

Annual Report

2024

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

In The Name Of Allah The Most Gracious The Most Merciful



His Highness Sheikh
Mishal Al-Ahmad Al-Jaber Al-Sabah
Emir of the State of Kuwait



His Highness Sheikh
Sabah Al-Khalid Al-Sabah
Crown Prince of the State of Kuwait

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Strategic Overview

Through a comprehensive set of capability -enhancement initiatives that began in 2022, CINET's strategy has laid the foundation for its strategic transformation. With a focused transformation plan, CINET has evolved from a traditional credit bureau into an advanced, holistic data analytics and insights company that addresses regional market needs, fosters innovation, and supports sustainable sector development. CINET now offers a wider range of client-centric products, capturing a richer set of data sources, and serving a broader spectrum of clients.

Looking ahead, CINET is committed to expanding its reach into new sectors and developing innovative products and services that align with its long-term vision. The company's strategic roadmap is designed to lay the groundwork for continued success by driving operational excellence, embracing new technologies, and enhancing its value proposition for clients.



Our Mission, Vision, and Values



Mission

Harnessing data to empower individuals and businesses navigate risk with confidence, and facilitate intelligent financial decisions.



Vision

Become *Kuwait's trusted data hub*, enabling informed decisions and supporting the broader economy.



Values

Integrity:

Acting with honesty and transparency, adhering to privacy laws and regulations, and maintaining strong data protection and security standards.

Innovation:

Promoting a culture of creativity and continuously seeking new, better ways to operate through technology, data science & analytics.

Excellence:

Striving for the highest standards in products, services, and performance.

Collaboration:

Building bridges and partnerships within Kuwait and outside to achieve shared goals and deliver value for customers.

About CINET

Kuwait Credit Information Network Company (CINET) is a closed shareholding company specializing in collecting, analyzing, and managing credit information in Kuwait for both individuals and corporate clients. CINET prepares credit records, issues credit reports, and provides credit scores in line with Law No. 9 of 2019 regarding the regulation of credit information exchange.

As Kuwait's credit bureau, CINET plays a crucial role in the financial sector, supporting banks, investment and finance companies, and commercial institutions by delivering essential credit information and offering a comprehensive range of services, including credit reporting, credit scoring, risk management tools, and advanced analytics.

Since 2001, CINET has been collating and analyzing data on consumer loans, housing loans, commercial loans, credit cards, and installment-based credit facilities, establishing itself as the trusted data hub for financial decision-making. Building on its strong foundation, CINET is poised to strengthen its market position and advance the financial landscape through the development of innovative products and services, while expanding its local and international partnerships to achieve its strategic goals.

Chairperson's Statement

The achievements of 2024 reaffirm our position as a market leader and underscore CINET's readiness to embrace the evolving challenges of the financial landscape.

Chairperson

ALIA BADER
ALHUMAIDHI



On behalf of the Board of Directors,

It is my pleasure to present the 2024 Annual Report for Kuwait Credit Information Network Company (CINET). This year's report sheds light on the progress we have made throughout 2024, reflecting continued commitment to our values, and the measures we have taken to expand our innovation and digitalization capabilities. We are also focused on the valuable lessons we learned throughout the year as we continue to fine-tune our strategies to achieve further growth and performance while mitigating risks.

Solid Performance

From a financial perspective, CINET has demonstrated resilience and steady growth. Our performance reflects the strength of our strategic foundation and our team's ability to adapt and excel as we expanded our portfolio with new products. These achievements not only reaffirm our position as a market leader but also underscore CINET's readiness to seize new opportunities, diversify into new sectors and embrace the evolving challenges of the financial landscape.

Enhancing Credit Literacy

One of the standout initiatives this year was the launch of the "Shlonik" campaign, a flagship initiative designed to enhance public awareness of credit literacy in Kuwait. This campaign is a reflection of CINET's dedication to its role as a community partner, empowering individuals with the knowledge they need to make informed financial decisions. As credit literacy becomes an increasingly essential skill in a digitizing economy, CINET is proud to lead this critical effort toward a more financially aware and responsible society.

Empowering Local Talent

Another proud achievement this year was the growth in the representation of Kuwaiti nationals within our workforce, increasing from 44% in 2023 to 55% in 2024. This milestone underscores our commitment to building a future where Kuwaiti talent is empowered to drive innovation and progress in the financial sector.

**25% growth in Kuwaiti Nationals
within the workforce**

Strategic Expansion

Looking ahead, we are entering an exciting phase of regional expansion. CINET is actively pursuing partnerships across the GCC to broaden the coverage of our services and deliver exceptional value to our stakeholders. These collaborations are not merely a geographic extension—they are a strategic evolution, enabling CINET to introduce credit data exchange solutions that address the unique needs of an interconnected and dynamic regional market. As we expand, we are committed to investing in information security, ensuring that information technology governance and data privacy remain top priorities in every step of this expansion.

As the leading and sole provider of credit information, reporting, and scoring services in Kuwait, CINET has taken on the responsibility of establishing a solid foundation for an efficient, effective, and stable credit reporting ecosystem. Our determination, persistence, and resilience have allowed us to maintain a strong position while navigating the evolving challenges of the financial sector and the changing demands of the global market.

As we look toward a promising future, CINET remains committed to driving innovation in its products and services while creating long-term value for both subscribers and shareholders. Every initiative we pursue is guided by these principles, ensuring that our impact goes beyond business success to contribute to economic development and financial stability in the communities we serve.

I would like to express my sincere gratitude to the Central Bank of Kuwait for their continued efforts in advancing the credit information sector. I also extend my appreciation to our customers, whose trust in CINET inspires us to push boundaries and exceed expectations; to our dedicated team, whose commitment and passion drive our success; and to our shareholders for their continuous support and unwavering trust.

Together, we will build on this year's achievements, shaping a future defined by innovation, growth, and leadership. Thank you for being an essential part of CINET's success story.

Alia Bader Al-Humaidhi
Chairperson

CEO's Statement

In 2024, we expanded our credit reporting to include bounced cheques and fintech solutions, boosting transparency and informed lending.

Chief Executive Officer
MAI BADER
ALOWAISH

As we reflect on 2024, I am proud to highlight a year of remarkable progress at Kuwait Credit Information Network Company (CINET). This year has been truly transformative, marked by key milestones that have reinforced our position as a leading provider of credit information services. By focusing on client-centered solutions and embracing innovation, we have successfully adapted to the ever-changing financial landscape while remaining steadfast in our commitment to excellence.

Expanding Credit Offerings

One of the most significant achievements of 2024 was the successful addition of bounced cheques to our product portfolio, further enhancing the depth of our credit reporting. Including bounced cheques in credit reports promotes responsible financial behavior, enables more informed lending decisions, reduces risk, and fosters a more transparent financial environment. This important credit information was seamlessly integrated into our portfolio, providing lenders and financial institutions with a streamlined, one-stop solution for accessing comprehensive credit data.

Additionally, 2024 marked a milestone in strengthening CINET's business-to-business (B2B) partnerships. By introducing tailored products and services that address the unique challenges of our new subscribers in the fintech space, we've reinforced CINET's position as a trusted partner. We developed customized credit solutions to welcome "Buy Now, Pay Later" companies in our credit portfolios, taking a customer-centric approach to ensure we deliver holistic, comprehensive views of creditworthiness. This empowers businesses to navigate challenges and achieve their strategic goals with confidence.

Commitment to Reliable Data

We have launched a Data Integrity Initiative to ensure that our credit scoring data provides an accurate and real-time reflection of an individual's or business's financial standing. This initiative focuses on improving the accuracy, consistency, and timeliness of the data we collect, ensuring that we deliver reliable, up-to-date credit scores and data analytics insights. By prioritizing data integrity, we aim to provide a true and current picture of creditworthiness, helping our clients make informed decisions and fostering a stronger financial ecosystem.

Charting Our Path Forward

As part of our commitment to continuous growth and innovation, we have revamped our mission and vision to better align with the evolving needs of the industry and the communities we serve. These refreshed statements reflect our renewed focus on driving excellence, embracing new opportunities, and delivering greater value to our stakeholders. With a clear and forward-thinking direction, we are excited to work towards achieving these ambitious

goals and look forward to the progress and success that lie ahead as we transform from a traditional credit bureau into a data and analytics provider that offers holistic solutions to the financial sector in credit and risk management.

We've realigned our mission and vision, focusing on excellence, innovation, and delivering value as we evolve in the financial sector.

Our commitment to excellence extends beyond the services we offer, as we have invested in enhancing our internal processes and fostering a culture of collaboration and innovation within our team. By equipping our employees with the tools, resources, and a strong organizational culture, we ensure that CINET remains at the forefront of the credit information industry, capable of delivering unparalleled value to its stakeholders.

While these operational successes have been pivotal, 2024 was also a year of forward-looking transformation. This includes leveraging emerging technologies to develop solutions that address the evolving needs of credit and financial risk management, ensuring that every innovation is backed by robust data and cybersecurity protection measures. Furthermore, we have been working to diversify our product portfolio, entering new and emerging industries to ensure CINET remains agile and responsive to the demands of an ever-changing market.

Our objective is to not only meet the needs of today but to anticipate the challenges of tomorrow, positioning CINET as a partner that drives progress and adds value in every interaction.

None of these achievements would have been possible without the support of our regulator, the Central Bank of Kuwait, the trust and confidence of our shareholders, the loyalty and collaboration of our clients, and the dedication of our team. I extend my heartfelt gratitude to each of you for your support and commitment to our vision. Together, we will continue to shape the future of credit information services and deliver lasting value for years to come.

Mai Bader Alowaish
Chief Executive Officer

Board of Directors



Alia Bader Alhumaidhi
Chairperson
Representing Central Bank of Kuwait



Mohammad Yousef Alkharafi
Vice Chairman
Representing National Bank of Kuwait



**Gulf Bank of Kuwait
Representative**



Ahmad Faisal Alqatami
Board Member
Representing Warba Bank



Khaled Jassim Alsubaiei
Board Member
Representing Kuwait Finance House



Abdullah Abdulmohsen Almejhem
Board Member
Representing Boutayan Bank



Ahmad Abdulaziz Alhomaidd
Board Member
Representing Arzan Financial Group for
Financing and Investment

Growth Rates Over the Past Five Years

2020

The Rate Of Return On Assets
6.2%
The Shareholder Rate
16.5%
Distributions
10 Fils

2021

The Rate Of Return On Assets
9.6%
The Shareholder Rate
10.2%
Distributions
15 Fils

2022

The Rate Of Return On Assets
12.3%
The Shareholder Rate
13%
Distributions
15 Fils

2023

The Rate Of Return On Assets
13.1%
The Shareholder Rate
13.9%
Distributions
2 Fils

2024

The Rate Of Return On Assets
11.7%
The Shareholder Rate
12.6%
Distributions
0 Fils

Business Volume Development Statistics

During the Fiscal Year Ended on 30.09.2024

First: General Statistics

#	Statement	Comparative overall statistic as in		
		During the Fiscal Year Ended on 30 Sep 2023	During the Fiscal Year Ended on 30 Sep 2024	Rate of change %
1	Total number of subscribers Ci-Net Automated System	78 Subscribers	75 Subscribers	(3.8)
2	Total number of users	3359 Subscribers	3567 Subscribers	6.2

Second: Consumer and Housing Loans Portfolio and Credit Cards "Individuals"

#	Statement	Comparative overall statistic as in		
		During the Fiscal Year Ended on 30 Sep 2023	During the Fiscal Year Ended on 30 Sep 2024	Rate of change %
1	Number of consumer and housing loan and credit cards "individuals" portfolio accounts	11,239,034 Accounts	11,981,487 Accounts	6.6
2	Number of automatic inquiries about individual customers in the consumer and housing loans and credit cards portfolio	1,160,876 Queries	1,308,641 Queries	12.7
3	Number of credit information reports for individual customers (customers' inquiry about themselves)	71,995 Individual credit report	112,022 Individual credit report	55.6
4	Total number of consumer and housing loans accounts and new credit cards for individuals	568,575 Accounts	610,738 Accounts	7.4
5	Total number of individual data for individual customers in the portfolio of consumer loans, housing loans and credit cards	1,677,637 Individuals	1,756,617 Individuals	4.7
6	Total monetary value granted to "individual" customers' credit accounts	KD 4,270,465,033/-	KD 4,310,001,552/-	0.9

Third: Portfolio of commercial credit facilities

#	Statement	Comparative overall statistic as in		
		During the Fiscal Year Ended on 30 Sep 2023	During the Fiscal Year Ended on 30 Sep 2024	Rate of change %
1	Total number of accounts for the commercial credit facilities portfolio	870,631 Accounts	1,110,154 Accounts	27.5
2	Number of automated inquiries about customers of the commercial credit facilities portfolio	20,053 Queries	20,429 Queries	1.9
3	Total number of credit information reports for customers of commercial credit facilities portfolio (customer queries about themselves)	254 Commercial credit report	431 Commercial credit report	69.7
4	Number of commercial credit portfolio customers	86,850 Borrowers	104,481 Borrowers	20.3
5	Total value of cash credit facilities granted for commercial purposes (for open accounts only).	KD 37,759,637,972/-	KD 49,063,796,772/-	29.9

Fourth: Financial Results

#	Statement	Comparative overall statistic as in		
		During the Fiscal Year Ended on 30 Sep 2023	During the Fiscal Year Ended on 30 Sep 2024	Rate of change %
1	Total Assets of the Company	KD 21,305,151/-	KD 24,234,691/-	13.8
2	Total Cash Revenue	KD 5,231,269/-	KD 5,698,163/-	8.9
3	Total Net Profits	KD 2,681,223/-	KD 2,737,951/-	2.1
4	Total shareholder equity	KD 19,915,617/-	KD 22,274,880/-	1.8
5	Distribution of dividends to shareholders	KD 329,688/-	-	
6	Board of Directors Remuneration	KD 49,000/-	KD 49,000/-	0

Fifth: Customer complaints statistics

#	Statement	Comparative overall statistic as in		
		During the Fiscal Year Ended on 30 Sep 2023	During the Fiscal Year Ended on 30 Sep 2024	Rate of change %
1	Total number of customer complaints submitted to CINET	24 complaint	22 complaint	(8.3)
2	Resolve complaints from customers	100%	100%	0
3	The total number of customer complaints related to the processing and operation of data and information	0	0	0
4	The total number of customer complaints related to an error in the data and information contained in their credit report	7 complaint	17 complaint	143

Information Security and Data Protection

The Kuwait Credit Information Network Company (CINET) is committed to maintain the highest standards of information security, data privacy and protection standards. Our commitment is focused on safeguarding clients' information and ensuring the confidentiality, integrity and availability of credit data. As a provider of the most comprehensive databases in Kuwait covering credit histories, payment patterns, and credit behavior, CINET places the utmost importance on preventing unauthorized access and protecting sensitive data from any misuse.

Key principles of CINET's confidentiality and security framework include:

- **Compliance with International Standards and Best Security Practices:** CINET's security practices are aligned with the international standard ISO 27001 for information security management , ensuring a structured and systematic approach to protect clients' critical information. Additionally, CINET adheres to the Cybersecurity Framework guidelines of the Central Bank of Kuwait, demonstrating our commitment to maintain robust cybersecurity foundations that address evolving threats.
- **Privacy Assurance:** CINET strictly adheres to data privacy laws and regulatory instructions to ensure that credit data are not shared with unauthorized parties or entities.
- **Controlled Access:** Customers' information is never published or made available to any unauthorized individual or system without explicit authorization.
- **Advanced Security Measures:** CINET implements comprehensive technical and procedural safeguards to protect clients' data from breaches or misuse. Ongoing enhancements are regularly carried out to mitigate risks and strengthen security measures.

CINET acknowledges the challenges of maintaining information security in the face of evolving cybersecurity threats; therefore, CINET's Risk Management team remains committed to ensuring the highest levels of data protection and operational integrity. By prioritizing the confidentiality and security of information, CINET reinforces its commitment to safeguarding the interests of clients and credit providers, fostering trust and confidence across Kuwait's financial credit landscape.

Data Science and Artificial Intelligence

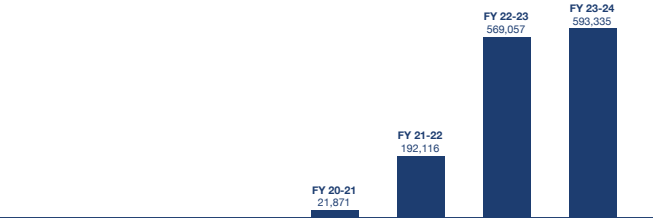


CINET's journey into data intelligence services began in 2020, marked by significant milestones and progress that have added value to clients and driven revenue growth for CINET. From customer scoring to benchmarking analytics, the insights provided through our data science capabilities have helped clients better manage risk, optimize lending portfolios, enhance customer service, and contribute to regulatory reporting.

Furthermore, advanced artificial intelligence (AI) methodologies have been employed to refine credit scoring and develop prediction models that strengthen everything from day-to-day customer management to strategic planning, allowing lenders to improve their lending business operations. While advancements in AI are a key focus for us, maintaining the highest standards of data privacy and security remains our foremost commitment.

Ensuring data quality and integrity is also a priority to deliver accurate insights, reliable customer scoring, and precise predictive models. Over the past year, CINET has completed several data quality projects while also expanding its datasets through a data diversification initiative, rolling out a major scheme for all subscribers to broaden data assets, which in turn enhances machine learning models.

Looking forward, CINET is poised for even greater growth, expanding its data products to better serve both regulators and subscribers. With an unwavering commitment to innovation, we will leverage the full potential of machine learning and artificial intelligence to continuously refine scoring models, deliver real-time insights, and empower our clients to make smarter, data-driven decisions. Our relentless pursuit of excellence ensures that CINET will remain a cornerstone in enhancing financial stability, managing risk, and driving progress across Kuwait's financial landscape.



Our Financial Statements

Independent Auditor's Report

To The Shareholders Of Kuwait Credit Information Network Company K.S.C. (Closed)
State Of Kuwait



Kuwait Credit Information Network Company K.S.C. (Closed)
State of Kuwait



Independent auditor's report and financial statements
For the year ended 30 September 2024

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**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF KUWAIT CREDIT INFORMATION NETWORK COMPANY
K.S.C. (CLOSED)
STATE OF KUWAIT**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Kuwait Credit Information Network Company K.S.C. (Closed) (the "Company"), which comprise the statement of financial position as at 30 September 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 September 2024, its financial performance and its cash flows for the financial year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code") together with ethical requirements that are relevant to our audit of the financial statements in the State of Kuwait, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Company for the year ended 30 September 2023 were audited by another auditor, who expressed an unmodified opinion on those statements on 22 January 2024.

Other Information

Management is responsible for the other information. The "other information" section consists of the information included in the Annual Report of the Company for the year ended 30 September 2024, other than the financial statements and the auditor's report thereon. We have not received the Annual Report of the Company, which also includes the Board of Directors' report, prior to the date of our auditor's report and we expect to receive these reports after the date of our auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information mentioned above and consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of our auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact in our report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE SHAREHOLDERS OF KUWAIT CREDIT INFORMATION NETWORK COMPANY
K.S.C. (CLOSED)
STATE OF KUWAIT**

Report on the Audit of the Financial Statements (Continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements (continued)

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE SHAREHOLDERS OF KUWAIT CREDIT INFORMATION NETWORK COMPANY
K.S.C. (CLOSED)
STATE OF KUWAIT**

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, proper books of account have been kept by the Company and the financial statements, together with the contents of the report of the Company's Board of Directors relating to these financial statements, are in accordance therewith. We further report that we obtained all the information and explanations that we required for the purpose of our audit and that the financial statements incorporate all information that is required by the Companies' Law No. 1 of 2016, its Executive Regulations, as amended, and by the Company's Memorandum of Incorporation and Articles of Association, as amended, that an inventory was duly carried out and that, to the best of our knowledge and belief, no violations of the Companies' Law No. 1 of 2016, its Executive Regulations, as amended, nor of the Company's Memorandum of Incorporation and Articles of Association, as amended, have occurred during the financial year ended 30 September 2024 that might have had a material effect on the business or financial position of the Company.

Other Matter

We draw attention to Note 19 to the financial statements with respect to the penalties and violations report that were imposed on the Company by the Central Bank of Kuwait during the financial year ended 30 September 2023.



Qais M. Al Nisf
License No. 38 "A"
BDO Al Nisf & Partners

Kuwait: 9 January 2025



Statement of financial position
As at 30 September 2024

	Notes	2024 KD	2023 KD
ASSETS			
Non-current assets			
Furniture and equipment	7	767,173	473,358
Intangible assets	8	385,380	368,803
Right of use asset	9	644,498	-
		<u>1,797,051</u>	<u>842,161</u>
Current assets			
Trade and other receivables	10	1,460,942	1,391,761
Wakala deposits	11	20,500,000	18,600,000
Bank balances and cash	12	476,698	472,730
		<u>22,437,640</u>	<u>20,464,491</u>
Total assets		<u>24,234,691</u>	<u>21,306,652</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	13	16,484,400	16,484,400
Statutory reserve	14	1,692,477	1,413,359
Voluntary reserve	14	552,477	273,359
Retained earnings		3,545,526	1,744,499
Total equity		<u>22,274,880</u>	<u>19,915,617</u>
LIABILITIES			
Non-current liabilities			
Lease liability	9	509,212	-
Employees' end of service benefits	15	356,267	336,777
		<u>865,479</u>	<u>336,777</u>
Current liabilities			
Lease liability	9	134,941	-
Trade and other payables	16	959,391	1,054,258
		<u>1,094,332</u>	<u>1,054,258</u>
Total liabilities		<u>1,959,811</u>	<u>1,391,035</u>
Total equity and liabilities		<u>24,234,691</u>	<u>21,306,652</u>

The notes on pages 8 to 31 form an integral part of these financial statements.



Mai Bader AlOwais
Chief Executive Officer



Alia Bader AlHumaidhi
Chairperson

Statement of profit or loss and other comprehensive income
For the year ended 30 September 2024

	Notes	2024 KD	2023 KD
Revenue			
Service revenue	18	4,609,648	4,412,173
Wakala income	18	969,473	819,096
Other income		119,042	-
		<u>5,698,163</u>	<u>5,231,269</u>
Expenses			
Staff costs		(1,457,960)	(1,243,480)
Communication and IT expenditure		(95,994)	(103,605)
External database access charges		(14,106)	(6,972)
Consultancy and professional fees		(108,221)	(114,185)
Depreciation and amortization	7,8,9	(474,996)	(459,445)
Support and license fee		(382,776)	(393,806)
Other administrative expenses		(330,054)	(174,241)
Loss on disposal of furniture and equipment		(11,497)	(254)
Finance cost	9	(31,380)	(1,694)
		<u>(2,906,984)</u>	<u>(2,497,682)</u>
Profit before contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS"), Zakat and Board of Directors' remuneration		2,791,179	2,733,587
KFAS		(25,121)	(24,602)
Zakat		(28,107)	(27,762)
Board of Directors' remuneration		(49,000)	(49,000)
Profit for the year		<u>2,688,951</u>	<u>2,632,223</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>2,688,951</u>	<u>2,632,223</u>

The notes on pages 8 to 31 form an integral part of these financial statements.

Kuwait Credit Information Network Company K.S.C. (Closed)



State of Kuwait

Statement of changes in equity
For the year ended 30 September 2024

	Share capital KD	Statutory reserve KD	Voluntary reserve KD	Retained earnings KD	Total equity KD
At 1 October 2022	2,280,000	1,140,000	2,178,156	12,027,258	17,625,394
Increase in share capital (Note 13)	14,204,400	-	(2,178,156)	(12,026,264)	-
Transfer from retained earnings for the year	-	-	-	2,632,223	2,632,223
Dividends paid (Note 19)	-	-	-	(546,078)	(546,078)
Transfer to reserves (Note 14)	-	273,359	273,359	(546,718)	-
At 30 September 2023	16,484,400	1,413,359	273,359	1,744,499	19,915,617
At 1 October 2023	16,484,400	1,413,359	273,359	1,744,499	19,915,617
Total comprehensive income for the year	-	-	-	2,688,951	2,688,951
Dividends paid (Note 19)	-	-	-	(329,688)	(329,688)
Transfer to reserves (Note 14)	-	279,118	279,118	(558,236)	-
At 30 September 2024	16,484,400	1,692,477	552,477	3,545,526	22,274,880

The notes on pages 8 to 31 form an integral part of these financial statements.

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Kuwait Credit Information Network Company K.S.C. (Closed)
State of Kuwait



Statement of cash flows
For the year ended 30 September 2024

	Notes	2024 KD	2023 KD
OPERATING ACTIVITIES			
Profit for the year		2,688,951	2,632,223
<i>Adjustments for:</i>			
Loss on disposal of furniture and equipment		11,497	254
Depreciation of furniture and equipment	7	199,180	159,545
Amortization of intangible assets	8	176,663	204,501
Amortization of right of use asset	9	99,153	95,399
Finance cost	9	31,380	1,694
Provision for employees' end of service benefits	15	102,775	70,540
Provision for KFAS	16	25,121	24,602
Provision for Zakat		28,107	27,762
Wakala income	18	(969,473)	(819,096)
Other income		(119,042)	-
		2,274,312	2,397,424
<i>Changes in working capital:</i>			
Trade and other receivables		(62,543)	141,218
Trade and other payables		(46,731)	181,110
Net cash flows generated from operations		2,165,038	2,719,752
Payment of employees' end of service benefits	15	(83,285)	(27,890)
KFAS paid	16	(24,602)	(22,732)
Zakat paid		(27,762)	(23,227)
Board of Directors' remuneration paid		(49,000)	(49,000)
Net cash flows generated from operating activities		1,980,389	2,596,903
INVESTING ACTIVITIES			
Placement of Wakala deposits		(1,900,000)	(2,100,000)
Wakala income received		962,835	419,747
Purchase of furniture and equipment		(445,170)	(167,970)
Purchase of intangible assets	8	(149,212)	(151,190)
Proceeds from disposal of furniture and equipment		1,150	360
Net cash flows used in investing activities		(1,530,397)	(1,999,053)
FINANCING ACTIVITIES			
Payment of lease liability	9	(116,336)	(102,240)
Dividends paid	19	(329,688)	(342,000)
Net cash flows used in financing activities		(446,024)	(444,240)
Net increase in bank balances and cash		3,968	153,610
Bank balances and cash at beginning of the year		472,730	319,120
Bank balances and cash at end of the year	12	476,698	472,730
The Company has the following non-cash transactions during the year which are not reflected in the statement of cash flows:			
Non-cash transactions:			
Additions to right of use asset and lease liability	9	743,651	-
Transfer from work in progress to intangible assets	7,8	44,028	1,785

The notes on pages 8 to 31 form an integral part of these financial statements.

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1. INCORPORATION AND ACTIVITIES

Kuwait Credit Information Network Company K.S.C. (Closed) (the "Company" or "CINET") was incorporated under the Memorandum of Association and Articles of Association of the Company dated 4 June 2001 and registered in Commercial Register No. (85063) dated 18 June 2001, and commenced its operations on 24 April 2003 after obtaining the approval of the Ministry of Commerce and Industry ("Ministry") No. 14441 dated 25 April 2001, as it was registered in the Credit Information Companies registry at the Central Bank of Kuwait under No. (1) pursuant to Resolution No. (12/459/2022) dated 23 January 2022 pursuant to the provisions of Law No. (9) of 2019 regulating the exchange of credit information and its Executive Regulations for the practice of credit information exchange activities, as well as credit reporting and credit rating services.

On 26 July 2023, the Company completed the regulatory formalities and changed its name from Credit Information Network Company K.S.C. (Closed) to Kuwait Credit Information Network Company K.S.C (Closed).

Kuwait Credit Information Network Company K.S.C (Closed) carries out its activities and conducts its business in compliance with Islamic Sharia rules (in accordance with the text of Article (4) of the Memorandum of Association and Article (5) of the Company's Articles of Association).

Kuwait Credit Information Network Company K.S.C. (Closed) was incorporated for the following purpose:

- The Company shall collect information and data related to consumer loans, housing loans, commercial loans, credit cards and other credit facilities resulting from installment sale of commodities and services and to provide the Central Bank of Kuwait and reporting entities such as banks, investment companies, finance companies, commercial companies and establishments regulated by Ministry of Commerce and Industry that grant credit facilities by selling in any form of ownership transfer through installments for goods and services, authorized users and customers of natural or legal persons authorized to inquire and obtain credit information and reports provided by the Company and the clients to whom the information and data relate and which have credit records at the Company and any other local or foreign bodies approved by the Central Bank of Kuwait and anyone related to credit and credit information reporting systems in accordance with the provisions of the laws regulating the Company's activity, based on their request, with information and data about all kinds of consumer loans and credit facilities granted to the customers of these entities upon request.
- For this purpose, it shall have the right to import electronic devices and computers, information systems and saving devices and related devices;
- To design, import sell and operate auto systems and the equipping and management of operation centers for the benefit of the Company only;
- Develop a credit database by requesting, collecting, processing, storing, analyzing, classifying, using and circulating credit information. Prepare a credit record, personal and credit data related to the debts of customers of real estate finance companies, insurance companies, all types of leasing and financing companies, vehicles companies, telecommunications companies, in addition to other reporting entities and users of data and information as stipulated in the provisions of the laws regulating the Company's activity;
- Provide all credit inquiry, credit rating, credit reporting and issue credit information reports for customers and services to natural and legal customers without making any recommendations or opinions from the Company regarding eligibility of granting credit facility or not and develop risk and related tools and criteria;

1. INCORPORATION AND ACTIVITIES (CONTINUED)

- Invest surplus cash through investing in portfolios managed by fund management organizations and authorize the Board of Directors to do so;
- Owning real estate and movable properties necessary to conduct its operations as permissible by law; and
- The Company may also have an interest in or participate in any manner with other entities carrying out similar activities to achieve its objectives inside and outside of Kuwait, and to acquire or merge with those entities.

The address of the Company is Assima Tower, Floor 35, Othman Bin Affan street, Mirqab, Kuwait City, State of Kuwait.

The Company's financial statements for the year ended 30 September 2024 were authorised for issue by the Board of Directors on 11 November 2024 and are subject to the approval of the Annual General Assembly of the shareholders. The shareholders of the Company have the power to amend these financial statements at the Annual General Assembly Meeting of the shareholders.

2. BASIS OF PREPARATION

The financial statements have been presented in Kuwaiti Dinar ("KD") which is also the functional currency of the Company and are prepared under the historical cost convention.

Certain comparative figures have been reclassified to conform to the current year's presentation. Such reclassification did not affect previously reported statement of profit or loss and other comprehensive income, equity or opening balances of the earliest comparative period presented and accordingly a third statement of financial position is not presented (Note 25).

3. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the IFRS interpretations Committee applicable to Companies reporting under IFRS as issued by the International Accounting Standards Board ("IASB"), and applicable requirements of the Companies' Law No. 1 of 2016, its Executive Regulations, as amended, and the Company's Articles of Association, as amended and Ministerial Order No. 18 of 1990.

The preparation of financial statements in compliance with adopted IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires the Company's management to exercise judgment in applying the Company's accounting policies. The areas of material judgments and estimates made in preparing the financial statements and their effect are disclosed in Note 6.

4. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS ACCOUNTING STANDARDS")

a) New standards, interpretations, and amendments effective from 1 January 2023

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgments provide guidance and examples to help entities apply materiality judgments to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'material' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments had no material impact on the Company's financial statements.

4. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS ACCOUNTING STANDARDS") (CONTINUED)

a) New standards, interpretations, and amendments effective from 1 January 2023 (Continued)

IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The new standard had no impact on the Company's financial statements.

Amendments to IAS 8 - Definition of Accounting Estimates

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no material impact on the Company's financial statements.

There are other amendments related to IAS 12 "Income Taxes" that has no impact on the Company's financial statements.

b) New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to early adopt.

The following amendments are effective for the period beginning 1 January 2024:

- *Obligation on a Sale and Leaseback (Amendments to IFRS 16 Leases);*
- *Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 Presentation of Financial Statements);*
- *Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements); and*
- *Supplier Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures)*

The following amendments are effective for the period beginning 1 January 2025:

- *Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates)*

The Company is currently assessing the impact of these new accounting standards and amendments. The Company does not believe that the amendments to IAS 1 will have a significant impact on the classification of its liabilities, as the conversion feature in its convertible debt instruments is classified as an equity instrument and therefore, does not affect the classification of its convertible debt as a non-current liability. The Company does not expect any other standards issued by the IASB, but are yet to be effective, to have a material impact on the Company.

5. MATERIAL ACCOUNTING POLICY INFORMATION

5.1 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on their current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting year; or
- Bank balances and cash unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year.

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in the normal operating cycle;
- Held primarily for the purpose of trading;
- Due to be settled within twelve months after the reporting year; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year.

The Company classifies all other liabilities as non-current.

5.2 Furniture and equipment

The initial cost of furniture and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after furniture and equipment have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to statement of profit or loss and other comprehensive income in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of furniture and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of furniture and equipment.

Furniture and equipment are stated at cost less accumulated depreciation and impairment losses (if any). When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in statement of profit or loss and other comprehensive income for the year. The carrying values of furniture and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Depreciation is computed on a straight-line basis over the estimated useful lives of the furniture and equipment as follows:

Asset category	Years
Computers	3 -5 years
Furniture and fixtures	5 years

Work in progress is stated at cost less recognized impairment loss. Following completion, work in progress is transferred into the relevant class of furniture and equipment. Depreciation of such assets commences when they are ready for use for their intended purpose in the same way as other items of furniture and equipment.

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

5.2 Furniture and equipment (Continued)

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of furniture and equipment.

An item of furniture and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

5.3 Intangible assets

At initial recognition, acquired intangible assets are measured at cost, which represents the purchase value plus the direct costs incurred for preparation of the asset to be used in its intended purpose.

Following initial recognition, intangible assets with definite lives are carried at cost less accumulated amortization and accumulated impairment losses. The useful life and amortization method are reviewed periodically to ensure that the method and period of amortization are consistent with the expected pattern of economic benefits from items of intangible assets. Intangible assets with indefinite lives are carried at cost less accumulated impairment losses.

The useful lives of intangible assets are finite, the estimated useful lives of intangible assets are as follows:

Asset category	Years
Software, applications and licenses	3-5 years

Gain or loss on disposal of intangible assets are measured by the difference between the net disposal proceeds and the carrying amount of the assets, and are recognized in the statement of profit or loss and other comprehensive income.

5.4 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee

Right of use asset

The Company recognizes right of use asset at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right of use asset is measured at cost, less any accumulated amortization and impairment losses, and adjusted for any re-measurement of lease liability, the cost of right of use asset includes the amount of lease liability recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right of use asset are amortized on a straight-line basis over the shorter of its estimated useful life and the lease term. Right of use asset is subject to impairment.

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

5.4 Leases (Continued)

The Company as a lessee (continued)

Lease liability

At the commencement date of the lease, the Company recognises lease liability measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the profit rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liability is increased to reflect the accretion of profit reduced for the lease payments made. In addition, the carrying amount of lease liability is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Company as a lessor

The Company does not act as a lessor during the year ended 30 September.

5.5 Impairment of non-financial assets

At each financial position date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss and comprehensive income.

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

5.5 Impairment of non-financial assets (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income.

5.6 Financial instruments

The Company classifies its financial instruments as financial assets and financial liabilities. Financial assets and financial liabilities are recognized when the Company becomes a party of the contractual provisions of such instruments.

Financial assets and financial liabilities carried in the statement of financial position includes trade and other receivables (excluding prepayments), Wakala deposits, bank balances and cash, lease liability and trade and other payables (excluding deferred revenue).

5.6.1 Financial assets

Recognition, initial measurement and classification

To determine their classification and measurement category, IFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the Company's business model for managing the assets and the instruments' contractual cash flow characteristics. The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objectives and in order to generate contractual cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets.

If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'Sell' business model and measured at FVPL. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios.

Purchases and sales of those financial assets are recognized on trade date the date on which the Company commits to purchase or sell the asset. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at FVPL.

Classification of financial assets

Financial assets are classified in the financial statements as a financial assets at amortised cost.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

5.6 Financial instruments (Continued)

5.6.1 Financial assets (continued)

Financial assets at amortised cost (continued)

Financial assets at amortised cost are subsequently measured at amortised cost using the effective profit rate method adjusted for impairment losses if any. Gains and losses are recognized in statement of profit or loss and other comprehensive income when the asset is derecognized, modified or impaired.

Financial assets carried at amortised cost consist of includes trade and other receivables (excluding prepayments), wakala deposits and bank balances and cash.

Effective profit rate method

The effective profit rate method is a method of calculating the amortised cost of a financial asset. The effective profit rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Subsequent measurement

Trade and other receivables (excluding prepayments)

Trade receivables are amounts due from customers for services provided in the ordinary course of business and recognized initially at transaction price and subsequently measured at amortised cost using the effective profit rate method, less provision for impairment.

Receivables which are not designated under any of the above are classified as "other receivables".

Wakala deposits

Wakala deposits are placed with local islamic banks and have contractual maturities of more than three months from the placement date and less than one year from the statement of financial position date.

Bank balances and cash

Bank balances and cash include bank balances and restricted bank balance, placed with local financial institutions and cash on hand. Bank balances are subject to an insignificant risk of changes in value.

Derecognition of financial assets

The financial assets are derecognised (wholly or partially) when the contractual rights to receive the cash flows from the financial assets expire or when the Company transfers its right to receive cash flows from the financial assets in either of the following circumstances: (a) when the Company transfers all risks and rewards of the financial assets ownership, or (b) when all risks and rewards of the financial assets are not transferred or retained, but the control over the financial assets is transferred. When the Company retains control, it must continue to recognise the financial assets to the extent of its participation therein.

Impairment of financial assets

The Company recognises provision for expected credit losses (ECLs) for financial assets measured at amortised cost.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective profit rate.

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

5.6 Financial instruments (Continued)

5.6.1 Financial assets (continued)

Impairment of financial assets (continued)

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade and other receivables (excluding prepayments), the Company has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. Accordingly, the Company does not track changes in credit risk and assesses impairment on a collective basis. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the customers and the economic environment. Exposures were segmented based on common credit characteristics such as credit risk grade, geographic region and industry, delinquency status and age of relationship where applicable.

Exposures were segmented based on common credit characteristics such as credit risk grade, geographic region and industry, delinquency status and age of relationship where applicable. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

In applying this forward-looking approach, the Company applies a three-stage assessment to measuring ECL as follows:

- Stage 1 - financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk and
- Stage 2 - (not credit impaired) - financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low.
- Stage 3 - (credit impaired) - financial assets that have objective evidence of impairment at the reporting date and assessed as credit impaired when one or more events have a detrimental impact on the estimated future cash flows have occurred.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment that includes forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. 12-month expected credit losses' are recognized for Stage 1 while 'lifetime expected credit losses' are recognized for Stage 2.

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

5.6 Financial instruments (Continued)

5.6.1 Financial assets (continued)

Impairment of financial assets (continued)

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument. ECLs for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets and charged to the statement of profit or loss and other comprehensive income.

5.6.2 Financial liabilities

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include lease liability and trade and other payables (excluding deferred revenue).

Accounts payable

Accounts payable include trade and other payables. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognized initially at fair value and subsequently measured at amortised cost using the effective profit rate method.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income.

5.7 Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

5.8 Employees' end of service benefits

The Company provides end of service benefits to its employees. The entitlement to these benefits are based upon the employees' final salary and length of service subject to the completion of a minimum service period in accordance with Kuwait labour law and the employees' contracts. The expected costs of these benefits are accrued over the period of employment. This liability which is unfunded represents the amount payable to each employee as a result of termination on the reporting date.

Further, with respect to its national employees, the Company also makes contributions to public institution for social security calculated as a percentage of the employees' salaries. The Company's obligations are limited to these contributions, which are expensed when due.

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

5.9 Provisions

A provision is recognised in the statement financial position when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

5.10 Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a service to a customer. The Company follows a 5-step process:

The Company follows a 5-step process:

- Identifying the contract with a customer.
- Identifying the performance obligations.
- Determining the transaction price.
- Allocating the transaction price to the performance obligations.
- Recognising revenue when/as performance obligation(s) are satisfied.

The total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company recognizes revenue either at a point in time or over time, when (or as) the Company satisfies performance obligations by performing the services to its customers. The Company transfers control of service over time (rather than at a point in time) when any of the following criteria are met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.
- The Company's performance creates or enhances an asset (e.g., work in process) that the customer controls as the asset is created or enhanced.
- The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

Control is transferred at a point in time if none of the criteria for a service to be transferred over time are met. Revenue is recognised at a point in time when the Company satisfies performance obligations by transferring the control of promised services to its customers. The Company considers the following factors in determining whether control of an asset has been transferred:

- The Company has a present right to payment for the service.
- The customer has legal title to the service.
- The Company has transferred the service.
- The customer has the significant risks and rewards of ownership of the service.
- The customer has accepted the service.

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

5.10 Revenue recognition (Continued)

The Company's revenue arises from:

Search inquiry service charges

Fees relating to the usage of the CINET system (service charges) is recognized at a point in time when control of the services are transferred to the customer. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts and rebates required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The control for analytics contract services is transferred over the period to the customers and hence the revenue is recognized over the period of time.

Wakala income

Wakala income is recognized in statement of profit or loss and other comprehensive income on a time proportionate basis.

Other income

Other income is recognised on accrual basis.

5.11 Related parties

Related parties represent major shareholders, directors and senior management personnel of the Company, and companies controlled, or significantly influenced by such parties. The pricing policies and conditions for these transactions are approved by the Company's management

5.12 Taxation

Contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")

The Company is legally required to contribute to the Kuwait Foundation for the Advancement of Sciences ("KFAS"). The Company's contributions to KFAS are recognised as an expense in the period during which the Company's contribution is legally required. KFAS is imposed at 1% of profit of the Company, less permitted deductions.

Zakat

Zakat is calculated at 1% of the profit before contribution to KFAS, Zakat, and Board of Directors' remuneration and cash dividends received from Kuwaiti shareholding companies in accordance with Law No. 46 of 2006 and Ministerial resolution No. 58 of 2007 and their Executive Regulations.

5.13 Contingent assets and contingent liabilities

Contingent assets are not recognised in the statement of financial position but are disclosed when an inflow of economic benefits is probable.

Contingent liabilities are not recognised in the statement of financial position but are disclosed unless the possibility of an outflow of resources embodying economic benefit is remote.

5.14 Dividends

The Company recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the companies law of the State of Kuwait, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

5.15 Foreign currencies

Foreign currency transactions are translated into Kuwaiti Dinars at rates of exchange prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currency as at the end of reporting period is retranslated into Kuwaiti Dinars at rates of exchange prevailing on that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the statement of profit or loss or other comprehensive income for the year.

6. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 5, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Material accounting judgments

In the process of applying the Company's accounting policies, management has made the following material judgments, which have the most significant effect on the amounts recognised in the financial statements:

Useful lives of non-financial assets

The Company reviews the estimated useful lives over which its non-financial assets are depreciated and amortized. The Company's management is satisfied that the estimates of useful lives are appropriate.

Determining the lease term of contracts with a renewal option – Company as a lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include an extension option. The Company applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

6. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Material accounting judgments (Continued)

Determining the lease term of contracts with a renewal option – Company as a lessee (continued)
The Company included the renewal period as part of the lease term for the Company's premises with shorter non-cancellable period (i.e., five years). The Company typically exercises its option to renew for these leases because there will be a significant negative effect on the operations and services of the Company if a replacement asset is not readily available.

Classification of financial instruments

On acquisition of a financial asset, the Company decides whether it should be classified as "at fair value through profit or loss", "at fair value through other comprehensive income" or "at amortised cost". IFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the Company's business model for managing the assets of the instrument's contractual cash flow characteristics. The Company follows the guidance of IFRS 9 on classifying its financial assets and is explained in Note 5.

Principal versus agent considerations

The Company enters into contracts to provide services to its customers. The Company determined that it is an principal in these contracts since it typically control the services before transferring it to the customer.

- The Company controls the promised services before it transfers the services to the customer.
- The Company satisfies the performance obligations by itself and does not engage another party in satisfying its performance obligations in its contracts with customers.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are discussed below:

Impairment of non-financial assets

The Company's management estimates whether there is an indication to impairment of non-financial assets. The recoverable amount of an asset is determined based on "value in use method". In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty, and actual results may differ resulting in future changes to such provisions.

Estimating the incremental borrowing rate for leases

The Company cannot readily determine the profit rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liability. The IBR is the profit rate that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market profit rates) when available and is required to make certain entity-specific estimates.

Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geographical region, services type, customer and type). The provision matrix is initially based on the Company's historical observed default rates.

The Company will calibrate the matrix to adjust the credit loss experience with forward-looking information.

6. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Estimation uncertainty (Continued)

Provision for expected credit losses of trade receivables (continued)

For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECL on the Company's trade receivable is disclosed in Note 20.2.

7. FURNITURE AND EQUIPMENT

	Computers KD	Furniture and fixtures KD	*Work in progress KD	Total KD
Cost				
At 1 October 2022	918,360	83,859	40,182	1,042,401
Additions	97,606	13,009	57,355	167,970
Transferred to intangible assets (Note 8)	-	-	(1,785)	(1,785)
Disposals	(271,927)	(2,350)	-	(274,277)
At 30 September 2023	744,039	94,518	95,752	934,309
Additions	184,661	294,363	70,646	549,670
Transferred from work in progress	-	3,800	(3,800)	-
Transferred to intangible assets (Note 8)	-	-	(44,028)	(44,028)
Disposals	(8,418)	(66,763)	-	(75,181)
At 30 September 2024	920,282	325,918	118,570	1,364,770
Accumulated depreciation				
At 1 October 2022	505,226	69,843	-	575,069
Charge for the year	152,522	7,023	-	159,545
Relating to disposals	(271,411)	(2,252)	-	(273,663)
At 30 September 2023	386,337	74,614	-	460,951
Charge for the year	159,377	39,803	-	199,180
Relating to disposals	(6,884)	(55,650)	-	(62,534)
At 30 September 2024	538,830	58,767	-	597,597
Net book value				
At 30 September 2023	357,702	19,904	95,752	473,358
At 30 September 2024	381,452	267,151	118,570	767,173
Annual depreciation (in years)	3-5	5	-	-

*Work in progress represents work being performed for software development which has not been completed as at the reporting date.

8. INTANGIBLE ASSETS

	2024 KD	2023 KD
Cost		
At 1 October	2,678,712	2,525,737
Additions	149,212	151,190
Transferred from work in progress (Note 7)	44,028	1,785
At 30 September	2,871,952	2,678,712
Accumulated amortization		
At 1 October	2,309,909	2,105,408
Charge for the year	176,663	204,501
At 30 September	2,486,572	2,309,909
Net book value	385,380	368,803

9. LEASES

The carrying amount of the Company's right of use asset and the movement during the year is as follows:

	2024 KD	2023 KD
At 1 October	-	95,399
Addition	743,651	-
Amortization during the year	(99,153)	(95,399)
At 30 September	644,498	-

The carrying amount of the Company's lease liability and the movement during the year is as follows:

	2024 KD	2023 KD
At 1 October	-	100,546
Addition	743,651	-
Finance cost	31,380	1,694
Paid during the year	(116,336)	(102,240)
Rent concession	(14,542)	-
At 30 September	644,153	-

The current and non-current portion of lease liability is set out below:

	2024 KD	2023 KD
Non-current portion	509,212	-
Current portion	134,941	-
	644,153	-

The following are the amounts recognized in statement of profit or loss and other comprehensive income:

	2024 KD	2023 KD
Amortization of right of use asset	(99,153)	(95,399)
Finance cost on lease liability	(31,380)	(1,694)
Rent concession	14,542	-
	(115,991)	(97,093)

Notes to the financial statements
For the year ended 30 September 2024

9. LEASES (CONTINUED)

The following are the amounts recognized in the statement of cash flows:

	2024	2023
	KD	KD
Amortization of right of use asset	99,153	95,399
Finance cost on lease liability	31,380	1,694
Payment of lease liability	(116,336)	(102,240)
Rent concession	(14,542)	-

The Company has recognized rent expense from short-term leases amounting to KD 59,640 during the year (2023: Nil).

10. TRADE AND OTHER RECEIVABLES

	2024	2023
	KD	KD
Trade receivables	601,104	536,377
Provision for expected credit losses	(20,000)	(20,000)
	581,104	516,377
Profit receivable on Wakala deposits	691,969	685,331
Prepayments	187,869	190,053
	1,460,942	1,391,761

Disclosures relating to the credit risk exposures and analysis relating to the provision for expected credit losses are set forth in Note 20.2.

11. WAKALA DEPOSITS

Wakala deposits represent Wakala placements with Islamic banks carrying profit rates ranging from 4.250% to 5.550% (30 September 2023: 4.310% to 5.550%) per annum, and have contractual maturity period of more than three months from the placement date and less than a year from the statement of financial position date.

12. BANK BALANCES AND CASH

	2024	2023
	KD	KD
Bank balances	474,445	468,483
Restricted bank balance	2,025	4,050
Cash on hand	228	197
	476,698	472,730

13. SHARE CAPITAL

Share capital

The Company's authorized, issued and paid-up share capital comprises 164,844,000 shares of 100 fils each (2023: 164,844,000 shares of 100 fils each), fully paid in cash.

The Company received Central Bank of Kuwait approval on 18 May 2023 for the increase in share capital which was facilitated by transferring an amount of KD 12,026,264 from the retained earnings and KD 2,178,136 from the voluntary reserve to the share capital.

Notes to the financial statements
For the year ended 30 September 2024

14. RESERVES

Statutory reserve

In accordance with the Companies Law No. 1 of 2016, its Executive Regulations, as amended, and the Company's Articles of Association, as amended, 10% of the profit for the year before KFAS, Zakat and Board of Directors' remuneration to be transferred to statutory reserve until the reserve exceeds 50% of the paid-up share capital.

This reserve is not available for distribution except for the amount in excess of 50% of share capital or payment of a dividend of 5% of the paid-up share capital in the years when the retained earnings are not sufficient for the payment of such dividend.

In the current year, the Company has transferred KD 279,118 (2023: 273,359) to statutory reserve.

Voluntary reserve

As required by the Company's Articles of Association, as amended, 10% of the profit for the year before KFAS, Zakat and Board of Directors' remuneration is transferred to the voluntary reserve. Such annual transfers can be discontinued by shareholders through a resolution in the Shareholders Annual General Assembly meeting upon recommendation by the Board of Directors'. There are no restrictions on the distribution of this reserve.

In the current year, the Company has transferred KD 279,118 (2023: 273,359) to voluntary reserve.

15. EMPLOYEES' END OF SERVICE BENEFITS

	2024	2023
	KD	KD
At 1 October	336,777	294,127
Charge for the year	102,775	70,540
Payment during the year	(83,285)	(27,890)
At 30 September	356,267	336,777

16. TRADE AND OTHER PAYABLES

	2024	2023
	KD	KD
Trade payables	96,010	83,320
Accrued expenses	342,637	424,943
Deferred revenue	418,516	444,631
KFAS payable*	25,121	24,602
Zakat payable	28,107	27,762
Accrued Board of Directors' remuneration (Note 17)	49,000	49,000
	959,391	1,054,258

*Movement in KFAS payable is as follows:

	2024	2023
	KD	KD
At 1 October	24,602	22,732
Charge for the year	25,121	24,602
Paid during the year	(24,602)	(22,732)
At 30 September	25,121	24,602

17. RELATED PARTY BALANCES AND TRANSACTIONS

Related parties represent shareholders, directors and key management personnel of the Company, and entities controlled or significantly influenced by such parties.

Transactions with related parties are conducted in the normal course of business and are on terms and conditions approved by the Company's management and the Board of Directors.

Significant related party balances and transactions are as follows:

Statement of financial position:	2024	2023
	KD	KD
<i>Balances with related parties</i>		
Trade receivables	540,448	478,794
Profit receivable on Wakala deposits (Note 10)	691,969	685,331
Wakala deposits (Note 11)	20,500,000	18,600,000
Bank balances and restricted bank balance (Note 12)	476,470	472,533
Deferred revenue (Note 16)	418,516	444,631
Accrued Board of Directors' remuneration (Note 16)	49,000	49,000
Statement of profit or loss and other comprehensive income	2024	2023
	KD	KD
<i>Transactions with related parties</i>		
Service revenue	4,344,107	3,971,716
Wakala income	969,473	819,096

Compensation of key management personnel

Key management personnel comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Company. The aggregate value of transactions related to key management personnel were as follows:

	2024	2023
	KD	KD
Salaries and short-term benefits	489,410	532,461
End of service benefits	23,414	28,479
Board of Directors' remuneration	133,000	77,000
	645,824	637,940

18. REVENUE

The disaggregation of the Company's revenue is set out below:

Type of revenue	2024	2023
	KD	KD
Search enquiries revenue	4,016,313	3,843,116
Analytics contract revenue	593,335	569,057
Total revenue from contracts with customers	4,609,648	4,412,173
Wakala income ("profit income from Wakala deposits")	969,473	819,096
Total revenue	5,579,121	5,231,269
<i>Geographical markets</i>		
State of Kuwait	4,609,648	4,412,173
Total revenue from contracts with customers	4,609,648	4,412,173
<i>Timing of revenue recognition</i>		
Services transferred at a point in time	4,016,313	3,843,116
Services transferred over a period of time	593,335	569,057
Total revenue from contracts with customers	4,609,648	4,412,173

19. ANNUAL GENERAL ASSEMBLY MEETING AND BOARD OF DIRECTORS' PROPOSAL

30 September 2024

Annual General Assembly Meeting

The Annual Ordinary General Assembly of the Company's shareholders ("AGM") held on 28 May 2024, approved the following:

- The financial statements for the financial year ended 30 September 2023.
- Discussion of the penalties and violations report, that were imposed on the Company by the Central Bank of Kuwait during the financial year ended 30 September 2023.
- Distribution of 2% cash dividends amounted to KD 329,688 from the retained earnings for the financial year ended 30 September 2023 to the Shareholders of the Company at the date of the Ordinary Annual General Assembly meeting of the Company's shareholders.
- KD 49,000 as a remuneration to be paid to the Board of Directors for the financial year ended 30 September 2023.

Board of Directors Meeting

The Board of Directors in their meeting held on 11 November 2024 resolved the following:

- Approved the financial statements for the financial year ended 30 September 2024.
- Proposed not to distribute cash dividends for the financial year ended 30 September 2024.
- Proposed a Board of Directors' remuneration amounted to KD 49,000 for the financial year ended 30 September 2024.

The proposal is subject to the approval of the Shareholders' Annual General Assembly.

30 September 2023

Annual General Assembly Meeting

The Annual Ordinary General Assembly of the Company's shareholders ("AGM") held on 22 May 2023, approved the following:

- The financial statements for the financial year ended 30 September 2022.
- Distribution of 15% cash dividends amounted to KD 342,000 from the retained earnings for the financial year ended 30 September 2022 to the Shareholders of the Company at the date of the Ordinary Annual General Assembly meeting of the Company's shareholders.
- KD 49,000 as a remuneration to be paid to the Board of Directors for the financial year ended 30 September 2022.

20. FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company's activities expose it to a variety of financial risks: e.g. market risk (i.e. foreign currency risk, profit rate risk, equity price risk and operational risk), credit risk and liquidity risk. The Company's management policies for reducing each of the risks are discussed below. The Company does not use derivative financial instruments based on future speculations.

20.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of foreign currency risk, profit rate risk, equity price risk and operational risk.

a) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company has no significant foreign currency exposure and is therefore not significantly exposed to foreign currency risk at the reporting date.

b) Profit rate risk

Profit rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market profit rates. The Company is not exposed to profit rate risk on its Wakala deposits and lease liability since they carry fixed profit rates.

c) Equity price risk

Equity price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in equity prices. Currently, the Company is not exposed to equity price risk as it has no equity instruments as at 30 September.

d) Operational risk

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When control fails to perform operational risk can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but through a control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff education and assessment process

20.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge a contractual obligation causing the other party to incur a financial loss. Financial assets which potentially subject the Company to credit risk consist principally of trade and other receivables (excluding prepayments), Wakala deposits, and bank balances.

Trade receivables

The Company applies the IFRS 9 simplified model of recognizing lifetime expected credit losses for all trade receivables as these items do not have a significant financing component. In measuring the expected credit losses, trade receivables have been assessed on a collective basis and grouped based on shared credit risk characteristics and the days past due.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, service type and customer type). The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

20. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

20.2 Credit risk (Continued)

Trade receivables are written off (i.e. derecognized) when there is no reasonable expectation of recovery. Failure to make payments within 365 days from the due date and failure to engage with the Company on alternative payment arrangement among others is considered indicators of no reasonable expectation of recovery and therefore is considered as credit impaired.

Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix:

	0-30 days KD	31-365 Days KD	Above 365 days KD	Total KD
30 September 2024				
Expected credit loss rate (%)	1.28%	1.52%	100%	
Gross carrying amount	391,096	198,008	12,000	601,104
Expected credit losses	5,000	3,000	12,000	20,000
30 September 2023				
Expected credit loss rate (%)	1.54%	1.51%	100%	
Gross carrying amount	325,291	199,086	12,000	536,377
Expected credit losses	5,000	3,000	12,000	20,000

Wakala deposits, bank balances and restricted bank balance

The Company's Wakala deposits, bank balances and restricted bank balance measured at amortized cost are considered to have a low credit risk and the loss allowance is based on the 12 months expected loss. The Company's Wakala deposits, bank balances and restricted bank balance and are placed with high credit rating financial institutions with no recent history of default. Based on management's assessment, the expected credit loss impact arising from such financial assets is insignificant to the Company as the risk of default has not increased significantly since initial recognition. Further, the principal amounts of deposits in local banks (including Wakala deposits) are guaranteed by the Central Bank of Kuwait in accordance with Law No. 30 of 2008 Concerning Guarantee of Deposits at Local Banks in the State of Kuwait which came into effect on 3 November 2008. Accordingly, the Company has assessed the ECL on Wakala deposits, bank balances and restricted bank balance of the Company to be immaterial to the overall financial statements of the Company.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum net exposure to credit risk by class of assets at the reporting date is as follows:

	2024 KD	2023 KD
Trade and other receivables (excluding prepayments)	1,273,073	1,201,708
Wakala deposits	20,500,000	18,600,000
Bank balances and restricted bank balance	476,470	472,533
	22,249,543	20,274,241

20. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

20.3 Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its liabilities when they fall due. To limit this risk, management has arranged diversified funding sources, manages assets with liquidity in mind, and monitors liquidity on a daily basis.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below analyses the Company's non-derivative financial liabilities based on the remaining period at the financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. The carrying amounts of the Company's liabilities with maturity less than 12 months are not materially different from their contractual undiscounted figures

	Less than 3 months	3 to 12 months	1 to 5 years	Total
	KD	KD	KD	KD
30 September 2024				
Lease liability	43,626	130,878	567,138	741,642
Trade and other payables (excluding deferred revenue)	540,875	-	-	540,875
	<u>584,501</u>	<u>130,878</u>	<u>567,138</u>	<u>1,282,517</u>
	Less than 3 months	3 to 12 months	1 to 5 years	Total
	KD	KD	KD	KD
30 September 2023				
Trade and other payables (excluding deferred revenue)	609,627	-	-	609,627

21. CAPITAL RISK MANAGEMENT

A key objective of the Company is to maximize shareholders' value with optimal levels of risk, whilst maintaining a strong capital base to support the development of its business. The Company's management of capital risks is supported by a risk committee that advises on these risks and the appropriate risk governance framework for the Company. The risk committee provides assurance that the Company's capital risk activities are governed by appropriate policies and procedures and that risks are identified, measured, and managed in accordance with the Company's policies and risk objectives.

The Company is not subject to externally imposed capital requirements, except the requirement of the Companies Law No. 1 of 2016, its Executive Regulations, as amended.

22. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value represents the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date.

In the opinion of the Company's management, the estimated fair value of financial assets and liabilities are not materially different from their carrying values.

23. CONTINGENT LIABILITIES AND COMMITMENTS

The Company is committed to incur capital expenditure of KD 155,293 relating to purchase of Software licenses, furniture and equipment and development of enhancements in Core system and E-credit portal website (2023: KD 115,515) relating to purchase of software licenses, engineering services, and other related expenses towards new office premise and development of enhancements in core system and E-credit portal website).

There are no contingent liabilities for the year ended 30 September 2024 (2023: Nil).

24. SHARIA COMPLIANCE

There are no violations of provisions of Islamic Sharia principles, as determined by the Company's External Shariah audit office.

25. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation. Such reclassification did not affect previously reported statement of profit or loss and other comprehensive income, equity or opening balances of the earliest comparative period presented and accordingly a third statement of financial position is not presented.

Our Shariah Supervisory Board for the Financial Period

Shariah Supervisory Board Report 2024

The Final Report of the Sharia Supervisory Board for the fiscal year ended on 30/09/2024





Attn.: Mrs. Mai Bader Al-Awaish

Chief Executive Officer

Kuwait Credit Information Network Company

Subject: The Final Report of the Sharia Supervisory Board for the fiscal year ended on 30/09/2024

Dear All,

We have the pleasure to attach for you the report of the Sharia Supervisory Board for the fiscal year ended on 30/09/2024.

In this regard, pleased be informed that our office emphasizes on the following points:

- The necessity of submitting the attached report to the Board of Directors in compliance with (Article 3-5-10) provided in the fifth letter (Activities of the Securities and Registered Persons) of the Executive Regulations of Law No. 7 of 2010 regarding the establishment of the Capital Markets Authority and its amendments.
- We also emphasize the necessity of publishing this report within the company's annual report and enabling our office to submit the report to shareholders in accordance with the specified mechanism by you in conducting and attending general assemblies for considering the report, and in compliance with (Article 3-5-11) provided in the fifth letter (Activities of the Securities and Registered Persons) of the Executive Regulations of Law No. 7 of 2010 regarding the establishment of the Capital Markets Authority and its amendments.

Yours sincerely,

Yahya Mohammad Al Hammadi

Chief Executive Officer



Date: 11 Jmd.I 1446

Corresponding to: 13/11/2024

REPORT OF SHARIAH SUPERVISORY BOARD FOR THE FINANCIAL PERIOD 01/10/2023- 30/09/2024

M/s.: Kuwait Credit Information Network Company

Allah's peace, mercy and blessings be upon you

According to the powers vested in us by the members of General Assembly of Credit Information Network Company and by virtue of the Company's Articles of Association and the instructions of related supervisory authorities; the Shairah Supervisory Board hereby provides its final report for the period 01/10/2023- 30/09/2024 which includes four clauses as follows:

First: Mission of Shariah Supervisory Board:

The Shariah Supervisory Board pursued its mission which included checking the investment structures, contracts drafting, products, policies and procedures whether directly or with coordination with the department of internal Shairah auditing in order to collect all information and explanations which it deems necessary to provide it with evidences sufficient to issue reasonable assurances that the company didn't violate the Islamic Shariah Provisions in the light of decisions of Shariah Supervisory Board and the Shariah Standards approved by the company and the decisions of supervisory authorities.



Second: Decisions of Shariah Supervisory Board

The Shariah Supervisory Board responded to all the company inquiries and issued a number of (12) decisions within such period.

Third: Policies and Procedures approved by Shariah Supervisory Board

The company has not issued any new policies or procedures for the products and activities within such period.

Fourth: Final Opinion

In our opinion and after studying all highlights and assurances we received, we confirm:

1. That the contracts, operations and transactions executed by the company within the period from 01/10/2023 to 30/09/2024 were performed according to the provisions of Islamic Shariah.

Praise Be to Allah,

Head of Shariah Supervisory Board
Prof. Dr. Abdulaziz Khaleefa Alqassar

Member of Shariah Supervisory Board
Prof. Dr. Ali Ebrahim Alreshed

Member of Shariah Supervisory Board
Prof. Dr. Essam Khalaf Alenazi

Our Governance Report for The Fiscal Year 2024



Governance Report

The Final Governance Report The Fiscal Year Ended On 30/09/2024

To enhance integrity and transparency in business performance, maintain the security and confidentiality of customer data and to ensure the highest level of ethical behavior in all work and activities entrusted thereto pursuant to Law No. (09) of 2019 Regulating the Exchange of Credit Information, its Executive Regulations and the controls issued by the Central Bank of Kuwait (CBK), **Kuwait Credit Information Network Company ("CINET"/ the "Company")** is committed to applying corporate governance standards in accordance with the best practices and criteria globally applicable in this field.

First. Introduction:

During its history spanning more than twenty years, CINET has been constantly developing and improving its business so as to provide the Financial and Banking Sector with value-added services that contribute to the speedy completion of commercial and financial transactions, ensure high-efficiency risk management and support value in all business activities. On an ongoing basis, CINET exerts all efforts to provide value-added services to participating members, which constitute the solid basis for transactions among grantors of credit facilities in all forms and types and to provide customers with more efficient services. Hence, the Board of Directors was fully and completely convinced that applying governance rules and procedures properly shall lead to achieving the Central Bank of Kuwait directives, with a view to transforming the Company into an integrated and advanced credit information center; being the first entity licensed in accordance with the provisions of Law No. (09) of 2019 Regulating the Exchange of Credit Information to provide credit reporting and credit rating services in the State of Kuwait.

Due to the growing interest in governance, which has become a main requirement for banks and companies, CINET's Board of Directors is keen to adopt an effective governance framework to be a baseline for institutional work.

CINET's Board of Directors utilizes all capabilities to adopt governance and transparency standards in accordance with the best international practices, by reviewing and developing the applied work policies and procedures, so as to ensure compliance with the governance-related instructions of the regulatory authorities. The Company fulfills all governance and mandatory requirements issued by the CBK, applying sound governance principles in accordance with the best corporate governance practices and reviewing them on an ongoing basis, in line with the best international practices adopted and in accordance with CBK's instructions and controls in terms of governance rules and the related sound management of risks and the development of relevant systems and supervisory tools. In this regard, CINET's Board of Directors established a Governance Committee to supervise the governance framework, provide advice and assist the BOD in fulfilling its oversight obligations related to sound governance, by providing a set of governance guidelines and assuming a leadership role in shaping the Company's governance framework.

At Kuwait Credit Information Network Company, we periodically review governance updates and standards issued and followed by local and international institutions, in addition to periodically reviewing governance applications to evaluate their efficiency against the challenges facing the Company, so as to ensure protecting the rights of shareholders and related parties and that information is delivered in a timely manner, with full transparency and impartiality and in implementation of CINET's Disclosure Policy.

One of CINET's strategic objectives is to achieve the elements of sound governance to protect shareholders and related parties' rights, in addition to reducing operational risks appetite, performance efficiency and quality in providing value-added services in financial services industry. Hence, even prior to the approval to register the Company in Central Bank of Kuwait's Credit Information Companies, CINET's Board of Directors applied the principles of sound governance in the Company, in accordance with the best corporate governance practices, reviewing them continuously in line with the best international practices and pursuant to CBK's instructions and controls pertaining to the rules of Governance and related sound risk management and development of relevant systems and control tools.

Highlights on CINET's governance applications during 2023:

Despite global challenges and their direct impact on the economy and companies, yet the solid foundations (standards and pillars) established and implemented by CINET's Board of Directors, by adopting an effective governance framework, have effectively contributed to managing the risks resulting from global challenges and taking necessary measures expediently to keep business continuity and services provision to customers without interruption, in coordination with regulatory authorities.

At CINET, we adopt a model based on three lines of defense:

- First Line: Jobs that contain risks.
- Second Line: Risk management and monitoring the Company's compliance with laws and regulatory instructions, independent from the First Line of defense.
- Third Line: Internal audit, independent from the First and Second lines of defense.

The above process led to the presence of both precision and flexibility, simultaneously, in conducting business and meeting regulatory requirements, in addition to achieving CINET Board of Directors' vision in achieving its strategic objectives for the maximum benefit of both shareholders and various stakeholders.

Governance at CINET Level:

CINET implements a Governance Policy characterized by transparency and credibility, in accordance with the highest international standards and best practices. The responsibilities of the Governance Committee, emanating from the Board of Directors, are as follows:

1. Periodical review of the Company's business.
2. Reviewing and evaluating the policies and procedures that regulate the Company's business to ensure that they meet and serve its needs to achieve its strategic objectives.
3. Ensuring the existence of mechanisms that facilitate communication between the Company's departments.
4. Ensuring the presence of tools to monitor work monitoring at the Company's level.

CINET adopts solid business values in all its activities, under the BOD members' strict control over all its operations, so as to ensure compliance with Central Bank of Kuwait governance requirements. In this respect, a number of Board committees are established (Governance Committee, Nominations and Remuneration Committee, Audit Committee and the Risk Committee) in order for the Company to remain able to perform any tasks and activities entrusted thereto to follow up and practice as a provider of credit reporting and credit rating services, pursuant to Law No. (09) of 2019 Regulating the Exchange of Credit Information and its Executive Regulations. Also, a package of organizational work policies and procedures has been issued to reflect the requirements and controls established by the regulatory authorities in this regard, where those policies and procedures and their appendices are subject to diligent follow up on a periodic, continuous and as appropriate basis.

Disclosure and Transparency:

CINET's Disclosure Policy constitutes one of its pillars of governance in the Company as we adopt a clear framework that enhances the principle of disclosure and transparency and ensures justice and equality in stakeholders' access to information in a timely manner, subject to regulatory authorities' requirements and based on international best practices. Disclosure has been defined as a process of uncovering financial and non-financial information of interest to shareholders, potential investors and the public, helping them make their investment decisions in a timely manner. Disclosure may be undertaken on a periodic basis (specific time periods) or immediately upon information occurrence or completion, so that such information would be available to all concerned parties at the same time, ensuring that no one party shall benefit from information before or without other parties.

Enhancement of the Rules of Professional Conduct:

At CINET, we rely on the highest standards of adherence to the Rules of Professional Conduct, starting from the Board of Directors members all the way to all Company's employees. Therefore, the Board of Directors has been keen to strengthen the Rules of Professional Conduct framework through strict policies and procedures, so as to ensure that the Company enjoys integrity and credibility. The Board of Directors conducts an annual review of the policies and procedures governing the professional conduct framework, which consist of the following:

Governance Report

The Final Governance Report The Fiscal Year Ended On 30/09/2024

- Charter of Professional Conduct.
- Conflict of Interest Policy.
- Related Party Policy.
- Information Security and Confidentiality Policy.
- Whistleblowing Policy.
- Anti-Corruption Policy.

The Company adopts a code of business ethics and professional conduct with rules and standards that apply to all CINET employees. All employees are committed to full compliance with the internal and organizational obligations applicable to their work units. Implementation of their obligations towards the Company, employees in particular are required to observe the following:

- Familiarity, understanding and full compliance with the Company's internal rules, procedures and guidelines at all times.
- Commitment and adherence to applicable laws.
- Avoiding any situation that might give rise to a conflict of interest. In case such a situation is suspected, or in the event of doubt or facing any obstacle, the department to which the employee is affiliated shall be immediately informed of that conflict of interest or the Company's Compliance Officer shall be informed.
- Full commitment to maintaining professional secrets.
- Refraining from exceeding the powers granted thereto and respecting the rules pertaining to approved signatures.
- Respecting their colleagues' dignity and privacy.

Well Being of CINET Employees:

We take pride in establishing an ethical, fair and balanced work environment to prepare our employees as leaders of the future in accordance with the fundamentals of Islamic principles and our corporate values. Therefore, we work pursuant to a model to create added value to empower our employees and engage them effectively at all management levels. Their needs and viewpoints are reflected in all our strategic initiatives and practices, which can be summarized in six main pillars:

- Professional growth and career development.
- Effective communication.
- Culture, ethical professionalism and transparency.
- Sustainable economic and social well-being.
- An inclusive work environment.
- Integrity and credibility.

We, in CINET, believe that human element is the basis of our success and, hence, we are keen to develop our cadres and attract the best talents to complete the Company's journey, as we invest in training and development and provide our employees with the best training programs.

CINET is keen to have a professional and flexible communication circle to represent the voice of employees and work to support their requirements and respond to their inquiries. We are proud in the Company that, during 2023, the female component constituted 35.6% of our total workforce, with an emphasis on our endeavor to increase that percentage by attracting talents and competencies that suit the Company's vision.

Shareholders and Stakeholders' Rights:

At Kuwait Credit Information Network Company, we ensure the protection of the rights of shareholders and stakeholders by implementing policies and procedures that guarantee fair treatment for all shareholders, including minority stakeholders. CINET's shareholders enjoy equal rights without discrimination and are entitled to attend the (ordinary and extraordinary) general assembly meetings and vote on its topics. They also have the right to select members of the Board of Directors, as well as the right to obtain profits, information and data related to the Company's activities and all rights due thereto in accordance with what is stated in the Memorandum and Articles of Association, as well as in accordance with the instructions organized by the regulatory authorities.

Governance Requirements in the Annual Report:

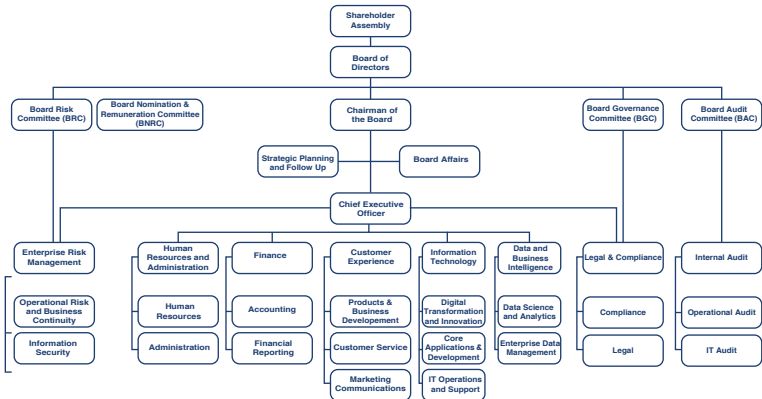
Equities as on 30/09/2024

S.	Entity	Equity Type	Percentage (%)
1	Central Bank of Kuwait	Direct	12.28
2	Kuwait Finance House	Direct	12.28
3	Kuwait International Bank	Direct	9.64
4	National bank of Kuwait	Direct	8.64
5	Boubyan Bank	Direct	7.14
6	Al Ahli Bank of Kuwait	Direct	6.14
7	Commercial Bank of Kuwait	Direct	6.14
8	Bank of Bahrain and Kuwait	Direct	6.14
9	Gulf Bank	Direct	6.14
10	Burgan Bank	Direct	6.14
11	Commercial Facilities Company	Direct	6.14
12	Arzan Financial Group for Financing and Investment	Direct	6.14
13	Warba Bank	Direct	3.50
14	Yaas Instalments Credit Facilities Company	Direct	1.31
15	Al Amana International General Trading Company	Direct	1.09
16	Yousuf Ahmed Al-Ghanim and Sons Company	Direct	1.09

Board Members Duties and Responsibilities:

1) Board of Directors General Responsibilities

The Board of Directors bears full responsibility for CINET, including setting its strategic objectives and governance standards, as well as the responsibility for implementing them and supervising the integrity of their application, in addition to the responsibility for supervising the Executive Management, including the CEO. The Board of Directors bears all responsibilities related to the Company's operations and financial soundness, ensuring that CBK's requirements are met, preserving the interests of shareholders, employees and other stakeholders and confirming that the Company's management is carried out prudently and within the framework of the applicable laws and instructions and the Company's internal policies.



Governance Report

The Final Governance Report The Fiscal Year Ended On 30/09/2024

Board of Directors Composition:

CINET's Board of Directors consists of seven members elected by the General Assembly. Pursuant to the Ordinary General Assembly meeting held on 28 May 2024, the Board of Directors was elected from the shareholder members with the approval of the General Assembly and the relevant authorities, in accordance with CBK's Resolution No. (90-B/439/2019) regarding Experts Rules and Regulations as provided for in Article (9) of Law No. (09) of 2019 Regulating the Exchange of Credit Information, in terms of CINET Board membership candidates. On behalf of the Board of Directors, the Nominations and Remuneration Committee, emanating therefrom, examined the papers of the candidates elected for the Board of Directors for the new round (2023 - 2026). It was confirmed that all candidates fulfilled the requirements stipulated in the aforementioned CBK's resolution.

The Role of the Chairman of the Board of Directors

In the context of the importance of this role, the Chairman of the Board of Directors works to ensure smooth conduct of the Board of Directors' work, maintain mutual trust among members and ensure that the Board of Directors makes decisions based on sound foundations and thorough information. He also seeks to exchange viewpoints within the Board of Directors and ensure that sufficient information reaches each of the Board members and shareholders in a timely manner.

He also undertakes a major role in maintaining a constructive relationship between the Board of Directors and Executive Management, ensuring that sound governance standards are provided by the Company.

Name	Position	Academic Qualification and Practical Experience	Joining date
Mrs. Alia Bader Al-Humaidhi Chairman of the Board Representing the Central Bank of Kuwait	Chairman of the Board of Directors	Holder of Bachelor's degree in Finance and Master's in Business Administration from Gulf University for Science and Technology. She has held many leadership positions in the Banking Sector, in addition to assuming the position of Vice Chairman of the Board of Directors of the Tourism Enterprises Company K.S.C. She also holds Leadership Program Certificate in the Implementation of Leading Strategies in Financial Services from Harvard Business School, USA, Certificate in Strategic Management and Leadership Program from Fordham University, New York, USA, and the Specialized Certificate in Project Implementation Program from Sun Yat-Sen University - People's Republic of China. This is in addition to several other training and leadership programs inside and outside the State of Kuwait.	03/03/2024
Mr. Mohammed Youssef Al-Kharafi Vice Chairman of the Board of Directors Representing the National Bank	Vice Chairman of the Board	Holder of a Bachelor of Administrative Sciences, specializing in Business Administration, from the Arab Open University - State of Kuwait. He has extensive experience in the banking and financial field, where he held many positions, starting with the position of Branch Manager in NBK's Local Branches Department, Banking Services Group. He then held the position of Director in the Personal Banking Services Group and gradually progressed to the Operations General Manager position in the Operations and Information Technology Group. He finally held the position of Head of Operations and Information Technology for the Group at the National Bank in 2023. He was also a BOD member of Kuwait Credit Information Network Company in 2019.	03/03/2024
Mr. Khaled Jassim Al-Subaie Board Member Representing Kuwait Finance House	Member	Holder of a Bachelor's degree in Commerce, majoring in Accounting, from Kuwait University in 1993. He has experience in the banking and financial field, as he started his career in the banking sector, specifically at the National Bank, as an Assistant General Manager until 2015. He then moved to Warba Bank and assumed the position of Head of Sales and Distribution Channels until 2016. Finally, he was appointed at Kuwait Finance House as Deputy General Manager and Marketing of Banking Services. He was also a member of the Board of Directors of Kuwait Credit Information Network Company in 2020 and a member of the Board of Directors of the Shared Electronic Banking Services Company in 2016.	03/03/2024

Mr. Ahmed Faisal Al-Qatami Board Member Representing Warba Bank	Member	Holder of a Bachelor's degree in Business Administration from Portland State University - USA, and has experience in the financial and banking field, where he held several positions, the last of which was Head of the Retail Banking Group at Warba Bank. He was a member of the Board of Directors of several companies such as Kuwait Real Estate Company in 2003, National Takaful Insurance Company in 2016, and Arzan Financial Group for Financing and Investment in 2014.	14/05/2024
Mr. Abdullah Abdul Mohsen Al-Mejhem Board Member Representing Boubyan Bank	Member	Holder of a Bachelor's degree in Accounting from Kuwait University in 2001 and a Master's degree in Business Administration from General Administration (Finance and Financial Institutions), Kuwait University in 2006. He then assumed then position of Investment Supervisor at Kuwait Finance House in 2006, after which he progressed through several positions till he assumed the position of Market and Liquidity Risk Management Director, then gradually to Private Financial Services General Manager in 2021. Finally, he moved to Boubyan Bank in the position of the Head of Private and Personal Banking Services. He was also a Board member of Al-Enmaa Real Estate Company K.S.C.P. in 2021.	03/03/2024
Mr. Ahmed Abdulaziz Al-Humaid Board Member Representing Arzan Financial Group for Financing and Investment	Member	Holder of a Bachelor of Science in Computer Systems and Information Technology on 26/02/2004 from Washington International University, USA. He obtained a Master's degree in E-Commerce Business Administration from Delmon University of Science and Technology. He joined the banking and investment sector, starting with the Industrial Bank of Kuwait, in the position of Senior Information Technology Projects Officer, in 2014, and then Arzan Financial Group Company for Financing and Investment in the position of Information Systems and Administrative Affairs Manager, from 2014 to date.	03/03/2024
Mr. Mohammed Bader Al-Qattan Board Member Representing Gulf Bank	Member	Holder of a Bachelor of Science in Applied Statistics from Kuwait University in 1999 and a Master's degree in Strategic Public Administration from Kuwait Mastricht College of Management in 2008. He joined the banking sector in 2004 by holding the position of Senior Manager of Planning and Development in 2014. He then moved to Gulf Bank as Assistant General Manager - Personal Credit in 2018 and gradually assumed the position of General Manager of Personal Banking Services. He was also a member of the Public Institution for Social Security in 2017, a member of Kuwait Credit Information Network Company in 2020 and also in Priority Automobile Company in 2013 and a member of the Board of Directors of Oula Wasata Company in 2014.	03/03/2024

Governance Report

The Final Governance Report The Fiscal Year Ended On 30/09/2024

Board of Directors and Executive Management Relationship

CINET features obvious cooperation and a clear definition of powers between the Board of Directors and Executive Management therein, which is one of its key pillars of governance, where the Board of Directors guides and leads, while the Executive Management is responsible for preparing and implementing the strategies and policies approved by the BOD, emphasizing the independence of the Board of Directors and its members from the Executive Management. The Board of Directors ensures that Executive Management activates policies related to granting or limiting activities and relationships that may impact the quality of the Company's governance rules, such as conflicts of interest and bonus policies.

Organization of the BOD's Work

As part of the current session, which began in accordance with Board of Directors Resolution No. 07 (2023-2024), dated 28/05/2024, the Board of Directors held (10) meetings and (3) meetings by circulation during 2024, as meetings are called whenever the need arises. The number of meetings held exceeds the supervisory requirements and those related to corporate governance, where the least of six (6) meetings shall be held during the year, with at least one meeting per quarter. The decisions passed within the meetings were mandatory and became part of the Company's records.

Board of Directors Responsibilities and Tasks:

The duties and responsibilities of the Board of Directors include the following, for example:

- Approving the Company's significant objectives, strategies, plans and policies.
- Approving annual estimated budgets and approving interim and annual financial statements.
- Supervising the Company's major capital expenditures.
- Ensuring that the Company adheres to policies and procedures that guarantee its respect for internal laws and regulations.
- Forming specialized committees according to a charter that clarifies each committee's term, powers and responsibilities, and how the Board of Directors shall monitor it.
- Ensuring the CINET's approved policies and regulations are transparent and evident in a manner that supports the decision-making process and the segregation of powers and authorities between the Board of Directors and the Executive Management.
- Determining the powers delegated to the Executive Management, decision-making procedures and duration of delegation. The Board of Directors also determines the issues on which it reserves the authority to decide.
- Monitoring and supervising the performance of the Executive Management members, ensuring that they perform all their duties.
- Determining bonus segments that will be granted to employees, such as fixed or performance-related bonus segment.
- Appointing or dismissing any member of the Executive Management, including the CEO and those in similar positions.
- Periodically ensuring the effectiveness and adequacy of the internal control systems in place in the Company.
- Approving the report of the Sharia Supervisory Board for the fiscal year ended 30/09/2024.

The Board of Directors has fulfilled its duties and responsibilities in accordance with the instructions of the regulatory authorities within one year, the most significant of which include the following, for example:

- Approving the interim and annual financial statements.
- Approving CINET's Strategic Plan.
- Adopting and reviewing periodic reports.
- Preparing the Board of Directors' report and the Governance Report.
- Holding the Company's ordinary and extraordinary general assembly.
- Evaluating the performance and work of the committees emanating from the Board of Directors and reviewing the reports issued thereby.
- Monitoring, supervising and evaluating the performance of Executive Management and reviewing the reports issued thereby.

Board of Directors Meetings

Board of Directors Meetings

Meeting No.	1	2	3	4	5	6	7	8	9	10	1 by Circ.	2 by Circ.	3 by Circ.
Meeting Date	12/10/23	7/12/23	6/2/24	10/3/24	10/3/24	21/5/24	28/5/24	12/6/24	25/7/24	24/9/24	02/01/24	02/04/24	28/05/24
Alia Bader Al-Humaidhi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Nasser Muhammad Al-Qaisi	✓	✗	✗	✓	✓	✓	-	-	-	-	✓	✓	-
Fahed Othman Al-Bader	✓	✓	✓	✓	✓	✓	-	-	-	-	✓	✓	-
Abdulaziz Saleh Al Zaabi	✓	✓	✗	✓	✓	✗	-	-	-	-	✓	✓	-
Muhammad Habib Al Balushi	✓	✓	✓	✓	✓	✓	-	-	-	-	✓	✓	-
Khaled Abdullah Al-Ali	✓	✓	✓	✓	✓	✓	-	-	-	-	✓	✓	-
Yasser Mohammed Al-Saad	✓	✓	✓	✓	✓	✓	-	-	-	-	✓	✓	-
Mohammed Yousef Al-Kharafi	-	-	-	-	-	-	✓	✓	✓	✓	-	-	✓
Fahed Othman Al-Bader	-	-	-	-	-	-	✓	✓	✓	✓	-	-	✓
Khaled Jassim Al-Subaie	-	-	-	-	-	-	✓	✗	✓	✓	-	-	✓
Mohammed Bader Al-Qattan	-	-	-	-	-	-	✓	✓	✓	✗	-	-	✓
Ahmed Abdulaziz Al-Humaidi	-	-	-	-	-	-	✓	✓	✓	✓	-	-	✓
Ahmed Faisal Al-Qatani	-	-	-	-	-	-	✓	✓	✗	✓	-	-	✓
Abdullah Abdul Mohsen Al-Mejem	-	-	-	-	-	-	✓	✓	✗	✓	-	-	✓

* All meetings were held until 28/05/2024 for the previous Board of Directors for the period (2021/2023). Pursuant to the General Assembly meeting, dated 28/05/2024, the members of the Board of Directors were elected for the next three-year fiscal period (2023/2026).

✓ Attended the meeting ✗ Could not attend the meeting - Could not attend the meeting

Composition of the Board of Directors and the committees emanating therefrom

First: Formation of the Board of Directors, the Chairman and Vice-Chairman of the Board of Directors, based on the shareholders' approval issued pursuant to the Ordinary General Assembly Meeting of Kuwait Credit Information Network Company for the business of the fiscal year ending on 30/09/2023, held on 28/05/2024, on electing the Board of Directors for the next three fiscal years (2023-2026), namely:

- Central Bank of Kuwait.
- National Bank of Kuwait.
- Kuwait Finance House.
- Gulf Bank.
- Boubyan Bank.
- Warba Bank.
- Arzan Financial Group Company for Financing and Investment.

Pursuant to Article (19) of the Company's articles of association, which stipulates that the board of directors shall elect, by secret ballot, a chairman and a vice chairman, where the Chairman of the Board of Directors shall represent the Company in its relations with third parties and before the judiciary, in addition to other powers as specified in the Company's Memorandum of Association. His signature shall be considered as the signature of the Board of Directors in the Company's relations with others. He shall also implement the Board's decisions and shall abide by its recommendations. The chairman shall dismiss vice chairman

Ms. Alia Bader Al- Humaidhi

Chairman of the Board of Directors

Mr. Mohammed Yousef Al- Kharafi

Vice Chairman of the Board of Directors

Governance Report

The Final Governance Report The Fiscal Year Ended On 30/09/2024

Tasks and Responsibilities of the Committees Emanating from the Board of Directors

CINET's Board of Directors has formed committees to assist in carrying out tasks and enhancing oversight of the Company's key operations. Those committees have been formed according to the diversity of the Company's activities and fields, and all Board members participate in the committees' activities. The Board of Directors has also approved the committees' charters which explain their responsibilities, tasks, and scope of work.

The Board of Directors committees include the following:

- Audit Committee.
- Nominations and Remuneration Committee.
- Risk Committee.
- Governance Committee.

Governance Committee	Nominations and Remuneration Committee	Audit Committee	Risks Committee
1) Mrs. Alla Bader Al-Humaidhi	1) Mr. Mohammed Yousef Al-Kharafi	1) Mr. Mohammed Bader Al-Qattan	1) Mr. Ahmed Abdulaziz Al-Hamid
2) Mr. Mohammed Yousef Al-Kharafi	2) Mr. Khaled Jassim Al-Subale	2) Mr. Ahmed Abdul Aziz Al-Hamid	2) Mr. Khaled Jassim Al-Subale
3) Mr. Abdullah Abdul Mohsen Al-Majhim	3) Mr. Ahmed Faisal Al-Qatami	3) Mr. Ahmed Faisal Al-Qatami	3) Mr. Mohammed Bader Al-Qattan

First: Audit Committee

The Audit Committee has been formed with the aim of assisting the Board of Directors in fulfilling its supervisory responsibilities over the Company's accounting operations, financial regulatory systems and internal audit controls, in addition to the tasks of managing financial reports with external and internal auditors to ensure compliance with regulatory requirements.

The Audit Committee's tasks and responsibilities are to supervise the Company's financial regulatory systems and controls and its reporting processes, including the following, for example:

- Providing recommendations regarding the appointment, termination of work or fees determination of external auditors, or any conditions related thereto or to their qualifications. This is in addition to evaluating the extent of their objectivity in expressing their professional opinion, as well as rotating auditor partners in accordance with regulatory requirements.
- Reviewing internal audit group's charter, work manual and accounting policies.
- Approving the internal audit plan, discussing internal audit reports and following up on correction and remedial steps on a quarterly basis.
- Discussing the results of the interim and final audit process with the external auditors, resulting reservations and any other matters that the external auditors wish to discuss.
- Establishing appropriate standards to ensure the implementation of external audits.
- Periodical review of documents, reports and accounting information, as well as reviewing the financial statements with the Executive Management and the external auditor before presenting them to the Chairman of the Board of Directors.
- Reviewing accounting issues with material impact on the financial statements.
- Supervising the Company's internal control systems and ensuring the adequacy of human resources allocated to oversight functions.
- Approving internal audit plan, discussing internal audit reports and following up on correction steps on a quarterly basis.
- Carrying out any other activities consistent with the Company's Articles of Association and applicable laws, as the Board of Directors deems appropriate.

The Audit Committee is authorized to obtain any information from the Executive Management, in addition to its

right to summon, through official channels, any executive employee or Board member to attend its meetings. The Committee is also responsible for monitoring the adequacy of the Company's internal control systems.

(Names of the Audit Committee members and the number of meetings held by the Committee during the year 2023-2024)

Meeting No.	1	2	3	4	1 by Circ.	5	6
Meeting Date	03.10.23	21.10.23	01.02.24	08.05.24	10.03.24	03.07.24	17.09.24
Abdulaziz Saleh Al Zaabi	✓	✓	✓	✓	✓	-	-
Muhammad Habib Al Balushi	✓	✓	✓	✓	✓	-	-
Khaled Abdullah Al Ali	✓	X	X	✓	✓	-	-
Mohammed Bader Al Qattan	-	-	-	✓	✓	✓	-
Ahmed Faisal Al Qatami	-	-	-	✓	✓	✓	✓
Ahmed Abdul Aziz Al Hamid	-	-	-	✓	✓	✓	✓

* All meetings were held until 28/05/2024 for the previous Board of Directors for the period (2021/2023). Pursuant to the General Assembly meeting, dated 28/05/2024, the members of the Board of Directors were elected for the next three-year fiscal period (2023/2028).

✓ Attended the meeting X Could not attend the meeting - Could not attend the meeting

Second: Nominations and Remuneration Committee

The main role of the Nominations and Remuneration Committee is to help the Board of Directors to fulfill its obligations pertaining to identifying qualified persons to occupy Board membership on behalf of their shareholder representatives, members of the Board of Directors and Executive Management, in addition to evaluating the performance of the Board of Directors and its committees and to assist the Board of Directors in supervising the management of remuneration systems for the Executive Management members and the Company's employees.

The Nominations and Remuneration Committee's main functions include the following, for example:

- Issuing recommendation regarding identifying persons qualified for the Board of Directors membership based on CBK's approved policies and standards regarding nomination controls. Recommendations include all candidates, including those whose nomination the Committee does not recommend, yet based on sound and objective justifications.
- Preparing the powers and competencies of each executive or leadership position in the Company, determining the employee responsibilities and qualifications required in cooperation with human resources and relevant departments.
- Reviewing nominations and appointments for leadership and executive positions during the fiscal year ended 30/09/2023.
- Conducting a periodic review of the Remuneration Policy, or upon the recommendation of the Board of Directors, submitting recommendations to the Board of Directors to amend or update the said Policy.
- Conducting a periodic evaluation of the adequacy and effectiveness of the Remuneration Policy to ensure the achievement of its stated objectives.
- Providing the necessary recommendations to the Board of Directors regarding Board members' remuneration.
- Reviewing the promotions proposed by the Executive Management, expressing an opinion thereon and following up on the development of the Company's training and development plans.

(Names of the members of the Nominations and Remuneration Committee and the number of meetings held by the Committee during the year 2023-2024)

Meeting No.	1	2	3	4	1 by Circ.	5	6	7
Meeting Date	15.11.23	25.12.23	10.01.24	10.01.24	10.03.24	06.06.24	22.07.24	04.09.24
Nasser Mohammed Al-Qaisi	✓	✓	✓	✓	✓	-	-	-
Fahed Othman Al-Bader	✓	✓	✓	✓	✓	-	-	-
Yasser Mohammed Al-Saad	✓	✓	✓	✓	✓	-	-	-
Mohammed Yousef Al-Kharafi	-	-	-	-	-	✓	✓	✓
Khaled Jassim Al-Subale	-	-	-	-	-	✓	✓	X
Ahmed Faisal Al-Qatami	-	-	-	-	-	✓	X	✓

* All meetings were held until 28/05/2024 for the previous Board of Directors for the period (2021/2023). Pursuant to the General Assembly meeting, dated 28/05/2024, the members of the Board of Directors were elected for the next three-year fiscal period (2023/2028).

✓ Attended the meeting X Could not attend the meeting - Could not attend the meeting

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Third: Risk Committee

The main role of the Audit Committee is to assist the Board of Directors in performing its duties in generally supervising the current risk conditions, risk strategies, especially the Company's risk appetite in terms of security and confidentiality of information and cybersecurity, as well as the policies and procedures of the risk management work and the units affiliated thereto.

The Risk Committee carries out several tasks and responsibilities, including the following for example:

- Evaluating CINET's risk management metrics, risk propensity metrics, risk strategy and other related metrics, proposing recommendations to the Board of Directors.
- Reviewing and discussing quarterly risk management reports.
- Providing support to the risk management function to ensure that the scope of work is achieved effectively and independently.
- Approving the appointment and/or resignation of the Risk Management Director and evaluating his annual performance.
- Reviewing and discussing cybersecurity risks and the procedures adopted to cover them by the Information Technology Department in light of the regulatory instructions issued in their regard.
- Reviewing the charter, policies and work procedures of the Risk Management and its affiliated units, developing them on an ongoing basis.

(Names of the members of the Risk Committee and the number of meetings held by the Committee during the year 2023-2024)

Meeting No.	1	2	3	4	5
Meeting Date	30.10.23	25.12.23	14.05.24	03.07.24	25.07.24
Nasser Mohammed Al-Qaisi	✓	✓	✓	-	-
Fahed Othman Al-Bader	✓	✓	✓	-	-
Abdul Aziz Al-Zaabi	✓	✓	✓	-	-
Mohammed Habib Al-Balushi	✓	✓	X	-	-
Mohammed Bader Al-Qattan	-	-	-	✓	✓
Khaled Jassim Al-Subaie	-	-	-	✓	✓
Ahmed Abdulaziz Al-Humaid	-	-	-	✓	✓

* All meetings were held until 28/05/2024 for the previous Board of Directors for the period (2021/2023). Pursuant to the General Assembly meeting, dated 28/05/2024, the members of the Board of Directors were elected for the next three-year fiscal period (2023/2026).

✓ Attended the meeting X Could not attend the meeting Could not attend the meeting

Fourth: Governance Committee

The main role of the Governance Committee is to provide continuous support and assist the Board of Directors in performing its monitoring and supervisory responsibilities related to the implementation of the governance framework, ensuring the application and dissemination of governance culture at the level of all CINET's units and departments, monitoring the implementation of governance policies effectively and independently, providing reinforcements and recommendations regarding sound governance practices, in addition to developing governance manuals and policies, monitoring compliance with their implementation and ensuring compliance with governance policies and procedures by the Board of Directors, its committees and the Executive Management.

The tasks of the Governance Committee include the following, for example:

- Developing a comprehensive governance framework and manual and submitting suggestions for updating and changing them in accordance with the updates that occur in this regard.
- Reviewing the adequacy of the Company's policies, procedures and practices with regard to governance standards.
- Reviewing and evaluating the effectiveness of the rules of professional conduct, the rules of work ethics and other policies approved within the Company.
- Preparing a governance report to be submitted to the General Assembly as part of the Company's annual report.

- Conducting an annual performance evaluation regarding the Committee and its tasks, with an annual review of its powers and authorities.

(Names of the members of the Governance Committee and the number of meetings held by the Committee during the year 2023-2024)

Meeting No.	1	2	3	4
Meeting Date	14.09.23	10.03.24	06.06.24	18.09.24
Alia Bader Al-Humaidhi	✓	✓	✓	✓
Khaled Abdullah Al-Ali	✓	✓	-	-
Yasser Mohammed Al-Saad	✓	-	-	-
Mohammed Yousef Al-Kharafi	-	-	✓	✓
Abdullah Abdulmohsen Al-Mejhem	-	-	✓	✓

* All meetings were held until 28/05/2024 for the previous Board of Directors for the period (2021/2023). Pursuant to the General Assembly meeting, dated 28/05/2024, the members of the Board of Directors were elected for the next three-year fiscal period (2023/2026).

✓ Attended the meeting X Could not attend the meeting - Could not attend the meeting

Executive Management Duties and Responsibilities

The Executive Management team is responsible for managing CINET's day-to-day business as delegated thereto by the Board of Directors. The CEO assumes the presidency of the executive body, consisting of the Legal Department, Compliance Department, Financial Department, Information Technology Department, Risk Management, Products Development Department, Customer Service, Marketing and Business Development Department, Human Resources and General Administrative Services Department.

The Executive Management implements the effective policies and control methods approved by the Board of Directors of Directors within the framework of CINET's strategy and objectives as established thereto and as approved by the Board of Directors, so as to ensure the continuity of work without obstacles or violations.

The Executive Management undertakes the following tasks, for example:

- Determining CINET's strategic objectives, future directions and (short-term – long-term) aspirations.
 - Developing CINET's annual estimated budget and business plan during the fiscal year.
 - Ensuring the existence and implementation of policies for all CINET operations and activities.
 - Setting and managing risks objectives and targeted returns within the scope of the permissible policy and consistently with the Company's Articles of Association.
 - Determining the general criteria for performance evaluation, based on the specified risk level.
 - Reviewing performance rates of all CINET's departments, developing and improving them and taking appropriate action in their regard.
 - Ensuring that the Company carries out all its activities and purposes pursuant to the highest ethical standards, adhering to the letter and spirit of the laws, controls and rules of professional conduct.
- It is worth noting that the above-mentioned tasks are in addition to the specific functional responsibilities of the Executive Management team and the strategic objectives set for them as stated in the Company's Policy Manual established in this regard.

Sharia Supervisory Board

The Sharia Fatwa Board is an integral part of the internal control system to ensure the adequacy and effectiveness of CINET's Sharia control system, as well as to provide reasonable assurance that the Company's management has fulfilled its responsibility in terms of implementing the provisions, principles and standards of Islamic Sharia, in addition to verifying the Company's compliance in all its transactions, activities, contracts and forms used with the provisions and principles of Islamic Sharia, contributing to creating a climate of trust among its customers s and shareholders consistently with the provisions and principles of Islamic Sharia. Sharia Supervisory Board's terms of reference are as follows:

- Expressing legal opinion on any of CINET's contracts, transactions, activities, projects or actions.

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- Verifying CINET's compliance with the provisions of Islamic Sharia by reviewing relevant documents, examining transactions' terms, contracts and agreements prior to concluding them by the Company, so as to ensure that their terms are consistent with the rules and principles of Islamic Sharia.
- Submitting recommendations to approve or disapprove any transaction, contract or any dealings or documents that are not consistent with the provisions and principles of Islamic Sharia, as well as suggestions for amending them in accordance with the principles of Islamic Sharia.
- Examining any other matters referred by the Company's Legal Department or by the Board of Directors within the scope of its powers.
- Submitting an annual report to CINET's General Assembly that includes its opinion on the extent to which the Company's business and activity are compatible with the provisions of Islamic Sharia and the extent of the Company's management's commitment to the opinions expressed by the Sharia Supervisory Board and any observations it has on the Company's work. This report shall be included in the Company's annual report, where the opinion shall be made by majority vote of the Sharia Supervisory Board members in case a majority cannot be attained or in case of disagreement among them.

Pursuant to the Company's General Assembly meeting, held on 28/05/2024, Al Mashora & Al Rayah for Islamic Financial Consulting Co. is appointed to provide Sharia supervision services as members of the Fatwa and Sharia Supervision Board for the Company's business for the fiscal year ended 30/09/2024. The BOD consists of three members and issues Fatwas and Sharia decisions, in addition to ensuring that the Company, its operations and contracts comply with the teachings of Islamic Sharia. During the fiscal year ended 30/09/2023, the Sharia Supervisory Board issued fourteen (14) decisions. CINET has not issued any new policies or procedures for products and activities during that period and the Sharia Supervisory Board concluded by emphasizing that the contracts and operations concluded by the Company during the ended fiscal year were carried out in accordance with the provisions of Islamic Sharia.

Members of the Sharia Supervisory Board:

- 1) Dr. Abdulaziz Khalifa Al-Qassar - Chairman
- 2) Dr. Ali Ibrahim Al-Rashed - Member
- 3) Dr. Issam Khalaf Al-Enezi - Member

Wages and Remuneration Policy

- CINET Wages and Remuneration Policy has been developed in consistency with the strategies and objectives established by the Board of Directors and pursuant to the provisions of the Kuwaiti Private Sector Labor Law No. (01) of 2010, as amended, as well as the rules and requirements of the corporate governance issued by CBK and the recommendations issued by the Nomination and Remuneration Committee emanated from the Board of Directors. This Policy conforms to the best adopted practices and is applied in a balanced manner considering the latest standards to attract, retain and motivate qualified employees. The Company's Variable Remuneration Policy stems from the performance evaluation culture that aligns employees' interests with shareholders' interests. These elements contribute to achieving the objectives set through creating a balance between remunerations, short-term results and long-term sustainable performance. This strategy has been developed to share the Company's successes and align employees' incentives with the risk framework. Employees' competencies and long-term commitment are the main factors for the Company's success. Therefore, CINET is seeking to attract the best cadres committed to work and motivate them to achieve shareholders' long-term interests.

- CINET robust and effective Governance Framework ensures that the Company is operating under clear strategic standards and effective Remuneration Policy. The Nomination and Remuneration Committee emanated from the Board of Directors is mandated to supervise all matters related to wages, remunerations and full compliance with the regulatory requirements. The company's Wages and Remuneration Policy consider the role of each employee, and sets directives based on whether the employee is able to bear risks or is an approved employee whose appointment requires CBK's prior approval given the importance of his role in the company, or from conformity and compliance or technical support functions. The Company's employee is also considered to bear significant risks if he heads one of the important departments and any employee falling within his department, who has a tangible impact on CINET's magnitude of risks.

- The Nominations and Remuneration Committee supervises all remunerations granted to CINET

employees, as it is considered the supervisor and regulator of the relevant work policies and procedures. This Committee is also responsible for developing and reviewing the variable remuneration policy, issuing related recommendations and submitting them to the Board of Directors for approval. It is further mandated to establish policies and governance framework for all wages and compensation decisions and to ensure that all eligible employees receive their remunerations in a fair and responsible manner. The Remuneration Policy shall be reviewed on a periodic basis to reflect changes that occur in the market, the business plan and the magnitude of the Company's risks.

- Employees' remunerations include both fixed and variable items, which include basic salary, allowances and annual bonuses. The basic salary is the employee's monthly salary, determined according to the performance evaluation criteria and the Company's job grading scale. Allowances are monthly amounts paid in addition to the salary and are specified based on the employee's job nature. Annual bonuses are remunerations paid to employees at the fiscal year end according to their performance evaluation and the Company's performance. However, incentives are schemes developed to motivate employees to increase production and enhance performance.

Risk Management

- CINET pays special attention to risk management and governance requirements, as its Board of Directors can understand and analyze the nature and magnitude of the risks facing the Company's business. Thus, it mitigates these risks to the maximum extent possible and determines the appropriate response procedure. Therefore, the Board of Directors has developed approaches for responding to risks through developing strategies and policies for risk management and appetite.

- The Executive Management has taken significant and effective steps to upgrade the risk measurement, monitoring and reporting systems. Risks exposures are further monitored, analyzed and reported to the Risk Committee, which provides relevant recommendations to the Board of Directors and the Executive Management. This in turn has positively impacted the Company, especially its final financial statements.

- CINET has established multiple functions under the umbrella of non-financial risks, which are consistent with the Company's risk management strategy and frameworks, including operational risks, business continuity management, technological risk management and cybersecurity risk management.

- Risk management focuses on strengthening capabilities needed to manage and monitor the key risks facing CINET, by identifying potential weaknesses and ensuring that appropriate plans and controls are being developed to address them and mitigate the resulting risks. Concerning technological risk management, it seeks to effectively optimize information technology services, ensure the required level of compliance and ensure the effectiveness of the internal control environment.

- The Business Continuity Unit is constantly working to develop and implement a business continuity framework, which includes business recovery strategies, crisis management plans, and business resilience programs. This is to enable an effective response to service failures and protection of the interests of the Company, participating members, customers and shareholders.

- Given the increasing importance of information security in banking and financial activities and the challenges associated with the risks resulting from the rapid development of modern technologies in credit and banking sectors and considering CBK instructions issued on 10/09/2019 regarding Corporate Governance Rules and Regulations in Kuwaiti banks, the management has assumed responsibility for the ongoing monitoring of the external security threats related to the network and technological systems and for detecting these threats and developing prevention methods to ensure the integrity of internal and external data. Accordingly, rigid policies, procedures and standards have been established to prevent incidents, hacks and unauthorized access to databases and to ensure rapid recovery in the event of any cybersecurity breaches.

- The Board of Directors, through its affiliated Risk Committee, is responsible for the general supervision of CINET risks. Its responsibilities include reviewing and approving risk management policies, risk appetite, risk exposure and risk exposure limits and ensuring the availability of the required infrastructure and resources. Risk management seeks to strengthen the risk governance framework, support comprehensive policies that define

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the roles and responsibilities of relevant parties, consolidate the culture of risk management on an ongoing basis, provide guidance to all the Company's employees, provide advice to the Executive Management, the Board of Directors and its affiliated committees, especially in what concerns the Company's position and performance within the approved risk standards and issue recommendations to reestablish the Company's acceptable risk limits.

Compliance to Laws and Regulations:

- The Compliance and Conformity Framework adopted by the Board of Directors reflects the principles of promoting sound compliance practices and demonstrate the Company's commitment to the applicable legal and regulatory requirements and high professional standards. Accordingly, one of the roles of the Compliance Department is to assist the Executive Management in ensuring that all the Company's activities and employees comply with laws and regulatory instructions in accordance with the best professional standards and the relevant proper practices. The Compliance Department Director may refer to the Board of Directors through the Audit and Corporate Governance Committees, if necessary.

- Compliance risks are the risks of legal or regulatory penalties, material losses or damages to the Company's reputation as a result of non-compliance with the regulating laws, applicable rules and regulations and standards and rules of professional conduct. Compliance Policy outlines the Company's approach to manage compliance risks and the compliance program requirements and defines the roles and responsibilities of the Board of Directors, Executive Management, employees, internal audit, and the three lines model for managing compliance risks. These requirements together provide a comprehensive and risk-based approach applied to proactively identify, manage and escalate compliance risks throughout the Company. In addition, Compliance Policy also stipulates the requirements of reporting risks to the Executive Management and the Board of Directors or its affiliated committees. The Board of Directors monitors compliance risks mainly through the Audit Committee, the Governance Committee and the Nominations and Remuneration Committee.

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For the Fiscal Year Ended 30/09/2024



Our Shareholders & Subscribers

Shareholders

List of the company's shareholders	Number of Shares	Percentage %
Central Bank of Kuwait	20,244,000	12.281%
Kuwait Finance House	20,244,000	12.281%
Kuwait International Bank	15,906,000	9.649%
National Bank of Kuwait	14,257,560	8.649%
Boubyan Bank	11,770,440	7.140%
Al Ahli Bank of Kuwait	10,122,000	6.140%
Commercial Bank of Kuwait	10,122,000	6.140%
Bank of Bahrain & Kuwait	10,122,000	6.140%
Gulf Bank of Kuwait	10,122,000	6.140%
Burgan Bank	10,122,000	6.140%
Commercial Facilities Company	10,122,000	6.140%
Arzan Financial Group for Financing & Investment	10,122,000	6.140%
Warba Bank	5,784,000	3.509%
Yaas Installments Credit Facilities Company	2,169,000	1.316%
Alamana Finance Company K.S.C.Closed	1,807,500	1.096%
Yusuf Ahmed Alghanim & Sons WLL	1,807,500	1.096%
Total	164,844,000	100.00%

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Subscribers

Conventional, Islamic, and Foreign Banks

National Bank of Kuwait
Kuwait Finance House
Al Ahli Bank of Kuwait
Commercial Bank of Kuwait
Kuwait International Bank
Industrial Bank of Kuwait
Ahli United Bank
Bank of Bahrain & Kuwait
Qatar National Bank
First Abu Dhabi Bank
Gulf Bank of Kuwait
Burgan Bank
Boubyan Bank
Warba Bank
Bank Muscat
Doha Bank
Mashreq Bank
Al Rajhi Bank
Citibank N.A
BNP Paribas Bank
Industrial and Commercial Bank of China Limited
HSBC Bank Middle East Limited

Investment & Financing Companies Under the Supervision of the CBK

Commercial Facilities Company
Al Manar Financing & Leasing Co. K.S.C.C
Arzan Financial Group for Financing & Investment
Al Mulla International Finance Co. KSCC
UniCap Investment and Finance Company
Kuwait Financial Centre "Markaz"
Noor Financial Investment Company
Arab Investment Company
KAMCO Investment Company
Kuwait & Middle East Financial Investment Company
Al Riyada Finance & Investment Co. K.S.C
Aref Investment Group
Kuwait Investment Company
Kuwait Pillars for Financial Investment Company
Massaleh Investments Company
Aayan Leasing and Investment Company
Amar Finance & Leasing Company
Osoul Investment Company
Wared Lease & Finance Company
Rasameel Investment Company
National Leasing and Financing Company
Wafra International Investment Company
AlMasar Leasing and Investment Company
Hayat Investment Company
National Investments Company
KFIC For Financing Services Company
Watani Investment Company

Commercial Companies Under the Supervision of the MOCI

Yusuf Ahmed Alghanim & Sons WLL
Yaas Installments Credit Facilities Company
Alamana Finance Company K.S.C. Closed
Al Andalus Trading Company
Tashelat Al Duwailiya Company
Eureka Trading Co.
Easa Husain Al Yousifi & Sons General Trading & Contracting Company
Al Zayani Trading Company
Kuwait Automotive Imports Co. W.L.L.
Electron Electronics Company
Abyat Megastore
Al Masila United Group for Car Rental
Al Babbain Turnkey Solutions
Abdulmohsen Abdulaziz Al Babbain Company
Al Sayer Facilities General Trading & Contracting Company
KGL Car Rental Company W.L.L.
Blink Gaming Gadgets Electronics Company
First Equilease for Equipment & Transportation Company
Ezz Al Ekhtiar Co.
Rathaana Electronics Co.
Easy Buy Co.
Tmweeal Co for General Trading
Future Trade for General Trading Co.
iProviders Company for Retailing Electrical And Providing Credit
Homoud Abo Al Adel Trading and Contracting Co.

Semi-Governmental Institutions

The National Fund for Small & Medium Enterprise Development