

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

**Interim condensed consolidated financial information
for the three months ended 31 March 2024
(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 three months ended 31 March 2024
(Unaudited)
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Independent Auditor's Report to the Board of Directors

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

Report on Review of 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) (the "Parent Company") and its subsidiaries (collectively the "Group") as at 31 March 2024 and the interim condensed consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the three 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

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 has not been prepared, in all material respects, in accordance with the basis of the presentation set out in Note (2).

Other Matters

We draw the attention to Note 1 to the accompanying interim condensed consolidated financial information, which sets out that opening balances reported in the interim condensed consolidated financial information for the three-month period ended 31 March 2024 have not been approved because the Company has not held its ordinary general assembly meeting to approve the consolidated financial statements for the financial year ended 31 December 2023 in accordance with the Companies Law No. 1 of 2016. Our conclusion is not modified in this respect.

Material Uncertainty related to Going Concern

In accordance with ISA 570, we draw attention to Note No. 17 of the interim condensed consolidated financial information, which sets out that the Parent Company incurred accumulated losses of KD 6,786,336 as at 31 March 2024 (KD 6,829,836 as at 31 December 2023). These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. This does not affect our opinion referred to herein above.

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in consistent 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 three-month period ended 31 March 2024 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, we have not become aware of any violations of the provisions of Law No. 7 of 2010 concerning the Establishment of Capital Markets Authority and its Executive Regulations, as amended, or of Law No. 125 of 2019 concerning the Regulation of Insurance during the three-month financial period year ended 31 March 2023 that might have had a material effect on the business or the financial position of the Parent Company.



Ali Mohamed Al-Hamad

License No. 111-A

Ali Al-Hamad & Partners

Independent member of Baker Tilly International

State of Kuwait, 14 May 2024



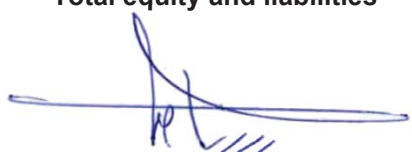
**Wethaq Takaful Insurance Company (K.S.C.P)
and its Subsidiaries
State of Kuwait**

Interim condensed consolidated statement of financial position (unaudited)

As at 31 March 2024

(All amounts are in Kuwaiti Dinar)

		31 March 2024	31 December 2023	31 March 2023
		(Unaudited)	(Audited)	(Unaudited)
	Note			
Assets				
Cash at banks		92,735	94,818	37,372
Investment deposits		32,286	32,286	77,000
Financial assets at fair value through other comprehensive income	5	777,826	761,296	777,527
Financial assets at fair value through profit or loss	6	280,389	257,523	240,109
Amount due from policyholders	7	120,208	109,208	18,668
Qard Hassan to policyholders	8	-	-	8,670
Investment properties	9	2,879,865	2,879,865	2,853,938
Property and equipment		64,677	65,082	65,416
Accounts and other receivables		26,019	17,420	32,433
Total assets		4,274,005	4,217,498	4,111,133
Equity and liabilities				
Equity				
Share capital		11,025,000	11,025,000	11,025,000
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
Fair value reserve		(496,910)	(513,440)	(508,456)
Foreign currency translation reserve		(15,364)	(18,154)	2,033
Employees' stock option plan reserve		65,964	65,964	65,964
Accumulated losses		(6,786,336)	(6,829,836)	(6,942,618)
Total equity		4,133,512	4,070,692	3,983,081
Liabilities				
Accounts and other payables		140,493	146,806	128,052
Total liabilities		140,493	146,806	128,052
Total equity and liabilities		4,274,005	4,217,498	4,111,133



Nasser Enad Faisal Alenzi
Chairman



Hussam Ammar Mohamed Ammar
Vice Chairman

The notes on pages 6 to 17 form an integral part of this interim condensed consolidated financial information

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

Interim condensed consolidated statement of profit or loss (unaudited)
For the three-month period ended 31 March 2024
(All amounts are in Kuwaiti Dinar)

		Three-month period ended 31 March (Unaudited)	
	Note	2024	2023
Revenue			
Lease income		31,443	11,744
Income from investment deposits		133	769
Change in fair value of financial assets at fair value through profit or loss		22,866	(22,082)
Other income		4,394	-
		<u>58,836</u>	<u>(9,569)</u>
Expenses			
General and administrative expenses		(13,758)	(14,920)
		<u>(13,758)</u>	<u>(14,920)</u>
Profit / (Loss) for the period before deductions		45,078	(24,489)
National Labor Support Tax		(1,127)	-
Zakat		(451)	-
Net profit / (loss) for the period		<u>43,500</u>	<u>(24,489)</u>
Basic and diluted earnings / (loss) per share (Fils)	15	<u>0.40</u>	<u>(0.22)</u>

**Wethaq Takaful Insurance Company (K.S.C.P)
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**Interim condensed consolidated statement of other comprehensive income (unaudited)
For the three-month period ended 31 March 2024**
(All amounts are in Kuwaiti Dinar)

	Three-month period ended 31 March (Unaudited)	
	2024	2023
Profit / (loss) for the period	43,500	(24,489)
Other comprehensive income:		
<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	16,530	(83,242)
<i>Items that may be subsequently reclassified to the consolidated statement of profit or loss:</i>		
Exchange differences arising from translation of foreign operations	2,790	9,133
Other comprehensive expense	19,320	(74,109)
Total comprehensive income / (loss) for the period	62,820	(98,598)

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

For the three-month period ended 31 March 2024

(All amounts are in Kuwaiti Dinar)

	Share capital	Treasury shares	Treasury shares reserve	Statutory reserve	Fair value reserve	Foreign currency translation reserve	Employees' stock option plan reserve	Accumulated losses	Total Equity
Balance as at 1 January 2023	11,025,000	(50,489)	3,508	388,139	(425,214)	(7,100)	65,964	(6,918,129)	4,081,679
Net loss for the period	-	-	-	-	-	-	-	(24,489)	(24,489)
Other comprehensive loss for the period	-	-	-	-	(83,242)	9,133	-	-	(74,109)
Total comprehensive loss for the period	-	-	-	-	(83,242)	9,133	-	(24,489)	(98,598)
Balance as at 31 March 2023	11,025,000	(50,489)	3,508	388,139	(508,456)	2,033	65,964	(6,942,618)	3,983,081
Balance as at 1 January 2024	11,025,000	(50,489)	3,508	388,139	(513,440)	(18,154)	65,964	(6,829,836)	4,070,692
Net profit for the period	-	-	-	-	-	-	-	43,500	43,500
Other comprehensive income for the period	-	-	-	-	16,530	2,790	-	-	19,320
Total comprehensive income for the period	-	-	-	-	16,530	2,790	-	43,500	62,820
Balance as at 31 March 2024	11,025,000	(50,489)	3,508	388,139	(496,910)	(15,364)	65,964	(6,786,336)	4,133,512

The notes on pages 6 to 17 form an integral part of this interim condensed consolidated financial information

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

Interim condensed consolidated statement of cash flows (unaudited)
For the three-month period ended 31 March 2024
(All amounts are in Kuwaiti Dinar)

	Three-month period ended 31 March (Unaudited)	
	2024	2023
	KD	KD
Cash flows from operating activities:		
Profit / (loss) for the period	43,500	(24,489)
<i>Adjustments for:</i>		
Change in fair value of financial assets at fair value through profit or loss	(22,866)	22,082
Income from investment deposits	(133)	(769)
	<u>20,501</u>	<u>(3,176)</u>
Changes in operating assets and liabilities:		
Receivables and other debit balances	(8,599)	34,403
Payables and other credit balances	(6,313)	(16,311)
Amount due from policyholders	(11,000)	(18,668)
Qard Hassan (benevolent loan) to policyholders	-	(8,670)
Net cash used in operating activities	<u>(5,411)</u>	<u>(12,422)</u>
Cash flows from investing activities:		
Income from investment deposits	133	769
Sale of property and equipment of financial assets	3,195	-
Movement in investment deposits	-	5,915
Net cash generated from investing activities	<u>3,328</u>	<u>6,684</u>
Decrease in cash at banks	(2,083)	(5,738)
Cash at banks at beginning of the period	94,818	43,110
Cash at banks at end of the period	<u>92,735</u>	<u>37,372</u>

1- Incorporation and activities

Wethaq Takaful Insurance Company (the "Parent Company") is a Kuwaiti Public Shareholding Company that was incorporated on 31 July 2000 and carries on its business in accordance with the provisions of Law No. 125 of 2019 regarding the Regulation of Insurance under the IRU Resolution No. 24 of 2022 licensing the companies that regularized their status according to the Law and its Executive Regulations, as amended. The Parent Company's shares are listed on Boursa Kuwait.

The amendments 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 Parent Company is supervised by Capital Markets Authority.

On 28 August 2019, the new Insurance Law No. 125 of 2019 was issued. Such Law is effective from 1 September 2019 and supersedes Law No. 24 of 1961.

The Executive Regulations of Law No. 125 of 2019 regarding the Regulation of Insurance were issued on 11 March 2022. Pursuant to Article No. 2 of the Executive Regulations, insurance companies shall have a one-year grace period starting from the date of issuance of the Executive Regulations to implement the new Law.

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

The objectives for which 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.

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Notes to interim condensed consolidated financial information (unaudited)

For the three-month period ended 31 March 2024

(All amounts are in Kuwaiti Dinar)

- 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.

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 three-month period ended 31 March 2024 was authorized for issue by the Board of Directors of the Parent Company on 14 May 2024.

The opening balances of the interim condensed consolidated financial information for the three-month period ended 31 March 2024 have not been approved because the Company has not held its ordinary general assembly to approve the consolidated financial statements for the year ended 31 December 2023 in accordance with the Kuwait Companies Law No. 1 of 2016.

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 31 March 2024 are not necessarily indicative of results that may be expected for the year ending 31 December 2024. For further information, it is possible to refer to the consolidated financial statements and its related notes for the year ended 31 December 2023.

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 2023. The amendments to International Financial Reporting Standards (IFRS) effective for the periods commencing on 1 January 2024 don't have material impact on the Group's accounting policies or financial position.

3- Fair value measurement

All 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:

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

**Notes to interim condensed consolidated financial information (unaudited)
For the three-month period ended 31 March 2024**
(All amounts are in Kuwaiti Dinar)

31 March 2024				
	Level 1	Level 2	Level 3	Total
Shareholders				
<i>Financial assets at fair value through profit or loss</i>	280,389	-	-	280,389
<i>Financial assets at fair value through other comprehensive income</i>	434,619	-	343,207	777,826
	<u>715,008</u>	<u>-</u>	<u>343,207</u>	<u>1,058,215</u>
Policyholders				
<i>Financial assets at fair value through other comprehensive income</i>	13,466	-	98,488	111,954
	<u>13,466</u>	<u>-</u>	<u>98,488</u>	<u>111,954</u>
31 December 2023				
	Level 1	Level 2	Level 3	Total
Shareholders				
<i>Financial assets at fair value through profit or loss</i>	257,523	-	-	257,523
<i>Financial assets at fair value through other comprehensive income</i>	418,089	-	343,207	761,296
	<u>675,612</u>	<u>-</u>	<u>343,207</u>	<u>1,018,819</u>
Policyholders				
<i>Financial assets at fair value through other comprehensive income</i>	13,150	-	98,488	111,638
	<u>13,150</u>	<u>-</u>	<u>98,488</u>	<u>111,638</u>
31 March 2023				
	Level 1	Level 2	Level 3	Total
Shareholders				
<i>Financial assets at fair value through profit or loss</i>	240,109	-	-	240,109
<i>Financial assets at fair value through other comprehensive income</i>	357,338	-	420,189	777,527
	<u>597,447</u>	<u>-</u>	<u>420,189</u>	<u>1,017,636</u>
Policyholders				
<i>Financial assets at fair value through other comprehensive income</i>	16,389	-	98,488	114,877
	<u>16,389</u>	<u>-</u>	<u>98,488</u>	<u>114,877</u>

Notes to interim condensed consolidated financial information (unaudited)
For the three-month period ended 31 March 2024
(All amounts are in Kuwaiti Dinar)

As at 31 March 2024, 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.

5- Financial assets at fair value through other comprehensive income

	31 March 2024 (unaudited)	31 December 2023 (audited)	31 March 2023 (unaudited)
Local quoted securities	434,619	418,089	357,338
Local unquoted securities *	39,278	39,278	79,040
Managed portfolios	223,871	223,871	239,586
Managed funds	80,058	80,058	101,563
	777,826	761,296	777,527

* The Parent Company's management 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

	31 March 2024 (unaudited)	31 December 2023 (audited)	31 March 2023 (unaudited)
Local quoted securities	280,389	257,523	240,109
	280,389	257,523	240,109

**Wethaq Takaful Insurance Company (K.S.C.P)
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**Notes to interim condensed consolidated financial information (unaudited)
For the three-month period ended 31 March 2024**
(All amounts are in Kuwaiti Dinar)

7- Amount due from policyholders

	31 March 2024 (unaudited)	31 December 2023 (audited)	31 March 2023 (unaudited)
Opening balance at beginning of period/ year	7,146,438	7,073,465	7,073,465
Net movement	11,000	72,973	18,668
	7,157,438	7,146,438	7,092,133
Expected credit loss	(7,037,230)	(7,037,230)	(7,073,465)
Closing balance at the end of period/ year	120,208	109,208	18,668

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 to policyholders

In line with the Parent Company's 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

	31 March 2024 (unaudited)	31 December 2023 (audited)	31 March 2023 (unaudited)
Carrying amount at the beginning of the period/ year	2,879,865	2,853,938	2,853,938
Change in fair value during the period/ year	-	25,927	-
Carrying amount at the end of period/ year	2,879,865	2,879,865	2,853,938

- The investment property in Egypt amounting to KD 2,879,865 as at 31 March 2024 (KD 2,879,865 as at 31 December 2023).
- 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 81,672 as at 31 March 2024 (KD 81,672 as at 31 December 2023).

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**Notes to interim condensed consolidated financial information (unaudited)
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(All amounts are in Kuwaiti Dinar)

10- Consolidated policyholders' results

Three-month period ended 31 March 2024 (unaudited):

	Three-month period ended 31 March (unaudited)	
	2024	2023
Revenues		
Insurance revenues	1,180,943	965,482
Insurance services expenses	(57,863)	(225,980)
Net expenses of reinsurance contracts	(1,151,404)	(756,187)
Results of insurance services	(28,324)	(16,685)
Income/ expenses of financing from issued insurance contracts	12,176	(6,991)
Expenses / income of financing from held reinsurance contracts	(10,377)	5,666
Net results of insurance financing	1,799	(1,325)
Net deficit of insurance services	(26,525)	(18,010)
Other revenues	18,942	9,340
Net deficit from Takaful insurance operations	(7,583)	(8,670)
Lease income	7,750	11,262
Lease related expenses	(13,622)	(12,271)
Net results of other activities	(5,872)	(1,009)
Net deficit	(13,455)	(9,679)

**Wethaq Takaful Insurance Company (K.S.C.P)
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Notes to interim condensed consolidated financial information (unaudited)
For the three-month period ended 31 March 2024
(All amounts are in Kuwaiti Dinar)

11- Statement of policyholders' assets, liabilities and fund

	31 March 2024 (unaudited)	31 December 2023 (audited)	31 March 2023 (unaudited)
Assets			
Cash and cash equivalents	74,556	80,417	74,807
Investment deposits	1,159,492	1,159,492	1,159,492
Accounts and other receivables	1,038,677	815,240	589,691
Financial assets at fair value through other comprehensive income	111,954	111,638	114,877
Goodwill	409,766	409,766	409,766
Assets of held reinsurance contracts	2,682,504	3,698,644	1,726,995
Furniture and equipment	3,741	3,520	12,188
Total assets	5,480,690	6,278,717	4,087,816
Liabilities and Policyholders' fund			
Liabilities			
Liabilities of issued insurance contracts	2,627,479	1,776,834	1,284,921
End of service benefits	372,412	361,861	370,408
Payables and accrued expenses	1,708,592	3,377,731	1,841,438
Amount due to shareholders	7,135,033	7,146,438	7,063,950
Qard Hassan from shareholders	1,625,611	1,625,611	1,625,611
Total liabilities	13,469,127	14,288,475	12,186,328
Policyholders' fund			
Policyholders' fund balance	(7,805,864)	(7,929,958)	(7,922,642)
Provision for insurance and reinsurance contracts	(5,960)	(5,960)	(5,960)
Fair value reserve	(163,154)	(163,470)	(160,231)
Net (deficit) / surplus of policyholders	(13,459)	112,037	(9,679)
Management fees due to shareholders	-	(22,407)	-
Total policyholders' fund as at the end of the period/ year	(7,988,437)	(8,009,758)	(8,098,512)
Total liabilities and policyholders' fund	5,480,690	6,278,717	4,087,816

**Wethaq Takaful Insurance Company (K.S.C.P)
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Notes to interim condensed consolidated financial information (unaudited)

For the three-month period ended 31 March 2024

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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 31 March 2024 (unaudited)	Three months ended 31 March 2023 (unaudited)
Shareholders		
Interim condensed consolidated statement of profit or loss		
Salaries and other short-term benefits	3,750	3,750
	31 March 2024 (unaudited)	31 December 2023 (audited)
<i>Interim condensed consolidated statement of financial position</i>		31 March 2023 (unaudited)
Financial assets at fair value through other comprehensive income	777,826	761,296
		777,527

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 427,954 (31 December 2023: KD 428,617 and 31 March 2023: KD 431,727).

	Three months ended 31 March 2024 (unaudited)	Three months ended 31 March 2023 (unaudited)
Policyholders		
Top management compensation:		
Salaries and other short-term benefits	20,889	20,889
End of service benefits	2,003	2,537
	22,892	23,426

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13- Segment reporting

	Investment	Takaful insurance	Unallocated	Total
Shareholders				
Three months ended 31 March 2024 (unaudited)				
Gross revenue	58,835			58,835
Profit for the period	43,500			43,500
Total assets	3,970,366	120,208	183,431	4,274,005
Total liabilities	-	-	(140,493)	(140,493)
Net assets	3,970,366	120,208	42,938	4,133,512

Three months ended 31 March 2023 (unaudited)				
Gross revenue	(9,569)	-	-	(9,569)
Loss for the period	(22,082)	-	(2,407)	(24,489)
Total assets	3,948,574	27,338	135,221	4,111,133
Total liabilities	-	-	(128,052)	(128,052)
Net assets	3,948,574	27,338	7,169	3,983,081

	Investment	Takaful insurance	Car rental	Unallocated	Total
Policyholders					
Three months ended 31 March 2024 (unaudited)					
Gross revenue	18,942	(28,324)	7,750	-	(1,632)
Loss for the period	18,942	(26,525)	(5,872)	-	(13,455)
Total assets	1,681,212	2,682,504	379,355	737,619	5,480,690
Total liabilities	-	(2,627,479)	(197,643)	(10,644,005)	(13,469,127)
Net assets	1,681,212	55,025	181,712	(9,906,386)	(7,988,437)
Three months ended 31 March 2023 (unaudited)					
Gross revenue	9,340	(16,685)	11,262	-	3,917
Loss for the period	9,340	(18,010)	(1,009)	-	(9,679)
Total assets	1,684,135	1,726,995	396,544	280,142	4,087,816
Total liabilities	-	(1,284,921)	(197,496)	(10,703,911)	(12,186,328)
Net assets	1,684,135	442,074	199,048	(10,423,769)	(8,098,512)

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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 %		
			31 March 2024	31 December 2023	31 March 2023
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

15- Earnings per share

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

	Three months ended 31 March 2024 (unaudited)	Three months ended 31 March 2023 (unaudited)
Profit / (loss) for the period (KD)	43,500	(24,489)
Weighted average number of shares outstanding during the period	110,250,000	110,250,000
Treasury shares	(445,500)	(445,500)
	109,804,500	109,804,500
Basic and diluted earnings / (loss) per share (Fils)	0.40	(0.22)

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.

17- Going Concern

The Company's accumulated losses amounted to KD 6,786,336 on 31 March 2024. This indicates the existence of risk associated with the Parent Company's going concern. However, the Company's management believes that despite significant doubt about the Company's ability to address the above risk, the Parent Company is able to generate profits and positive cash flows from its future operations, which will eliminate the going concern risk.