assembly for three years' duration- the Company shall be managed by a Board of Directors consisting of no less than five members and not exceeding eleven members. The Board composition shall reflect the suitable representation of Non-executive and Independent Members. In all cases, the independent members of the Board may not be less than two members or one-third of the members of the Board, whichever is greater. In 2022, new Board members were elected for the Board of Directors 6th term, which started on 26/05/2022.

The following table shows a list of the names of the members of the Board of Directors for the 6th session and details of their memberships:

Board Member Name	Type of Membership	Classification of Membership
Sulaiman A. Al Kadi	Chairman	Non-Executive
Khalifa A. Al Mulhim	Vice-Chairman	Non-Executive
Wasef S. Al Jabsheh	Member	Non-Executive
Solaiman A. Al Twajri	Member	Non-Executive
Waleed M. Al Jaafari	Member	Non-Executive
Hatem F. Balghoneim	Member	Independent
Jameel A. Al Molhem	Member	Independent
Hesham A. Al Jaber	Member	Non-Executive
Osama M. Al-Khunaizi	Member	Independent
Abdulatif K. Mulhim	Member	Non-Executive
Abdulaziz S. Al-Shabeebi	Member	Independent

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

The Company's **Investor Relation Unit** ensures and maintains Shareholder rights, as it highly considers and responds to all shareholders inquires and complaints and opinions or suggestions, by all means, to be reported to the Board of Directors in every Board meeting. Board's directives, if any, regarding shareholders suggestions are always implemented by the company.

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

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

<http://survey.walaa.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 held (9) meeting during the year, and the below table shows the attendance of each Board member:

Name of Member	Total Number of Meetings: (9)									Total
	1 st Meeting 06/02/2022	2 nd Meeting 24/02/2022	3 rd Meeting 27/03/2022	4 th Meeting 23/05/2022	5 th Meeting 30/05/2022	6 th Meeting 29/06/2022	7 th Meeting 15/09/2022	8 th Meeting 14/12/2022	9 th Meeting 28/12/2022	
Sulaiman A. Al Kadi (Chairman)	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9
Khalifa A. AlMulhim (Vice- Chairman)	✓	X	✓	✓	✓	✓	✓	✓	✓	8/9
Wasef S. Al Jabsheh	✓	✓	X	✓	✓	✓	✓	✓	X	7/9
Waleed M. AlJafaari	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9
Solaiman A. AlTwaibri	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9
Hatem F. Balghoneim	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9
Jameel A. AlMolhem	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9
Hesham A. AlJaber	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9
Abdulrahman A. Balghunaim ¹	✓	✓	✓	✓						4/9
Khalid A. Al Omran ¹	✓	X	✓	X						2/9
Abdulaziz S. AlShaikh ¹	✓	✓	✓	✓						4/9
Osama M. Al- Khunaizi ²					✓	✓	✓	✓	✓	5/9
Abdulatif K. Al Mulhim ²					✓	✓	✓	✓	✓	5/9
Abdulaziz S. Al-Shabeebi ²					✓	✓	✓	✓	✓	5/9
Attendance	100%	82%	91%	91%	100%	100%	100%	100%	91%	-

* (1) Membership ended at the end of the Board 5th term on 25/05/2022.

* (2) Member appointed on the Board 6th term on 26/05/2022.

* Secretary of the Board of Directors \ Rogayah AlThawadi.

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

A. Executive and Strategy Committee (Ex Com)

The Executive and Strategy Committee gives recommendations to the Board on important topics such as strategic plans, business plans, and the Board delegate to the Executive Committee to carry out its functions in some cases. The Executive and Strategy Committee held (7) meeting during the year, and the below table shows the attendance of each Committee member:

Name of Member	Total Number of Meetings: (7)							Total
	1 st Meeting 27/01/2022	2 nd Meeting 14/03/2022	3 rd Meeting 17/03/2022	4 th Meeting 21/06/2022	5 th Meeting 15/09/2022	6 th Meeting 14/12/2022	7 th Meeting 25/12/2022	
Solaiman A. Al Twaibri (Chairman)	✓	✓	✓	✓	✓	✓	✓	7/7
Jameel A. Al Molhem (Member)	✓	✓	✓	✓	✓	✓	✓	7/7
Hatem F. Balghoneim (Member)	✓	✓	✓	✓	✓	✓	✓	7/7
Wasef S. Al Jabsheh (Member) ¹	✓	✓	X					2/7
Abdulatif K. Al Mulhim (Member) ²				✓	✓	✓	✓	4/7
Attendance	100%	100%	75%	100%	100%	100%	100%	-

* (1) Membership ended at the end of the Board 5th term on 25/05/2022.

* (2) Member appointed on the Board 6th term on 26/05/2022.

B. Audit Committee (AC)

The Audit Committee ensures that the regulatory requirements are fully adhered to in addition to overseeing the company's financial reports and assess the adequacy of internal and external audits and evaluation and monitoring of the internal audit and compliance. The Audit Committee held (11) meeting during the year including the annual meeting with the Board of Directors to present the Committee progress during the year. The below table shows the attendance of each Committee member:

Name of Member	Total Number of Meetings: (11)											Total
	1 st Meeting 03/02/2022	2 nd Meeting 01/03/2022	3 rd Meeting 08/03/2022	4 th Meeting 10/05/2022	5 th Meeting 06/06/2022	6 th Meeting 04/08/2022	7 th Meeting 26/09/2022	8 th Meeting 30/10/2022	9 th Meeting 28/11/2022	10 th Meeting 14/12/2022	11 th Meeting 14/12/2022*	
Abdulrahman A. Balghunaim (Chairman) ¹	✓	✓	✓	✓								4/11
Sulaiman A. Al Sakran (Member)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
Adeeb S. Al Fuhaid (Member)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
Jameel A. Al Molhem (Chairman) ²					✓	✓	✓	✓	✓	✓	✓	7/11
Attendance	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	-

* (1) Membership ended at the end of the Board 5th term on 25/05/2022.

* (2) Member appointed on the Board 6th term on 26/05/2022.

* AC Annual Meeting with the Board of Directors.

C. Investment Committee (IC)

The Investment Committee monitors and reviews the investment policy tasks and oversee the implementation and approval of investment activities and monitor the performance of investment portfolios. The Investment Committee held (2) meeting during the year, and the below table shows the attendance of each Committee member:

Name of Member	Total Number of Meetings: (2)		
	1 st Meeting 05/09/2022	2 nd Meeting 18/12/2022	Total
Khalifa A. Al Mulhim (Chairman)	✓	✓	2/2
Waleed M. Al Jafaari (Member)	✓	✓	2/2
Sulaiman A. Al Kadi (Member) ¹	✓	✓	2/2
Wasef S. Al Jabsheh (Member) ¹	✓	X	1/2
Attendance	100%	75%	-

* (1) Member appointed on the Board 6th term on 26/05/2022.

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 held (2) meeting during the year, and the below table shows the attendance of each Committee member:

Name of Member	Total Number of Meetings: (2)		
	1 st Meeting 27/11/2022	2 nd Meeting 21/12/2022	Total
Hatem F. Balghoneim (Chairman)	✓	✓	2/2
Sulaiman A. Al Kadi (Member)	✓	✓	2/2
Osama M. Al-Khunaizi (Member) ¹	✓	✓	2/2
Abdulatif K. Al Mulhim (Member) ¹	✓	✓	2/2
Attendance	100%	100%	-

* (1) Member appointed on the Board 6th term on 26/05/2022.

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 held (3) meeting during the year, and the below table shows the attendance of each Committee member:

Name of Member	Total Number of Meetings: (3)			Total
	1 st Meeting 14/03/2022	2 nd Meeting 12/09/2022	3 rd Meeting 14/12/2022	
Jameel A. Al Molhem (Chairman) ¹	✓			1/3
Abdulrahman A. Balghunaim (Member) ¹	X			0/3
Abdulaziz S. Al Shaikh (Member) ¹	✓			1/3
Solaiman A. Al Twajiri (Chairman) ²		✓	✓	2/3
Hesham A. Al Jaber (Member) ²		✓	✓	2/3
Osama M. Al-Khunaizi (Member) ²		✓	✓	2/3
Attendance	67%	100%	100%	-

* (1) Membership ended at the end of the Board 5th term on 25/05/2022.

* (2) Member appointed on the Board 6th term on 26/05/2022.

6 - Board and Board Committee Evaluation:

The Nomination and Remuneration Committee (NRC) carried out the evaluation of the Board as an entity and the Board Sub-Committees in 2022 using formal, transparent, and objective criteria, as follow:

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 and worked with good faith and due diligence according to the related Laws and regulations which benefit the company and stake holders. NRC evaluation summary was presented to the Board.



7 - Compensation Paid to Directors and Executive Management:

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

A - Board of Directors Remunerations and Fees:

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

All Figures are in SAR Millions

Name of Board of Director	Fixed Remunerations					Variable Remunerations	End of Service Benefit	Aggregate Amount*	Expense Allowance**
	Specific Amount	Allowance for attending Board meetings	Total Allowance for attending Committee meetings	Remunerations for technical, managerial, & consultative work	Total				
(1) Independent Members									
Abdulrahman A. Balghunaim	0.080	0.020	0.046	-	0.146	-	-	0.146	-
Hatem F. Balghoneim	0.180	0.045	0.162	-	0.387	-	-	0.387	-
Khalid A. Al Omran	0.040	0.010	-	-	0.050	-	-	0.050	-
Abdulaziz S. Al Shaikh	0.080	0.020	0.026	-	0.126	-	-	0.126	0.003
Osama M. Alkhonaizi	0.100	0.025	0.126	-	0.251	-	-	0.251	-
Abdulaziz S. Alshabeebi	0.100	0.025	-	-	0.125	-	-	0.125	-
Jameel A. Al Malhem	0.180	0.045	0.194	-	0.419	-	-	0.419	-
(2) Non-Executive Members									
Sulaiman A. Al Kadi	0.250	0.045	0.150	-	0.445	-	-	0.445	-
Khalifa A. Al Mulhim	0.180	0.040	0.075	-	0.295	-	-	0.295	-
Wasef S. Al Jebshah	0.180	0.035	0.062	-	0.277	-	-	0.277	-
Waleed M. Al Jafaari	0.180	0.045	0.075	-	0.300	-	-	0.300	-
Solaiman A. Al Twajiri	0.180	0.045	0.139	0.155	0.519	-	-	0.519	-
Hesham A. Al Jaber	0.180	0.045	0.051	-	0.276	-	-	0.276	-
Abdulatif K. Almulhim	0.100	0.025	0.125	-	0.250	-	-	0.250	-
(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 Twajiri has been appointed by the Board of Directors to provide consultative services "Chairing the IFRS17 Steering Committee". 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 0.155 Mill for FY 2022 was paid to Dr. Solaiman A. Al Twajiri.

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

B - Executive Management's Remunerations:

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

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

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

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

Senior Executive	Fixed Remuneration				Variable - Periodic Remunerations*	End of Service Benefits	Aggregated Amount
	Salaries	Allowances	In-Kind Benefits	Total			
Five Senior Executives who have received the highest remuneration from the Company, including Chief Executive Officer and Chief Financial Officer.	4,570,092	1,599,552	784,065	6,953,709	2,840,000	4,709,910	11,863,619

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

C. Members of Committees' Remunerations and Fees:

Member's Name	Fixed Remuneration (Excluding Meeting Allowances)	Meeting Attendance Allowances	Total In SAR m
Executive Committee			
Solaiman A. Al Twajjri (Chairman)	0.070	0.017	0.87
Hatem F. Balghoneim (Member)	0.070	0.017	0.87
Wasef S. Al Jebshah (Member) ¹	0.020	0.005	0.025
Jameel A. Al Molhem (Member)	0.070	0.017	0.87
Abdulatif K. Almulhim (Member) ²	0.040	0.010	0.050
Audit Committee			
Abdulrahman A. Balghunaim (Chairman) ¹	0.036	0.010	0.046
Sulaiman A. Al Sakran (Member)	0.100	0.027	0.127
Adeeb S. Al Fuhaid (Member)	0.100	0.027	0.127
Jameel A. Al Molhem (Chairman) ²	0.063	0.017	0.081
Investment Committee			
Khalifa A. Al Mulheim (Chairman)	0.070	0.005	0.075
Khalid A. Al Omran (Member) ¹	-	-	-
Waleed M. Al Jafaari (Member)	0.070	0.005	0.075
Sulaiman A. Al Kadi (Member) ²	0.070	0.005	0.075
Wasef S. Al Jebshah (Member) ²	0.035	0.002	0.037
Nomination & Remuneration Committee			
Hatem F. Balghoneim (Chairman)	0.070	0.005	0.075
Sulaiman A. Al Kadi (Member)	0.070	0.005	0.075
Khalid A. Al Omran (Member) ¹	-	-	-
Waleed M. Al Jafaari (Member) ¹	-	-	-
Osama M. Alkhonaizi (Member) ²	0.070	0.005	0.075
Abdulatif K. Almulhim (Member) ²	0.070	0.005	0.075
Risk Management Committee			
Jameel A. Al Molhem (Chairman) ¹	0.023	0.002	0.026
Abdulrahman A. Balghunaim (Member) ¹	-	-	-
Abdulaziz S. Al Shaikh (Member) ¹	0.023	0.002	0.026
Solaiman A. Al Twajjri (Chairman) ²	0.046	0.005	0.051
Hesham A. Al Jabr (Member) ²	0.046	0.005	0.051
Osama M. Alkhonaizi (Member) ²	0.046	0.005	0.051

⁽¹⁾ Membership ended at the end of the Board 5th term on 25/05/2022.

⁽²⁾ Member appointed on the Board 6th term on 26/05/2022.

8 - Preventive Restriction / Penalty

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

a) SAMA Violation

The Subject of Violation	Previous year 2021		Current year 2022	
	Number of Executive Decisions	Total Fines Amount (SAR)	Number of Executive Decisions	Total Fines Amount (SAR)
1 Violating SAMA supervisory regulation	2	200,000	1	320,000
2 Violating SAMA Core regulation	-	-	1	50,000

9 - Corporate Governance

The company approved internal Corporate Governance policy to insure adherence with Corporate Governance Regulations issued by Capital Market Authority and Saudi Central Bank.

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 (82) 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 not binding.
Article (82) Paragraph (3)	Establishing social organizations for the benefit of the Company's employees.	Guiding Article not binding.
Article (92)	Formation of a Corporate Governance Committee.	Guiding Article not binding. The Nomination and Remuneration Committee (NRC), in line with its terms of reference, is entrusted with the periodical revisions to ensure consistency of the applications and structures of governance adopted by the Company and to present their recommendations to the Board on such matters.
Article 90 Paragraph (4/B)	Five Senior Executives who have received the highest remuneration from the Company, provided that the Chief Executive Officer and Chief Financial Officer are among them.	Mandatory. The Company committed to disclose the total remuneration of the Senior Executive Management (Top Five). In order to protect the interests of the Company, its shareholders, and its employees and to avoid any damage that may result from the disclosure in details as per job titles and positions, hence description of remuneration is not presented pursuant to Appendix (I) Remuneration Schedule of Corporate Governance Rules related to Senior Executives.

10 - Internal Control

The Committee has been formed by the general assembly decision based on an article (101) of companies' law. The Committee comprises three members, all are independent. The chairman is an independent Board member of the Company. The Audit Committee held eleven meetings in the year 2022 including the annual meeting with the Board of Directors on Dec. 14, 2022. The purposes of these meetings included, among others, the following:

1. Review and recommend the interim and annual financial results of the Company for the Board of Directors' approval.
2. Review and approve IFRS17 Dry Runs results of the Company.
3. Evaluate the adequacy and effectiveness of the internal and external auditors.
4. Evaluate the adequacy and effectiveness of the Compliance and AML departments.
5. Review the Appointed Actuary Reserves reports and make recommendations thereon to the Board of Directors.
6. Review and approve Internal Audit, and Compliance Annual plans.
7. Review and study regulatory observations and recommend them for the Board review.
8. Ensure soundness of the internal control system of Walaa.
9. Review and monitor related party transactions and ensure declaration of those transactions in the board reports and financial statements.
10. Review outstanding legal cases by or against the company.

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

1. All significant business processes are periodically risk-assessed and classified as high, medium, and low-risk types of business processes.
2. 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.
3. 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.
4. The results of the conducted Audit reviews are submitted to the Audit Committee.
5. Identified risks during the Audit reviews are monitored for corrective actions implementation.

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

Moreover, the Compliance function of the company assists the Audit Committee in ensuring compliance by the company's Management, the Board of Directors, and approved persons with all relevant regulatory requirements, guidelines, and directives issued by SAMA, CMA, CCHI, and other statutory authorities. The compliance function's key responsibilities include the following:

- 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.

11. List of the dates of the General Assembly meetings held during the fiscal year 2022 and the names of the Board members who attended these meetings

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

Board Member	Ordinary General Assembly Meeting 23/05/2022	Extraordinary General Assembly Meeting 15/09/2022
	Attendance	Attendance
Sulaiman A. Al Kadi	✓	✓
Khalifa A. Al Mulheim	✓	✓
Wasef S. Al Jabsheh	×	×
Solaiman A. Al Twajri	✓	✓
Waleed M. Al Jafaari	✓	✓
Abdulrahman A. Balghunaim ¹	✓	-
Hatem F. Balghoneim	✓	✓
Khalid A. Al Omran ¹	×	-
Jameel A. Al Molhem	✓	✓
Abdulaziz S. Al Shaikh ¹	✓	-
Hesham A. Al Jaber	✓	✓
Osama M. Al-Khunaizi ²	-	✓
Abdulatif K. Al Mulheim ²	-	✓
Abdulaziz S. Al-Shabeebi ²	-	✓

* (1) Membership ended at the end of the Board 5th term on 25/05/2022.

* (2) Member appointed on the Board 6th term on 26/05/2022.

12 - Principal Activities

The Company is involved in cooperative insurance and reinsurance in the Motor, General, Health, and Protection & Savings lines of business and related investment activities. Though the company is engaged in inward reinsurance business, it does not contribute materially to the turnover and the reported surplus of the company for the year under review.

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

LOB (SAR' millions)	2022					2021				
	Motor	Health	P&C	P&S	Total	Motor	Health	P&C	P&S	Total
Gross Written Premium	441	657	1,331	213	2,642	611	362	1,211	155	2,339
Net Earned Premium	533	549	71	151	1,303	641	231	50	120	1,042
Total Revenue	533	560	178	153	1,424	642	233	125	121	1,121
Net Underwriting Income	(63)	(9)	98	33	59	(46)	(23)	63	10	4

13 - Company's ESG Initiatives

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

Walaa is part of the Saudi society and we believe that we have a social and humanitarian duty towards society and the people of this great country. Walaa remains committed to achieving positive progress for the Kingdom and its communities, as well as for its employees, and for the various business sectors and the environment. As Walaa spares no effort to implement community programs that are in line with the vision of "Saudi Arabia 2030" and its goals aimed at achieving sustainable development, and for this purpose it harnesses its expertise and operational capabilities to achieve the desired positive impact. This is done by supporting and organizing activities and programs in the field of sustainability and social, humanitarian, cultural and social responsibility.

Employee development and capacity building:

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

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

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

In 2022, the Academy provided more than 7,000 hours of physical training and more than 500 hours of virtual training through the Lumofy portal. In addition, the Academy engaged students and fresh graduates with various training programs that included more than 150 trainees.

We are proud to announce that Walaa Insurance's won the Labor Award which was awarded by his excellency the Minister of Human Resources and Social Development. Walaa won the award for the best on-the-job training program for employees, as the most successful entity for training in the finance and insurance sector. The competition included more than 10,000 establishments in the Kingdom, this award is considered a badge of honor awarded to Walaa Insurance, crowning the company's efforts in training and building national competencies from technical roles to leadership.

Occupational health and safety:

Throughout our insurance business service in the Kingdom, the health and safety of our employees is also a priority. The protection of the physical and mental integrity and well-being of employees is one of the core responsibility of Walaa. Accidents and work-related illnesses can be of a long-term nature and entail costs to society and the company. We can only be successful in the long term if we help ensure our employees remain healthy. Occupational health and safety (OHS) addresses not only the safe

ergonomic workplaces, but also mental health issues, including stress, depression, and emotional well-being. We strive simultaneously to create optimal working conditions for our employees and to ensure operational efficiencies. By maintaining our ISO 45001 certification, throughout our head office, regional offices and branch offices, zero injuries were reported in the year 2022. This was made possible with the extra trainings we have given for all our employees.

To ensure our employees remain healthy, Walaa focused on the Employee engagement and training, Designated safety personnel, Well trained Emergency Response Team (ERT) members, and Sports & Games.

To identify and address our health and safety risks, employee engagement is crucial. Our employees are encouraged to report challenges and near misses in order to address these risks. Trainings were delivered to all employees having segments to report near-miss incidents that have a potential for injury or property damage in an effort to be proactive.

Trainings were delivered at various times in year 2022, as given below:

- Defensive Driving
- Medic First Aid ® CarePlus
- Basic Fire Fighting & Fire Warden
- Emergency Response Trainings
- Health Awareness sessions



Fire Drill Awareness

In order to better the process and as a requirement Walaa now has designated safety officers on the job. As planned, inventory of all First Aid boxes and Fire Safety equipment were done and were well maintained. Various flyers and announcements related to health and safety were floated through email to create awareness to all staff.

To face any untoward situation, Emergency Response Team (ERT) members were reviewed and all were given specific training in First Aid & CPR, Fire Fighting and Fire Warden. With the diligent efforts of our ERT members, two successful Fire Drills were conducted this year in all the buildings, in the main head office in Al-Khobar and regional offices in Riyadh & Jeddah. One fire drill was conducted as part of the training session.

As part of holistic approach to employee's health, various sports and games were organized by the Marketing and other departments.

- Walaa Daily Walking Challenge (daily 10k steps)
- Walaa Marathon (10km, 8km, 5km & 2km)
- Walaa Table Tennis Tournament
- Annual Cricket Tournament (between insurance companies)

Various events were conducted by the Marketing department in relation to OHS, as given below:

- Women's Day – Break the Bias.
- International Mother's Day.
- International Day of Happiness.
- International Ice Cream Day.
- Breast Cancer Awareness Month.
- The Pink Office Competition.
- Diabetes National Day.
- Flu Vaccine Campaign.
- Booster Dose Campaign.

Local citizenship:

Our Employees

We aim to enhance the quality of life and provide a world-class work environment and employee support. Walaa organized a walking marathon with the participation of 20 teams, with the aim of encouraging Walaa' employees and their families to practice physical activity and participate in sporting events in conjunction with the International Sports Day. Participants and jogging enthusiasts can also register for several races designed to suit all members of society of all abilities and fitness levels of both gender.

Walaa also organizes the annual Ramadan celebration for the company's employees and their families, which comes within the framework of Walaa' keenness to enhance the spirit of communication among its employees as one family that takes advantage of the holy month in achieving a mutual humanitarian message to maintain its practical structure coherent, united and harmonious.

Walaa also organized awareness workshops on health, safety, environment and sustainable development goals during the year, which in turn raised awareness among our employees.

Our Environment

In light of the local and international development and interest in environmental elements and their impacts on development plans, Walaa has been keen to achieve sustainable environmental development by concluding strategic partnerships aimed at reducing the impact of our operations on the environment by managing waste of resources such as water and energy and implementing recycling initiatives.

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

Our Society

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

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

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

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

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

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

We are proud to have reached and sustained a Saudization rate of over 80%. Walaa also seeks to prepare young Saudi men and women to take up challenging careers in the current and future labor market.

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

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



Diabetes National Day.

14 - Financial Performance

SAR' millions	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Insurance operations:						
Gross written premium	2,642	2,339	1,473	1,215	1,105	1,102
Net Earned Premium	1,303	1,042	797	713	798	792
Reinsurance Commission	79	76	41	24	29	17
Other Underwriting Income	42	4	11	2	4	6
Total Revenue	1,424	1,121	849	739	831	815
Net Incurred Claims	(1,162)	(969)	(557)	(561)	(480)	(484)
Policy acquisition cost	(87)	(60)	(48)	(46)	(72)	(73)
Other Underwriting Expenses	(132)	(106)	(32)	(23)	(10)	(3)
Additional Premium Reserves	1	17	21	(4)	(5)	(2)
Change in mathematical reserves, net	(1)	-	-	-	-	-
Changes in unit-linked reserves	15	-	-	-	-	-
Other Technical Reserve	1	1	(22)	3	(21)	5
Total Underwriting Expenses	(1,365)	(1,117)	(637)	(629)	(588)	(558)
Net Underwriting Income	59	4	212	110	243	257
Operating Expenses/income	(152)	(146)	(136)	(97)	(130)	(92)
Income / (Loss) from insurance Operations	(106)	(142)	76	13	113	165
Insurance Operation's Net Income	-	-	8	1	11	17
Shareholder's operations:						
Income / (Loss) Transferred to Shareholders	(105)	(142)	69	12	102	149
Commission Income from Deposits	11	13	12	15	11	4
Dividend income on investments	12	3	3	1	1	1
Realized Gain / (Impairments) on Investments	38	23	1	-	(8)	(5)
Unrealized Gain on HFT investment	(3)	2	-	-	-	-
General & Administrative Expenses	(18)	(12)	(11)	(5)	(6)	(6)
Bargain Purchase Gain	50	-	-	-	-	-
Zakat and Income Tax	(12)	(9)	(22)	(2)	-	-
Net Income / (Loss) for the Period	(27)	(122)	51	21	100	142
Unrealized Gain/Loss from Investments	(18)	17	4	21	14	7
Other Comprehensive Income / (Loss)	(45)	(105)	55	42	114	149
Earnings / (loss) Per Share (EPS)	(0.40)	(1.89)	0.82	0.40	1.62	3.22

SAR' millions	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Insurance Operation's Assets:						
Cash and cash equivalents	424	323	253	361	223	290
Short term deposits	250	202	485	330	431	400
Long term deposits	50	100	-	-	-	-
Premium and RI receivables, net	728	582	333	150	202	127
RI share of unearned premium	617	539	364	274	196	130
RI share of outstanding claims	292	339	163	98	125	111
RI share on claims IBNR	181	150	58	44	42	42
RI share of mathematical reserves	89	124	139	-	-	-
Deferred policy acquisition cost	51	36	25	17	24	37
Investments	211	63	-	-	-	-
Due from shareholder's operations	11	-	-	-	-	-
Prepaid expenses and other assets	311	97	90	49	34	28
Property and equipment	32	31	14	17	9	9
Intangible assets	5	5	2	1	1	1
Unit-linked investments	484	-	-	-	-	-
Accrued commission income	9	2	-	0.2	2	3
Total insurance operation's assets	3,746	2,592	1,925	1,342	1,288	1,178
Shareholders Operation's Assets:						
Cash and cash equivalents	110	2	-	-	21	20
Short term deposits	105	-	167	211	448	425
Long term deposits	-	-	50	-	-	-
Investments / other financial assets	699	710	516	404	163	97
Due to shareholders operations	-	4	86	12	27	15
Prepaid expenses and other assets	1	0.2	0	-	-	-
Intangible assets	88	33	32	-	-	-
Goodwill	24	24	26	-	-	-
Statutory deposits	85	65	65	53	44	40
Accrued income on statutory deposits	17	11	10	6	4	3
Accrued commission income	8	5	4	5	3	2
Total Shareholders operation's assets	1,137	855	956	691	709	602
Total Assets	4,882	3,447	2,880	2,033	1,997	1,780

SAR' millions	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Insurance Operation's Liabilities:						
Policyholders' claims payable	271	48	35	21	17	14
Accrued and other liabilities	306	189	152	97	115	72
Reinsurance balance payable	453	335	233	173	141	62
Unearned premium	1,182	1,074	790	638	537	539
Unearned reinsurance commission	46	31	21	14	12	10
Outstanding claims	546	481	234	140	152	161
Claims incurred but not reported	318	266	171	193	198	256
Gross mathematical reserves	90	124	139	-	-	-
Additional premium reserves	8	9	26	5	9	3
Other technical reserves	7	8	9	30	26	5
Unit-linked reserves	484	-	-	-	-	-
End of service indemnities	26	22	22	18	15	13
Due to insurance/shareholders' operations	-	4	86	12	27	15
Insurance operations surplus	9	2	10	4	14	31
Total insurance operation's assets	3,745	2,593	1,926	1,345	1,291	1,180
Shareholders Operation's Assets:						
Accrued and other liabilities	4	2	0	0	5	2
Zakat and income tax	45	31	29	16	29	26
Accrued income payable to SAMA	17	11	10	6	4	3
Due to insurance/shareholders' operations	11	-	-	-	-	-
Employee terminal benefits	1	-	-	-	-	-
Total shareholder operation's liabilities	78	44	39	22	38	31
Shareholders' Equity						
Share Capital	851	646	646	528	440	400
Share premium	193	103	103	30	30	30
Statutory reserve	63	63	63	53	49	32
Retained earnings	(68)	(41)	81	40	155	127
Fair value reserve	20	39	22	18	(3)	(17)
Total Shareholders Equity	1,059	811	916	669	671	571
Remeasurement of benefits obligations	0.10	(0.15)	(1.00)	(3.00)	(2.00)	(2.00)
Total Equity	1,137	855	915	667	669	569
Total Liabilities and Equity	4,882	3,447	2,880	2,033	1,997	1,780

15 - Significant plans, decisions, and future prospects

The year 2022 was a year of opportunities and challenges for the insurance industry in Saudi Arabia.. The first nine months of 2022 saw an overall increase in gross written premiums by 25.1% from SAR 32.1 billion to SAR 40.2 billion. A key factor behind this is increase in written premiums is the increase in prices for Motor and Medical line of businesses as the insurers are suffering heavy losses during the current year. At an industry level, the profitability after zakat & tax has increased by 19.8% from a profit of SAR 467 million for the period ended in Sep 30th 2021 to a profit of SAR 559.4 million for the period ended in Sep 30th 2022. However, if we exclude the top 2 companies the industry is suffering a large fall in profitability with a loss of SAR 443 million in YTD 2022 compared with a loss of SAR 358 million for the same period last year. Walaa has been showing growth in topline on consistent basis, GWP written by Walaa during 2022 is 13% higher than its last year's GWP, our business grows from SAR 2.34 billion to SAR 2.64 billion.

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

Walaa is the first insurance company in KSA to successfully complete 2nd merger transaction, by acquiring SABB Takaful business operation concluding the merger on 19th Oct 2022. This 2nd merger provided Walaa an additional capital of SAR 204 million making Walaa's paid-up capital SAR 850 million, and on boarded SABB Bank as strategic shareholder and partner which will further expand Walaa's distribution network, and help to grow the Protection & Saving market share.

Walaa continues to secure business opportunities across a wide geographical spectrum in the Kingdom and be in a position of supporting its valued clients by 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, property, 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 has been using multiple distribution channels to market its products, we are actively working with brokers, aggregators, banks, online and also actively selling through our direct sales team and network of branches located through the kingdom. Walaa values its relationship with all brokers in KSA and focusing to capitalize on our alliances with our partner banks (ANB and SABB). As a company we believe that our direct sales force will play a key role for us to reach to next level of milestones and success.

Walaa's outreach is well spread across the kingdom through its retail branches and points of sale. The company is working closely with our branch sales team to sell other retail products through the branch network, to diversify and to reduce dependence on the motor retail product. The Company had deliberately slowed down in Motor retail business during 2022, as the market is very competitive on pricing and Walaa didn't want to be part of this price war. So, we decided to be selective and only accepting business of our desired appetite in motor. Medical growth is significant compared to 2021, we increased our medical book from SAR 362 million in 2021 to SAR 657 million in 2022. Property & Casualty (P&C) lines have always been Walaa's strength and we continue to perform well in all general lines, Walaa is considered as one of the preferred choice insurers in KSA for P&C business. In addition, the company is also concentrating and focused to increase its Protection and Saving (P&S) production where it grows from SAR 155 in 2021 to SAR 213 in 2022. The plan to grow in P&S will be accelerated in 2023 as we are working closely with our bank partners to increase our sales for this untapped and high potential line of business especially for the individual protection & savings products.

In today's world, business models are driven primarily by the support of technology. Our current IT systems played a vital role in the success of our Company, but as the company growth was very rapid, and it became important to implement new ERP systems that will take the company to its next era, as such we are proud to announce that the company have implemented eBao a proven insurance system as our core platform for general & group life insurance operations, and Oracle for the support services, including Finance (including OFSAA IFRES17 tool), procurement and HR. It is planned to take another 12 to 18 months to complete all the digitization initiatives of the company. Walaa is also working actively to in-house its medical claims operations, as it is very important step to have the full control on claims and provider's management to grow big in the medical business. Walaa will also invest to upgrade the medical insurance operations and individual P&S systems and its portals during the year 2023.

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

IFRS 17 Insurance Contracts & IFRS 9 Financial Instruments journey:

IFRS 17 "Insurance Contracts" has been published on May 18, 2017, which applies to insurance contracts issued, reinsurance contracts, and investment contracts and supersedes IFRS 4. 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 conducted changes in the IT systems and data changes to be ready for the adopt of this new standard.

Further, the Company will implement IFRS 9 effective from January 01, 2023 which was extended for insurance companies to be applied with the IFRS 17.

The Company have successfully followed the IFRS 17 & IFRS9 implementation plan phases issued by the SAMA through multiple circulars and various other announcements and have completed 3 dry runs.

The company implemented a new ERP financial system (Oracle EBS) to support the data requirements of the new standards and implemented Oracle OFSAA tool and FIS software for Actuarial Services to support the IFRS17 reporting retirements for the Premium Allocation Approach (PAA) and General Measurement Model (GMM), and with the merger with SABB Takaful and the addition of the individual life portfolio, the Variable Fee Approach (VFA), became applicable, thus the company has taken over the IRIS tool which was already implemented by SABB Takaful prior to the merger.

ISO Certifications

As a company, Walaa aims to be known as the best-governed company in the region. The Company is proud to be following international standards and best practices, by holding ISO 31000:2018 Enterprise Risk Management System, ISO 9001:2015 Quality Management System, ISO 270001:2017 Information Security Management Certification, ISO 22301:2012 Business Continuity Management System, ISO 45001:2018 Occupational Health & Safety, ISO 14001:2015 Environmental Management System, and ISO 26000:2010 Social Responsibility certifications. Walaa also received the cybersecurity compliance certification (CCC) program, which was established to ensure all Saudi Aramco third parties are in compliance with the cybersecurity requirements in the Third Party Cybersecurity Standard (SACS-002). All these certifications would will help Walaa to progress well with its customer-first approach and always be able to serve policyholders beyond their expectations.

Shariah Compliance:

Operating under the Cooperative Insurance module and servicing clients within the kingdom of Saudi Arabia, being a Shariah Compliant company is important to the management and the board of directors. Walaa has appointed Shariah Review Bureau Co. as a Shariah Review Committee, since inception and continue to work with them on an annual basis. Part of the committee duties is to review annually the company's financial activities, separation of accounts for both Shareholder & Policyholder pools, investments, insurance mechanism, insurance programs, products and services from a Shariah point of view, to confirm their compliance with the Shariah principles, and then report the review processes results periodically – after which the company executes any required amendments if they exist - to the board of the Shariah Review Bureau for certification, taking into consideration any modification as may be required by the Shariah board in order to approve the company's activities. In 2022 the shariah review for the year of 2021 was concluded, and the company had a non-Shariah compliant investments income of SAR 2.5 million for the year of 2021, that from some of investment classes that do not currently comply with Shariah standards and hence shall be purified. As the company didn't perform the purification on behalf of the shareholders, in this regard, the company would like to notify the shareholders of their responsibility to purify this percentage of incompatible income which amounts 0.039 Saudi Riyal per share.

The Shariah 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 capitalize opportunities.

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

a) **Strategic risk:** The risk of a loss in earnings, capital, or franchise value that are created by or impact decisions relating to the business plan or strategic objectives; like the process of setting strategic and business plan objectives, specifications on how to achieve those objectives, as well as the implementation of those objectives and plans. This includes the failure to respond adequately to changing conditions. The Board of Directors ensures that The Company continuously adapts to changes and developments with regard to regulatory regime and new technology trends and to protect and enhance the company's reputation, brand, and trust. Post-pandemic, there was minimal 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 in case of an event impacting critical business functions.

Strategic Risks are typically attributed to the following risk categories:

- Changing regulatory, legal, and behavioral environment adversely affecting the Company's volume or quality of sales or the profitability of the business, customer protection, Conduct of Business, underwriting practices, reserving, and solvency requirements. Additional cost and effort would be required to rectify the situation which might put company in a disadvantageous position.
- Changes in competitor landscape or market position and can include the behavior of competitors (pricing strategy, product offerings etc).
- 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) **Underwriting Risk:** The risk arising from the inherent uncertainties about the occurrence, amount and timing of insurance contract liabilities and premiums arising from underwriting activities like inadequate pricing, accepting errors risk and incorrect risk assessment

- **Underwriting Risk:** The Company Monitors 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 to treaty and/or placed on 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.
- Standing of particular reinsurance companies in international reinsurance market.
- 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:** 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.

Global 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:** 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.

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:** 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 digital transformation and technology evolves, the company faces a growing threat of cyber-attacks which may disrupt the essential operations of The Company.

In order to ensure the continuity of services during emergencies or crisis maintaining confidentiality, integrity, and availability of the Business data at all the time., the Company has developed a proper Business Continuity Management System. 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:** 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:** 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

- Concentration risk refers to significant losses in shareholder value driven by a lack of diversification in exposure, such as risk factors, industries, or geographic.



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
2022	1,947	557	93	39	6	2,642
2021	1,791	317	146	68	17	2,339
2020	868	232	218	113	42	1,473
2019	714	102	248	114	37	1,215
2018	697	99	197	96	16	1,105
2017	474	104	320	176	28	1,102

18 - Material Variations from previous year:

Please find below the table for reported the operational results for the year 2022 as compared to previous year, along with the explanation for variance: Figures in SAR Millions.

Reported Line Item (SAR' millions)	Year		Change in		Explanation for Change
	2022	2021	Amount	%	
Gross Written Premium	2,642	2,339	303	13%	Increased mainly due to growth in medical line.
Net Earned Premium	1,303	1,042	261	25%	In line with Business Growth.
Net Claims Incurred	(1,162)	(969)	(192)	20%	Mainly Increase in Medical claims in line with portfolio growth.
Policy Acquisition Cost	(87)	(60)	(27)	45%	In line with Business Growth.
Other Underwriting Expenses	(132)	(106)	(26)	25%	Mainly increase in Medical expenses in line with portfolio growth.
Operating And General Expenses-PH	(152)	(146)	(6)	4%	Mainly Increase due to one time consultancy expense and other expenses incurred from merger with SABB Takaful.
Commission On Bank Deposits-PH Operation	13	10	3	29%	Interest commission increased due to improvement in market interest rates.
Net Income From Insurance Operations	(106)	(142)	36	-25%	Due to the reasons stated above.
Commission and Dividend income on investments - SH Operation	23	16	7	40%	Increase of commission and dividend income due to improvement of interest rates.
Realized Gain / (Impairments) on Investments - SH Operations	38	23	15	65%	Increase mainly due improved investment performance.
Bargain Purchase Gain	50	-	50	0%	Gain from acquiring SABB Takaful operations.
Zakat And Income Tax	(12)	(9)	(3)	30%	Increase in provision due to increase of shareholder's equity, in addition to excess provisions due to expected assessments.
Net Income For The Period	(27)	(122)	95	-78%	Due to the reasons stated above.
Unrealized Change In Fair Value	(18)	17	(35)	-209%	Subject to Saudi stock market movements.
Total Comprehensive Income	(45)	(105)	60	-57%	Due to the reasons stated above.

19 – Accounting Standards

The Company adheres to the International Financial Reporting Standards ("IFRSs") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). IFRS 17 "Insurance Contracts" has been published on May 18, 2017, which applies to insurance contracts issued, reinsurance contracts, and investment contracts. 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.

The Company is successfully following the four phase IFRS 17 implementation plan issued by the SAMA through circular no 172 dated December 20, 2018 and various other announcements and circulars issued from time to time regarding IFRS 17 implementation.

Further, the Company will implement IFRS 9 effective from January 01, 2023 which was extended for insurance companies to be applied with the IFRS 17.

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 affiliate company.

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 shareholders' book/record by end of dividends' cum-date are eligible for the dividends on the distribution date. The Company shall notify CMA without delay regards the Dividends resolutions or recommendations. Dividends are payable on the place and time determined by the Board and in accordance with the instructions issued by the regulators, subject to a written approval from Saudi Central Bank (SAMA).

The Board of Directors did not recommend distributing any dividends for the years 2021 & 2022 due to the accumulated losses

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

During 2022, 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 2022, details of interests, options, and subscription rights of the issuer's Board of Directors, Senior Executives, their spouses, and minor children in the shares of the Company or debt instruments are as follows:

	Name of Person of Interest	Beginning of 2022		End of 2022		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	1,951,129	-	1,351,729	-	(599,400)	(31%)
3	Wasef S. Al Jebseh ¹	2,020,569	-	2,020,569	-	-	-
4	Solaiman A. Al Twajiri	-	-	-	-	-	-
5	Waleed M. Al Jafaari	633,600	-	633,600	-	-	-
6	Hatem F. Balghoneim	6,524	-	4,224	-	(2,300)	(35%)
7	Jameel A. Al Molhem	1,200	-	1,200	-	-	-
8	Hesham A. Al Jaber ²	3,545,146	-	3,545,146	-	-	-
9	Osama M. Al-Khunaizi ³	1,000	-	1,000	-	-	-
10	Abdulatif K. Al Mulhim ³	1,051,388	-	1,010,949	-	(40,439)	(4%)
11	Abdulaziz S. Al-Shabeebi ³	-	-	-	-	-	-

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

(2) Shared owned by Arab National Bank.

(3) Member appointed on the Board 6th term on 26/05/2022.

Senior Executives, their spouses, and minor children have no interests, options, and subscription 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 2022 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 2022, 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 2022, 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 2022, 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 Twenty-three times during the year 2022, as shown in the below table:

Request Date	Date of Shareholders Record	Reason to Request
24/01/2022	23/01/2022	Others
27/02/2022	24/02/2022	Others
10/04/2022	31/03/2022	Others
13/04/2022	12/04/2022	Others
15/05/2022	31/03/2022	Others
16/05/2022	16/05/2022	Others
23/05/2022	23/05/2022	General Assembly
06/05/2022	05/05/2022	Corporate Action
03/07/2022	03/07/2022	Corporate Action
10/08/2022	09/08/2022	Others
17/08/2022	16/08/2022	Others
24/08/2022	23/08/2022	General Assembly
30/08/2022	30/08/2022	Others
30/08/2022	15/09/2022	General Assembly
07/09/2022	06/09/2022	Others
08/09/2022	07/09/2022	General Assembly
08/09/2022	08/09/2022	General Assembly
08/09/2022	11/09/2022	Others
08/09/2022	12/09/2022	Others
08/09/2022	13/09/2022	General Assembly
08/09/2022	14/09/2022	Others
19/10/2022	18/10/2022	Others
30/10/2022	23/10/2022	Corporate Action

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.

The table below illustrates the details of related parties' transactions during the year ended 31st December 2022:

A. Board of Directors:

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	0.023
Advanced Petrochemical Company Khalifa A. Al-Mulhem Company Ltd. (Kamco) Al Jazeera Support Services Co. - Mehan Khalifa A Almulhem Company Limited (Kamco) Al Jazeera Support Services Company Al Jazeera Support Services Co. Mehan Advanced Petrochemical Company Al Jazeera Support Services Company (Mehan)* Khalifa A. Al Mulhem	Khalifa A. Al Mulhem	Vice Chairman	Various Insurance	Insurance Operations	12-months	2.375
Hatim Fahad Balghonaim Neft Energy Company Limited Acceleration Company Ltd Hatim F. Balghoniem	Hatem F. Balghoniem	Member	Various Insurance	Insurance Operations	12-months	0.848
Haier & Aljabr Saudi Electronics Trading Company Gulf Carton Factory Company Canned Soft Drink Factory Arab National Bank.	Hesham Abdullatif Al Jaber	Member	Various Insurance	Insurance Operations	12-months	9.669
Al Dawaa Medical Service Co. Ltd. Mishraf Construction Development Al Dawaa Medical Service Co. Ltd - Al-Dawaa Medical Service Company Al Dawaa Medical Services Co. Ltd Eastern Province Cement Company	Waleed M. Al Jafaari	Member	Various Insurance	Insurance Operations	12-months	6.315
International General Insurance Company (Igi) International General Insurance Co. (Igi)- Inward Re/Ins.(Comm.)	Wasef S. Al Jesbshah	Member				-
Saudi Telecom Company Saudi Telecom Company Takween Advance Industries Company Takween Advanced Industries Jameel Abdullah A Al Molhem Electrical Industries Company Takween Advanced Industries Ho Al Khobar STC	Jameel A. Al Molhem	Member	Various Insurance	Insurance Operations	12-months	1.497
Dar Wa Emaar Real Estste Developments And Investment Company Dar Wa Emaar Real Estate Investment And Development Co. Dar Wa Emaar Real Estate Investment And Development Co Osama M. Alknaizi	Osama M. Alknaizi	Member	Various Insurance	Insurance Operations	12-months	0.129

Alittafaq Steel Company Al-Ittifaq Company For Steel Industries, A Closed Joint Stock Company Al Ittefaq Steel Products Company Al Ittefaq Steel Products Company	Abdilaziz S. AlShabeebi	Member	Various Insurance	Insurance Operations	12-months	1.545
Saudi Electricity Company Amiantit Group Of Companies - Saudi Arabian Amiantit Saudi Electricity Company Saudi Arabian Amiantit Co. Ltd. (Saac) Amiantit Fiberglass Industries Ltd. (Afil) Amiantit Yacoat Company - Saudi Electricity Company Solaiman A. Altwajiri	Solaiman A. Altwajiri	Member	Various Insurance	Insurance Operations	12-months	24.374
Abdulatif K. Almulhim	Abdulatif K. AlMulhim	Member	Motor Insurance	Insurance Operations	12-months	0.013
						46.789

B. Major Shareholders:

Related Party Name	Relationship Nature	Nature of Transactions	Nature as per Account Register	Contract Duration	Transaction Amount
Saudi British Bank	Share Holder	Group Insurance	Insurance Operations	12 Months	23.209
Olayan Group of Companies	Share Holder	Various Insurance	Insurance Operations	12 Months	13.871
Amlak International for Real Estate Finance Company	Share Holder	Property Insurance	Insurance Operations	12 Months	0.001
Total					37.081

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

Senior Executive Name	Position	Nature of Transaction	Nature as per Account Register	Contract Duration	Transaction Amount*
Johnson Varughese	Chief Executive Officer	Motor Insurance	Insurance Operations	12 Months	0.003
Mohannad M. Al Desouki	Chief Financial Officer	Motor Insurance	Insurance Operations	12 Months	0.009
Wasif F. Minhas	Chief Technical Officer (General & Motor)	Motor Insurance	Insurance Operations	12 Months	0.004
FAHAD K. ABAALKHAIL	VP SALES & MARKETING	Motor Insurance	Insurance Operations	12 Months	0.002
Turki A. Al Buraik	VP, HR and Admin	Motor Insurance	Insurance Operations	12 Months	0.009
Ghayas Khan	CHIEF TECHNICAL OFFICER (LIFE & MEDICAL)	-	-	-	-
Total					0.027

*Please note that figures are in millions

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

No member of the Board of Directors or senior executives of the Company has made any waiver of any remuneration for the year 2022.

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 for the year 2022.

34 - Statutory dues and payments

During the year 2022, 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 2022, except for the following:

All Figures in SAR Millions

Statutory Expenditure Type	2022		Brief Description	Due Reasons
	Paid Amount	Due Amount		
General Authority of Zakat & Tax (GAZT)	38.20	45.23	Annual Zakat and Tax in conformity with the regulations of ZATCA.	Includes outstanding Zakat and Tax for previous year in accordance with final assessment orders in conformity with the regulations of ZATCA (SAR 23.22 million) with note that the company has provided provision of (SAR 22.01 million) for Zakat to cover Zakat obligation for the year.
Saudi Central Bank (SAMA)	-	-	Inspection and Supervision Fees.	Company is exempted from SAMA fees for 3 years starting Q4 2020, as an incentive to the merger.
General Organization for Social Insurance (GOSI)	9.94	0.87	Social insurance contributions for company employees.	Due for December 2021 and paid in January 2022.
Council of Cooperative Health Insurance (CCHI)	6.49	1.22	Inspection and Supervision Fees.	Due for December 2021 and paid in January 2022.
Ministry of Interior, Chamber, Labor Office, SAGIA	0.48	-	Fees for issuance of visas, passports, and other government fees for company and its employees.	Paid on time (no dues)
Saudi Stock Exchange (Tadawul)	0.63	-	Listing fees.	Paid on time (no dues)
Total	55.74	47.32		

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 activities;
- There is no conflict between the recommendations of the Audit Committee and the resolutions of the Board of Directors.

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

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

38 - External Auditors

Ordinary General Assembly meeting was held on 23th May 2022, 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 2022 and first quarter of 2023, and determination of their fees.

Auditors are El Sayed El Ayouty & Co. and Al Azem, Al Sudairy, Al Shaikh & Partners.

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

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

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

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

Conclusion:

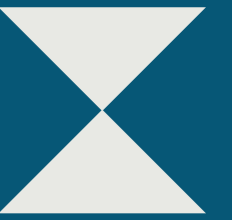
The Board of Directors would like to thank and express its appreciation to our valued clients for their high confidence, and the Board is pleased to express its sincere thanks and gratitude to the shareholders who played a key role in the development of the company and making it progress well in the 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



Walaa والاء

Walaa Cooperative Insurance Company
Saudi Joint Stock Company



Listed Joint Stock Company
SR 850 Million Paid Up Capital
CR No. 2051034982
UNN. 7001526578
License # TMN/16/20087
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