

**Wethaq Takaful Insurance Company (K.S.C.P)
And Its Subsidiaries
State of Kuwait**

**Interim Condensed Consolidated Financial Information
for the Six Months Ended 30 June 2022
(Unaudited)
And Independent Auditor's Review Report**

**Wethaq Takaful Insurance Company (K.S.C.P)
And Its Subsidiaries
State of Kuwait**

**Interim Condensed Consolidated Financial Information
For The Six Months Ended 30 June 2022
(Unaudited)
And Independent Auditor's Review Report**

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Independent Auditor's Report to the Board of Directors

Report on Review of Interim Condensed Consolidated Financial Information

Wethaq Takaful Insurance Company (K.S.C.P) and its Subsidiaries State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Wethaq Takaful Insurance Company (K.S.C.P) (the "Parent Company") and its subsidiaries (collectively the "Group") as at 30 June 2022 and the interim condensed consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the six months period then ended.

The Parent Company's management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with IAS (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

Except as stated in the next section, we conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

The interim condensed consolidated financial information for the period ended 30 June 2022 includes the amount due from the policyholders of KD 6,566,761 (KD 6,602,656 as at 31 December 2021) and Qard Hassan to policyholders amounting to KD 1,463,111 (KD 1,463,111 as at 31 December 2021) after deducting the provision made for these balances amounting to KD 434,574 and KD 162,500 respectively (KD 434,574 and KD 162,500 respectively as at 31 December 2021). The management did not calculate the provision for these balances in accordance with IFRS 9 "Financial Instruments". Therefore, we were unable to complete our review of these balances as at 30 June 2022. Had we been able to complete our review of such balances, matters might have come to our attention indicating that adjustments might have been necessary to the interim condensed consolidated financial information.

Qualified Conclusion

Except for the adjustments to the interim condensed consolidated financial information that we might have become aware of had it not been for the situation described above, based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS (34) "Interim Financial Reporting".

Report on Other Legal and Other Regulatory Requirements

Based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company. To the best of our knowledge and belief, no violations of the Companies Law No. 1 of 2016, and its Executive Regulations, as amended, or of the Parent Company's Memorandum and Articles of Association, as amended, have occurred during the six-month period ended 30 June 2022 that might have had a material effect on the business of the Group or on its consolidated financial position.

We further report that during the course of our review, to the best of our knowledge, no violations have occurred during the six months ended 30 June 2022 that might have had a material effect on the business of Parent Company or on its financial position in accordance with the provisions of the Law No. 7 of 2010, concerning Capital Market Authority ("CMA") and its Executive Regulation.



Ali Mohamed Al-Hamad

License No. 111-A

Ali Al-Hamad & Partners

Independent member of Baker Tilly International



Kuwait 11 August 2022

**Wethaq Takaful Insurance Company (K.S.C.P)
and its Subsidiaries
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Interim condensed consolidated statement of financial position (unaudited)

As at 30 June 2022

(All amounts are in Kuwaiti Dinar)

		30 June 2022 (Unaudited)	31 December 2021 (Audited)	30 June 2021 (Unaudited)
	Note			
Assets				
Cash at banks		23,893	50,251	17,059
Investment deposits		92,800	61,628	196,182
Financial assets at fair value through other comprehensive income	5	1,002,784	1,109,629	1,091,772
Financial assets at fair value through profit or loss	6	273,889	262,838	225,503
Amount due from policyholders	7	6,581,455	6,602,656	6,407,865
Qard Hassan to policyholders	8	1,463,111	1,463,111	1,463,111
Investment properties	9	2,872,372	2,872,372	2,828,384
Property and equipment		8,574	8,613	6,263
Accounts and other receivables		13,001	10,402	10,264
Total assets		12,331,879	12,441,500	12,246,403
Equity and liabilities				
Equity				
Share capital		11,025,000	11,025,000	11,025,000
Share premium	13	1,064,630	7,340,937	7,340,937
Treasury shares		(50,489)	(50,489)	(50,489)
Treasury shares reserve		3,508	3,508	3,508
Statutory reserve		388,139	388,139	388,139
Voluntary reserve	13	-	388,139	388,139
Fair value reserve		(283,198)	(176,353)	(194,210)
Foreign currency translation reserve		(36,001)	4,686	107
Employees' stock option plan reserve		65,964	65,964	65,964
Retained earnings /(accumulated losses)		58,867	(6,664,446)	(6,815,791)
Total equity		12,236,420	12,325,085	12,151,304
Liabilities				
Accounts and other payables		95,459	116,415	95,099
Total liabilities		95,459	116,415	95,099
Total equity and liabilities		12,331,879	12,441,500	12,246,403
Abdulrahman Khalifa Al-Shayji Chairman		Abdullah Meshari Ahmed Al-Humaidhi Vice Chairman		

The notes on pages 6 to 19 form an integral part of this interim condensed consolidated financial information

Wethaq Takaful Insurance Company (K.S.C.P)
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Interim condensed consolidated statement of profit or loss (unaudited)
For the six-month period ended 30 June 2022
(All amounts are in Kuwaiti Dinar)

		Three-month period ended 30 June (Unaudited)		Six-month period ended 30 June (Unaudited)	
	Note	2022	2021	2022	2021
Revenue					
Rental income		11,366	16,605	22,573	34,695
Income from investment deposits		190	2,369	419	5,298
Change in fair value of financial assets at fair value through profit or loss		(34,470)	10,435	9,336	2,166
Cash dividend income		6,716	-	6,716	-
Management fees from policyholders		7,208	85,857	7,208	89,725
Other income		30,000	2,493	30,000	5,270
		<u>21,010</u>	<u>117,759</u>	<u>76,252</u>	<u>137,154</u>
Expenses					
General and administrative expenses		(7,125)	(17,907)	(15,250)	(35,524)
		<u>(7,125)</u>	<u>(17,907)</u>	<u>(15,250)</u>	<u>(35,524)</u>
Profit for the period before deductions		13,885	99,852	61,002	101,630
National Labor Support Tax		(347)	-	(1,525)	-
Zakat		(139)	-	(610)	-
Net profit for the period		13,300	99,852	58,867	101,630
Basic and diluted earnings per share (Fils)	15	<u>0.12</u>	<u>0.91</u>	<u>0.54</u>	<u>0.92</u>

Wethaq Takaful Insurance Company (K.S.C.P)
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Interim condensed consolidated statement of other comprehensive income (unaudited)
For the six-month period ended 30 June 2022
(All amounts are in Kuwaiti Dinar)

	Three-month period ended 30 June (Unaudited)		Six-month period ended 30 June (Unaudited)	
	2022	2021	2022	2021
Net profit for the period	13,399	99,852	58,867	101,630
Other comprehensive loss:				
<i>Items that will not be subsequently reclassified to consolidated statement of profit or loss:</i>				
Change in fair value of financial assets at fair value through other comprehensive income	(102,172)	136,518	(106,845)	160,008
<i>Items that may be subsequently reclassified to the consolidated statement of profit or loss:</i>				
Exchange differences arising from translation of foreign operations	(40,722)	92	(40,687)	(46)
Total (loss)/ Other comprehensive income	(142,894)	136,610	(147,532)	159,962
Total (loss)/ comprehensive income for the period	(129,495)	236,462	(88,665)	261,592

Wethaq Takaful Insurance Company (K.S.C.P)
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Interim condensed consolidated statement of changes in equity (unaudited)

For the six-month period ended 30 June 2022

(All amounts are in Kuwaiti Dinar)

	Share capital	Share premium	Treasury shares	Treasury shares reserve	Statutory reserve	Voluntary reserve	Fair value reserve	Foreign currency translation reserve	Employees' stock option plan reserve	(Accumulated losses)/Retained Earnings	Total Equity
Balance as at 31 December 2020 (audited)	11,025,000	7,340,937	(50,489)	3,508	388,139	388,139	(354,218)	153	65,964	(6,917,421)	11,889,712
Profit for the period	-	-	-	-	-	-	-	-	-	101,630	101,630
Other comprehensive income for the period	-	-	-	-	-	-	160,008	(46)	-	-	159,962
Total (loss)/comprehensive income for the period	-	-	-	-	-	-	160,008	(46)	-	101,630	261,592
Balance as at 30 June 2021 (Unaudited)	11,025,000	7,340,937	(50,489)	3,508	388,139	388,139	(194,210)	107	65,964	(6,815,791)	12,151,304
Balance as at 31 December 2021 (audited)	11,025,000	7,340,937	(50,489)	3,508	388,139	388,139	(176,353)	4,686	65,964	(6,664,446)	12,325,085
Profit for the period	-	-	-	-	-	-	-	-	-	58,867	58,867
Other comprehensive income for the period	-	-	-	-	-	-	(106,845)	(40,687)	-	-	(147,532)
Total (loss)/comprehensive income for the period	-	-	-	-	-	-	(106,845)	(40,687)	-	58,867	88,665
Extinguishment of accumulated losses	-	(6,276,307)	-	-	-	(388,139)	-	-	-	6,664,446	-
Balance as at 30 June 2022 (Unaudited)	11,025,000	1,064,630	(50,489)	3,508	388,139	-	(283,198)	(36,001)	65,964	58,867	12,236,420

The notes on pages 6 to 19 form an integral part of this interim condensed consolidated financial information

Wethaq Takaful Insurance Company (K.S.C.P)
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Interim condensed consolidated statement of cash flows (unaudited)
For the six-month period ended 30 June 2022
(All amounts are in Kuwaiti Dinar)

	Six-month period ended 30 June (Unaudited)	
	2022	2021
Cash flows from operating activities:		
Profit/ (loss) for the period	58,867	101,630
Adjustments for:		
Change in fair value of financial assets at fair value through profit or loss	(9,336)	(2,166)
Dividend cash income	(6,716)	-
Income from investment deposits	(419)	(5,298)
	42,396	94,166
Changes in operating assets and liabilities:		
Receivables and other debit balances	(36,531)	(924)
Payables and other credit balances	(20,956)	4,063
Amount due from policyholders	21,201	(97,269)
Net cash generated from operating activities	6,110	36
Cash flows from investing activities:		
Proceeds from sale of properties and equipment	-	153
Purchasing of financial assets at fair value through profit or loss	(1,715)	-
Proceeds from investment deposits income	419	5,298
Movement in investment deposits	(31,172)	403
Net cash (used in)/ generated from /investing activities	(32,468)	5,854
(Decrease)/increase in cash at banks	(26,358)	5,890
Cash at banks at beginning of the period	50,251	11,169
Cash at banks at end of the period	23,893	17,059

**Wethaq Takaful Insurance Company (K.S.C.P)
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**Notes to interim condensed consolidated financial information (unaudited)
For the six-month period ended 30 June 2022**
(All amounts are in Kuwaiti Dinar)

1- Incorporation and activities

Wethaq Takaful Insurance Company K.S.C.P ("the Parent Company") is a Kuwaiti Public Shareholding Company that was incorporated on 31 July 2000 and is registered under the Insurance Companies and Agents Law No. 24 of 1961 and its subsequent amendments that were registered in the Commercial Register under No. 82421 on 11 June 2014. The shares of the Parent Company were listed on Boursa Kuwait on 20 December 2004. The Company is supervised by Capital Markets Authority.

The Parent Company is a subsidiary of Investment Dar Company (K.S.C.C) (the Ultimate Parent Company).

The objectives for the Parent Company was incorporated are as follows:

First: Carry on all Takaful, mutual and retakaful insurance business of all forms in accordance with the provisions of Islamic Sharia and governing laws.

Second: To achieve its above-mentioned objectives and as per its Articles of Association, the Parent Company shall have authority to conduct the following business and acts as Board of Directors deems appropriate:

- a) Acquire and gain the right to all or any part of moveable or immovable properties, as it deems necessary, or any privileges that the company believes to be necessary or appropriate for its business or required for growing its funds.
- b) Carry out transactions and enter into all contracts with all legal dispositions as it deems necessary and suitable to achieve and facilitate its objectives on the conditions it elects.
- c) Purchase, sell, mortgage, lease, replace, possess or endorse in any manner whatsoever any lands, real estate properties, securities, sukuk, stocks or any other moveable or real estate property, or sell, lease, mortgage or dispose of all or part of the company's moveable or real estate property and funds.
- d) Provide advisories and conduct technical studies in takaful insurance or reinsurance industry for companies and other entities directly interested in engaging in takaful insurance or reinsurance business.
- e) Act as valuer or appraiser in takaful insurance industry and agent for takaful insurance or reinsurance companies to perform all activities that are consistent with the Islamic Sharia after obtaining the necessary licenses.
- f) Invest all or part of the company's moveable property or real estate properties in different sectors as it deems appropriate in accordance with governing laws and resolutions.
- g) Merge with, incorporate or participate in incorporating and subscribing for shares in companies, buy and sell companies, shares and support them in any form in line with the company's objectives as per applicable laws.
- h) Utilize the financial surpluses available with the company through investing the same in financial portfolios managed by specialized companies and entities.

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The Parent Company may carry out the above-mentioned businesses in the State of Kuwait or abroad directly or through agency. The Parent Company may have an interest or participate in any way with the entities that engage in similar business that help it achieve its objectives in Kuwait or abroad and it may establish, participate, purchase, merge with such entities or annex them.

Takaful is an Islamic alternative to conventional insurance and investment programs, based on the mutual funds concept, where each policyholder will receive his share in the surplus arising from the insurance activities, in accordance with the Parent Company's articles of association and the approval of Fatwa and Sharia Supervisory Board.

The Parent Company conducts business on behalf of the policyholders and advances funds to the policyholders' operations as and when required. The shareholders are responsible for liabilities incurred by policyholders in the event the policyholders' fund is in deficit and the operations are liquidated.

The Parent Company holds the physical custody and title of all assets related to the policyholders' and shareholders' operations. Such assets and liabilities together with the results of policyholders' lines of business are disclosed in the notes.

The Parent Company maintains separate books of accounts for policyholders and shareholders. Income and expenses clearly attributable to either activity are recorded in the respective accounts. Management and the Board of Directors determine the basis of allocation of expenses from joint operations.

All takaful insurance and investment activities are conducted in accordance with Islamic Sharia, as approved by Fatwa and Sharia Supervisory Board.

The Parent Company's registered address is at Shaq, Khaled Ibn Al-Waleed Street, City Tower, Floor 11.

The interim condensed consolidated financial information for the six-month period ended 30 June 2022 was authorized for issue by the Board of Directors of the Parent Company on 11 August 2022.

2- Basis of presentation and significant accounting policies

Basis of preparation

This interim condensed consolidated financial information has been prepared in accordance with IAS (34), "Interim Financial Reporting". The interim condensed consolidated financial information does not include all information and disclosures required for complete financial statements in accordance with International Financial Reporting Standards.

In the management's opinion, all necessary adjustments, including recurring accruals have been included in the interim condensed consolidated financial information for fair presentation. The operating results for the period ended 30 June 2022 are not necessarily indicative of results that may be expected for the year ending 31 December 2022. For further information, it is possible to refer to the consolidated financial statements and its related notes for the year ended 31 December 2021.

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The accounting policies used in preparing the interim condensed consolidated financial information are similar to those used in the preparation of consolidated financial statements for the year ended 31 December 2021. There were no amendments to International Financial Reporting Standards (IFRS) for the periods commencing 1 January 2022 that might have material impact on the Group's accounting policies or financial position.

3- Fair value measurement

All financial assets and liabilities for which fair value is measured or disclosed in the interim condensed consolidated financial information are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

- Level 1: It includes quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: It includes valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level3: It includes valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The below table presents analysis of the captions recorded at fair value by level of the fair value hierarchy:

	30 June 2022 (Unaudited)			
	Level 1	Level 2	Level 3	Total
Shareholders				
<i>Financial assets at fair value through profit or loss</i>	273,889	-	-	273,889
<i>Financial assets at fair value through other comprehensive income</i>	461,277	-	541,508	1,002,784
	<u>735,166</u>	<u>-</u>	<u>541,508</u>	<u>1,276,673</u>
Policyholders				
<i>Financial assets at fair value through other comprehensive income</i>	16,980	-	98,489	115,469
	<u>16,980</u>	<u>-</u>	<u>98,489</u>	<u>115,469</u>

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31 December 2021 (Audited)				
	Level 1	Level 2	Level 3	Total
Shareholders				
<i>Financial assets at fair value through profit or loss</i>	262,838	-	-	262,838
<i>Financial assets at fair value through other comprehensive income</i>	556,601	-	553,028	1,109,629
	<u>819,439</u>	<u>-</u>	<u>553,028</u>	<u>1,372,467</u>
Policyholders				
<i>Financial assets at fair value through other comprehensive income</i>	21,479	-	98,488	119,967
	<u>21,479</u>	<u>-</u>	<u>98,488</u>	<u>119,967</u>

30 June 2021(Unaudited)				
	Level 1	Level 2	Level 3	Total
Shareholders				
<i>Financial assets at fair value through profit or loss</i>	225,503	-	-	225,503
<i>Financial assets at fair value through other comprehensive income</i>	539,579	-	552,193	1,091,772
	<u>765,082</u>	<u>-</u>	<u>552,193</u>	<u>1,317,275</u>
Policyholders				
<i>Financial assets at fair value through other comprehensive income</i>	21,875	-	113,624	135,499
	<u>21,875</u>	<u>-</u>	<u>113,624</u>	<u>135,499</u>

As at 30 June 2022, the fair values of financial instruments approximate their carrying amounts. The management of the Group has assessed that the fair values of its financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these financial instruments.

During the period, there were no transfers between Level 1, Level 2 and Level 3.

4- Judgment and estimates

The preparation of interim condensed consolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Investment properties

The Group's management determined the fair value of investment properties using internal studies. This requires the management to assess different factors to arrive at best estimate of the property value.

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5- Financial assets at fair value through other comprehensive income

	30 June 2022 (unaudited)	31 December 2021 (audited)	30 June 2021 (unaudited)
Local quoted securities	461,276	556,601	539,579
Local unquoted securities *	79,040	79,040	79,040
Managed portfolios	222,882	234,402	220,708
Managed funds	239,586	239,586	252,445
	1,002,784	1,109,629	1,091,772

* The Parent Company is currently updating the fair value inputs for the local unquoted securities, and it's expected to finalize the evaluation during the current year.

6- Financial assets at fair value through profit or loss

	30 June 2022 (unaudited)	31 December 2021 (audited)	30 June 2021 (unaudited)
Local quoted securities	273,889	262,838	225,503

7- Amount due from policyholders

	30 June 2022 (unaudited)	31 December 2021 (audited)	30 June 2021 (unaudited)
Opening balance at beginning of period/ year	7,037,230	6,745,170	6,745,170
Net movement	(21,201)	292,060	97,269
Net movement during period/ year	7,016,029	7,037,230	6,842,439
Impairment during period/ year	(434,574)	(434,574)	(434,574)
Closing balance at the end of period/ year	6,581,455	6,602,656	6,407,865

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Amounts due from policy holders represent net movements in policyholders' account for the net fund transfers from and to their account in addition to the management fees from policyholders, and advances funds to the policyholders' operations as and when required. The Parent Company's management had decided to reduce the Management fees charged to policyholders from 20% of gross premiums to 20% of net profit of policyholders to enable settlement of the above due balances and also to settle the Qard Hassan balance (Note 8) in such a way that ensures continuity of the Takaful insurance activity of the policyholders.

8- Qard Hassan for policyholders

In line with the Articles of Association, policyholders' net deficit from insurance activities has been covered by Qard Hassan from the shareholders. Qard Hassan provided by shareholders to the policyholders will be settled through the expected surplus from insurance activities in future years.

9- Investment properties

	30 June 2022 (unaudited)	31 December 2021 (audited)	30 June 2021 (unaudited)
Carrying amount at the beginning of the period/ year	2,872,372	2,828,384	2,828,384
Change in fair value during the period/ year	-	43,988	-
Carrying amount at the end of period/ year	2,872,372	2,872,372	2,828,384

- The investment property in Egypt amounting to KD 2,765,831 as at 30 June 2022 (KD 2,765,831 as at 31 December 2021) is registered in the name of a third party who issued power of attorney to other parties, which is ultimately granted to one of the Parent Company's directors, who provided an irrevocable general power of attorney in favor of the Parent Company. The property is managed by a subsidiary, i.e., Hala Real Estate Investment (L.L.C).
- The above investment properties include a right of use of hotel apartments in Zamzam Tower in Holly Mecca, the Kingdom of Saudi Arabia amounting to KD 106,541 as at 30 June 2022 (KD 106,541 as at 31 December 2021).

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10- Consolidated policyholders' results by line of business and funds

Three-month period ended 30 June 2022 (unaudited):

	Marine and aviation	General accident	Fire	Life	Total
Premiums written	41,189	527,051	23,907	19,458	611,605
Gross revenue	22,969	280,059	5,664	614	309,306
Net surplus/ (deficit) from takaful insurance operations	10,125	109,345	(9,703)	(38,819)	70,948
Investments and other income	126	2,481	121	-	2,728
Net surplus/ (deficit) by line of business	10,251	111,826	(9,582)	(38,819)	73,676
Income from leasing activities					10,276
Expenses related to leasing activities					(17,508)
Company shareholder management fees					(7,208)
Net surplus transferred to policyholders					59,236
Other comprehensive income for the period					
Net change in fair value arising during the period					(3,148)
Total other comprehensive loss					56,088

. Six-month period ended 30 June 2022 (unaudited):

	Marine and aviation	General accident	Fire	Life	Total
Premiums written	102,253	1,035,592	51,048	48,474	1,237,367
Gross revenue	33,859	550,375	21,610	7,614	613,458
Net surplus/ (deficit) from takaful insurance operations	24,284	23,844	(2,700)	879	46,307
Investments and other income	218	6,164	188	136	6,706
Net surplus/ (deficit) by line of business	24,502	30,008	(2,512)	1,015	53,013
Income from leasing activities					20,861
Expenses related to leasing activities					(37,836)
Company shareholder management fees					(7,208)
Net surplus transferred to policyholders					28,830
Other comprehensive income for the period					
Net change in fair value arising during the period					(4,498)
Total other comprehensive income					24,332

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Policyholders' results by line of business for the three-month period ended 30 June 2021 (unaudited) are as follows:

	Marine and aviation	General accident	Fire	Life	Total
Premiums written	69,790	435,653	31,383	56,388	593,214
Gross revenue	16,698	221,489	16,530	19,534	274,251
Net (deficit)/ surplus from takaful insurance operations	(8,842)	20,645	(18,979)	(17,332)	(24,508)
Investments and other income	11,585	382,903	16,325	23,649	434,462
Net surplus/ (deficit) by line of business	2,743	403,548	(2,654)	6,317	409,954
Income from leasing activities					12,602
Expenses related to leasing activities					6,731
Management fees to Company's shareholders					(85,857)
Net surplus transferred to policyholders					343,430
Other comprehensive income for the period					
Net change in fair value arising during the period					(1,394)
Total other comprehensive income					342,036

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Six -month period ended 30 June 2021 (unaudited):

	Marine and aviation	General accident	Fire	Life	Total
Premiums written	96,361	1,221,775	248,339	71,113	1,637,588
Gross revenue	31,844	561,812	40,878	26,366	660,900
Net surplus/ (deficit) from takaful insurance operations	(4,010)	50,798	(10,715)	(29,285)	6,788
Investments and other income (note 11)	11,845	383,352	23,823	23,834	442,854
Net surplus/ (deficit) by line of business	7,835	434,150	13,108	(5,451)	449,642
Income from leasing activities					33,343
Expenses related to leasing activities					(34,359)
Management fees to Company's shareholders					(89,725)
Net surplus transferred to policyholders					358,901
Other comprehensive income for the period					
Net change in fair value arising during the period					7,363
Total other comprehensive income					366,264

Statement of policyholders' assets, liabilities and fund

	30 June 2022 (unaudited)	31 December 2021 (audited)	30 June 2021 (unaudited)
Assets			
Cash and cash equivalents	31,675	58,888	411,899
Investment deposits	1,078,492	1,078,492	1,078,492
Accounts and other receivables	1,569,447	1,483,062	1,773,388
Premiums receivable	1,632,673	1,561,417	1,294,642
Financial assets at fair value through other comprehensive income	115,469	119,967	135,499
Due from related parties	-	11,377	-
Goodwill	409,766	409,766	409,766
Reinsurance share of outstanding claims	2,230,429	2,170,807	2,333,892
Retakaful contribution receivables	1,570,683	1,752,826	1,547,817
Inventory	-	-	24,303
Intangible assets	8,953	8,953	-
Equipment and buildings	24,013	32,704	43,393
Total assets	8,671,600	8,688,259	9,053,091

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Liabilities and Policyholders' fund

Liabilities

Outstanding claims reserve	2,776,972	2,866,200	3,341,183
Unearned premiums	477,994	472,397	759,646
Incurred but not reported claims reserve	180,734	227,779	136,012
Provision for unallocated claim settlement expenses	47,573	18,682	39,086
Lease payables	15,350	16,371	-
Payables and accrued expenses	4,866,103	4,783,087	4,911,760
Amount due to shareholders	7,016,029	7,037,230	6,670,926
Qard Hassan from shareholders	1,625,611	1,625,611	1,625,611
Total liabilities	17,006,366	17,047,357	17,484,224

Policyholders' fund

Policyholders' fund balance as at the beginning of the period/ year	(8,203,958)	(8,822,306)	(8,635,289)
Net surplus of policyholders for the period/ year	28,830	618,348	358,901
	(8,175,128)	(8,203,958)	(8,276,388)
Fair value reserve at the beginning of the period/ year	(155,140)	(162,108)	(162,108)
Change in fair value during the period/ year	(4,498)	6,968	7,363
Fair value reserve at the end of the period/ year	(159,638)	(155,140)	(154,745)
Total policyholders' fund at the end of the period/ year	(8,334,766)	(8,359,098)	(8,431,133)
Total liabilities and policyholders' fund	8,671,600	8,688,259	9,053,091

11- Related party transactions and balances

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management. Transactions between the Parent Company and its subsidiaries which are related parties of the Parent Company have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below:

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	Three months ended 30 June		Six months ended 30 June	
	2022	2021	2022	2021
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Shareholders				
<i>Interim condensed consolidated statement of profit or loss:</i>				
<i>Salaries and other short-term benefits</i>	3,750	7,500	7,500	11,250
		30 June 2022	31 December 2021	30 June 2021
		(unaudited)	(audited)	(unaudited)
<i>Interim condensed consolidated statement of financial position</i>				
Financial assets at fair value through other comprehensive income		1,002,785	1,109,628	1,091,772

Financial assets at fair value through other comprehensive income above include the Group's investments in the shares of subsidiaries of the Ultimate Parent Company (Investment Dar Company) amounting to KD 595,758 as at 30 June 2022 (31 December 2021: KD 669,856 and 30 June 2021: KD 668,029).

	Three months ended 30 June		Six months ended 30 June	
	2022	2021	2022	2021
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Policyholders				
<i>Key management compensation:</i>				
<i>Salaries and other short-term benefits</i>	20,510	31,152	40,262	62,304
<i>End of service benefits</i>	2,009	2,971	3,924	5,942
	<u>22,519</u>	<u>34,123</u>	<u>44,186</u>	<u>68,246</u>

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12- Segment reporting

	Investment	Takaful insurance	Unallocated	Total
Shareholders				
Six months ended 30 June 2022 (unaudited)				
Gross revenue	69,044	7,208	-	76,252
Profit for the period	61,002	-	(2,153)	58,867
Total assets	4,241,845	8,044,566	45,468	12,331,879
Total liabilities	-	-	(95,459)	(95,459)
Net assets	4,241,845	8,044,566	(49,991)	12,236,420

Six months ended 30 June 2021 (unaudited)				
Gross revenue	47,429	89,725	-	137,154
Loss for the period	11,905	89,725	-	101,630
Total assets	4,341,841	7,870,976	33,586	12,246,403
Total liabilities	-	-	(95,099)	(95,099)
Net assets	4,341,841	7,870,976	(61,513)	12,151,304

	Investment	Takaful insurance	Car rental	Unallocated	Total
Policyholders					
Six months ended 30 June 2022 (unaudited)					
Gross revenue	6,706	613,458	20,861	-	641,025
Profit / (loss) for the period	6,706	39,099	(16,975)	-	28,830
Total assets	1,193,961	7,085,627	392,012	-	8,671,600
Total liabilities	-	(16,703,347)	(303,019)	-	(17,006,366)
Net assets	1,193,961	(9,617,720)	88,993	-	(8,334,766)

Six months ended 30 June 2021 (unaudited)					
Gross revenue	442,854	660,900	33,343	-	1,137,097
Profit/ (loss) for the period	276,980	82,937	(1,016)	-	358,901
Total assets	1,213,991	7,406,226	432,874	-	9,053,091
Total liabilities	-	(17,161,117)	(322,999)	-	(17,484,116)
Net assets	1,213,991	(9,754,891)	109,875	-	(8,431,025)

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13- Shareholders' annual general assembly

The Shareholders' general assembly meeting held on 26 April 2022 approved the consolidated financial statements of the Group for the year ended 31 December 2021 and the Board of Directors' proposal not to distribute any dividends for the year then ended.

The Shareholders' general assembly meeting held on 26 April 2022 approved the resolution for amortization of the entire accumulated losses of KD 6,664,446 as of 31 December 2021 through the following:

- Utilizing the entire voluntary reserve of KD 388,139
- Utilizing part of share premium amounting to KD 6,276,307

14- Subsidiaries

The interim condensed consolidated financial information includes the financial information of the Parent Company and its subsidiaries below (collectively referred to as the "Group"):

Subsidiary's name	Country of incorporation	Principal activities	Ownership percentage		
			30 June 2022	31 December 2021	30 June 2021
Consolidated with shareholders					
Hala Real Estate Investment Company (L.L.C)	Arab Republic of Egypt	Real estate investment and marketing, and purchase, sale and lease of land for its own account or third parties	%100	%100	%100
Consolidated with policyholders					
Wared Rent a Car Company- (K.S.C.C)	State of Kuwait	Car rental and trading in cars and spare parts in the State of Kuwait	%100	%100	%93.32

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15- Earnings/ (loss) per share

The basic and diluted earnings per share are computed through dividing the profit/ (loss) for the period by weighted average number of shares outstanding during the period (excluding the treasury shares) as follows:

	Three months ended 30 June 2022 (unaudited)	Three months ended 30 June 2021 (unaudited)	Six months ended 30 June 2022 (unaudited)	Six months ended 30 June 2021 (unaudited)
(Loss)/ profit for the period (KD)	13,399	99,852	58,867	101,360
Weighted average number of shares outstanding during the period	110,250,000	110,250,000	110,250,000	110,250,000
Treasury shares	(445,500)	(445,500)	(445,500)	(445,500)
	109,804,500	109,804,500	109,804,500	109,804,500
Basic and diluted (loss)/ earnings per share (Fils)	0.12	0.91	0.54	0.92

16- Contingencies

The Group is a defendant in a number of legal cases filed by Takaful contract holders in respect of claims subject to dispute with the Group including a legal case filed by a government body against the Group for an amount of KD 3,636,022, which the Group has provided for in the accounts and other payables. Although the Court of Appeal passed its ruling in favor of the State and the Parent Company filed appeal in cassation before the Court of Cassation, the Parent Company has made provisions which, in its opinion, are adequate to cover any resultant liabilities.