



شركة الأهلي للتكافل
ALAHLI TAKAFUL COMPANY

Supporting Documents for Agenda items 7-8-9

Attached is the notification of ATC Chairman to the shareholders and the
External Auditors' limited assurance report



شركة الأهلي للتكافل
ALAHLI TAKAFUL COMPANY

Date: 14 Sha'ban 1442

Corresponding: 28 March 2021

Subject: Chairman notification to the General Assembly of the transactions and contracts concluded that have an interest with Related Parties (in accordance with Article 71 of the Companies Law)

Dear Shareholders of ATC,

In accordance with the requirements of Article 71 of the Companies Law, which pertains to business and contracts concluded with other companies during the fiscal year 2020 AD. Accordingly, I would like to inform you that the company has entered into contracts with interest with some Board Members.

Some of these contracts were authorized in previous years and will continue with significant investors in the company; the following are details of the transactions with the Related Parties during the year 2020:

Related Party Name	Board Member representative for the Party	Relationship nature	Nature of transactions	Nature as per account register	SAR Thousand	
					Transaction amount	Contract duration
National Commercial Bank	Mr. Omar Hashem Mr. Khalid Bashnini AlSharif Khalid AlGhalib (until 1 March 2020)	Shareholder	Gross group insurance contribution	Insurance operations	79,055	One Year
			Gross claims paid		71,034	
NCB Capital	Mr. Omar Hashem Mr. Khalid Bashnini AlSharif Khalid AlGhalib (until 1 March 2020)	Subsidiary of a shareholder	Recovered portion of investment fund management fees	Insurance operations	4,896	Indefinite
Saudi Ground Services	Eng. Saleh Hefni	Company related to the member of Board of Directors	Gross group insurance contribution	Insurance operations	644	One Year
			Gross claims paid		534	

Also, all the contracts mentioned in the above table do not have any preferential terms. Accordingly, we hope that these transactions and contracts will be approved and authorized for the upcoming year.

Thank you very much.

Omar Mohammed Hashem

Chairman of the Board

**ALAHLI TAKAFUL COMPANY
(A SAUDI JOINT STOCK COMPANY)
LIMITED ASSURANCE REPORT**

FOR THE YEAR ENDED 31 DECEMBER 2020

ALAHLI TAKAFUL COMPANY
(A SAUDI JOINT STOCK COMPANY)

YEAR ENDED 31 DECEMBER 2020

INDEX	PAGE
Limited Assurance Report	1 - 3
Appendix I	4

Independent Limited Assurance Report to the Shareholders of AlAhli Takaful Company (A Saudi Joint Stock Company)

We have carried out a limited assurance engagement in order to state whether anything has come to our attention that causes us to believe that the subject matter detailed below (“Subject Matter”), has not been reported, in all material respects, in accordance with the applicable criteria (“Criteria”) set below.

Subject Matter

The Subject Matter of our limited assurance engagement is related to the declaration enclosed in the attached Appendix I (the “Declaration”) prepared by the Management and presented by the Chairman of the Board of the Directors of AlAhli Takaful Company (“the Company”) in respect of transactions between the members of the Board of Directors and the Company occurred during the year ended 31 December 2020 to be presented to the Company’s general assembly in order to comply with the requirements of the applicable Criteria set below.

Applicable Criteria

Article 71 of the Regulations for Companies issued by Ministry of Commerce and Investment (“MOCI”) (1437H - 2015).

Management Responsibility

The Management and the Chairman of the Company are responsible for the preparation of the Declaration in accordance with the applicable Criteria, and are responsible for the selection of methods used for identification of transactions under the applicable Criteria. Further, the management and the Chairman of the Company are responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Declaration that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate criteria; maintaining adequate records and making estimates that are reasonable in the circumstances.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on our limited assurance engagement conducted in accordance with the International Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (‘ISAE 3000’) as endorsed in the Kingdom of Saudi Arabia and the terms of reference for this engagement as agreed with the Company.

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion, and, as such, do not provide all of the evidence that would be required to provide a reasonable level of assurance. The procedures performed depend on the assurance practitioner’s judgement including the risk of material misstatement of the Subject Matter, whether due to fraud or error. While we considered the effectiveness of management’s internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.



Crowe

Al Azem, Al Sudairy, Al Shaikh & Partners
CPAs & Consultants
Member Crowe Global

P. O. Box 10504
Riyadh 11443
Kingdom of Saudi Arabia

Independent Limited Assurance Report to the Shareholders of AlAhli Takaful Company (A Saudi Joint Stock Company) (continued)

Independence and quality controls

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (“IESBA”) as endorsed in Kingdom of Saudi Arabia, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior, and we are also independent of the Company’s in accordance with professional code of conduct and ethics as endorsed in the Kingdom of Saudi Arabia that are relevant.

Our firm applies International Standard on Quality Control (1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of Procedures

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures included:

- Discussing with the management the process of obtaining business and contracts by any of the members of the Board of Directors (“BOD”);
- Obtaining the BOD Chairman’s list that includes all kind of business and contracts performed by any of the BOD members either directly or indirectly in the favor of the Company during the year;
- Checking the BOD resolution that indicate member’s notification to the BOD on the business and contracts performed by the BOD member; and further that the concerned board member did not participate in the resolution passed in this regard; and
- Obtaining the required approvals on the transactions included in the Declaration.

Further, we have not performed any audit or review procedures for the transactions carried out by the Company during the year ended 31 December 2020 in which any of the members of the Board of Directors had a direct or indirect personal interest, and for the underlying records or other sources from which the Declaration was extracted. Accordingly, we do not express such an opinion.

Limited Assurance Conclusion

Based on our limited assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Declaration of AlAhli Takaful Company for the year ended 31 December 2020 is not prepared in accordance with Article 71 of the Regulations for Companies issued by the MOCI (1437H - 2015).

**Independent Limited Assurance Report to the Shareholders of AlAhli Takaful Company
(A Saudi Joint Stock Company) (continued)**

Restriction of Use of Our Report

Our report is prepared upon the request of the Company's management to be presented to the shareholders in their General Assembly Meeting in accordance with the requirements of Article (71) of the Companies Law and should not be used for any other purpose.

Al Azem, Al Sudairy, Al Shaikh & Partners
Certified Public Accountants



Abdullah M. Al Azem
Certified Public Accountant
License No. 335



Jeddah – Kingdom of Saudi Arabia
8 Sha'ban 1442H
21 March 2021

ALAHLI TAKAFUL COMPANY
(A SAUDI JOINT STOCK COMPANY)
YEAR ENDED 31 DECEMBER 2020

APPENDIX I

List of transactions and contracts in which directors have direct or indirect interest

<i>Name</i>	<i>Relationship</i>	<i>Nature of transactions</i>	<i>Amount of transactions 2020</i> <i>In thousands</i>
National Commercial Bank	Shareholder	Gross group insurance contributions	79,055
		Gross claims paid	71,034
Saudi Ground Services Company	Company related to member of the Board of Directors	Gross group insurance contributions	644
		Gross claims paid	534
NCB Capital	Subsidiary of a shareholder	Investment fund fee	4,896

