

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

**Interim Condensed Consolidated Financial Information
for the Nine Month Period Ended 30 September 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 Nine Month Period Ended 30 September 2022
(Unaudited)
And Independent Auditor's Review Report**

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P.O.Box 1486 Safat 13015
Kuwait

T: +965 1 88 77 99
F: +965 2294 2651

info@bakertilly.com.kw
www.bakertilly.com.kw

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

Independent Auditor's Report to the Board of Directors

Report on Review of the Interim Condensed Consolidated Financial Information

Introduction

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

The Group'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

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.

Conclusion

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".

Material Uncertainty related to Going Concern

In accordance with ISA 570, we draw attention to Note 19 to this consolidated financial information which shows that the Company has incurred accumulated losses of KD 7,996,140 as at 30 September 2022 representing 72.5% of the Parent Company's share capital. These events or circumstances indicate that there is a material uncertainty on the Company's ability to continue as a going concern. This does not affect our above-mentioned conclusion.

Report on Other Legal and Other Regulatory Requirements

Based on our review, the interim condensed consolidated financial information is in agreement with the accounting 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 nine-month period ended 30 September 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 of the Law No. 7 of 2010, concerning Capital Market Authority ("CMA") and its Executive Regulations have occurred during the nine months ended 30 September 2022 that might have had a material effect on the business of Group or on its financial position.



Ali Mohamed Al-Hamad

License No. 111-A

Ali Al-Hamad & Partners

Independent member of Baker Tilly International



Kuwait: 6 November 2022

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

**Interim condensed consolidated statement of financial position (unaudited)
As at 30 September 2022
(All amounts are in Kuwaiti Dinar)**

		30 September 2022 (Unaudited)	31 December 2021 (Audited- Restated)	30 September 2021 (Unaudited- Restated)	31 December 2020 (Audited – Restated)
	Note				
Assets					
Cash at banks		39,954	50,251	36,487	11,169
Investment deposits		92,000	61,628	61,601	196,585
Financial assets at fair value through other comprehensive income	5	870,017	1,109,629	1,055,946	931,764
Financial assets at fair value through profit or loss	6	244,858	262,838	241,202	223,337
Amount due from policyholders		16,596	-	-	-
Investment properties	9	2,872,372	2,872,372	2,828,384	2,828,384
Property and equipment		104,574	8,613	6,208	6,415
Accounts and other receivables		56,630	10,402	3,795	9,340
Total assets		4,297,001	4,375,733	4,233,623	4,206,994
Equity and liabilities					
Equity					
Share capital		11,025,000	11,025,000	11,025,000	11,025,000
Share premium		1,064,630	7,340,937	7,340,937	7,340,937
Treasury shares		(50,489)	(50,489)	(50,489)	(50,489)
Treasury shares reserve		3,508	3,508	3,508	3,508
Statutory reserve		388,139	388,139	388,139	388,139
Voluntary reserve		-	388,139	388,139	388,139
Fair value reserve		(415,965)	(176,353)	(230,037)	(354,218)
Foreign currency translation reserve		13,517	4,686	(153)	153
Employees' stock option plan reserve		65,964	65,964	65,964	65,964
Accumulated losses		(7,996,140)	(14,730,213)	(14,807,489)	(14,691,128)
Total equity		4,098,164	4,259,318	4,123,519	4,116,005
Liabilities					
Accounts and other payables		198,837	116,415	110,104	90,989
Total liabilities		198,837	116,415	110,104	90,989
Total equity and liabilities		4,297,001	4,375,733	4,233,623	4,206,994


Abdulrahman Khalifa Al-Shayji
Chairman


Abdullah Meshari Ahmed Al-Humaidhi
Vice Chairman

The notes on pages 6 to 22 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 nine-month period ended 30 September 2022
(All amounts are in Kuwaiti Dinar)**

		Three-month period ended 30 September (Unaudited)		Nine-month period ended 30 September (Unaudited)	
	Note	2022	2021 (Restated)	2022	2021 (Restated)
Revenue					
Rental income		34,111	17,228	56,684	51,923
Dividends income		-	-	6,716	-
Income from investment deposits		1,029	(1,116)	1,448	4,182
Change in fair value of financial assets at fair value through profit or loss		(29,032)	15,699	(19,696)	17,865
Management fees from policyholders		17,256	19,951	24,464	109,676
Other income		21,256	3,305	51,256	8,575
		<u>44,620</u>	<u>55,067</u>	<u>120,872</u>	<u>192,221</u>
Expenses					
Expected credit losses	18	-	(153,381)	-	(250,650)
General and administrative expenses		(33,469)	(17,971)	(48,719)	(53,495)
		<u>(33,469)</u>	<u>(171,352)</u>	<u>(48,719)</u>	<u>(304,145)</u>
Profit /(loss) for the period before national labor tax support and zakat provisions		11,151	(116,285)	72,153	(111,924)
National labor tax support provision		(279)	(3,169)	(1,804)	(3,169)
Zakat provision		(112)	(1,268)	(722)	(1,268)
Profit /(loss) for the period		10,760	(120,722)	69,627	(116,361)
Basic and diluted earnings /(losses) per share (Fils)	16	<u>0.10</u>	<u>(1.10)</u>	<u>0.63</u>	<u>(1.06)</u>

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Interim condensed consolidated statement of other comprehensive income (unaudited)
For the nine-month period ended 30 September 2022
(All amounts are in Kuwaiti Dinar)

	Three-month period ended 30 September (Unaudited)		Nine-month period ended 30 September (Unaudited)	
	2022	2021 Restated	2022	2021 Restated
Profit /(loss) for the period	10,760	(120,722)	69,627	(116,361)
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	(132,767)	(35,827)	(239,612)	124,181
<i>Items that may be subsequently reclassified to the consolidated statement of profit or loss:</i>				
Exchange differences arising from translation of foreign operations	49,518	(260)	8,831	(306)
(Loss)/ other comprehensive income for the period	(83,249)	(36,087)	(230,781)	123,875
Total (loss)/ comprehensive income for the period	(72,489)	(156,809)	(161,154)	7,514

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Interim condensed consolidated statement of changes in equity (unaudited)

For the nine-month period ended 30 September 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	Total Equity
Balance as at 31 December 2020 (audited) - as previously presented	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
Prior years restatements (Note 18)	-	-	-	-	-	-	-	-	-	(7,773,707)	(7,773,707)
Balance as at 31 December 2020 (audited) – restated	11,025,000	7,340,937	(50,489)	3,508	388,139	388,139	(354,218)	153	65,964	(14,691,128)	4,116,005
Profit for the period	-	-	-	-	-	-	-	-	-	(116,361)	(116,361)
Other comprehensive income for the period	-	-	-	-	-	-	124,181	(306)	-	-	123,875
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	124,181	(306)	-	(116,361)	7,514
Balance as at 30 September 2021 (Unaudited)	11,025,000	7,340,937	(50,489)	3,508	388,139	388,139	(230,037)	(153)	65,964	(14,807,489)	4,123,519
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)	12,325,086
Prior years restatements (Note 18)	-	-	-	-	-	-	-	-	-	(8,065,767)	(8,065,767)
Balance as at 31 December 2021 (audited) – restated	11,025,000	7,340,937	(50,489)	3,508	388,139	388,139	(176,353)	4,686	65,964	(14,730,213)	4,259,318
Profit for the period	-	-	-	-	-	-	-	-	-	69,627	69,627
Other comprehensive income for the period	-	-	-	-	-	-	(239,612)	8,831	-	-	(230,781)
Total comprehensive (loss)/income for the period	-	-	-	-	-	-	(239,612)	8,831	-	69,627	(161,154)
Amortization of accumulated losses (Note 14)	-	(6,276,307)	-	-	-	(388,139)	-	-	-	6,664,446	-
Balance as at 30 September 2022 (Unaudited)	11,025,000	1,064,630	(50,489)	3,508	388,139	-	(415,965)	13,517	65,964	(7,996,140)	4,098,164

The notes on pages 6 to 22 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 nine-month period ended 30 September 2022

(All amounts are in Kuwaiti Dinar)

	Nine-month period ended 30 September (Unaudited)	
	2022	2021 Restated
Cash flows from operating activities:		
Profit /(loss) for the period	69,627	(116,361)
Adjustments for:		
Depreciation expense	118	207
Expected credit losses	-	250,650
Dividends income	(6,716)	-
Income from investment deposits	(1,448)	(4,182)
Change in fair value of financial assets at fair value through profit or loss	19,696	(17,865)
	81,277	112,449
Changes in operating assets and liabilities:		
Accounts and other receivables	(37,457)	5,545
Accounts and other payables	82,482	23,245
Amount due from policyholders	(16,596)	(255,087)
Net cash generated from / (used in) operating activities	109,706	(113,848)
Cash flows from investing activities:		
Proceeds from sale of financial assets at fair value through other comprehensive income	(1,716)	-
Paid for purchase of property and equipment	(96,079)	-
Dividends	6,716	-
Income from investment deposits	1,448	4,182
Movement in investment deposits	(30,372)	134,984
Net cash (used in) / generated from investing activities	(120,003)	139,166
Increase in cash at banks	(10,297)	25,318
Cash at banks at beginning of the period	50,251	11,169
Cash at banks at end of the period	39,954	36,487

The notes on pages 6 to 22 form an integral part of this interim condensed consolidated financial information

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**Notes to interim condensed consolidated financial information (unaudited)
For the nine-month period ended 30 September 2022**
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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.

On 5 October 2022, CMA has decided to suspend trading of the Company's share in Boursa Kuwait effective from 6 October 2022 (Note 20).

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.

Notes to interim condensed consolidated financial information (unaudited)

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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 12.

The interim condensed consolidated financial information for the nine-month period ended 30 September 2022 was authorized for issue by the Board of Directors of the Parent Company on 6 November 2022.

2- Basis of preparation and significant accounting policies

2.1 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 September 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 items recorded at fair value by level of the fair value hierarchy:

30 September 2022 (Unaudited)				
	Level 1	Level 2	Level 3	Total
Shareholders				
<i>Financial assets at fair value through profit or loss</i>	244,858	-	-	244,858
<i>Financial assets at fair value through other comprehensive income</i>	450,346	-	419,671	870,017
	695,204	-	419,671	1,114,875
Policyholders				
<i>Financial assets at fair value through other comprehensive income</i>	15,652	-	98,488	114,140
	15,652	-	98,488	114,140

31 December 2021				
	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
	819,439	-	553,028	1,372,467

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		31 December 2021			
		Level 1	Level 2	Level 3	Total
Policyholders					
<i>Financial assets at fair value through other comprehensive income</i>		21,479	-	98,488	119,967
		21,479	-	98,488	119,967
		30 September 2021 (Unaudited)			
		Level 1	Level 2	Level 3	Total
Shareholders					
<i>Financial assets at fair value through profit or loss</i>		241,202	-	-	241,202
<i>Financial assets at fair value through other comprehensive income</i>		519,446	-	536,500	1,055,946
		760,648	-	536,500	1,297,148
Policyholders					
<i>Financial assets at fair value through other comprehensive income</i>		20,985	-	98,488	119,473
		20,985	-	98,488	119,473

As at 30 September 2022, the Group's management has assessed the fair values of financial assets and liabilities which approximate their carrying amounts. This approximation is arising from 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.

Impairment of financial assets

The Group assessed the financial assets exposed to impairment risks, and the management concluded that there were expected credit losses on certain financial balances. (Note 18)

Insurance contracts liabilities

Claims are usually separately addressed, either by making a reserve at the carrying value of loss adjustor estimates or separately projected in order to reflect their future developments. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the

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historic claims' development data on which the projections are based. Additional qualitative judgment is used to assess the extent to which past trends may not apply in future, (for example to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy conditions and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

5- Financial assets at fair value through other comprehensive income

	30 September 2022 (unaudited)	31 December 2021 (audited)	30 September 2021 (unaudited)
Local quoted securities	450,346	556,601	519,446
Local unquoted securities *	79,040	79,040	79,042
Managed portfolios	101,045	234,402	209,300
Managed funds	239,586	239,586	248,158
	870,017	1,109,629	1,055,946

* 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 September 2022 (unaudited)	31 December 2021 (audited)	30 September 2021 (unaudited)
Local quoted securities	244,858	262,838	241,202

7- Amount due from policyholders

	30 September 2022 (unaudited)	31 December 2021 (audited— restated)	30 September 2021 (unaudited— restated)	31 December 2020 (audited— restated)
Opening balance at beginning of period/ year	7,037,230	6,745,170	6,745,170	6,745,170
Net movement	16,596	292,060	250,650	292,060
Net movement during period/ year	7,053,826	7,037,230	6,995,820	7,037,230
Impairment during period/ year	(7,037,230)	(7,037,230)	(6,995,820)	(7,037,230)
Closing balance at end of period/ year	16,596	-	-	-

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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.

The Group's management studied the impairment of due from policyholders and concluded that the expected credit losses are to be recorded for the entire balance of debt. This matter has been retroactively recognized in the retained earnings (Note 18).

8- Qard Hassan for policyholders

	30 September 2022	31 December 2021 (audited – restated)	30 September 2021 (unaudited – restated)	31 December 2020 (audited– restated)
Total amount	1,625,611	1,625,611	1,625,611	1,625,611
Less: impairment – restated	(1,625,611)	(1,625,611)	(1,625,611)	(1,625,611)
Closing balance	-	-	-	-

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.

The Group's management studied the impairment of Qard Hassan and concluded that the expected credit losses are to be recorded for the entire balance of debt. This matter has been retroactively recognized in the retained earnings (Note 18).

9- Investment properties

	30 September 2022 (unaudited)	31 December 2021 (audited)	30 September 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	-
	2,872,372	2,872,372	2,828,384

- The investment property in Egypt amounting to KD 2,765,831 as at 30 September 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

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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 September 2022 (KD 106,541 as at 31 December 2021).

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

Policyholders' results by line of business for the three-month period ended 30 September 2022 (unaudited) are as follows:

	Marine and aviation	General accident	Fire	Collective takaful insurance	Total
Premiums written	88,551	405,368	105,217	45,395	644,531
Gross revenue	10,833	237,440	14,294	47,698	310,265
Net surplus/ (deficit) from takaful insurance operations	5,046	(28,773)	9,450	(8,498)	(22,775)
Investments and other income	75	4,102	109	981	5,267
Net surplus/ (deficit) by line of business	5,121	(24,671)	9,559	(7,517)	(17,508)
Income from leasing activities					107,770
Expenses related to leasing activities					(3,978)
Management fees					(17,256)
Net deficit transferred to policyholders					69,028
Other comprehensive income for the period					
Net change in fair value arising during the period					(1,329)
Total other comprehensive income					67,699

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Nine-month period ended 30 September 2022 (unaudited):

	Marine and aviation	General accident	Fire	Collecti ve takaful insuran ce	Total
Premiums written	190,804	1,440,960	156,265	93,869	1,881,898
Gross revenue	44,692	787,815	35,904	55,312	923,723
Net surplus/ (deficit) from takaful insurance operations	29,330	(4,929)	6,750	(7,619)	23,532
Investments and other income	293	10,266	297	1,117	11,973
Net surplus/ (deficit) by line of business	29,623	5,337	7,047	(6,502)	35,505
Income from leasing activities					128,631
Expenses related to leasing activities					(41,814)
Management fees					(24,464)
Net surplus transferred to policyholders					97,858
Other comprehensive income for the period					
Net change in fair value arising during the period					(5,827)
Total other comprehensive income					92,031

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Three-month period ended 30 September 2021 (unaudited):

	Marine and aviation	General accident	Fire	Collectiv e takaful insuranc e	Total
Premiums written	17,139	448,378	43,086	9,719	518,322
Gross revenue	14,787	325,136	13,897	1,993	355,813
Net surplus/ (deficit) from takaful insurance operations	4,111	84,267	26,726	(13,767)	101,337
Investments and other income	1,109	17,773	(4,105)	(7,379)	7,398
Net (deficit)/ surplus by line of business	5,220	102,040	22,621	(21,146)	108,735
Income from leasing activities					24,302
Expenses related to leasing activities					(25,602)
Management fees					(19,951)
Net deficit transferred to policyholders					87,484
Other comprehensive income for the period					
Net change in fair value arising during the period					(889)
Total other comprehensive income					86,595

Nine-month period ended 30 September 2021 (unaudited):

	Marine and aviation	General accident	Fire	Collectiv e takaful insuranc e	Total
Premiums written	113,500	1,670,153	291,425	80,832	2,155,910
Gross revenue	46,631	886,948	54,775	28,359	1,016,713
Net surplus/ (deficit) from takaful insurance operations	101	135,065	16,011	(43,052)	108,125
Investments and other income	12,954	401,125	19,718	16,455	450,252
Net surplus / (deficit) by line of business	13,055	536,190	35,729	(26,597)	558,377
Income from leasing activities					57,645
Expenses related to leasing activities					(59,961)
Management fees					(109,676)
Net deficit transferred to policyholders					446,385
Other comprehensive income for the period					
Net change in fair value arising during the period					6,474
Total other comprehensive income					452,859

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11- Policyholders' assets, liabilities and fund

	30 September 2022 (unaudited)	31 December 2021 (audited- restated)	30 September 2021 (unaudited)
Assets			
Cash and cash equivalents	84,584	58,888	249,818
Investment deposits	1,078,492	1,078,492	1,078,492
Accounts and other receivables	1,543,075	1,483,062	1,438,987
Premiums receivable	1,596,356	1,561,417	1,576,257
Financial assets at fair value through other comprehensive income	114,140	119,967	119,473
Due from related parties	-	11,377	-
Goodwill	409,766	409,766	409,766
Reinsurance share of outstanding compensations	2,200,387	2,170,807	2,272,163
Retakaful contribution receivables	1,516,092	1,752,826	1,642,099
Inventory	8,953	-	24,303
Intangible assets	-	8,953	-
Equipment	10,862	32,704	36,378
Total assets	8,562,707	8,688,259	8,847,736
Liabilities and Policyholders' funds			
Liabilities			
Outstanding claims reserve	2,703,921	2,866,200	3,063,999
Unearned premiums	499,516	472,397	809,914
Incurred but not reported claims reserve	129,939	227,779	166,586
Provision for unallocated claim settlement expenses	27,835	18,682	35,604
Lease payables	-	16,371	-
Payables and accrued expenses	4,789,126	4,783,087	4,681,757
Amount due to shareholders	7,053,826	7,037,230	6,995,820
Qard Hassan from shareholders	1,625,611	1,625,611	1,625,611
Total liabilities	16,829,774	17,047,357	17,379,291
Policyholders' fund			
Policyholders' fund balance as at beginning of the period/ year	(8,203,958)	(8,822,306)	(8,822,306)
Net surplus /(deficit) of policyholders for the period/ year	97,858	618,348	446,385
	(8,106,100)	(8,203,958)	(8,375,921)
Fair value reserve at the beginning of the period/ year	(155,140)	(162,108)	(162,108)
Change in fair value during the period/ year	(5,827)	6,968	6,474
Fair value reserve at the end of the period/ year	(160,967)	(155,140)	(155,634)
Total policyholders' fund at the end of the period/ year	(8,267,067)	(8,359,098)	(8,531,555)
Total liabilities and policyholders' fund	8,562,707	8,688,259	8,847,736

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12- 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:

	Three months ended 30 September		Nine months ended 30 September	
	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	3,750	11,250	11,250
		30 September 2022	31 December 2021	30 September 2021
		(unaudited)	(audited)	(unaudited)
<i>Interim condensed consolidated statement of financial position</i>				
Financial assets at fair value through other comprehensive income		870,017	1,109,628	1,055,946

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 461,008 as at 30 September 2022 (31 December 2021: KD 669,856 and 30 September 2021: KD 638,796).

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	Three months ended 30 September		Nine months ended 30 September	
	2022	2021	2022	2021
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Policyholders				
Key management compensation:				
Salaries and other short-term benefits	20,889	31,152	61,151	93,456
End of service benefits	4,198	3,021	8,122	8,961
	25,087	34,173	69,273	102,417

13- Segment analysis

	Investment	Takaful insurance	Unallocated	Total
Shareholders				
Nine months ended 30 September 2022 (unaudited)				
Gross revenue	122,588	-	-	122,588
Profit for the period	69,627	-	-	69,627
Total assets	4,297,001	-	-	4,297,001
Total liabilities	-	-	(198,837)	(198,837)
Net assets	4,297,001	-	(198,837)	4,098,164
Nine months ended 30 September 2021 (unaudited)				
Gross revenue	82,545	109,676	-	192,221
Profit for the period	29,050	(140,974)	(4,437)	(116,361)
Total assets	4,233,623	-	-	4,233,623
Total liabilities	-	-	(110,104)	(110,104)
Net assets	4,233,623	-	(110,104)	4,123,519

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	Investment	Takaful insurance	Car rental	Unallocated	Total
Policyholders					
Nine months ended 30 September 2022 (unaudited)					
Gross revenue	11,973	923,723	128,631	-	1,064,327
Profit for the period	11,973	23,532	86,817	(24,464)	97,858
Total assets	1,192,632	6,984,864	385,211	-	8,562,707
Total liabilities	-	16,653,546	176,228	-	16,829,774
Net assets	1,192,632	(9,668,682)	208,983	-	(8,267,067)
Nine months ended 30 September 2021 (unaudited)					
Gross revenue	450,252	1,016,713	57,645	-	1,524,610
Profit for the period	450,252	108,125	(2,316)	(109,676)	446,385
Total assets	1,197,965	7,230,845	418,926	-	8,847,736
Total liabilities	-	17,068,943	310,348	-	17,379,291
Net assets	1,197,965	(9,838,098)	108,578	-	(8,531,555)

14- 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

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15- 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 September 2022	31 December 2021	30 September 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

The Parent Company's ownership percentage in Hala Real Estate Investment Company (L.L.C) includes 0.5% based on a waiver by a party in favor of the Parent Company.

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16- 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 September 2022 (unaudited)	Three months ended 30 September 2021 (unaudited- restated)	Nine months ended 30 September 2022 (unaudited)	Nine months ended 30 September 2021 (unaudited- restated)
(Loss)/ profit for the period (KD)	10,760	(120,722)	69,627	(116,361)
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 earnings/(loss) per share (Fils)	0.10	(1.10)	0.63	(1.06)

17- 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 recorded in the accounts payable and other liabilities. Although the Court of Appeal rendered its ruling in favor of the State and the Parent Company filed appeal before the Court of Cassation, the Parent Company has made provisions which, in its opinion, are adequate to cover any resultant liabilities.

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18- Impact of restatement of prior years

The above auditor report included a qualification on the value of both Qard Hassan and due from policyholders where no study was conducted to measure whether the value of such balances has suffered impairment. The Group's management studied the impairment of such balances taking into consideration the requirements of IFRS 9 "financial instruments". Such study concluded that the expected credit losses provision is to be recorded for the entire balance on retroactive basis.

Below is the impact of restatements made based the Group's management study of such balances:

Item	Balance as previously presents	Restatement	Balance after the restatement impact
First: Impact on Assets			
Qard Hassan as at 31 December 2020	1,463,111	(1,463,111)	-
Qard Hassan as at 30 September 2021	1,463,111	(1,463,111)	-
Qard Hassan as at 31 December 2021	1,463,111	(1,463,111)	-
Amount due from policyholders as at 31 December 2020	6,310,596	(6,310,596)	-
Amount due from policyholders as at 30 September 2021	6,561,246	(6,561,246)	-
Amount due from policyholders as at 31 December 2021	6,602,656	(6,602,656)	-
Second: Impact on Equity			
Carried forward losses as at 31 December 2020	(6,917,421)	(7,773,707)	(14,691,128)
Accumulated losses as at 31 December 2021	(6,664,446)	(8,065,767)	(14,730,213)
Third: Impact on the statement of profit or loss for the period ended 30 September 2021			
Net profit /(loss) for nine-month period ended 30 September 2021	134,289	(250,650)	(116,361)
Net profit /(loss) for three-month period ended 30 September 2021	32,659	(153,381)	(120,722)

19- Going concern

As at 30 September 2022, the accumulated losses amounted to KD 7,996,140 representing 72.5% of the Parent Company's share capital which is a going concern risk for the Parent Company. Accordingly, the Company proceeds with using the entire balance of share premium for closing the accumulated losses.

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20- Subsequent events

At 5 October 2022, the CMA decided to suspend trading of the Company's shares in Boursa Kuwait effective from 6 October 2022 pending the Parent Company to take the necessary procedures to address the qualifications mentioned in the Auditor's Report in prior years.