



الأنصاري للخدمات المالية
ش.م.ع
AL ANSARI FINANCIAL SERVICES
P.J.S.C.

Transforming Tomorrow, Today



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AT A GLANCE

WHO WE ARE

Al Ansari Financial Services PJSC (The "Group") is one of the UAE's leading financial services groups, with a history rooted in trust, innovation, and customer-centricity. Established in 1966, the group has evolved from a single branch operation into a comprehensive financial services organisation that caters to millions of individuals, businesses and institutions globally.

Al Ansari Financial Services empowers its operating subsidiaries, Al Ansari Exchange, Al Ansari Exchange in Kuwait (full acquisition by the Group is currently ongoing and expected to be completed soon), Blue Remit, CashTrans, Al Ansari Digital Pay, BFC Group, and Al Ansari Financial Solutions India, to unlock their growth potential through synergy.

The Group's global platform provides cross-border payments, foreign currency exchange solutions, access to the Wage Protection System in the UAE, and other services such as bill collection and pre-paid cards, as well as payment technology solutions to consumers and businesses in the large and growing payments and foreign currency exchange and remittance market in the UAE.

Through its subsidiaries, Al Ansari Financial Services provides its products and services to a diverse range of customers, including:

- Retail: residents and inbound and outbound tourists.
- Corporates: large, medium and small enterprises in the UAE, global sending and receiving institutions and agents, and other exchanges.

The Group delivers its products and services through a comprehensive global network underpinned by its proprietary technology and relationships with third parties.



OUR REACH



Extensive Network

Our number of branches has reached 444 by the end of 2025, including the consolidation of BFC Group.



Global Coverage

We expanded our global reach by enabling seamless international money transfers to over 175 countries, supported by a strong network of 200+ partner banks and financial institutions through strategic partnerships.



Digital Solutions

Our state-of-the-art mobile app and online platforms offer secure, convenient, and efficient access to our services, enabling customers to complete transactions from anywhere.



Customer Engagement

We continued to expand our operating scale and deepen customer engagement, reaching 57 million transactions and reflecting strong demand for our services, growing customer trust, and our leading position in the market.

WHAT WE DO

Al Ansari Financial Services provides a comprehensive portfolio of financial solutions designed to cater to individuals and businesses alike:

Remittances

The Group provides remittances at its retail branches and via its digital channels, offering domestic and global money transfers through its proprietary money remittance platforms, Cash Express, Global Fund Transfer and Blue Remit, as well as through its money transfer operator partners. The Group offers remittances for its retail and corporate customers.

Bank Notes

The Group's retail and wholesale foreign currency exchange services primarily comprise the sale and purchase of foreign currency directly to and from retail and wholesale customers. The Group offers its bank notes services in over 85 currencies across all its branches. The Group also offers pre-paid cards as part of its retail foreign currency exchange services. Both the Group's TravelCard and FlexiblePay products are reloadable pre-paid cards that can store either single or multiple currencies on the card, and which also allow the conversion of such currencies to other currencies by the user. The Group's pre-paid cards can be purchased or reloaded in the Group's branches, online or through the mobile app.

Wage Protection System ("WPS")

The Group offers corporate payroll solutions, executing wage payments on behalf of companies operating in the United Arab Emirates in compliance with the directives of the UAE's Ministry of Human Resources & Emiratisation, under the Wage Protection System initiative.

Emerging Financial Solutions

Leveraging digital advancements to develop innovative digital solutions, ensuring financial inclusion and convenience for all customers. This includes the launch of digital wallet, offering secure digital payments, transfers, and value-added services that enhance accessibility and support the UAE's cashless economy vision.

Intergarted Cash Management Solutions

The Group provides Cash and Valuable Management solutions through CashTrans a company formed in 2011 providing secure cash and valuables transportation, processing, secure storage and security services to leading financial institutions, private enterprises and major corporates in the UAE.

Others Services

The Group's other offerings include comprehensive bill payment services, end-to-end cash management solutions, and secure cash collection and payout services delivered in partnership with leading government and private sector entities.

KEY HIGHLIGHTS - 2025



Transactions Processed

Successfully completed 57 million transactions, reflecting the trust of our customers.



Branches Opened

The Group's total number of physical branches reached 444 by the end of FY 2025, marking a net addition of 177 branches since FY 2024, including the consolidation of BFC Group.



Digital Growth

Digital adoption continued to accelerate, with digital transactions growing by 49%, supported by ongoing investments in platforms, customer journeys, and data-led capabilities.



New Initiatives

Digital wallet launched to serve the UAE's underbanked and unbanked communities. Additionally, the acquisition of BFC Group was completed.



Partnerships

Strengthened ties with international banking and payment networks, enhancing global payout capabilities. Forged impactful partnerships with BILRS Payment Services Provider Co LLC, Ruya Community Islamic Bank, ILOE Claims Payout (Dubai Insurance), and Future Milez (TASC Group).

OUR VISION AND VALUES

Vision

To be the customers' first choice for innovative financial services, creating value for our customers and contributing to the UAE's financial development.



Mission

To empower individuals and businesses with accessible, secure and innovative financial solutions that enhance their financial wellbeing and enable growth.



Values

We are driven by integrity, teamwork, excellence, innovation, strategic leadership and a deep commitment to our communities.



A GLIMPSE INTO THE FUTURE

Al Ansari Financial Services continues to position itself as a pioneer in the financial services industry. With a focus on digital transformation, inclusion, customer-centric solutions, and strategic growth, we are committed to meeting the evolving financial needs of our customers while maintaining the highest standards of service quality and security.



HISTORY & MILESTONES

Founded in 1966 by the Late Ali Abualhassan Al Ansari, the inaugural Al Ansari Exchange branch emerged at the Abu Dhabi Central Market. In the midst of the city's expansion, this bustling market became the primary nexus for trade, drawing in merchants and residents alike seeking a variety of goods. Simultaneously, Dubai's business epicenter resided in the souq for several years, boasting approximately 300 shops along the Deira side of the creek.

In December 1971, the formation the United Arab Emirates, sparked and propelled the growth of Al Ansari Exchange. The company has in its turn spearheaded numerous advancements for the nation, including an electronic system for its financial transactions, global money transfer services, travel cards, and a mobile app for seamless money transfers.

Under the stewardship of its Chairman Mohammed A. Al Ansari and other family members, pivotal roles have been played since the inception, transforming the business into a household name and positioning it as a leader in the remittance and foreign Exchange industry within the region. As the business continues its expansion, the steadfast commitment remains centered on addressing evolving customer needs and preferences. This commitment is evident in the strategic investment in digital channels, complemented by a sustained physical presence for in-person interactions.

Proud of the accomplishments achieved to date, Al Ansari Financial Services looks forward to the ongoing journey, emphasising its dedication to delivering comprehensive financial services and adapting to the dynamic financial industry landscape. This overview is presented in the annual report, showcasing the company's growth, resilience, and unwavering commitment to meeting the needs of valued customers.



GEOGRAPHICAL FOOTPRINT

Omni-channel presence

AAFS' integrated financial services platform caters to individual and corporate customers with omni-channel services that are made available to them at physical locations and on digital platforms, with personal attention and professional assistance as required.

Branches

The Group's total number of physical branches reached 444 by the end of FY 2025, marking a net addition of 177 branches since FY 2024, including the consolidation of BFC Group.

Digital facilities

Mobile App

Online platform

Smart counters

Mobile branches

Vehicles

53 armoured vehicles

Cash Management Center 1 state-of-the-art cash Management Facility

Cash And Valuable Management Centre

Special services

Relationship managers

Cross-feeding ecosystem

Combining market needs, regulatory stipulations, and technology infrastructure, the AFS ecosystem involves various players and processes to facilitate efficient and cost-effective transfer of funds across borders through traditional and digital means.

Remittance ecosystem

Remittances

Wage Protection System (WPS)

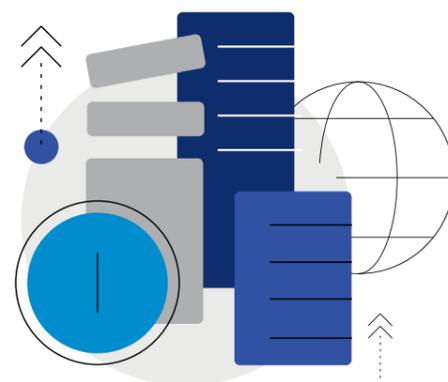
Blue Remit

Bank notes ecosystem

Pre-paid cards

Bank notes

CashTrans



HIGHLIGHTS OF 2025

Investor relations

Approved and distributed an interim cash dividend of AED 148.5 million for Q4 2025.

Customer commitment

- Partnered with Ruya Community Islamic Bank to enable customers to make cash deposits for Ruya accounts at any of Al Ansari Exchange's extensive branch network across the UAE.
- Collaborated with BILRS Payment Services Provider Co LLC, a global leader in bill payment solutions. Which enables customers to pay essential bills in their home countries, including utilities, education fees, DTH, and household services. It supports payments across India, Pakistan, the Philippines, Egypt and more. UAE services such as Dubai Police fines, Salik, NOL, and Mawaqif are also seamlessly accessible.
- Introduced a new cash payout service for Involuntary Loss of Employment (ILOE) insurance claims in partnership with the ILOE's Insurance Pool administered by Dubai Insurance PSC. This new service will enable claims under the ILOE scheme supervised by the Ministry of Human Resources and Emiratisation, ensures that beneficiaries receive timely support when they need it most, with the added convenience of our nationwide network.
- Partnered with Future Milez part of TASC Group for enabling cash deposit from their delivery riders & drivers.
- Enhanced the Plus Rewards programme through new partnerships, exclusive offers, and improved digital features. Introduced post-transaction emailers, launched the "Redeem & Win" campaign, and achieved 40% growth in customer participation.
- Provided a seamless customer experience via cash withdrawals and remittances through Al Ansari Exchange by enhancing branch-level ATM placements and expansions in collaboration with major UAE banks.

Strategic Expansion

The Group completed the acquisition of BFC Group, becoming the largest non-banking financial institution in the GCC. The deal strengthens its regional presence—#1 in Bahrain, #3 in Kuwait, and expanded access in India—while reinforcing its leadership in the UAE remittance and FX market. BFC's fintech expertise and digital solutions complement AAFS's growth strategy, boosting customer engagement. Finalisation of the integration process and realisation of synergies to be completed in 2026.

Emiratisation Initiative

- Achieved Al Ansari Exchange's Central Bank of the UAE (CBUAE) Emiratisation target of 22.78%.
- Surpassed our Emirati hiring target by bringing 559 new UAE Nationals into the organisation, reinforcing our commitment to developing local talent.
- Strengthened our talent pipeline through 56 dedicated open days, providing targeted opportunities to attract and engage UAE Nationals.
- Successfully hosted the opening ceremony of the new RAK Tele Sales Center, enhancing operational reach and capacity.
- Promoted cultural engagement and inclusion by celebrating Emirati Women's Day and Flag Day across Tele Sales Centers in Ras Al-Khaimah, Fujairah, and Sharjah, while National Day festivities were held at the Head Office.

Employee engagement

Our commitment to employee wellbeing remained a key focus in 2025, with initiatives promoting physical health, mental wellness, financial literacy, and cultural engagement. Highlights include:

- Sports & Fitness:** Weekly badminton, basketball, and football sessions; cricket tournaments; Dubai Fitness Challenge activities including runs, rides, yoga, and step competitions; FERG tournaments across cricket, football, and basketball.
- Health & Wellness:** Overall health screenings, dental and optics checks, mental health awareness campaigns, and breast cancer awareness initiatives.
- Learning & Engagement:** 'Learn & Win' competitions, financial literacy month, and regular HR newsletters.

Community Relations and Social Outreach

In 2025, the Group continued to strengthen its community engagement through meaningful initiatives, including visits to the Senior Happiness Home (Dubai), Elderly Hospital (RAK), Al Jalila Children's Specialty Hospital, and the Emirates Down Syndrome Association, alongside participation in the Clean UAE campaign.

As part of its decade-long Ramadan CSR tradition, the Group distributed 10,000 Iftar meals across all seven Emirates, contributing to a milestone of 100,000 meals provided to communities in need, supporting the UAE's 'Year of the Community 2025' and fostering social solidarity across the nation.

Awards and accolades

- Currency Exchange Firm of the Year - Al Ansari Exchange LLC (Finance Middle East Awards, Sept 2025)
- Best Remittance & FX Services Provider - Al Ansari Exchange LLC (MEA Finance Leaders in Payments, Sept 2025)
- Best Cross-Border Payments Technology Provider - Blue Remit Limited (MEA Finance Leaders in Payments, Sept 2025)
- Excellence in Recruitment of Local Candidates (Gold) - Al Ansari Financial Services PJSC (Economic Times Human Capital Awards, Oct 2025)
- Gold Level - Exceptional Efforts in Emiratisation - Al Ansari Exchange LLC (NAFIS Award, Oct 2025)
- Third Place - Large Sized Entities in Exchange Sector - Al Ansari Exchange LLC (NAFIS Award, Oct 2025)
- The Elite - Al Ansari Exchange LLC (Emirates Labour Market Award, Nov 2025)
- Middle East's Top 100 CEOs - Rashed A. Al Ansari Group Chief Executive Officer of AAFS Group, recognised among Forbes Middle East's in Nov 2025.



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STRATEGIC REVIEW

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CHAIRMAN'S MESSAGE



Mohammad A. Al Ansari
Chairman

Dear Shareholders and Stakeholders,

Fiscal year 2025 marked another milestone in the growth journey of Al Ansari Financial Services PJSC, reinforcing the Group's position as a leading integrated financial services provider in the United Arab Emirates. The acquisition of BFC Group during the year further expanded our footprint, strengthening our presence across the wider Gulf region and India. Operating in a dynamic economic environment characterised by evolving customer expectations, regulatory developments, and rapid digital transformation, the Group demonstrated resilience and adaptability.

The Group has been at the forefront of combining traditional financial services with advanced technology, enabling us to achieve operational excellence and connect more closely with our clients than ever before. Simultaneously, the United Arab Emirates stands as a global powerhouse of economic vitality and a leader in financial innovation—an ecosystem we have strategically harnessed to drive sustained value for our stakeholders.

The UAE is expected to grow strongly, with GDP forecasted to grow around 5.3% in 2026, driven by non-oil revenue. In addition, in October 2025, the UAE announced the largest federal budget in its history, totalling AED 92.4 billion. This budget reflected the 'We the UAE 2031' vision, which aims to build a diversified and resilient economy that is responsive to global changes and prioritises investment in people as the cornerstone of development.

The cabinet approved the Union General Budget for 2026 totalling AED 92.4 billion, compared to AED 71.5 billion in 2025, representing an increase of 29%.

To reflect the broader momentum of the United Arab Emirates in advancing long-term economic diversification and sustainable development, Dubai continues to implement forward-looking fiscal policies that reinforce its position as a global hub for business and innovation. To solidify Dubai's reputation as a land of opportunity and innovation, the emirate approved a total expenditure of AED 302.7 billion for the three-year budget cycle 2026–2028. This budget cycle, the largest in the emirate's history, aligns with ambitions to promote sustainable economic growth and enhance community well-being.

Al Ansari Financial Services remains committed to dividend distribution. The Board of Directors has proposed a second dividend payment for the year of AED 148.5 million, subject to shareholder approval at the upcoming Annual General Meeting. This dividend payout demonstrates our dedication to delivering consistent and sustainable returns to our shareholders. This brings the total dividend for 2025 to AED 297 million (4 fils per share), representing almost 74% of net profit after tax for the year.

As we move forward, we remain committed to shaping a financial services platform that is intelligent, inclusive, and resilient. Our ambition is clear: to reinforce our leadership across the UAE and the wider GCC, expand responsibly into high-potential markets, and continue delivering consistent and sustainable returns to our shareholders.

On behalf of the Board of Directors, I extend my sincere gratitude to our customers, employees, regulators, partners, and shareholders for their continued trust and support. Together, we will continue to build an institution defined by integrity, innovation, and enduring value.

2025 HIGHLIGHTS

Robust Financial Growth: Our strong financial results reflect the effectiveness of our strategic initiatives and operational efficiency. We have successfully balanced digital expansion with a strengthened physical presence, enhancing accessibility and customer engagement.

Accelerated Innovation and Technology: We have significantly increased our investment in cutting-edge technologies, particularly AI and automation, to enhance service delivery, fortify security, and drive financial innovation.

Enhanced Customer-Centricity: Our unwavering focus on customer satisfaction has led to significant enhancements in our digital platforms, providing seamless, personalised, and secure financial services.

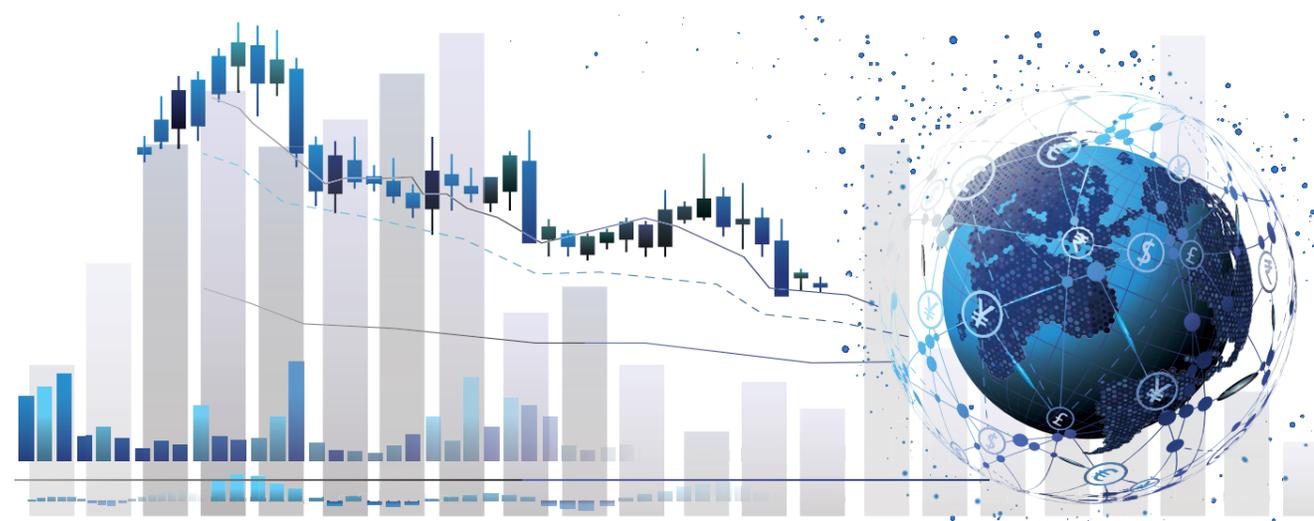
Alignment with the UAE's Vision: Our strategic direction is closely aligned with the UAE's ambitious economic vision. We are committed to supporting the nation's progress, promoting financial inclusion, and strengthening the economy.



MARKET OVERVIEW AND OUTLOOK

Al Ansari Financial Services: A Catalyst for Growth in the UAE and the Gulf Region

Al Ansari Financial Services is strategically positioned as one of the leading integrated financial services players in the UAE, enabling the mobility of money locally and globally. The Group operates in the UAE – one of the most rapidly developing countries globally, known for its strategic geographic location as a regional hub connecting Europe, Asia, and Africa, as well as a major tourist destination. Supported by a stable government, forward-looking and visionary economic policies, and an enabling business environment, the UAE continues to strengthen its appeal as a stable and attractive investment destination for both domestic and international investors.



Economic Landscape Overview

UAE (Abu Dhabi and Dubai) and GCC

Despite global uncertainties and ongoing geopolitical challenges, remittances have remained remarkably resilient. For many expatriates living in the United Arab Emirates, sending money home is more than a transaction—it's part of their way of life and a vital connection to their families and communities.

We saw this resilience clearly during the COVID-19 pandemic, when remittance services continued to operate as an essential service, ensuring people could support their loved ones even in the toughest times. The strength of the sector shows just how essential and trusted these services are.

The Central Bank of the United Arab Emirates reaffirmed that the country's banking and financial system remains robust, well-capitalised, and fully operational nationwide. The central bank said that all financial institutions continue to provide services without disruption, supported by advanced digital infrastructure and strong regulatory oversight.

Year 2026, is particularly special for Al Ansari Exchange as we celebrate our 60th anniversary. Over six decades, we've been proud to support communities across the UAE, helping people stay connected and ensuring that sending and receiving money remains simple, safe, and reliable.

According to the World Bank Gulf Economic Update, in December 2025, regional growth is projected to strengthen in 2026 as higher oil production and broad-based non-oil activity support economic expansion.

GCC Outlook

The Gulf Cooperation Council (GCC) economies are expected to sustain growth momentum supported by structural reforms and rapid digital innovation. Growth in the GCC economies is expected to reach 4% in 2025, accelerating further to 4.5% in 2026 supported mainly by faster growth in the UAE and Saudi Arabia. Non-hydrocarbon sectors, such as financial services, manufacturing, and wholesale and retail trade, are expected to remain resilient, underpinned by ongoing economic diversification initiatives, alongside increased oil production. Tourism and transportation sectors continue to play a pivotal role in this transition. In 2026, growth is projected to accelerate further to 4.5%, driven by a rebound in oil production and sustained momentum in the non-hydrocarbon activities.

Sustaining this trajectory will require continued progress on national Vision strategies and disciplined fiscal management to mitigate risks from oil price fluctuations, geopolitical tensions, and potential reform slowdowns.

Dubai's Gross domestic product (GDP) reached about AED 355 billion in the first nine months of the year until September 2025, including AED 113.8 billion in the third quarter alone.

The economy expanded by 4.7% during the nine-month period and by 5.3% in the third quarter compared with the same timeframe in 2024, reflecting broad-based activity across industries.

Human health and social work activities recorded the strongest growth, expanding 15.4% in the first nine months of 2025. The sector generated AED 5.3 billion in added value and accounted for 1.5% of GDP. Growth continued in the third quarter, rising 8.7% year-on-year to AED2 billion.

Financial and insurance activities also delivered a solid performance, growing 8.5% to reach AED 42.8 billion and contributing 12% to GDP. In the third quarter alone, the sector climbed 12.9%, highlighting the strength of Dubai's financial services landscape.

Construction matched that pace with 8.5% growth, producing roughly AED 23.9 billion and making up 6.7% of the economy. The steady expansion reflects ongoing infrastructure projects and real estate development across the city.

The real estate sector grew 6.7%, contributing 8.2% to GDP with a value of AED 29.1 billion. Quarterly growth stood at 6%, supported by continued demand for residential and commercial properties.

Abu Dhabi's economy expanded by 7.7% year on year in the third quarter of 2025, reaching a record quarterly value of AED 325.7 billion.

Construction expanded by 13.9% year on year, contributing AED 30.5 billion, or 9.4 % of GDP, supported by ongoing infrastructure delivery and private-sector participation.

The real estate sector grew by 13.1% to AED12.1 billion, reflecting continued demand across residential and commercial developments.

Transport and storage rose 13.8 % to AED 8.2 billion, supported by higher cargo volumes, port activity, and logistics expansion, including long-term lease agreements at Khalifa Port.

United Arab Emirates (UAE): The UAE continues to post strong, broad-based growth with a balanced oil and non-oil mix. Real GDP is projected to reach 4.8% in 2025, and the country is leading in diversifying its export base.

Real GDP expansion is supported by a combination of increased oil production, robust performance in tourism, transportation, trade, financial services, and construction – sectors that collectively drive broad-based activity and strengthen private sector participation.

Bahrain: Bahrain's economy is forecast to grow by 3.5% in 2025, with growth supported by diversification in key sectors such as tourism, financial services, and manufacturing.

Kuwait: Kuwait is expected to record 2.7% GDP growth in 2025, reflecting improved performance in oil exports and growing momentum in non-oil activities.

Other GCC States: Oman and Qatar are also projected to register positive economic growth in 2025, with real GDP expanding by 3.1% and 2.8% respectively, supported by stronger non-hydrocarbon activity and sustained structural reforms across sectors.

Summary – GCC and UAE Economic Outlook 2025

In summary, the overall economic landscape of the GCC and the UAE in 2025 appears promising, underpinned by:

- Accelerating GDP growth across major GCC economies
- Continued non-oil sector resilience
- A balanced contribution from both oil and non-oil activities
- Supportive fiscal and monetary policies
- Strategic diversification and digital transformation initiatives

These macroeconomic fundamentals provide a solid foundation for economic stability and investor confidence, supporting sustained growth and creating an enabling environment in which Al Ansari Financial Services can continue to expand its operations and deliver value to its stakeholders.

Sources:

World Bank Gulf Economic Update – Fall 2025 (December 2025 edition) Dubai Media Office, Abu Dhabi Media Office, UAE CB Quarterly update.

GCEO'S MESSAGE



Rashed A. Al Ansari
Group Chief Executive Officer

Dear Shareholders and Stakeholders,

It gives me great pleasure to present our Annual Report for the Full Year 2025, during which Al Ansari Financial Services displayed resilience, showcasing the strength of its diversified business model.

Opportunities Amid Challenges

The year 2025 was characterised by both opportunities and headwinds. Market conditions were shaped by shifting trade flows, currency movements, and competitive pressures across our operating geographies. Despite these challenges, the Group delivered a robust performance. Total operating income reached a record AED 1.29 billion, surpassing the previous high recorded in 2022 and marking a 12% year-on-year increase. This strong performance was supported by solid contributions across our core business segments, with the integration of BFC further strengthening the Group's income base alongside continued growth in high-volume transactional services and digital channels.

Remittance activity recorded strong momentum during the year, with transaction volumes increasing by 15% year-on-year, reflecting sustained customer confidence in our reliable remittance and foreign exchange services. Banknote transactions also expanded significantly, rising 20% year-on-year, supported by continued demand for trusted currency exchange solutions across our network.

Digital channels delivered particularly strong performance, with transactions increasing 49% year-on-year and accounting for 25% of total outward remittances, underscoring the accelerating shift towards convenient, technology-enabled remittance solutions.

Corporate business volumes also maintained strong momentum, growing 18% year-on-year and further reinforcing our leadership in the B2B remittance segment.

Defining Milestone

A defining milestone of 2025 was the successful acquisition and consolidation of BFC Group. This strategic transaction expanded our geographic footprint and strengthened our position across key remittance corridors in the GCC and India. By year-end, our network grew to 444 physical branches, a net addition of 177 branches compared to the previous year, comprising 160 branches in Kingdom of Bahrain, Kuwait and India acquired through the consolidation of BFC Group and 17 newly opened branches within the UAE. The integration of BFC Group is progressing as planned, and we anticipate the gradual realisation of operational and commercial synergies throughout 2026. This expanded platform strengthens our diversified earnings base and enhances our ability to serve customers across both established and emerging markets.

Digitisation as a Cornerstone

Digitisation remains a cornerstone of our long-term strategy. As customer preferences continue to shift toward faster, more convenient, and secure financial services, we have accelerated our investments in technology and platform enhancement.

In 2025, the business processed millions of transactions annually across its extensive branch network and digital channels, with approximately 25% of total transaction volumes generated through digital platforms. This steady migration toward digital engagement reflects growing customer trust in our platforms and highlights the success of our digital transformation efforts.

A key milestone in this journey has been the introduction of Al Ansari Digital Wallet, designed to provide customers with secure, convenient, and accessible financial services. This strategic expansion of our digital ecosystem enhances customer experience, deepens engagement, and strengthens our ability to serve both banked and underbanked segments, supporting long-term growth and financial inclusion.

Our digital channels are increasingly becoming the preferred mode of transaction, enabling an enhanced customer experience while simultaneously driving operational efficiency and scalability across the organisation. By continuously upgrading our infrastructure and strengthening our digital capabilities, we aim to deliver seamless, secure, and tech-enabled financial solutions that align with the UAE's broader vision for a cashless and digitally advanced economy.

Strong Outlook

The financial services landscape continues to evolve rapidly, with fintech innovation reshaping traditional operating models. While increased competition fosters innovation and greater customer choice, the emergence of fintech practices operating in under-regulated areas can present challenges related to compliance, transparency, and consumer protection. In response, we continue to work closely with the Foreign Exchange and Remittance Group (FERG) and the relevant authorities to support initiatives that promote consistent oversight and a level playing field across the sector.

As we navigate this evolving environment, we remain guided by the strong legacy and trust built over decades. In 2026, Al Ansari Exchange, part of Al Ansari Financial Services, will mark its 60th anniversary, reflecting six decades of service to customers and communities across the UAE. This milestone underscores our enduring commitment to reliability, responsible growth, and continued innovation as we build on our heritage to support the future of financial services.

These efforts are expected to positively strengthen the market environment by enhancing transparency, safeguarding customer interests, and supporting sustainable growth across the regulated financial services industry. We remain firmly committed to operating within the highest regulatory standards.

By combining regulatory strength with technological agility, we are well-positioned to compete effectively while safeguarding customer trust. The UAE's strong economic fundamentals and continued diversification provide a favourable platform for sustained expansion. With global remittance flows projected to exceed USD1 trillion by 2028, we are well-positioned to capitalise on structural growth opportunities while maintaining our role as a trusted financial partner.

Clear Priorities

As we move forward, our priorities remain clear: disciplined execution, innovation-led growth, regulatory compliance, and unwavering customer focus. With a resilient business model and a dedicated team, we are confident in our ability to navigate an evolving landscape and create long-term value for all stakeholders. On behalf of the entire management, I would like to extend my sincere appreciation to our regulators, shareholders, customers, partners, and employees for their continued trust and support.

GCFO'S MESSAGE



Suhail Hoosain

Group Chief Financial Officer

Dear Shareholders and Stakeholders,

I am pleased to present an overview of the Group's financial performance and strategic progress for the year ended 2025. The year marked a pivotal chapter in our growth journey, defined by disciplined financial management, strategic expansion, and transformative milestones that materially strengthen the Group's long-term positioning.

Financial Performance

The Group delivered a resilient financial performance in 2025, underpinned by diversified revenue streams, strong transactional volumes, and continued momentum across our core and digital platforms. Despite ongoing macroeconomic uncertainty and cost pressures associated with growth initiatives, we maintained robust profitability, supported by prudent cost management and operating leverage.

Net profit after tax for the year amounted to AED 401 million, while EBITDA reached AED 563 million, translating into a healthy EBITDA margin of 43.6%. These results reflect a sustained focus on efficiency, scalable operating models, and disciplined execution across the Group.

Cash generation remained strong, with net cash generated from operating activities of AED 794 million and a robust EBITDA-to-cash conversion rate of 93%, enabling continued reinvestment in strategic initiatives while preserving balance sheet strength.

Operating Scale and Customer Engagement

Beyond financial performance, 2025 saw continued expansion in the Group's operating scale and customer reach, reflecting sustained demand across our services and reinforcing our market leadership position.

Digital adoption continued to accelerate, with digital transactions growing by 49%, supported by ongoing investments in platforms, customer journeys, and data-led capabilities. Our physical network remained a critical pillar of the franchise, with 444 branches across the region, ensuring accessibility while complementing our expanding digital ecosystem.

These operating indicators underscore the strength of our hybrid model – combining scale, convenience, and innovation – to serve evolving customer needs efficiently and securely.

Balance Sheet Strength and Liquidity

The Group continues to maintain a strong and flexible balance sheet, with total assets of AED 4.4 billion, sufficient liquidity buffers, and a conservative capital structure. Our low leverage profile and disciplined capital allocation philosophy position us well to support future growth, withstand market volatility, and pursue value-accretive opportunities.

Transformational Growth in 2025

A defining milestone of the year was the completion of the acquisition of BFC Group Holdings, a landmark transaction that significantly expands the Group's regional footprint and capabilities in foreign exchange and remittance services. The consolidation of BFC Group into our 2025 results marks a step-change in scale, geographic reach, and earnings potential, reinforcing our leadership position across the GCC.

In parallel, the launch of Al Ansari Digital Wallet represents a major strategic advancement in our digital ecosystem. This platform enhances customer experience, deepens engagement, and positions the Group at the forefront of digital financial services, supporting long-term growth and financial inclusion.

Outlook

Looking ahead, we remain focused on executing our growth strategy with discipline, integrating recent acquisitions, scaling digital capabilities, and enhancing operational efficiency. Our priorities remain clear: sustainable profitability, strong cash generation, prudent risk management, and consistent value creation for our shareholders.

With a strengthened platform, a resilient financial foundation, and a clear strategic direction, we are confident in the Group's ability to deliver durable growth and reinforce its leadership in the regional financial services landscape.

STRATEGY

Driving Growth Through Our Six Pillars

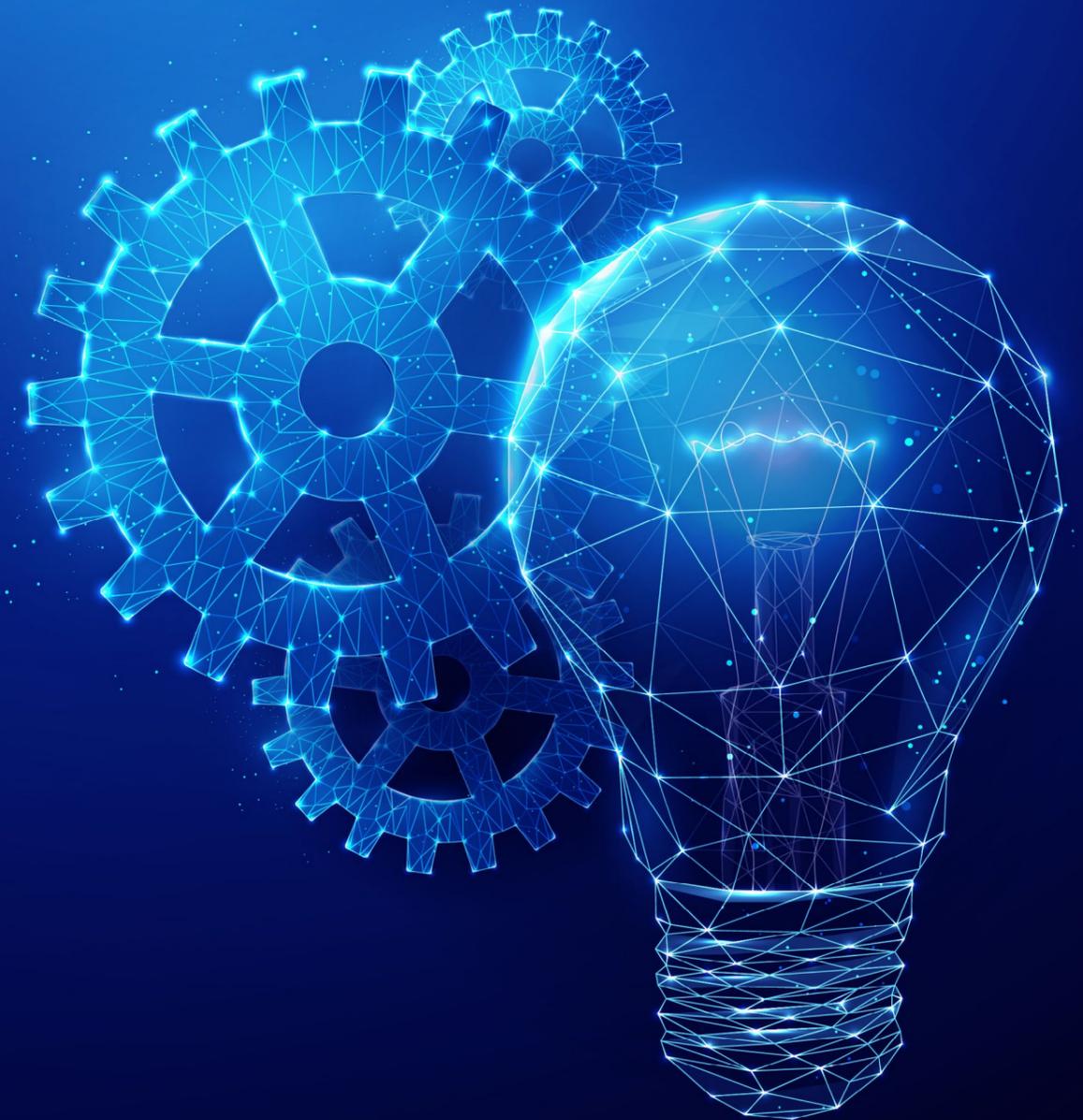
At Al Ansari Financial Services (AAFS), our commitment to unlocking shareholder value is driven by a clearly defined growth strategy, anchored in six core pillars. These pillars, established during our IPO, have been instrumental in our progress and continue to guide our expansion and diversification efforts.

Our strategic roadmap is built on a foundation of customer-centricity, market insights, and technological advancements. We are dedicated to reinforcing our market leadership by meeting evolving customer needs, embracing digital transformation, and enhancing profitability. This positions AAFS to optimize our presence in the UAE and expand our reach across the GCC.

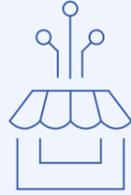
Demonstrable Progress Across Our Six Strategic Pillars:

<p>01</p>  <p>UAE branch network expansion</p>	<p>02</p>  <p>Geographic Expansion</p>	<p>03</p>  <p>Investing in Digital Offerings</p>
<p>04</p>  <p>Revenue Optimization: Enhancing Margins and Diversifying Services</p>	<p>05</p>  <p>Corporate cross-border remittances</p>	<p>06</p>  <p>End-to-End Cash Management</p>

Through the diligent execution of these six pillars, AAFS is well-positioned for continued growth and success, delivering enhanced value to our shareholders and customers alike.



Strategic Pillar 01



BRANCH NETWORK EXPANSION: REINFORCING PHYSICAL PRESENCE

177

net addition branches since FY 2025, including the consolidation of BFC Group.

Recognising the continued importance of face-to-face interactions, especially for our low-income expatriate customers, the Group remains committed to growing its branch network. Industry insights consistently highlight a strong preference for physical branches in remittance and financial transactions, underlining the strategic value of this expansion.

Objective

To strengthen accessibility and customer engagement across key markets, the Group focused on expanding its physical footprint in FY 2025.

Achievements

- The Group's total number of physical branches reached 444 by the end of FY 2025, representing a net addition of 177 branches since FY 2024, including the successful consolidation of BFC Group.
- This expansion reinforces the Group's presence in both existing and new markets, ensuring convenient access for all customers while supporting sustained growth in remittance services.

Strategic Pillar 02



GEOGRAPHIC EXPANSION: EXPANDING OUR GCC FOOTPRINT

Our focus on strategic growth within the GCC is yielding significant results.

Objective

To strategically grow our market share within the GCC.

Achievements

- The acquisition of Al Ansari Exchange in Kuwait is expected to close in 2026.
- The Group completed the acquisition of BFC Group, becoming the largest non-banking financial institution in the GCC. The deal strengthens its regional presence—#1 in Bahrain, #3 in Kuwait, and expanded access in India—while reinforcing its leadership in the UAE remittance and FX market. BFC's fintech expertise and digital solutions complement AAFS's growth strategy, boosting customer engagement. Finalisation of the integration process and realisation of synergies to be completed in 2026.

Strategic Pillar 03



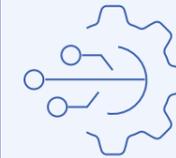
INVESTING IN DIGITAL OFFERINGS: DRIVING DIGITAL TRANSFORMATION

Digital adoption accelerated across the Group, with digital transactions up 49%, driven by investments in platforms, customer journeys, and data-led capabilities.

Achievements

- Launch of instant digital prepaid cards, enhancing speed and customer convenience.
- Launch of Al Ansari Digital Wallet, expanding digital payment capabilities.
- Revamp of the WPS module, improving operational efficiency and compliance.
- Introduction of sponsor registration for domestic worker salary payments, streamlining payroll processes.
- Enablement of VAT and pension payments via eExchange, broadening service offerings.
- Strong growth in multicurrency cards, with a 38% increase in new issuance and 33% growth in total spend volume.

Strategic Pillar 04



REVENUE OPTIMISATION: ENHANCING MARGINS AND DIVERSIFYING SERVICES

The Group continued to strengthen revenue quality through a disciplined focus on higher-yield services, recurring transaction streams, and product diversification.

This strategy translated into measurable performance gains across key segments:

- 2.72% increase in average bill payment transactions, reinforcing recurring fee-based income and customer stickiness.
- 7.5% growth in Foreign Currency revenue, driven by improved flow capture and enhanced corridor competitiveness.
- 36% growth in Premium Services revenue, reflecting successful upselling and migration toward higher-margin offerings.

Strategic Pillar 05



**CORPORATE
CROSS-BORDER
REMITTANCES:
EXPANDING OUR
CORPORATE
REACH**

Group continued to strengthen its presence in the corporate segment, enhancing its cross-border remittance capabilities and broadening its institutional client base.

This strategic focus resulted in a 42% growth in corporate registrations, reflecting strong demand from business clients seeking reliable, efficient, and competitive international payment solutions.

Strategic Pillar 06



**END-TO-END CASH
MANAGEMENT:
STRENGTHENING
CASHTRANS
OPERATIONS**

53
Armoured Vehicles

1
Cash Processing Facility

1
Cash and Valuable handling Centre

285
Cash Hubs

We continue to invest in and expand our CashTrans operations.

Achievements

- CashTrans serves 78 external customers and demonstrates continued growth.
- We maintain a strong infrastructure, including 53 armoured vehicles, 1 cash processing facility, 1 cash and valuables management facility and 285 cash hubs.

RISK MANAGEMENT

The Critical Role of Risk Management in the Current Landscape

In today's dynamic and highly regulated financial landscape, effective risk management has never been more critical. As a leading player in the financial services industry, Al Ansari Financial Services (AAFS) operates within stringent regulatory frameworks and faces a broad spectrum of risks that could affect our operations, reputation, and long-term sustainability. Implementing robust risk management practices enables us to navigate these complexities, protect stakeholder interests, and maintain our competitive advantage. By proactively identifying, assessing, and mitigating risks, we uphold the highest standards of compliance and governance while ensuring resilience and sustainable growth.

Enterprise Risk Management (ERM) Framework

At AAFS, our Enterprise Risk Management (ERM) framework forms the backbone of how we address risk. It offers a clear, systematic approach to identifying, evaluating, controlling, and tracking risks across the organisation. By embedding risk considerations into every decision-making process, we ensure that awareness and accountability extend throughout all levels of the business. Drawing on international best practices and meeting regulatory requirements, our ERM framework strengthens our capacity to manage uncertainty and deliver on strategic goals.

Regulatory Compliance

Compliance remains a fundamental pillar of our risk management strategy. AAFS is regulated by several key authorities, including:

- Securities and Commodities Authority (SCA)
- Dubai Financial Markets (DFM)
- Central Bank of the UAE (CBUAE)
- Central Bank of Kuwait (CBK)
- Central Bank of Bahrain (CBB)
- Financial Services Regulatory Authority (FSRA) - ADGM
- Security Industry Regulatory Agency (SIRA)

Our robust compliance framework ensures adherence to all regulatory requirements, safeguarding our reputation and reinforcing stakeholder trust. Continuous monitoring and timely updates to our policies enable us to remain aligned with evolving regulations and industry standards.

Risk Management Governance Structure

Strong governance is vital to preserving the integrity and resilience of our risk management framework. Our structure clearly defines roles and responsibilities, promoting accountability throughout the organization. The Board of Directors, supported by dedicated Board Committees and subsidiary-level management committees, provides oversight to ensure the framework remains aligned with strategic objectives. Regular policy reviews and timely updates enable us to adapt to emerging risks and evolving regulatory requirements.

Al Ansari Financial Services (AAFS) maintains a strong risk governance framework to ensure accountability, compliance, and resilience across the organisation.

Board of Directors

Sets the tone at the top, approves the Risk Appetite Framework/policies, and monitors the organization's risk profile to align with strategic objectives.

Board Committees

Audit and Risk Committees review risk policies, assess exposures, and guide mitigation strategies at both group and subsidiary levels.

Three Lines of Defense

The Three Lines of Defense Model at AAFS provides a structured approach to risk management across the organization. The first line of defense consists of business units and operational management, who own and manage risks as part of their daily activities. The second line comprises the risk management and compliance functions, which provide oversight, guidance, and support to ensure risks are effectively controlled. The third line is the internal audit function, which offers independent assurance on the adequacy and effectiveness of risk management practices and controls. This model ensures clear accountability, robust oversight, and continuous improvement in managing risks throughout the organization.

Group Risk & Fraud Prevention Department

The Group Risk & Fraud Prevention Department is a cornerstone of AAFS's risk management framework, operating independently to provide robust oversight and ensure organizational resilience. Its responsibilities span the development and enforcement of risk management policies, conducting comprehensive risk assessments, and continuously monitoring exposures using advanced analytics. The department works closely with business units to identify vulnerabilities and implement proactive mitigation strategies, while also leading fraud prevention initiatives through 24/7 monitoring across critical product lines such as cards, wallets, and digital platforms using best-in-class detection systems. In addition, it promotes a strong risk-aware culture through regular training and awareness programs, ensuring compliance with evolving regulatory requirements and industry best practices.

This integrated structure enables AAFS to manage risks effectively, maintain operational resilience, and uphold the highest standards of governance.

Group Risk Management

The Group Risk Management function operates under the Group Risk & Fraud Prevention Department with a high degree of independence, serving as the second line of defense. Its mandate covers both downside risks and upside opportunities that may impact AAFS's ability to achieve its objectives. The team supports the development and maintaining of effective/robust control systems that adapt to evolving business and regulatory environments, mitigating risks and frauds to acceptable levels through proactive monitoring and preventive measures, ensuring operational resilience by embedding risk considerations into business continuity planning, and promoting sound decision making and governance across all entities within the group.

Risk Management Section serves as the operational arm of the risk management framework. Key responsibilities include:

- Implementing risk management policies and conducting risk assessments.
- Monitoring risk exposures and ensuring proactive mitigation.
- Collaborating with business units to identify and manage risks effectively.
- Staying abreast of industry trends and regulatory requirements through continuous training and development.

By integrating these practices, the Group Risk Management function strengthens AAFS's ability to remain agile, resilient, and compliant in a rapidly changing financial landscape.

Ensuring Operational Resilience through Business Continuity Management

The Risk Management function plays a critical role in safeguarding the operational resilience of all entities within the group. This is achieved through the development and implementation of a comprehensive Business Continuity Management (BCM) framework, which ensures that the organization can respond effectively to disruptions and maintain essential operations under any circumstances. Key initiatives include designing and maintaining robust continuity plans tailored to each entity's operational needs, establishing systems and processes that enable rapid recovery and minimizing downtime during unforeseen events as part of the resilience mechanisms. Promoting a culture of preparedness through regular training sessions, annual BCP tests and awareness programs for employees across the group.

By embedding BCM into our risk management strategy, we ensure that AAFS remains agile, resilient, and capable of delivering uninterrupted services to clients and stakeholders, even in the face of unexpected challenges.

Commitment to Fraud Prevention

Fraud prevention is a cornerstone of our risk management framework, ensuring the highest standards of integrity and ethical conduct across all operations. At AAFS, we have established a dedicated 24/7 Fraud Monitoring Team equipped with advanced systems and technologies to detect, prevent, and respond to fraudulent activities in real time.

Our approach includes Continuous Monitoring where Round-the-clock surveillance across multiple product lines, including cards, wallets, and digital payment platforms, using best-in-class fraud detection systems. Implementation of robust internal controls such as layered security measures and trigger alerts to identify suspicious transactions and mitigate risks promptly. Collaboration with business units to identify potential weaknesses and deploy preventive measures before issues arise as part of proactive vulnerability management. Regular training programs to strengthen fraud awareness and ensure adherence to anti-fraud protocols.

By combining cutting-edge technology with a proactive risk culture, AAFS ensures comprehensive fraud prevention and monitoring, reinforcing trust and confidence among stakeholders.

Group Chief Risk Officer

Group Risk and Fraud Prevention is led by an experienced Group Chief Risk and Compliance Officer (GCRCO), who reports administratively to the Group Chief Executive Officer and has direct access to the Board Audit Committee (BAC). GCRCO plays a pivotal role in:

- Developing and implementing comprehensive risk management strategies aligned with business objectives.
- Defining the risk appetite for the group, which serves as a foundation for all decision-making.
- Promoting a risk-aware culture through training and awareness programs.
- Ensuring compliance with local and international regulatory requirements.
- Engaging with external stakeholders, including regulators, auditors, and financial institutions, to foster collaboration and transparency.

The Group Chief Risk and Compliance Officer (GCRCO) provides quarterly updates to the Board Audit Committee at the group level, as well as to the respective Risk Committees of individual entities, where applicable. These updates include comprehensive reports on risk management, business continuity, and fraud prevention activities, identification of emerging risks and potential vulnerabilities across the group, detailed analysis of mitigation strategies and progress on open action items and recommendations for strengthening controls and resilience mechanisms to align with strategic objectives.

This structured reporting ensures transparency, accountability, and informed decision-making at the highest governance levels, reinforcing AAFS's commitment to robust risk oversight and operational resilience.

Key Responsibilities of the Chief Risk Officer

- Risk Oversight: Independent oversight of risk management activities to ensure effective identification, assessment, and mitigation.
- Setting Risk Appetite and Strategy: Define acceptable risk levels and develop strategies to manage risks within those parameters.
- Reviewing Policies and Controls: Regularly review and update risk management policies and controls for effectiveness.

- Reporting and Communication: Ensure timely and accurate communication of risk-related information to the Board and stakeholders.
- Regulatory Adherence: Monitor compliance with all applicable laws and regulations.

At AAFS, risk management and fraud prevention are not just compliance requirements, they are strategic enablers that support sustainable growth, operational resilience, and stakeholder confidence.

Establishing Risk Appetite

Defining Risk Appetite is a critical component of an effective risk management and governance framework. It serves as a key enabler for organizations seeking to drive performance while empowering business functions to make timely, risk-aware decisions. At Al Ansari Financial Services (AAFS), we recognize the vital role of a well-structured risk appetite in achieving strategic objectives and safeguarding stakeholder interests. Our Risk Appetite Framework provides clear guidance on acceptable risk levels across various dimensions of our operations, ensuring that decision-making is aligned with our long-term vision. This framework articulates the organization's tolerance for risk in pursuit of sustainable growth, supports proactive risk management by setting boundaries for risk-taking activities and enhances operational trust and resilience, enabling informed decisions across all business units.

By embedding risk appetite into our governance structure, AAFS ensures a balanced approach to risk-taking that fosters innovation while maintaining financial stability and regulatory compliance.

Risk Mitigation and Treatment

Risk mitigation and treatment form a vital part of our comprehensive risk management strategy. At Al Ansari Financial Services (AAFS), we adopt a proactive approach to managing risks through a combination of techniques, including Risk Avoidance (eliminating activities that expose the organization to unacceptable risks), Risk Reduction (Implementing controls and processes to minimize the likelihood or impact of risks), Risk Transfer (Shifting risk exposure to third parties through mechanisms such as insurance or outsourcing) and Risk Acceptance (Acknowledging and managing residual risks within defined risk appetite limits).

Our mitigation strategies are designed to reduce the impact of adverse events, safeguard business continuity, and maintain operational resilience. Continuous monitoring, reporting, and periodic reviews ensure the effectiveness of these strategies and allow timely adjustments to address emerging risks.

Risk Management Highlights in 2025

In 2025, Al Ansari Financial Services (AAFS) continued to strengthen its risk management, business continuity, and fraud prevention capabilities by adopting global best practices and aligning with international standards. Our efforts focused on enhancing resilience, improving governance, and fostering a risk-aware culture across the organization.

Key achievements during the year include the establishment of a dedicated 24/7 Fraud Monitoring Team, equipped with advanced systems to monitor risk exposure of us and our customers arising from diverse product lines such as cards and wallets, ensuring real-time detection and prevention of fraudulent activities. We also launched a Quality Assurance initiative within the risk management function, reinforcing the effectiveness and consistency of our processes. To support these enhancements, we expanded our team by adding specialized resources and expertise.

Our risk acceptance approach was revised to incorporate cost-benefit analysis, enabling more informed and balanced decision-making. We implemented an enhanced incident reporting mechanism across all business units, ensuring timely escalation and resolution of risk events.

Governance and oversight were further strengthened through regular and periodic reporting to the Board Audit Committee and subsidiary-level Risk Committees, covering risk profiles, key exposures, and remediation plans. We conducted annual thematic assessments in critical areas such as fraud, conduct, and financial crime to evaluate the effectiveness of controls and identify improvement opportunities.

Our Risk Appetite Statements were updated to reflect regulatory and business changes and approved by the Board, while all relevant frameworks for risk, fraud, and business continuity were revised to align with evolving requirements. To foster a risk-aware culture, we delivered awareness programs and training sessions, empowering employees with the knowledge and skills to manage risks effectively.

We also undertook a comprehensive organization wide risk review, focusing on the identification, assessment, and treatment of principal risks, supported by detailed remediation plans. Throughout the year, AAFS remained committed to adopting best practices and international standards, engaging actively with stakeholders to ensure transparency and alignment, and driving continuous improvement to address emerging risks and challenges.

These initiatives underscore our unwavering commitment to maintaining a resilient, proactive, and forward-looking risk management framework that safeguards our stakeholders and supports sustainable growth.

The Way Forward for risk management - Navigating Complexity with Resilience and Vision

As our business continues to grow, the regulatory environment is evolving at an unprecedented pace. At AAFS, we recognize that managing risk today is more challenging and more critical than ever before. Organizations face a wide spectrum of risks: reputational, regulatory, operational, and strategic. In this dynamic financial landscape, AAFS remains steadfast in its commitment to strengthening our risk management framework to ensure resilience, compliance, and sustainable growth. Our forward-looking approach is anchored on six strategic pillars designed to position AAFS as a leader in risk excellence:

- 1. Integration of Advanced Technologies:** We are embracing cutting-edge technologies such as AI-driven analytics, automation, and enhanced monitoring to enhance our ability to detect, assess, and respond to emerging risks. These innovations will enable faster decision making and more robust mitigation strategies, ensuring agility in an unpredictable environment.
- 2. Proactive Regulatory Compliance:** Regulatory landscapes are shifting rapidly. AAFS is committed to staying ahead by continuously updating our frameworks to align with evolving standards. This proactive stance not only ensures compliance but also reinforces stakeholder trust and strengthens our reputation as a responsible and transparent organization.
- 3. Embedding a Strong Risk Culture:** Risk management is not confined to a department; it is a shared responsibility. We are fostering a culture of accountability and awareness across all levels of the organization. Through regular training, communication, and leadership engagement, we empower employees to make risk-conscious decisions every day.
- 4. Data-Driven Decision Making:** Leveraging advanced data analytics, we aim to transform risk insights into actionable intelligence. By analyzing historical patterns and predictive indicators, we can anticipate potential challenges and craft strategies that safeguard our operations and strategic objectives.
- 5. Continuous Improvement and Innovation:** Risk management is a journey, not a destination. We will benchmark against the best global practices, adopt industry leading standards, and continuously refine our processes. This commitment to innovation ensures that our framework remains resilient, adaptive, and future-ready.
- 6. Stakeholder Engagement and Transparency:** Open dialogue with regulators, investors, and partners is essential for effective risk governance. We will maintain transparent communication channels to align expectations, share insights, and build collaborative solutions that strengthen trust and confidence.

By focusing on these strategic areas, AAFS is well-positioned to navigate the challenges and opportunities of the future. Our unwavering dedication to excellence in risk management will drive resilience, protect our reputation, and enable long term strategic growth.



COMPLIANCE AS A STRATEGIC IMPERATIVE

In today's dynamic and rapidly evolving business environment, compliance serves as a cornerstone for legal protection, sustainable growth, reputation management, customer trust, operational efficiency, and risk mitigation.

The Board of AAFS has consistently demonstrated unwavering commitment to upholding the highest standards of compliance and aligning with international best practices. Our zero-tolerance policy toward non-compliance underscores this dedication. As a publicly listed company with significant interests in highly regulated financial services, AAFS has successfully embedded compliance into the core of its business operations. Every service, offering, and transaction is guided by ethical principles and legal standards. Through rigorous compliance protocols, we aim to minimize risk, enhance operational efficiency, and maintain our reputation for integrity and reliability.

The Group operates under the regulatory frameworks of multiple authorities, including the Securities and Commodities Authority, Dubai Financial Market, Central Bank of the United Arab Emirates, Abu Dhabi Global Market, the Financial Services Regulatory Authority, Central Bank of Bahrain, Central Bank of Kuwait, Reserve Bank of India, among others. This alignment ensures adherence to legal requirements and reinforces our commitment to the highest standards of regulatory compliance.

Beyond local regulations, AAFS strengthens its compliance framework by adopting international best practices. Our policies address critical areas such as Anti-Bribery and Corruption, Conflict of Interest, Insider Information, and Disclosures. By implementing robust anti-bribery and corruption measures, we ensure that all business dealings are conducted with transparency and integrity, eliminating unethical practices.

By integrating these global standards into our compliance structure, AAFS not only meets regulatory obligations but also sets a benchmark for ethical conduct and corporate governance. This proactive approach enables us to mitigate risks, improve operational performance, and uphold our reputation for trust and integrity in the global financial marketplace.

STRENGTHENING COMPLIANCE THROUGH BOARD LEADERSHIP

The Board of AAFS maintains continuous oversight and active involvement in compliance matters to ensure that the organization upholds its values and operates responsibly. Every decision is guided by the principle of serving the community, reflecting the Board's proactive approach to governance and ethical conduct.

To stay ahead of regulatory developments and industry best practices, the Board regularly reviews and approves compliance policies. This commitment ensures that AAFS remains a leader in compliance and governance standards. Furthermore, the Board promotes a culture of transparency and accountability by encouraging open communication and ethical behavior across all levels of the organization.

Beyond oversight, the Board actively fosters a culture of integrity and responsibility. This holistic approach ensures that AAFS operates in a manner that is both legally compliant and socially responsible, with the community at the heart of its decisions.

To strengthen compliance oversight, the Board has delegated the Board Audit Committee to monitor and advise on compliance matters across the group. The Audit Committee plays a critical role in ensuring that compliance policies and procedures are effectively implemented. Its responsibilities include reviewing compliance reports, evaluating program effectiveness, and recommending improvements where necessary.

For day-to-day compliance management, the Board has established a robust Group Compliance function, supported by key control functions such as Risk Management and Fraud Prevention. Together, these form the second line of defense within the Group's "three lines of defense" model.

The Board also ensures that the Group Compliance function is adequately resourced and empowered to respond to emerging regulatory challenges. By maintaining a strong compliance framework, the Board and its Audit Committee safeguard the organization's reputation, mitigate risks, and promote a culture of integrity and accountability.

This comprehensive approach underscores AAFS's dedication to ethical business practices and its commitment to serving the community with the highest standards of responsibility and transparency. By establishing these dedicated functions, the Board demonstrates its resolve to uphold the highest standards of compliance and risk management—a proactive stance that not only protects the organization from legal and financial risks but also reinforces its reputation as a responsible and ethical business leader.

GROUP COMPLIANCE FRAMEWORK AND GOVERNANCE STRUCTURE

The Group Compliance function is responsible for ensuring that all business activities comply with applicable regulatory requirements and internal policies. Its mandate includes monitoring adherence to laws and regulations, conducting regular audits, and providing guidance on compliance-related matters. This function operates under a formal charter approved by the Board of AAFS, which grants it independence and authority to fulfill its responsibilities effectively.

At Al Ansari Financial Services, the Group Compliance function is led by an experienced Group Chief Compliance Officer (GCCO). The GCCO reports administratively to the Group Chief Executive Officer and has direct access to the Board through the Board Audit Committee (BAC). This reporting structure ensures independence and facilitates transparent communication on compliance matters.

The Group Chief Compliance Officer plays a critical role in developing and implementing compliance policies and procedures across the organization. Responsibilities include ensuring that all operations comply with external regulatory requirements and internal standards established by the Board. The GCCO provides regular reports to the Board and the BAC, offering updates on compliance performance, highlighting potential issues, and recommending corrective measures where necessary.

Additionally, the GCCO assists the Board in defining the group's compliance risk appetite, which sets clear parameters for acceptable risk levels in pursuit of strategic objectives. This framework ensures that decision-making aligns with the organization's goals while maintaining high standards of integrity and accountability.

The Group Compliance function works closely with various departments to embed compliance into daily operations. This includes conducting training programs, offering guidance on compliance issues, and promoting a culture of ethical conduct throughout the organization. These efforts help mitigate risks, enhance operational efficiency, and safeguard the group's reputation.

To reinforce oversight, the Board Audit Committee meets quarterly with the GCCO to review compliance status, assess the effectiveness of policies and procedures, and evaluate alignment with regulatory requirements and best practices. These sessions provide a comprehensive view of compliance performance and identify areas for improvement, ensuring that the compliance framework remains robust and effective.

Through this structured approach, AAFS demonstrates its commitment to maintaining a strong compliance culture, mitigating risks, and upholding its reputation as a responsible and ethical business leader.

Based on its oversight and findings, the Board Audit Committee (BAC) provides regular updates to the Board of AAFS. These updates include insights into the group's compliance performance, identification of significant compliance risks, and the measures being implemented to mitigate those risks. By keeping the Board informed, the BAC ensures that compliance remains a strategic priority and that the group continues to operate with integrity and accountability.

This structured approach to compliance oversight reflects the Board's commitment to maintaining the highest standards of governance and ethical conduct, reinforcing AAFS's position as a trusted and responsible entity within the financial services industry.

To manage day-to-day compliance matters, the Group Chief Compliance Officer (GCCO) is supported by a dedicated and experienced team responsible for managing compliance risk across the group. This team owns the annual compliance plan, which is designed to identify, assess, and manage compliance risks for AAFS and its fully owned subsidiaries. To strengthen compliance at the entity level, each subsidiary (where required) maintains its own independent compliance function, led by an entity-level Chief Compliance Officer. These officers report to their respective subsidiary Boards and to the Group Chief Compliance Officer, ensuring alignment with both regulatory requirements and internal policies. This structure enables effective oversight and supports the delivery of the Group Compliance mandate.

In addition to these measures and to manage its biggest risk being a group that offers financial services, AAFS has established a Financial Crime Compliance Center of Excellence (COE) in India to strengthen support for subsidiaries in managing financial crime compliance. This unit is led by a seasoned Compliance Officer and is dedicated to assisting subsidiary compliance officers in addressing financial crime risks in line with regulatory expectations and the risk appetite defined by the Board. The COE's objective is to consolidate efforts, promote best practices, and ensure consistency across the group.

The assertion that compliance is central to every decision at AAFS is evidenced by the group's exemplary performance in 2025. Throughout the year, there were no instances of regulatory fines, penalties, or adverse actions against the group—a significant achievement given the heightened regulatory scrutiny across critical areas.

Regulators have intensified their focus on:

- **Prudential compliance** – Ensuring financial institutions manage compliance risks effectively.
- **Market conduct** – Promoting fairness and transparency in financial markets.
- **Financial crime compliance** – Implementing stringent measures to prevent money laundering, fraud, and other illicit activities.
- **Consumer protection** – Enforcing strict guidelines to safeguard consumer interests.

In this challenging regulatory environment, many comparable businesses faced substantial penalties and adverse actions due to non-compliance. However, AAFS's unwavering commitment to compliance enabled it to navigate these complexities successfully. The group's proactive approach, robust compliance framework, and continuous investment in compliance resources have been instrumental in achieving this outcome. This performance underscores AAFS's dedication to maintaining the highest standards of integrity, governance, and responsibility in all its operations.



03

ENVIROMENT, SOCIAL & GOVERNANCE

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ESG FRAMEWORK AT A GLANCE

We place sustainability and environmental, social and governance (ESG) at the core of our operating model. The three core pillars of our ESG Framework are Environment, Social (customers and communities, and Our people) and Governance.

These are supported by national strategies and plans such as the: UAE Centennial 2071, 2030 Dubai Integrated Energy Strategy, UAE Net Zero 2050, UAE Clean Growth Strategy 2015-2030 and 'We the UAE 2031' vision, and international aspirations such as the UN Sustainable Development Goals.

01 ENVIRONMENT



02 SOCIAL



03 GOVERNANCE



01 ENVIRONMENT

At Al Ansari Financial Services, we understand our responsibility to protect the environment. We are committed to mitigating climate change, recognizing that this not only benefits our communities but also strengthens our business. By focusing on excellent customer service, minimizing our environmental footprint, and building long-term value, we integrate sustainability and responsible corporate citizenship into our core business practices.

1. Driving Sustainability Through Digital Innovation:

Al Ansari Exchange Mobile App & Digital Wallet

Our mobile app is a key tool for both financial empowerment and environmental responsibility. By enabling digital transactions, it significantly reduces reliance on physical branches, resulting in:

- o Lower energy consumption.
- o Reduced paper usage.
- o Decreased transportation emissions.
- o Increased operational efficiency.
- o Greater financial inclusion for remote and underserved communities.

Enterprise Resource Planning (ERP) System

The implementation of our ERP system has streamlined key processes, leading to a 50% reduction in paper usage within the affected departments. We are expanding this digitisation initiative to other areas of the business.



2. Optimising Resource Use and Managing Waste:

Responsible Waste Management

We work with a specialised waste management partner to ensure effective waste segregation at the source, minimising landfill waste and maximising recycling.

Energy-Efficient Lighting

All AI Ansari Exchange branches now use energy-efficient LED lighting, resulting in a 50% decrease in electricity consumption for lighting.

3. Our Ongoing Commitment to Environmental Improvement:

AI Ansari Financial Services is dedicated to continuous environmental improvement and is pursuing the following initiatives:

Enhanced Digitalisation for Paper Reduction

We will continue to leverage our ERP system and digital workflows to minimize paper use across the organisation.

Energy Efficiency Initiatives

We are implementing various energy-saving measures, including:

- o Motion sensor lighting in common areas.
- o Exploring the feasibility of solar energy solutions.

Improved Waste Management

We are enhancing our waste segregation practices by providing clearly marked bins for different types of waste.

Promoting Green Commuting

We are encouraging employees to adopt eco-friendly commuting options, such as walking, cycling, carpooling, and public transport.

Environmental Awareness Training

We are providing training to staff on environmentally responsible practices and sustainability.



02 SOCIAL



At Al Ansari Financial Services, we believe our success is inextricably linked to the well-being of our communities and the individuals within them. As one of the leading financial services groups in the UAE, we understand the power we hold to drive positive social and economic change. Our comprehensive social framework, 'Empowering People, Strengthening Communities,' fuels our efforts across two main areas of focus: Our Customers and Communities, and Our People, together forming the cornerstone of our ESG social agenda and long-term business strategy.

Strengthening our Communities

Our commitment to our community development and our customers is manifested in several ways:

Customer Centricity: Our customers are the heart of our business. We strive to deliver exceptional experiences at every touchpoint, empowering all our customers to manage their finances effectively. By prioritising customer needs and embracing digital tools, the company strives for continuous improvement and aims to achieve 100% satisfaction, solidifying its position as a leader in customer-centric financial services.

Al Ansari Exchange earned an impressive 99% customer satisfaction rating in 2025. Two of our subsidiaries, Al Ansari Exchange, and CashTrans, have maintained conformance with international Quality Management Systems (QMS) standards with ISO 9001:2015 certification, demonstrating continuous improvement for exceeding customers' expectations.



Financial inclusion: Al Ansari Financial Services plays a crucial role in financial inclusion, by striving to make financial services accessible to the unbanked and underbanked, and by promoting financial literacy.

Through initiatives such as the Wage Protection System (WPS), facilitating salary payments for domestic workers, offering salary advances, and enabling payment of unemployment insurance premiums through our strategic partnership with MOHRE, we empower individuals to engage actively in the economic ecosystem.

Our role as cash collection partners for airline tickets, bill payments, and other services extends opportunities to the unbanked population, granting them access to services traditionally limited to those with digital payment and banking access.

Remittances: The lifeblood of Al Ansari Financial Services, act as a powerful catalyst for positive change, injecting vital resources into low- and middle-income countries, often accounting for a significant portion of their GDP.

Recognising remittances as a cornerstone of global development, Al Ansari Financial Services aims to deliver seamless and affordable remittance solutions and ensure that customers receive their funds quickly and securely, through Al Ansari Exchange. This aligns with the Group's objective of driving financial inclusion, today and for future generations.

Going beyond customer satisfaction, the Group champions financial inclusion by directly aligning with several UN Sustainable Development Goals (SDGs):

- o We serve the unbanked and underbanked and empower them (SDG 1: No Poverty, SDG 5: Gender Equality)
- o We play a role in injecting vital resources into developing economies and help fuel their growth (SDG 8: Decent Work and Economic Growth)
- o Our main source of income, remittances, stands strong even during crises, promoting resilience and fostering a more equitable future (SDG 10: Reduced Inequalities)
- o We contribute to improved wellbeing by supporting families and communities through reliable and affordable remittance services. (SDG 3: Good Health and Well-being)

Social investment: Since the inception of our first business in 1966, giving back to the community has been a core belief and a top priority for our Group. Our goal is to provide communities with the tools needed to prosper. Through philanthropy and social impact initiatives, we demonstrate our care and commitment to supporting and uplifting the communities in which we live and operate.

We actively support local and global initiatives mainly serving the corridors where we operate, and address critical needs in areas like education, healthcare, and disaster recovery as well as general philanthropic investments.

Fraud Prevention: Upholding our commitment to customer satisfaction, we make it a priority to safeguard our customers' interests with proactive measures.

Since January 2025, we ran 5 key fraud awareness campaigns covering: Fake Prize Scams, Fake Job Offers, OTP/CVV & Card Security, Social Media & Impersonation Scams, and Fake Emergency Scams.

These campaigns reached customers through multiple channels such as push notification, emailers, and on social media channels.

These initiatives are designed to educate and empower our customers, enabling them to identify and mitigate fraudulent activities effectively. By doing so, we ensure their financial well-being and peace of mind.



GOALS FOR 2026

- Maintain a customer satisfaction rate above 98%
- Maintain compliance with regulatory Emiratisation requirements.
- Continue to invest strategically in sector-aligned community projects that deliver lasting impact, and foster long-term partnerships with select community partners.
- Enhance the volunteering culture
- Monitor and analyse the impact of our initiatives and fundraising activities
- Invest in solutions that support financial inclusivity

Investing in Our People: Comprehensive Learning and Development

At Al Ansari Financial Services, we are dedicated to fostering a culture of continuous learning and development. We believe in empowering our employees to reach their full potential, both for their individual career growth and the overall success of the Group. This commitment extends beyond our organisation, recognising the positive impact skilled individuals have on the broader economy.

Cultivating Diverse Skillsets

We provide comprehensive training and development programmes designed to enhance both hard and soft skills. This includes essential job-related knowledge, as well as training in critical areas:

- Anti-Money Laundering: Ensuring compliance with CBUAE regulations, and safeguarding against financial crimes.
- Risk and Fraud Prevention: Recognising and mitigating potential risks and fraudulent activities.
- Counterfeit Detection: Protecting our customers and the financial system from counterfeit currency and documents.
- Advanced Customer Service: Equipping employees with essential skills to enhance service delivery and ensuring compliance.
- Consumer Protection: The training emphasizes best practices for safeguarding consumer rights, ensuring fair trade, and fostering trust in the marketplace.
- Personal Financial Management: Providing employees with skills for effective financial management, including planning, budgeting, credit, investments, and retirement.

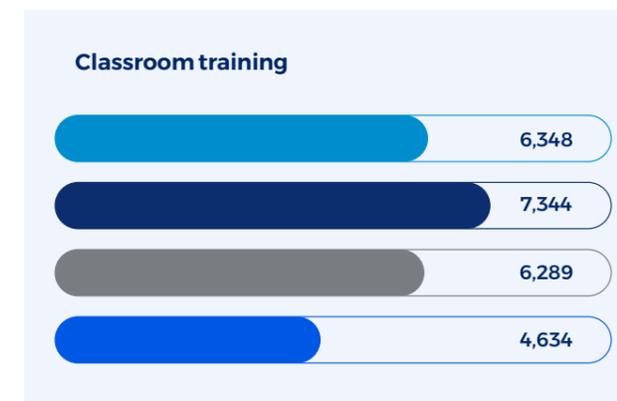


Diverse Training Opportunities

We remain financially strong with a growing asset base, ample liquidity, and a zero debt-to-equity ratio. This strong foundation positions us well for future expansion and investment opportunities.

We offer a comprehensive suite of training opportunities to empower our workforce with the skills they need to excel:

- Classroom training: Fostering interactive learning experiences.
- Online training: Providing flexibility and convenience for self-paced learning.
- External training: Accessing specialised expertise for niche skill development.



● 2022 ● 2023 ● 2024 ● 2025

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- o Online training: Providing flexibility and convenience for self-paced learning.
- o External training: Accessing specialised expertise for niche skill development.

Building a Safe and Inclusive Workplace

Employee Wellbeing: Prioritizing Health, Safety, and Inclusion

We are committed to creating a supportive and safe work environment where our employees can thrive. We prioritise employee wellbeing and go beyond regulatory requirements by providing comprehensive health insurance coverage for employee dependents across the UAE, when applicable.

Employee Programmes

In 2025, we held 40 sports activities, 5 health check-ups for all back-office employees and 3 CSR drives for employees.

Employee Learning

Financial Literacy Month was a dedicated initiative to empower individuals with the knowledge and tools they need to make informed financial decisions and build their financial confidence and capability by breaking down complex topics. Throughout July, employees received weekly announcements, each focused on key themes, from foundational money management to planning for long-term financial goals. Following this, the Learn and Win initiative was launched, with weekly quizzes based on Financial Literacy with varying levels of difficulty. Employees were able to enter and be put into a raffle to win a voucher each week if all questions were answered correctly. Employees were highly engaged, with an average of 408 entries each week.

Employee engagement and recognition

At Al Ansari Financial Services, we believe engaged employees are the foundation of a thriving organisation and understand their needs and aspirations through a multi-faceted approach

- Employee Engagement Surveys: In collaboration with Mercer, we conduct comprehensive surveys across various departments to gain valuable insights into employee sentiment, and to identify areas for improvement. This data-driven approach allows us to tailor initiatives that directly address employee needs and foster a positive work environment.
- Our employee engagement rate, as reported by Mercer, has remained robust, with 63% of our employees actively participating in the 2025 survey, as we continue our efforts to strengthen engagement across the organisation.

Reward and Recognition Programmes

Performance-Based Reward and Recognition:

We celebrate individual and team achievements through various recognition programmes. Our 'Employee of the Month' programme recognises outstanding contributions from our frontline workforce. Throughout the year, an average of 280 employees are recognised each month for their tenacity and dedications, based on evaluations on a holistic set of performance criteria. Additionally, the employee who was awarded 'Employee of the Month' the most throughout the year is given the Award of Performance Excellence to recognise their dedication and contribution. Top performing employees and branches that conduct the most number of transactions in their region receive the Best Performing Employee, and Best Performing Branch award respectively.

03 GOVERNANCE

Tenure-Based Reward and Recognition:

'Loyalty Awards' are also given to recognise and reward employees for their commitment demonstrated throughout their tenure, ranging from 5 to 30 years, with 334 employees honoured for their commitment in 2025, acknowledging their commitment and motivation to the company.

Knowledge-Based Reward and Recognition:

Several knowledge based quizzes are organised wherein employees are rewarded and recognised. Activities from 2025 include the monthly Back-to-Basics Compliance and AML quiz, and the annual International Fraud Awareness Week Quiz, the Financial Literacy Month quiz.

Innovation-Based Reward and Recognition:

The Fikrati Programme is an initiative designed to foster innovation and support the continuous advancement of the organisation. All employees are encouraged to contribute ideas for innovation to promote meaningful improvements. The winning ideas are rewarded and the contributors recognised. In 2025, 1448 ideas were submitted by employees, and 27 employees were awarded for submitting the top ranked ideas

Diversity, inclusion and equity

We are committed to fostering a workplace that celebrates and benefits from the unique perspectives and experiences of all individuals.

Our Recruitment Policy clearly provisions for non-discrimination, outlining our commitment to creating an equitable environment where all employees feel empowered and valued, regardless of their gender identity.

We are proud to report that in 2025, our workforce represents a diverse tapestry of 32 nationalities, demonstrating our commitment to inclusivity. Concurrently, our female-to-male employee ratio has reached 33%, signifying progress towards greater gender balance within the organisation.

Emiratisation

In line with the UAE government's mandate, we are proud to report that approximately 14% of our workforce across the group are Emiratis, supported by under government initiatives such as NAFIS and the Dawamee programme.

To support the retention and development of Emirati talent, we continued our strategic focus on learning and professional growth for UAE nationals in 2025.

Total Training Reach: 8,733 instances (classroom and online combined)

Classroom Training: 1,750 participants in key areas such as compliance, customer service, and leadership

Online Training: 6,983 participants covering compliance, risk management, customer service, and professional development

These initiatives highlight our commitment to empowering Emirati employees and nurturing the next generation of leaders.

Internship Programmes

Al Ansari Financial Services offers a dynamic and structured internship program aimed at empowering students and fresh graduates with practical experience in the financial services sector. As one of the UAE's leading financial institutions, Al Ansari is committed to nurturing young talent and preparing them for successful careers in a competitive and evolving industry.

The internship program is designed to provide participants with:

- **Hands-on Experience:** Interns are assigned to one of the departments based on their academic background and career interests. This ensures relevant exposure and meaningful contributions to real business operations.
- **Professional Development:** Interns work alongside experienced professionals, gaining insights into industry best practices, customer service excellence, compliance, operations, and digital transformation initiatives.
- **Mentorship and Guidance:** Each intern is supported by mentors and supervisors who provide continuous feedback, helping them build confidence, improve their skills, and understand the expectations of a corporate environment.
- **Career Readiness:** The program is structured to bridge the gap between academic learning and workplace demands, equipping interns with the tools and mindset needed to thrive in the financial services industry.

Al Ansari Financial Services views its internship program as a strategic investment in the future workforce, offering a platform for young professionals to explore career paths, develop competencies, and potentially transition into full-time roles within the organization.

In 2025, we welcomed 04 students to our Back-Office Internship Programme and 06 employees participated in the Frontline Experience Programme. We are proud to contribute to their development and excited to see them play a vital role in our future success.

Fikrati Programme

Harnessing the collective creativity of our employees drives operational excellence and efficiency and this philosophy fuels Fikrati, our in-house innovation programme. Fikrati empowers employees to submit ideas that enhance operations across all departments.

- o Idea generation and recognition: We encourage participation, fostering a culture of continuous improvement.
- o Reward and implementation: Chosen ideas are recognised and rewarded with monetary incentives, ensuring motivation and appreciation for impactful contributions. We actively implement feasible suggestions and transform winning employee ideas into real-world solutions.



Al Ansari Financial Services P.J.S.C (the "Company") was listed on the Dubai Financial Market ("DFM") in April 2023.

With an independent Board, institutional controls and clearly defined policies, the Company's robust corporate governance is based on the principles of transparency and disclosure. Effective governance is key to the success of the Company and its subsidiaries.

Al Ansari Financial Services PJSC is listed on Dubai Financial Market regulated by the Securities and Commodities Authority ("SCA") and is subject to all SCA's rules and regulations. These set out standards of supervision expected from the Company's directors and officers.

The Company's Board of Directors (the "Board") is committed to maintaining appropriate standards of corporate governance that are in line with international best practices.

Governance Overview

The Board of the Company is structured with 3 committees composed by the Board which are the Audit, Nomination and Remuneration, and Executive committees. The Board adheres to the Board Nomination Policy that defines specific rules on its composition, mandating the inclusion of at least one female member. The governance framework not only defines the overall governance structure but also coordinates related policy documents and establishes rules facilitating the Board and officers in fulfilling their duties as per applicable laws and regulations.

As part of our commitment to transparency and accountability, the Company plans to release an annual Governance Report at the end of each financial year. This report, summarising our governance efforts, will be submitted to SCA and DFM. Demonstrating our dedication to international corporate governance standards, the Company has implemented a robust set of Group measures and policies to solidify internal controls and to prevent corporate malfeasance.

Remuneration Policy for the Board and Senior Executive Management: This Policy sets out the framework to support the Company's strategy and to promote sustainable success, by following the principle of aligning remuneration with long-term value creation for shareholders. The policy defines a fair and objective remuneration mechanism in line with applicable legal or regulatory rules or requirements governing the Remuneration of the Board and Senior Executive Management, including any requirements set out in the Companies Law, Governance Code, or the Articles of Association.

In fostering a culture of ethical conduct, our **Whistleblowing Policy** provides secure channels for the detection and reporting of unethical, corrupt, and illegal behaviour. The Company is dedicated to cultivating an environment where all stakeholders feel encouraged and safe to report instances of perceived wrongdoing or improper business practices within the company or involving third parties associated with the Group.

Additionally, our **Insider Trading Policy** outlines guidelines for individuals with access to insider information, encompassing Board Members, employees, and independent contractors. This policy strictly prohibits the trading of the Company's securities based on insider information non-public information pursuant to the rules of SCA and DFM in this regard. Furthermore, it mandates the regular submission of an updated register of insiders with access to sensitive company information to the SCA and DFM, ensuring compliance with regulatory requirements.

We also maintain a **Clear Desk, Clear Screen Policy**: This reflects our dedication to preserving the confidentiality and integrity of materials within our workplace. All employees are required to remove all confidential and sensitive materials from their workspaces when inactive or securely lock away such materials, particularly when vacating their workstation. This ensures that sensitive information remains protected at all times and minimises the risk of unauthorised access or data breaches.

The Company fosters a high-performance culture, and implements it through the **Performance Evaluation Policy**. The Policy provides an objective framework to measure, manage and monitor employees' performance to increase their potential for individual and organisation's development, while incorporating the mechanisms required to encourage ethical conduct.

Group Anti- Bribery & Corruption (ABC) Policy: Al Ansari Financial Services established this policy to provide guidance, to implement and maintain an effective Anti-Bribery & Corruption (ABC) Program to prevent any acts of bribery and corruption, and to facilitate the development of controls. The policy provides guidance on the standards of behavior to which all must adhere and the good business practices to follow in AAFS. This policy is designed to help us identify when something is prohibited so that bribery and corruption is avoided, provide guidelines, and assign responsibility for the development of controls against Anti-Bribery & Corruption.

Risk Appetite Framework: Al Ansari Financial Services acknowledges the critical role of effective risk management in achieving business objectives and safeguarding stakeholder interests. The risk appetite framework broadly outlines AAFS' risk management strategy across different areas to ensure sustainable growth and maintain operational trust. Establishing Risk Appetite is a critical component of an effective risk management and governance framework which is a key enabler for organizations wanting to drive performance and empower the functions to make timely, risk aware decisions.

Business Continuity Management Policy, Procedure & Framework: This policy provides guidance to ensure continuity of critical operations during disruptions. It includes preparedness, response, and recovery plans, with regular testing and reviews to strengthen organizational resilience.

Fraud Prevention Framework: Al Ansari Financial Services established this framework to protect the business, customers, employees, and partners from fraud. It provides guidance to develop preventive controls, detect fraudulent activity, and assign responsibility for reporting actual or suspected fraud.



AL ANSARI EXCHANGE, THE LEADING REMITTANCE AND EXCHANGE COMPANY IN THE UAE AND A SUBSIDIARY OF AL ANSARI FINANCIAL SERVICES, IS GOVERNED BY THE CENTRAL BANK OF THE UAE AND CURRENTLY HAS THE BELOW GOVERNANCE STRUCTURES AND POLICIES IN PLACE.

Conflict of Interest Policy

This policy outlines the guidelines for preventing, minimising, and managing conflicts of interest (COI), while ensuring fair treatment to consumers in accordance with Consumer Protection Regulations and associated standards. The policy provides guidance regarding identification, and reporting of COI and for appropriate mitigation of situations where an individual's personal interests could interfere with their professional duties and responsibilities, leading to a potential or actual bias in decision-making.

Fraud Prevention Framework and Policy

At Al Ansari Exchange, we create and nurture a culture of integrity. We are committed to safeguarding our business, customers, employees and business partners from fraud. We established our Fraud Prevention Framework and Policy to facilitate the development of controls that will support fraud prevention and detection. This defines our duties in reporting fraud or suspected fraudulent activities.

Market Conduct Compliance Policy

We are determined to continuously enhance the business to maintain fair market conduct. Our policy goes beyond compliance with regulatory requirements as we ensure fairness, transparency and satisfactory customer experience on top of the consumer protection regulations and standards.

Business Continuity Management Policy, Procedure & Framework

Our Business Continuity Management is paramount for swift business recovery post-disruption. By identifying potential threats and assessing their impacts, we enhance organisational resilience. This comprehensive framework safeguards stakeholders' interests, reputation, and value-creating activities, demonstrating our unwavering commitment to operational excellence and continuity in challenging times.

Conduct Risk Framework

With our customers at the heart of every strategic and tactical decision we make, this framework was designed to manage conduct risk and ensure compliance with consumer protection regulations and standards. We always aim to protect our consumers' interests as they deal with financial products and services.

Gifts, Hospitality and Entertainment Policy

We uphold ethical business practices, strictly prohibiting bribery and corruption. While recognising the value of fostering positive relationships through Gifts, Hospitality, and Entertainment (GHE), we emphasise transparent and ethical conduct. This policy outlines acceptable GHE practices and guides employees on appropriate behaviour. It works in tandem with our Fraud Prevention Framework & Policy, overriding relevant sections on bribery and corruption prevention.

Consumer Protection Governance Framework

Through our "Customers First" philosophy, we seek to continuously develop our customers' trust in the financial services we provide. In accordance with the consumer protection regulation, this framework establishes a governance structure for the assurance and evidence of oversight of conduct risks within our business.

Enterprise Risk Management Framework

Our organisational and operational resilience are integral parts of our success. To address this, as well as emerging trends and requirements, we have developed a standard approach to implementing risk management at the enterprise level. This framework adheres to existing regulatory requirements and international standards.

Anti-Money Laundering Policy

We are committed to combatting money laundering and terrorist financing in accordance with the requirements of the Central Bank of the United Arab Emirates and international best practises in Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF).

To ensure the integrity of our business, we have adopted strong AML and compliance policies along with our state-of-the-art IT infrastructure and AML solutions.

Moreover, Al Ansari Exchange has dedicated a team of highly trained Unit Compliance Officers in each branch to serve as point of contact for regulatory compliance concerns.

Privacy Policy

To strengthen the trust and confidence on which our business has been built, we make our customers' data privacy and protection a priority. Any information given to us in person, over the phone, through our website, or through any of our digital channels is strictly private and confidential. Al Ansari Exchange and our employees adhere to strict confidentiality obligations.

Policies on IT, Internet, Email and Computer Usage

The safe and secure usage of information, equipment and other technological resources related to or owned by Al Ansari Exchange is safeguarded by relevant policies. Our business information and customer information are protected with confidentiality and integrity.

Policies on Violations and Penalties, Employee Separation, Hiring Relatives, and Other Disciplinary Rules and Procedure.

We support and encourage our people to be satisfied, productive and secure in their work. With this strategy, we built a structure to protect our people's rights from the time they join the organisation until they leave.

We implement thorough background checks on all employees before they join, including police clearance, AML sanctions checks, reference checks and verification against the Central Bank of the UAE's Persona Non-Grata system. Additionally, in cases where employment termination arises due to integrity issues, we diligently report such instances to regulators and law enforcement authorities as mandated by regulatory requirements. This approach ensures the protection of our employees' rights throughout their tenure with us, which fosters a work environment built on trust and integrity.

Recruitment Policy

Our Recruitment Policy at Al Ansari Financial Services emphasises fairness, consistency and transparency in fostering diversity and ensuring equal opportunities for all. This policy establishes a solid framework for attracting, selecting, and onboarding top talent, while strictly prohibiting any form of discrimination based on race, colour, gender, religion, national or social origin or disability. It guarantees that every role within the organisation is meticulously filled with skilled individuals, in strict adherence to UAE Federal Decree Law No. (33) of 2021, Ministry of Human Resource and Emiratisation regulations, employment agreements, and pertinent company policies.

Succession Plan Policy

Similarly, we maintain the Succession Plan Policy which delineates an objective framework for identifying critical positions within the organisation and developing potential successors in order to build a leadership pipeline within the organisation. It also supports the maintenance of business continuity by proactively identifying an able successor in case a critical role-holder becomes unavailable.



04

CORPORATE GOVERNANCE REPORT

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Corporate Governance Framework and Implementation Overview

Al Ansari Financial Services PJSC (the "Company") is committed to maintaining a world-class corporate governance framework that not only ensures compliance with local laws and regulations but also positions us as a resilient and risk-conscious financial institution. This commitment enhances our ability to create sustained value for all stakeholders. Our approach is rooted in our core values, emphasising integrity, respect, and discipline in every facet of our corporate governance practices. The Company complies with the applicable regulations and governance requirements, in particular, the provisions of the Securities and Commodities Authority's ("SCA") Board of Directors' Decision No. (3/R.M.) of 2020 concerning Approval of Joint Stock Companies Governance Guide (as amended) ("SCA Corporate Governance Guide").

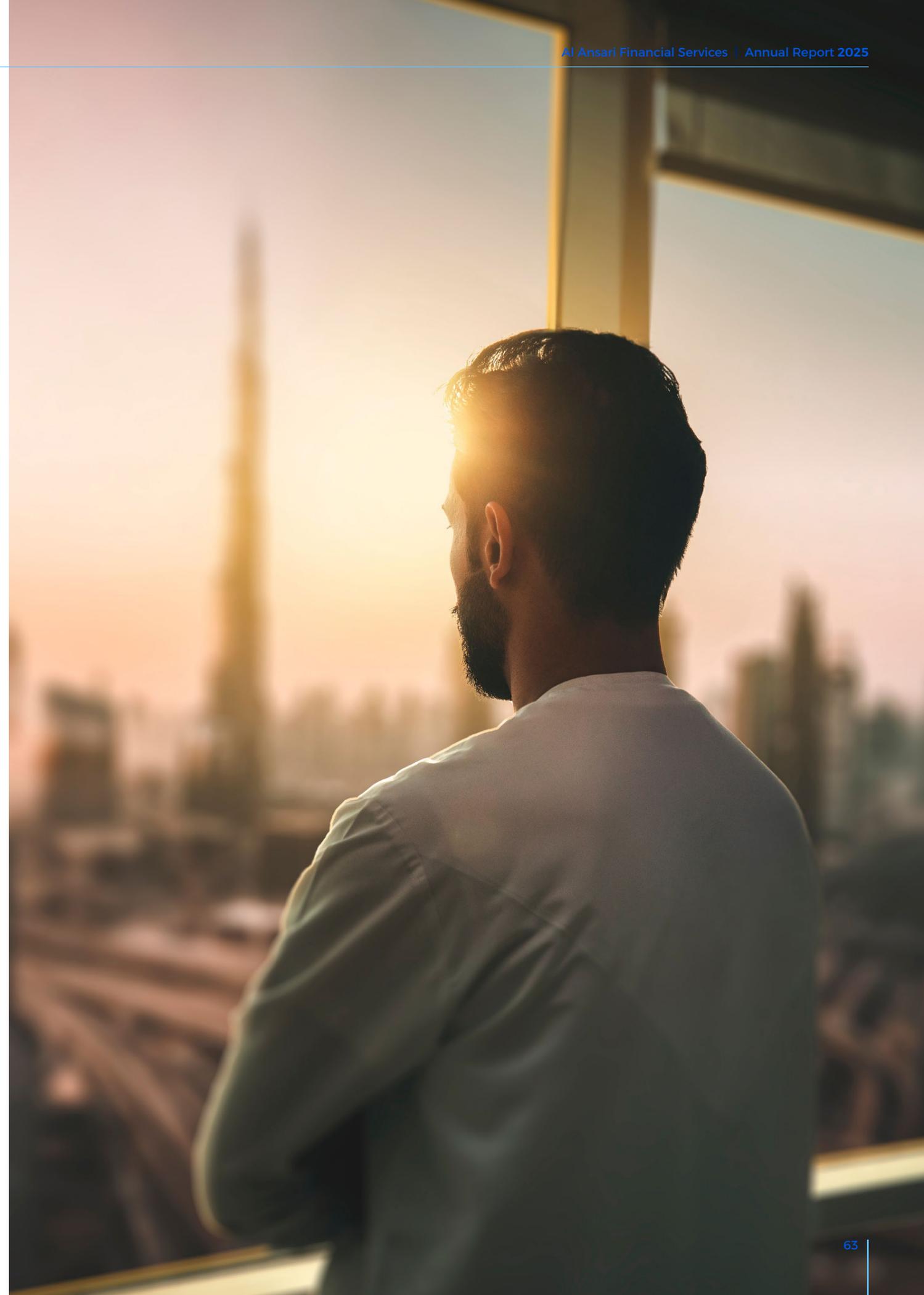
The Company's Board of Directors (the "Board") is committed to adopting effective and robust corporate governance that promotes efficient and sound decision making and accountable and transparent conduct to ensure the creation and safeguarding of long-term and sustainable shareholder value. Furthermore, the Company is consistently updating the key policies that form an integral part of its governance framework to ensure full compliance with the revised Governance Guide. All the policies are reviewed on a regular basis.

Our dedication to compliance extends beyond mere adherence to regulations. It is a strategic initiative to effectively manage all compliance risks, making us better equipped to navigate the dynamic financial landscape. By staying fully compliant with regulatory requirements, we instill confidence in our stakeholders, demonstrating our commitment to ethical conduct and responsible business practices.

The Company upholds a set of core values—integrity, teamwork, customer excellence, innovation, social commitments and strategic leadership—which serve as the foundation for our governance practices. We extend these values to our employees, customers, and suppliers, emphasising the importance of respecting human rights.

As one of the leading integrated financial institutions in the region, we recognise and embrace the expectations of our diverse stakeholders. To maintain our position, we are committed to adhering to leading practices in corporate governance, ensuring that we not only meet regulatory requirements but also fulfil our fiduciary responsibilities.

All major corporate governance related charters, policies and framework are being documented that address the SCA governance requirements. The Regulatory Compliance department drafts and reviews the relevant documents and reports to the Audit Committee on the progress and compliance therewith.



Board of Directors



Mohammad A. Al Ansari

Chairman of the Board, Non-executive director

Date of First election:

March 2023

Mohammad A. Al Ansari serves as the Chairman of Al Ansari Financial Services PJSC, a publicly listed conglomerate that oversees several prominent entities in the financial sector including Al Ansari Exchange, CashTrans Money & Valuables Transport Services L.L.C, Blue Remit Limited (previously known as 'WorldWide CashExpress Limited'), and Al Ansari Exchange WLL in State of Kuwait.

Under his leadership, the group has become one of the essential driving forces in the financial services industry, delivering exceptional value and innovation to millions of consumers in the UAE and beyond.

Mohammad also serves as the founding chairman of the Foreign Exchange and Remittance Group ("FERG"), a nonprofit association for exchange companies in the UAE established in conjunction with the Central Bank of the UAE. He pursued his higher education in the United States and returned to the UAE in the early 1980s to take the reins of his family's businesses.



Fuad A. Al Ansari

Vice Chairman of the Board, Non-executive director
Member - Audit Committee

Date of First election:

March 2023

Fuad A. Al Ansari serves as the Vice Chairman of the Al Ansari Financial Services PJSC. He joined the Group in 1995 and led the organization's digitisation efforts, overseeing the development of automated systems to process the actions. Prior to joining the Group, he had a decade-long tenure in Abu Dhabi Company for Onshore Oil Operations (ADCO).

Fuad earned his bachelor's degree in Mechanical Engineering from the University of Pittsburgh, U.S.A.



Eisa A. Al Ansari

Director, Non-executive
Member - Nomination and Remuneration Committee

Date of First election:

March 2023

Eisa A. Al Ansari has over 28 years of experience with the Group.

He has spearheaded the company's efforts to bring the Al Ansari Exchange brand to the forefront of the industry and to grow the organisation from only 10 branches to the UAE's largest exchange company over the years. He has played a crucial part in standardising the customer experience which enabled Al Ansari Exchange to receive many awards in recognition such as Dubai Quality Award and Sheikh Khalifa Excellence Award.

Eisa earned his Bachelor of Science degree in Electrical Engineering in the US.

He also undertook executive education in the fields of financial and business management skills at the Michigan School of Business.



Rashed A. Al Ansari

Director, Executive

Date of First election:

March 2023

Rashed A. Al Ansari is the Group Chief Executive Officer and a Board Member of Al Ansari Financial Services, the parent company of Al Ansari Exchange, one of the UAE's most trusted financial services group.

Since joining in 2010, Rashed has driven the Group's strategic transformation and market expansion, leading the successful public listing of Al Ansari Financial Services on the Dubai Financial Market in 2023. Under his leadership, the Group is the largest non-banking financial institution in the GCC, serving millions of customers across remittances, foreign exchange, payments, and digital financial solutions.

Rashed's career includes senior roles at Dubai Holdings, Dubai Industrial City, and the Dubai Mercantile Exchange, where he led operational, commercial, and strategic initiatives. He holds a Bachelor's degree in Engineering from the University of Bradford and an MBA from Leeds University Business School, and is a graduate of the Mohammed Bin Rashid Leadership Program.

Recognised among Forbes Middle East's Top 100 CEOs in 2023 and 2025, he serves on the Dubai Chamber of Commerce Board and as Vice Chairman of the Foreign Exchange & Remittance Group (FERG), contributing to the UAE's financial services industry.

Board of Directors (continued)**Nitin Khanna**

Director, Non-executive, Independent
Chairman - Audit Committee

Date of First election:
March 2023

Nitin Khanna has over 40 years of experience in the Middle East region, mainly with PricewaterhouseCoopers ("PwC"). Whilst with PwC, he held several senior positions including serving on the Middle East leadership and Deals leadership teams, heading Transaction Services and the Corporate Finance practices of the firm in the region.

Following his retirement from PwC, he joined Nucleus Consulting FZC, a business advisory firm, as a Senior Partner. He currently serves on the Board of a number of private companies and is also a member of the Executive Committee of BinDawood Holdings Limited, a company listed on the Saudi Tadawul Exchange. He has a bachelor's degree in economics from Delhi University, India and is a chartered accountant from the Institute of Chartered Accountants of India. Until May 2022, he was an independent non-executive director of BDH. He continues to act as a Director of certain subsidiaries of BDH.

**Marcello Baricordi**

Director, Non-executive, Independent
Chairman - Nomination and Remuneration
Committee
Member - Audit Committee

Date of First election:
March 2023

Marcello Baricordi is a Senior Executive with 25+ years of experience in accelerating growth especially for Multinationals across Emerging Markets and Payments. Marcello brings the experience of Senior Roles at Network International (Group President Processing), Visa International (General Manager MENA), First Data (Managing Director Italy, currently FISERV) and was previously a member of the Advisory Board of Strands LLC (Barcelona).

Marcello holds a Laurea in Business Administration from the University of Venice Italy and a corporate governance diploma and ESG certificate from the Corporate Governance Institute.

Marcello is currently helping companies to accelerate growth in the region as a Member of the Board at Enza Group (Abu Dhabi) and Senior Advisor for multiple private companies in MENA.

**Raja Al Mazrouei**

Director, Non-executive, Independent
Member - Nomination and Remuneration Committee

Date of First election:
March 2023

Named among the global "Top 100 Women in FinTech" by Innovate Finance, Raja Al Mazrouei has been a key figure in solidifying the United Arab Emirates' UAE's position as one of the top 10 global fintech hubs.

A natural visionary, Raja is committed to scaling the latent potential of each individual and fearlessly broadening the boundaries of what is considered possible. Raja's career in FinTech was launched with an MBA in Global Leadership and Management from the United Arab Emirates University in 2005. Since then, she has held senior executive positions within the IT, operations, and marketing teams at Dubai Holding, National Bonds Corporation, and Dubai International Financial Center.

She has expanded her credentials by completing programs at Harvard Business School, London Business School, University of California at Berkeley, Singularity University, and Hawkamah Institute for Corporate Governance.

In 2017, Raja helped launch FinTech Hive, a collaborative community encompassing over 200 FinTech, RegTech, and InsurTech firms operating at the DIFC. As Executive Vice President, Raja recruited over 1,000 startups and oversaw their integration into the UAE economic scene, running acceleration programs for early stage, growth stage, and scale-ups. Her fearless forward thinking has inspired countless individuals, helping to make FinTech Hive one of the region's most successful technology hubs and one of the world's top financial

innovation labs. Raja's contributions as a pioneer in the field have been widely recognized. In addition to the recognition from Innovate Finance, she has been named among the «50 Most Influential Women in Middle East Finance» by Dow Jones Financial News and the «Top 100 Power Businesswomen in the Middle East» by Forbes. Additionally, she served as the Vice President of the Harvard Business School Club of the Gulf Cooperation Council, a non-profit fostering the professional and personal growth of over 1,200 Harvard Business School alumni in the Gulf region. Raja's entrepreneurial vision and her passion for innovation, combined with her commitment to the growth and development of individuals and institutions alike, have made her a significant contributor to the dynamic success of FinTech in the UAE, the Gulf region, and beyond.

Other Important Regulatory, Governmental, or Commercial Positions She also helps shape the future of financial services in the region by serving on various boards, including the Harvard Business School MENA Advisory Board and the boards of Zand Digital Bank, National Cement Company, Etihad Credit Insurance, Al Masraf Arab Bank for Investment and Foreign Trade, and a trustee member of Mohammad Bin Rashid School of Government.

The Board member holds appointments on the boards of other public joint stock companies, including National Cement Company.

Board Secretary



Sirine El-Merhebi

Group Senior Manager – Corporate Communications and Investor Relations

Sirine El-Merhebi leads Corporate Communications and Investor Relations at Al Ansari Financial Services. She oversees the Group's communications and investor relations strategy, stakeholder engagement, and Board governance processes, ensuring transparent, timely, and effective communication of the Company's strategy, performance, and compliance with governance standards.

On 18 December 2025, Sirine was appointed by the Board of Directors as Board Secretary, succeeding Faisal Anwar (former Board Secretary and Group Chief Financial Officer), who resigned from his role. In this capacity, she supports the Board in fulfilling its governance and regulatory responsibilities and ensures adherence to applicable corporate governance frameworks.

With over 16 years of experience across leading financial institutions in the UAE, Lebanon, and Qatar, Sirine has held senior roles at United Arab Bank, Commercial Bank of Dubai, First Abu Dhabi Bank, and Bank of Beirut. She holds a Bachelor's degree in Business Administration with a specialisation in Communications from American University of Beirut and is fluent in English, Arabic, and French.

Direct Telephone: **+97145010644**
Email: **sirine.merhebi@alansari.ae**

Role of the Board of Directors

The composition of the Board of Directors is in compliance with the requirements of SCA Governance Guide, the Federal Law by Decree No. 32 of 2021 concerning Commercial Companies, the Articles of Association of the Company ('AOA'), as well as the relevant applicable laws and regulations. The independent Board members confirmed their independent status during the year 2023 and the Company verified that the legal requirements regarding the minimum number of independent Board members have been satisfied.

The Company adheres to the responsibilities and duties set out by the Board of Directors in relation to its composition, operating procedures and responsibilities such as:

- Setting the Company's overall strategy and main work plans, and reviewing these continuously
- Adopting the strategy and main objectives of the Company, and supervising implementation thereof
- Ensuring the establishment of a compliance function to oversee compliance with applicable laws, regulations and decisions as well as regulatory requirements, internal policies, regulations and procedures established by the Board
- Evaluating the overall performance and effectiveness of the Board, its committees and members and taking corrective actions as appropriate
- Evaluating the performance and work of the Board and its members.
- Recommending the remuneration policy of the Board for approval by shareholders
- Ensuring that the Company carries out its objectives described in the Articles of Association. It has the responsibility and authority to determine the frameworks, policies and practices which govern, control and monitor the management of the operations and risks of the Company in the interests of achieving these objectives.
- Providing clear, objective and appropriate guidelines, and making its collective knowledge and experience available to the Company.
- Applying corporate governance regulations and criteria in accordance with the Corporate Governance (CG) Code which applies to all listed public joint stock companies in the United Arab Emirates.
- Delegating matters which it thinks appropriate to its own Committees, members of the Board, or to Senior Executive Management.

Board Composition

The Board is composed of 7 members, including 3 independent directors. Of the total Board members, 6 are non-executive and 1 is an executive director.

- The members were elected at the Annual General Assembly in March 2023. Members are eligible for re-election.
- The Board comprises of 1 female director, Raja Al Mazrouei, who served on the Board of Directors for the year 2025, representing 14.29% female participation on the Board.
- The Board collectively possesses professional knowledge, business expertise, industry knowledge, diversity and financial awareness to carry out its oversight responsibilities. All Board members are in regular attendance of the meetings.

Board of Directors' Transactions in the Company's Securities

The following table shows the shares of the Company held by the members of the Board and their relatives during 2025.

Name	Position	Total Buy transaction for the Year 2025	Total Sell transaction for the Year 2025	Shares Owned as of 31/12/2025	Value as of 31/12/2025
Mohammad A. Al Ansari	Chairman	7,552,371	2,000,000	47,052,959	47,523,489
Rashed A. Al Ansari	Board Member	2,488,518		49,503,780	49,998,818
Eisa A. Al Ansari	Board Member	1,303,780		19,818,514	20,016,699
Fuad A. Al Ansari	Board Member	9,839,878		9,839,878	9,938,277
Faraneh Iraj Mahmood	Wife of Fuad A. Al Ansari			202,309	204,332
Abeer Al Redha	Wife of Rashed A. Al Ansari			1,017,560	1,027,736
Yousuf Rashed A. Al Ansari	Son of Rashed A. Al Ansari			1,017,560	1,027,736
Hamdan Rashed A. Al Ansari	Son of Rashed A. Al Ansari			1,017,560	1,027,736
Nabeel Rashed A. Al Ansari	Son of Rashed A. Al Ansari			1,017,560	1,027,736
Hassan Hamed Mohammad A. Al Ansari	Grandson of Mohammad A. Al Ansari		58,505	-	-
Hussain Hamed Mohammad A. Al Ansari	Grandson of Mohammad A. Al Ansari		51,990	-	-

Board of Directors' Remuneration

- The Board of Directors will be paid a remuneration of AED 1,750 million for 2026, subject to Annual General Meeting (AGM) approval. (as per the below table) (2025: AED 1,750 million)
- The Board of Directors will be paid a total of AED 150,000 as an allowance for attending the Board committees in 2026, subject to Annual General Meeting (AGM) approval (as per the below table) (2025: AED 150,000)

Board Member	Committee	Directors' Remuneration (AED '000)	Attendance Fees (AED '000)	Attendance (%)
Mohammad A. Al Ansari	BOD	250	0	100%
Fuad A. Al Ansari	BOD, AC	250	40	100%
Eisa A. Al Ansari	BOD, NRC	250	10	100%
Rashed A. Al Ansari*	BOD	250	0	100%
Marcello Baricordi	BOD, AC, NRC	250	50	100%
Nitin Khanna	BOD, AC	250	40	100%
Raja Al Mazrouei	BOD, NRC	250	10	70%
Total		1,750	150	

* Rashed A. Al Ansari serves in an executive capacity as Group Chief Executive Officer. Accordingly, he receives a salary in his executive role.

Board Activities & Resolution passed in 2025

The Board of Directors met 6 times in 2025 and received information in between meetings on regular basis from the Board and Committees in relation to the company's business developments.

Name of the Board Members	AAFS Board of Directors Meeting Dates					
	12/02/2025	13/05/2025	12/08/2025	18/09/2025	13/11/2025	18/12/2025
	Board of Directors meeting to discuss and approve FY 2024 financial results	Board meeting to discuss and approve 1st Quarter financial results 2025	Board meeting to discuss and approve 2nd Quarter financial results 2025	Board meeting to discuss and approve the distribution of interim cash dividend for the first half of the financial year 2025	Board meeting to discuss and approve 3rd Quarter financial results 2025	Board meeting to discuss and approve the budget for the year 2026
Mohamed A. Al Ansari	Attended	Attended	Attended	Attended	Attended	Attended
Fuad A. Al Ansari	Attended	Attended	Attended	Attended	Attended	Attended
Eisa A. Al Ansari	Attended	Attended	Attended	Attended	Attended	Attended
Rashed A. Al Ansari	Attended	Attended	Attended	Attended	Attended	Attended
Nitin Khanna	Attended	Attended	Attended	Attended	Attended	Attended
Marcello Baricordi	Attended	Attended	Attended	Attended	Attended	Attended
Raja Al Mazreoui	Attended	Attended	Absent	Absent	Attended	Attended
Total Attendance	7	7	6	6	7	7

2025 Board membership and number of meetings held

Board Member	BOD	AC	NRC
Mohammad A. Al Ansari	C	-	-
Fuad A. Al Ansari	VC	M	-
Eisa A. Al Ansari	M	-	M
Rashed A. Al Ansari*	M	-	-
Marcello Baricordi	M	M	C
Nitin Khanna	M	C	-
Raja Al Mazrouei	M	-	M
Number of Meetings in 2025	6	4	1

C: Chairman, VC: Vice Chairman M: Member, BOD: Board of Directors, AC: Audit Committee, NRC: Nomination and Remuneration Committee

Summary of Board Resolutions by Circulation in 2025

There were 42 Board resolutions taken up for review or approval by circulation in 2025.

Board Committees

The Board of Directors established Board Committees to assist the Board in carrying out its duties and obligations and undertake a more detailed review of important areas of business and control.

Audit Committee (AC)

The primary function of the Audit committee is to review and monitor the integrity of the Company's interim and annual financial statements. In this context, its responsibilities include ensuring the independence and effectiveness of the external audit function by reviewing the scope and quality of work carried out by both internal and external audit and being involved in the appointment of external auditors and in overseeing the relationship with them. The Audit Committee also provides independent oversight to the Board in relation to the Group's governance, risk management, compliance and internal control practices, including a review of related party transactions to ensure they have been conducted on an arm's length basis. The Audit Committee also reviews various governance related policies, frameworks and charters.

The Committee Chairman acknowledges his responsibility for the Committee system within the Company, for reviewing its work mechanisms, and for ensuring its overall effectiveness in line with best governance practices.

Committee members:

- **Nitin Khanna - Chairman**
- **Fuad A. Al Ansari - Member**
- **Marcello Baricordi - Member**

AC is required to meet at least four (4) times a year. The committee held four (4) meetings in 2025: 12 February, 13 May, 12 August and 13 November.

Annual Audit Committee Report

Overview

During the year, the Audit Committee supported the Board of Directors in fulfilling its oversight responsibilities in relation to financial reporting, internal controls, risk management, compliance, and the external audit process. The Committee discharged its duties in accordance with its approved mandate, applicable laws and regulations, and leading corporate governance practices.

Financial Statements and Significant Matters

The Committee reviewed the Group's financial statements and considered significant matters arising therefrom, including compliance with applicable accounting standards, the accuracy and completeness of financial reporting, related party transactions, and the adequacy and effectiveness of internal controls. The Committee also ensured that financial disclosures were transparent and in compliance with regulatory requirements. Significant matters were discussed during Committee meetings and, where appropriate, escalated to the Board for further consideration.

External Audit – Independence, Effectiveness, and Appointment

The Committee assessed the independence and effectiveness of the external audit process in accordance with the Group External Auditor Independence Policy, SCA regulations, and industry best practices. This assessment included a review of the audit scope, approach, and key deliverables.

Deloitte, the Group's external auditor, was appointed in 2023. Based on the firm's performance during the previous year, the Committee recommended its reappointment, reflecting confidence in its continued effectiveness and the integrity and reliability of the external audit process.

The Committee also confirmed that the external auditor did not provide any non-audit services during the year, thereby maintaining full independence.

Internal Controls and Risk Management

The Committee reviewed the effectiveness of the Group's internal control and risk management frameworks, which operated satisfactorily during the year with no significant deficiencies reported. When any weaknesses are identified, the Committee ensures that management implements appropriate corrective actions and provides regular progress updates until resolution.

Internal Audit Oversight

The Committee reviewed quarterly internal audit reports submitted by the Group Chief Internal Auditor prior to each Audit Committee meeting. Particular attention was given to findings classified as medium and high risk to assess whether they resulted from significant violations or weaknesses in internal controls. The Committee discussed key issues with management and monitored the implementation status of agreed corrective action plans.

Corrective Action Plans

The Committee reviewed management's corrective action plans designed to address reported deficiencies in risk management and internal control systems. Progress against these plans was monitored on a quarterly basis to ensure timely and effective remediation.

Related Party Transactions

The Committee reviewed all related party transactions undertaken during the year, including the corresponding balances at the end of each reporting period. The Group Chief Financial Officer provided quarterly confirmations of compliance with the related party transactions policy. Any observations or queries raised by the Committee were discussed with relevant stakeholders and, where necessary, escalated to the Board for further deliberation.

Committee Summary

Through its activities during the year, the Audit Committee has fulfilled its responsibilities in overseeing financial reporting, internal controls, risk management, internal audit activities, related party transactions, and the independence and effectiveness of the external audit process. In doing so, the Committee has supported the Board in safeguarding the interests of shareholders and other stakeholders and in upholding high standards of corporate governance.

Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee supports the Board by overseeing the composition, independence, remuneration, and development of the Board of Directors and senior management in line with applicable laws, regulations, and the Company's long-term strategy.

The Committee develops and maintains policies governing Board and executive appointments, considering diversity considerations, including gender diversity, and promoting the participation of women through appropriate incentive, training, and benefit programs. It oversees the nomination process for Board membership, ensures the ongoing independence of Independent Directors, and annually confirms that Board members continue to meet eligibility and membership requirements.

The Committee is also responsible for developing and annually reviewing the remuneration policy for Board members, senior executives, and employees, ensuring that remuneration, benefits, and incentives are fair, reasonable, and aligned with the Company's long-term performance.

In addition, the Committee annually reviews the skills, experience, and competencies required for Board membership, including expected time commitments, and identifies the competency needs of senior management and staff. It oversees the Company's human resources and training policies and monitors their implementation.

The Committee ensures that appropriate succession and continuity plans are in place for senior executives and Board committee chairs and undertakes any other responsibilities as delegated by the Board from time to time.

The Committee Chairman acknowledges his responsibility for the Committee system within the Company, for reviewing its work mechanisms, and for ensuring its overall effectiveness in line with best governance practices.

Committee members:

- **Marcello Baricordi - Chairman**
- **Eisa A. Al Ansari - Member**
- **Raja Al Mazreoui - Member**

NRC is required to meet at least once (1) a year. The committee held one (1) meeting in 2025: 10 February.

Board Executive Committee (BEC)

The Board Executive Committee supports the Board of Directors in overseeing the effective implementation of the Company's strategy, policies, and decisions between scheduled Board meetings. The Committee exercises the powers and authorities delegated to it by the Board in accordance with its approved Terms of Reference and applicable regulatory requirements.

The Committee is responsible for reviewing key operational, financial, and strategic matters within the scope of its mandate and providing timely guidance and direction to management. It ensures that the Company's governance framework, internal control systems, and decision-making processes remain robust, effective, and aligned with the Company's objectives.

The Board has approved the formation of the Board Executive Committee and its Terms of Reference. The Committee Chairman acknowledges his responsibility for the Committee system within the Company, for reviewing its work mechanisms, and for ensuring its overall effectiveness in line with best governance practices.

Committee Members:

- **Mohammad A. Al Ansari – Chairman**
- **Fuad A. Al Ansari – Member**
- **Eisa A. Ansari – Member**
- **Rashed A. Al Ansari – Member**

Delegation of Authority and Responsibilities by The Board

The Board of Directors of Al Ansari Financial Services delegated the day-to-day management of the Company to the Group Chief Executive Officer (GCEO), in line with the approved delegation of authority and signing matrix. This delegation enables effective decision-making, operational efficiency, and responsiveness to market demands while reserving strategic matters for the Board, Board Executive Committee or General Assembly.

Key Responsibilities Delegated to the Group CEO:

- Implementing the Company's strategy as approved by the Board.
- Developing and executing the risk management framework, under Audit Committee oversight.
- Managing all administrative, technical, financial, and legal aspects of the Company.
- Establishing and implementing internal control and compliance frameworks, subject to Audit Committee oversight.
- Developing and implementing remuneration and recruitment policies, subject to NRC oversight and aligned with Board-approved guidelines.
- Authorising delegation of any of the above powers to other executives or team members as needed.

Authorised Person: Group CEO and his delegates.

Power of Authorisation: Undertake day-to-day management of the Company within the limits set by the Board.

Duration of Authorisation: Valid until amended or revoked by the Board.

Board of Directors' Annual Performance Assessment

The Nomination and Remuneration Committee (NRC) has completed the annual assessment of the performance of the Board of Directors, its members, and committees. The assessment confirmed that the Board and its members have fulfilled their roles and responsibilities effectively, maintained compliance with laws and regulations, adhered to the Group's core values and code of conduct, and ensured that risks were appropriately mitigated. The Board demonstrated exceptional availability, commitment, and support, while continuing to champion strategic initiatives aligned with best market practices.

An independent professional assessment, typically conducted every third year, was not required this cycle, as the NRC led the evaluation process.

Related Party Transactions During 2025

Al Ansari Financial Services maintains full transparency in disclosing related party transactions in its financial statements, which are audited and reviewed by external auditors. Management evaluates and reviews all related party dealings at the time the transactions are conducted.

The Company ensures that all transactions with related parties are disclosed in accordance with the applicable accounting standards and are subject to verification by external auditors through quarterly reviews and annual audits.

During 2025, no transactions with related parties exceeded 5% of the Company's capital. Comprehensive disclosures of related party transactions for 2025 are available in the audited financial statements.

Insider Transactions Oversight Framework

The Board of Directors has established a robust framework to oversee transactions by individuals with access to sensitive company information, in line with the guidelines of the Securities and Commodities Authority (SCA) and Dubai Financial Market (DFM). This framework applies to Board members, employees, and independent contractors, ensuring strict adherence to insider trading regulations and promoting market integrity.

Key Roles and Responsibilities

Sirine El-Merhebi, Group Senior Manager – Corporate Communications and Investor Relations – oversees the insider register, communicates blackout periods, and supervises pre-clearance procedures for insider trades. Sirine was appointed to Investor Relations on 8 October 2025, succeeding Dana Khalaf, and to the Board Secretary on 18 December 2025, succeeding Faisal Anwar.

Investor Relations Team – maintains an up-to-date insider register, supports compliance with all regulatory obligations, and ensures timely communication of restricted trading windows.

Core Processes

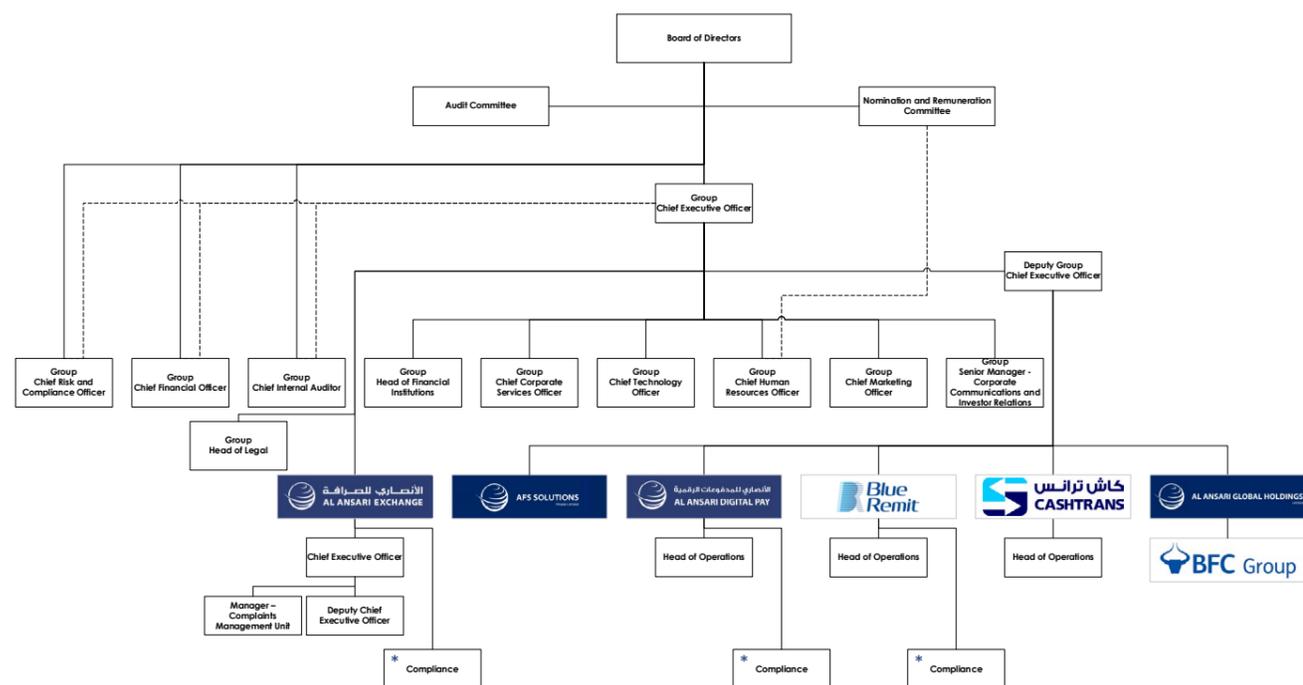
During 2025, oversight of insider transactions was effectively managed through a comprehensive framework implemented by the Investor Relations team, ensuring the highest standards of corporate governance and market integrity. The framework provides a structured and transparent approach to monitoring and supervising insider transactions, ensuring rigorous oversight without the need for a separate formal committee.

The framework ensures thorough oversight through the following mechanisms:

- **Insider Identification and Registration** – All individuals with access to non-public information are identified and registered in compliance with DFM regulations.
- **Restricted Trading Windows** – Blackout periods are established around sensitive corporate events and communicated to all insiders to prevent trading based on non-public information.
- **Pre-clearance of Trades** – All insider trade intentions are submitted for prior approval to identify potential conflicts and ensure compliance with internal policies and regulations.

Through this framework, Al Ansari Financial Services maintains high standards of corporate governance, ensuring transparent, timely, and effective oversight of insider transactions and reinforcing trust among stakeholders.

Al Ansari Financial Services Organisation Structure



Note: Subsidiaries operate under Group functional reporting.
* Functions report into Group Chief Risk and Compliance Officer.

Senior Executive Compensation

Name	Position	Year of Appointment	Total Compensation 2025
Rashed A. Al Ansari	Group CEO	2010	1,440,000
Mohammad Bitar	Deputy Group CEO	2018	1,981,252

External Auditor

Auditor Appointment

The external auditors, Deloitte & Touche (ME), were re-appointed by the shareholders at the Annual General Assembly meeting held on 20 March 2025 for the third consecutive year. The Audit Partner at Deloitte & Touche (ME) who is in-charge of the external audit shall rotate every 3 years, whereas external audit firm may only be appointed for a maximum of 6 consecutive years.

Audit Fees and Expenses

Name of the audit firm:	Deloitte & Touche (ME)
Name of the partner auditor:	Mr. Manish Gourisaria
Number of years spent as the company's external auditor:	3 years (including current year)
Number of years the partner auditor spent auditing the company's accounts:	2 years (including current year)
Total value of audit fees for 2025	AED 1,834,760/-
Details and nature of other services provided by the company's auditor (if any). In the event that there are no other services, this shall be stated explicitly.	N/A
The value of fees and costs incurred for other special services other than auditing the financial statements for 2024 (in AED), if any. In the event that there are no other fees, this shall be stated explicitly.	N/A
Statement of other services that an external auditor other than the company auditor provided during 2025 (if any). In the event that there are no services provided by another external auditor, this shall be stated explicitly.	N/A

1. Tax Consultancy Services

Name: **KPMG Lower Gulf Limited UAE**

Details of services: Tax advisory services – Transfer price benchmarking and Compliance matters related to Corporate Tax

2. Valuation services

Name: **Protiviti Global Business Consulting UAE**

Details of services: Purchase price Allocation for BFC Group and valuation of Al Ansari Exchange Kuwait (Related party transaction)

3. Agreed-upon procedures

Name: **Crowe Mak UAE**

Details of services: Agreed-upon procedures in respect of benchmarking of terms and conditions for shareholder's loan (Related party transaction)

4. Agreed-upon procedures

Name: **Grant Thornton UAE**

Details of services: Agreed-upon procedures in respect of compliance with the Anti-money laundering compliance standards for the Regulations regarding licensing and monitoring of exchange business (the "Standards") dated February 2018 issued by the Central Bank of the UAE.

5. Agreed-upon procedures

Name: **Kreston Menon Chartered Accountants UAE**

Details of services: Agreed-upon procedures in respect of Solvency Test Certificate required by the Central Bank of the UAE for dividend approval of a subsidiary.

Internal Control Structure

The Board acknowledges its responsibility for the Company's internal control system and for reviewing its work mechanism and ensuring its effectiveness. The Group's internal control system comprises three lines of defence, which are based on the tenets of segregation of responsibilities, controls, monitoring, and reporting.

First Line of Defence

The first line of defence comprises the business units responsible for customer onboarding, transaction processing, and product development. It also includes support functions such as Information Technology, Human Resources, Corporate Services, Financial Institutions, and Marketing, which assist the business units in executing their responsibilities. They are responsible and accountable for ongoing management of risks, including assessment, control, and mitigation of risks.

Second Line of Defence

The second line of defence includes Compliance & AML, Risk Management, Legal, and Finance functions. These functions complement the risk management activities of the business functions through their control, monitoring, and reporting responsibilities. They also assess risks independently of the business functions and report to Senior Management. They coordinate with business function heads to identify risk partners and document product, process, and system-related risks.

Third Line of Defence

The third line of defence is an independent and effective Internal Audit function, reporting to the Board Audit Committee. It provides independent review and objective assurance on the quality and effectiveness of the Group's internal control system, including the first and second lines of defence.

Design and Implementation of Internal Controls

The internal control system is designed using a multi-tiered approach and is implemented across the Group. It relies on assigning accountability, clear delegation of authority, and enhanced collaboration within business, support, and control functions. The system facilitates alignment of objectives, resources, and processes, based on clear identification of responsibilities, and is governed by policies and procedures serving all functions across the Group.

Reporting to the Board Audit Committee

The Internal Audit function reports quarterly to the Board Audit Committee, which escalates significant matters to the Board as required. The Board Audit Committee assesses and assures the quality and integrity of disclosures, financial statements, financial reporting, and compliance with regulatory requirements. It reviews the effectiveness of internal controls and corporate governance and oversees Internal Audit, Risk, Compliance, and External Audit functions.

The Compliance and Risk functions report quarterly to the Board Audit Committee. The Finance function presents financial results quarterly to the Board Audit Committee and the Board.

Nomination and Remuneration Committee

The Board Nomination and Remuneration Committee oversees the nomination of Board members and their remuneration, as well as senior management remuneration, bonuses, incentives, and other benefits.

Internal Audit Leadership

The Internal Audit department is headed by Viswanath Ramasubramanian, appointed as Group Chief Internal Auditor on 1 October 2019. He has over 30 years of experience in internal audit, regulatory compliance, banking operations, governance, risk management, fraud investigation, and business advisory services across the Middle East and Asia Pacific. He is a Chartered Accountant (Institute of Chartered Accountants of India), Certified Financial Crime Specialist, Certified Information Systems Auditor, and Certified Internal Auditor.

Compliance and Risk Leadership

Sadiq Ali Ansari joined Al Ansari Financial Services on 26 February 2024 as Group Chief Risk and Compliance Officer. He has extensive experience in the financial sector, including regulatory supervision and policy development in the UAE. He is a Fellow Chartered Certified Accountant (FCCA) and a Certified Financial Risk Manager (FRM), holding multiple certifications in compliance.

Addressing Critical Matters

The internal control mechanism of the company ensures that all incidents are promptly reported to the management and required remedial action is taken. Any significant matters are reported to the Audit Committee and the Board of Directors for appropriate action.

During the year, a technical glitch caused by the third-party software resulted in few unauthorised remittance transactions being processed. The matter was promptly identified and resolved through coordination between the concerned departments, internal audit department and the Board of Directors without any material loss to the company. Steps have been taken to prevent the recurrence of such incidents.

Internal Audit Reporting

A quarterly report is issued by the Internal Audit Department to the Audit Committee, covering internal audit activities, ethics and fraud investigation cases, and audit plan status.

Details of Violations in 2025

Al Ansari Financial Services is committed to comply with all applicable laws and regulations and has a strong governance in place to identify, manage and address any regulatory breach, violation or instance of non-compliance. The Company was not subject to any regulatory penalties in 2025 based on the inspections conducted during the year.

Details of the Contributions for the Community in 2025

Al Ansari Financial Services made social contributions of approximately AED 20.3 million, through financial support and active participation in initiatives aimed at supporting healthcare, education, hunger alleviation, and environmental sustainability, reflecting its commitment to community welfare and responsible corporate citizenship. The Company also contributes to nationwide initiatives in collaboration with prominent government entities and organisations, such as Mohammed Bin Rashid Global Initiatives (MBRGI) and Emirates Environmental Group (EEG) under the patronage of the Ministry of Climate Change and Environment and supports healthcare initiatives through institutions such as the Al Jalila Foundation, part of Dubai Health.

Share Price Information & Shareholding Details

Al Ansari Financial Services' share price on DFM at the end of each month during the year 2025

Month	High	Low	Close
Jan-25	0.995	0.975	0.98
Feb-25	0.990	0.966	0.98
Mar-25	1.000	0.950	0.97
Apr-25	0.982	0.900	0.965
May-25	0.974	0.955	0.969
Jun-25	0.974	0.880	0.969
Jul-25	0.990	0.960	0.979
Aug-25	0.990	0.960	0.987
Sep-25	0.990	0.910	0.987
Oct-25	0.987	0.963	0.976
Nov-25	0.988	0.963	0.984
Dec-25	1.010	0.969	1.01

Al Ansari Financial Services comparative share performance against market and sector index

Month	Al Ansari	DFMGI	Financials
Jan-25	0.980	5180.37	3597.35
Feb-25	0.980	5317.63	3724.21
Mar-25	0.970	5096.24	3441.05
Apr-25	0.965	5307.15	3645.11
May-25	0.969	5480.51	3806.57
Jun-25	0.969	5705.76	3984.16
Jul-25	0.979	6159.15	4465.32
Aug-25	0.987	6063.61	4305.85
Sep-25	0.987	5839.64	4196.04
Oct-25	0.976	6059.43	4377.01
Nov-25	0.984	5836.89	4120.18
Dec-25	1.010	6047.09	4327.88

Al Ansari Financial Services' shareholding distribution by citizenship and shares owned as at 31 December 2025

Description	Percentage of Shares Owned				Total (%)
	Local (%)	GCC (%)	Arab (%)	Foreign (%)	
Bank	0.1611	0.0000	0.0000	0.0453	0.2064
Company	95.2607	0.0280	0.0012	0.0486	95.3385
Government	0.1067	0.0000	0.0000	0.0000	0.1067
Individual	3.5503	0.4170	0.2358	0.1355	4.3386
Omnibus Account	0.0059	0.0004	0.0000	0.0036	0.0099
Total (%)	99.0847	0.4454	0.2370	0.2330	100.000

Al Ansari Financial Services' Shareholders who own 5% or more of the company's capital as at 31 December 2025

Name	Number of Shares Owned	Percentage of Shares Owned in the Company's Capital
Al Ansari Holding LLC	6,750,000,000	90%



Al Ansari Financial Services 'shareholder distribution according to the volume of ownership as at 31 December 2025

Category	Number of Investors	Owned Quantity	Owned %
Less than 50,000	9,255	23,005,115	0.31
Between 50,000 and 500,000	322	47,366,438	0.63
Between 500,000 and 5,000,000	75	110,921,232	1.48
Greater than 5,000,000	15	7,318,707,215	97.58
Total	9,667	7,500,000,000	100

Al Ansari Financial Services has a dedicated Investor Relations section on its corporate website which makes available the following information for all existing and potential investors:

- Material disclosures
- Interim and annual financial reports
- Presentations
- Reports

Investor Relations contact details:

Sirine El-Merhebi
Group Senior Manager, Corporate Communications and Investor Relations.
Direct telephone: **+97145010644**
Email: **investor.relations@alansari.ae**

Statement of Special Resolutions Presented in 2025 Annual General Assembly (AGM)

The shareholders have approved, as a special resolution, the allocation of up to 2% of the Company's annual net profit after tax for voluntary corporate social responsibility ("CSR") initiatives aimed at community services, in accordance with the provisions of Article (244) of Federal Decree No. 32 of 2021 concerning Commercial Companies. The Board is authorised to determine the exact percentage and the basis of utilisation of the allocated amount, depending on the Company's financial performance in the relevant financial year.

Details of Major Events and Disclosures in 2025

- Entry into an agreement to acquire 100% of the equity stake in Al Ansari Exchange Kuwait W.L.L., an exchange entity in the State of Kuwait, currently owned by related parties (February 2025).
- Al Ansari Financial Services' shareholders approve AED 315 million cash dividend for 2024 (March 2025).
- Al Ansari Digital Pay secures final approvals to launch Digital Wallet, advancing financial inclusion and the UAE's cashless society (March 2025).
- Al Ansari Financial Services completes acquisition of BFC Group (April 2025).
- Al Ansari Financial Services launches Business Solutions Centre in India (June 2025).
- Approval of the distribution of interim cash dividend (September 2025).

Details of Transactions Conducted with Related Parties in 2025 of 5% or More of the Company's Capital

During the year 2025, there were no transactions with related parties which amounted to more than 5% of the Company's capital.

Emiratization Rates in the Company for the year of 2023, 2024 and 2025

Year	Ratio
2023	13.34%
2024	16.95%
2025	22.78%

Details of Projects and initiatives in 2025

Technology continues to be a key enabler, enhancing digital experiences for our customers, employees, and partners, and remains a strategic priority for the Group.

S. No.	Project Name	Description	Timeline
1	Training attendance automation	Training Attendance Automation digitizes the entire attendance process using online check-ins, QR codes, or LMS tracking, removing the need for paper sheets. It ensures accurate, real-time attendance records while reducing manual errors. This supports our paper-less initiative by eliminating physical forms and streamlining data collection. Overall, it improves efficiency, sustainability, and reporting accuracy in our training programs.	Q2 2025
2	Pay to Merchant	A first-of-its-kind feature that enables AI Ansari Wallet users to make payments at supermarkets, grocery stores, and malls using a QR code powered by Network International's POS terminal.	Q3 2025
3	Peer to Peer Transfer	Allows AI Ansari Wallet users to transfer money instantly within the wallet ecosystem, meaning any AAW user can send funds to another AAW user free of charge.	Q3 2025
4	View WPS Payroll	AI Ansari Exchange employees can conveniently view their salary in the AI Ansari Wallet, ensuring a smooth and hassle-free experience.	Q3 2025
5	WhatsApp Customer Support	Implemented WhatsApp customer support to provide fast, convenient assistance for AI Ansari Wallet users, enabling quick resolution of app-related issues.	Q4 2025
6	Wallet Top-Up through Debit & Prepaid Card	AI Ansari Wallet users can conveniently top up their wallet using any UAE-issued debit or prepaid card.	Q4 2025
7	FreshDesk	AI Ansari Digital Pay is adopting the Freshdesk Omni Pro Plan to enhance its customer support operations with a unified, multi-channel platform powered by advanced automation, collaboration tools, and analytics—strengthening its mission to deliver seamless and intelligent customer experiences.	Q4 2025
8	Migration of Existing WPS Customers to New MOHRE System	The migration of all existing WPS customers to the new MOHRE system has been successfully completed, ensuring compliance with updated regulatory requirements.	Q4 2025
9	Training Gamification- Kahoot	The Training Gamification - Kahoot project introduces interactive quizzes into our sessions to make learning more engaging and enjoyable. It boosts participant involvement, reinforces key concepts, and improves knowledge retention through instant feedback. The game-based format encourages healthy competition and motivates learners. Overall, it enhances the effectiveness and impact of our training programs.	Q4 2025
10	Salary Advance	AI Ansari Wallet's Salary Advance feature lets users instantly access part of their earned wages before payday, offering quick financial relief without high-interest borrowing, in partnership with MNT Halan & ABHI	Q1 2026
11	TalentLMS and content library	TalentLMS is a cloud-based learning platform that allows us to create, deliver, and track training easily. It supports interactive courses, quizzes, and assessments for engaging learning. The system simplifies onboarding, compliance, and skill-based training across departments. Overall, it helps streamline our training processes and improves learner progress and performance.	Q1 2026

S. No.	Project Name	Description	Timeline
12	Employee undertaking automation	Employee Undertaking Automation digitizes the current paper-based undertaking forms by integrating them directly into the HRMS-LMS workflow. Employees can review and submit their undertakings online, ensuring accuracy, faster processing, and secure record-keeping. This shift supports our paper-less initiative by eliminating manual forms and reducing administrative workload. Overall, it improves efficiency, compliance tracking, and the overall training documentation process.	Q1 2026
13	AI training videos tailored to compliance and customer service videos	AI-powered training videos deliver customized, scenario-based learning aligned with our compliance and customer service requirements. They adapt content to employee roles, ensuring clearer understanding and better retention. Automated video creation reduces development time while maintaining consistency and accuracy. Overall, this enhances training effectiveness, supports compliance, and elevates customer service quality.	Q1 2026
14	Voice AI Assistant for Transactions	Allowing digital app customers to make their transactions via a Voice AI assistant, that speaks naturally and guides the customer similar to their interaction with a teller on the branch. This aims to bridge the gap between the late adopters of digital applications, as they can talk naturally with the Voice AI to complete their transaction in their own language.	Q2 2026
15	SNPL and EWA	Allowing WPS Customers to send money prior to receiving their salaries or withdraw cash on emergencies through the app. The funds would be immediately repaid from their next salary. This solution is built based on partnership with lending institutions who does the underwriting and credit risk absorption	Q2 2026
16	Adoption of Jaywan	Adoption of the Jaywan platform, enhancing operational efficiency and service delivery.	Q2 2026
17	Issuance of Wallet to WPS Customers	A strategic rollout of digital wallet to Wage Protection System (WPS) customers is planned, enabling secure, fast, and convenient salary disbursements.	Q3 2026
18	Central Bank Digital Currency	Participating in the CBUAE project that launches the Central Bank Digital Currency. AI Ansari Exchange will be one of pilot participants that would create the wallets for the customer to hold the Central Bank Digital Currencies.	Q3 2026



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 Chairman of the Board

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 Group Chief Internal Auditor

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CONSOLIDATED FINANCIAL STATEMENTS

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Directors' Report

For the year ended 31 December 2025

The Board of Directors is pleased to submit its report on the activities of Al Ansari Financial Services P.J.S.C. (the "Company") and its subsidiaries (together the "Group") for the year ended 31 December 2025 together with the consolidated audited financial statements.

Board of Directors:

The Board of Directors of the Company comprises:

Mr. Mohammad Ali A. Al Ansari	Group Chairman, Non-executive Director
Mr. Fuad Ali A. Al Ansari	Group Vice Chairman, Non-executive Director
Mr. Eisa Ali A. Al Ansari	Non-executive Director
Mr. Rashed Ali A. Al Ansari	Group Chief Executive Officer, Executive Director
Mr. Nitin Khanna	Independent, Non-executive Director
Ms. Raja Al Mazrouei	Independent, Non-executive Director
Mr. Marcello Baricordi	Independent, Non-executive Director

Principal activities

The Group is engaged in the business of buying and selling of foreign currencies and travellers' cheques, executing remittance operations in local and foreign currencies, payment of wages through the UAE Wages Protection System (WPS), providing special financial products (i.e. bill payments, cash collections, sale and reload of multi-currency prepaid cards), transportation of cash and valuables, stored value facilities and retail payment services to its customers.

Significant transactions and events during the year

On 8 April 2025, the Group acquired 100% of the issued share capital and voting rights of BFC Group Holdings W.L.L. and its subsidiaries for AED 734.60 million (US\$ 200 million). The objective of the acquisition was to expand the Group's market share and geographical presence. (note 5)

In order to finance the acquisition of BFC Group and to meet other working capital, material capital expenditure or any other business requirements, the Group has entered into an unsecured shareholder loan arrangement with its Parent Company, Al Ansari Holding LLC, for AED 950 million and is payable in quarterly instalments over a period of 5 years.

During the year, the Group has drawdown AED 735 million against financing arrangement, which is partially settled for AED 346 million. (note 15).

Financial performance

During the year, the Group reported total income of AED 1,325.72 million (2024: AED 1,188.64 million) and net profit after-tax of AED 400.86 million (2024: AED 405.85 million). The growth in total income by 11.5% is mainly attributable to the acquisition of BFC Group.

Directors' Report (Continued)

For the year ended 31 December 2025

Proposed Dividend

On 12 February 2026, the Board of Directors proposed to distribute a cash dividend of AED 148.50 million to the shareholders (AED 0.0198 per share). The proposed dividend is subject to approval by the shareholders at the Company's General Assembly Meeting to be held in March 2026.

Auditors

The consolidated financial statements for the year ended 31 December 2025 have been audited by Deloitte & Touche (M.E.) who, being eligible, have expressed their willingness to continue in office, and the Directors recommend their reappointment for the forthcoming year.

Outlook

Building on the strategic direction set in 2024, the Group enters its next phase of growth with increased scale, a broader footprint, and enhanced operating capabilities following the acquisition of BFC Group.

Looking ahead, the Group will focus on unlocking shareholder value through measured growth while advancing a customer-centric model that integrates its extensive branch network with evolving digital capabilities, enabling seamless engagement across channels.

With a resilient balance sheet, prudent liquidity management, and consistent cash flow generation, the Group is well positioned to navigate market conditions. Supported by deep market understanding and continued technological progress, the Group remains focused on consolidating its leadership in the UAE and pursuing selective regional expansion to deliver sustainable long-term value.



Mohammad Ali A. Al Ansari
Group Chairman
12 February 2026



Independent Auditor's Report

The Shareholders
Al Ansari Financial Services P.J.S.C.
Dubai
United Arab Emirates

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Al Ansari Financial Services P.J.S.C. (the "Company") and its subsidiaries (together, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for 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 consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) as applicable to audits of consolidated financial statements of public interest entities, together with the other ethical requirements applicable to audits of consolidated financial statements of public interest entities in the United Arab Emirates, 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.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue from money exchange, remittance and other related services	
<p>The Group recognised revenue of AED 1.3 billion from money exchange, remittance and other related services during the year, which arises from the difference in exchange rates used for foreign currency purchases and sales as well as commissions earned on each foreign currency transaction. Net currency exchange gains are recognised at the time the transaction is executed while commission income is recognised when the related services are provided.</p>	<p>We performed, the following procedures, inter alia, to address the key audit matter:</p> <p>We involved IT professionals with specialized skills and knowledge who assisted in:</p> <ul style="list-style-type: none"> Identifying the relevant systems and controls used to calculate and record revenue from money exchange, remittance and other related services. Obtaining an understanding of the entity's information processing activities related to revenue, including how revenue transactions are initiated, recorded, processed, and reported in the consolidated financial statements. This included evaluating the flow of information through the entity's IT environment and assessing whether the IT systems and communication adequately support the preparation of revenue-related financial information in accordance with IFRS Accounting Standards.
<p>Revenue, which is generated across a large branch network and digital channels, requires a high level of cash to be handled on a daily basis and is processed by the Group's complex Information Technology (IT) system.</p>	<p>We assessed the key controls to determine if they were appropriately designed and tested these controls to determine if they were operating effectively throughout the year.</p>
<p>We identified revenue recognition from money exchange, remittance and other related services as a key audit matter due to the following:</p> <ul style="list-style-type: none"> The quantitative significance of the amount to the consolidated financial statements; The inherent risks associated with processing large numbers of low value transactions on a daily basis which are processed by the Group's complex IT system; The level of cash handled as part of the revenue process; and The level of audit effort required. 	<p>We utilised our data analytics specialists to assist us with the following procedures:</p> <ul style="list-style-type: none"> Selecting currency purchases and sales transactions from the population of recorded revenue transactions and independently recalculating the currency exchange gains and commissions based on transaction attributes and the applicable pricing parameters. The results of this recalculation was compared to the amounts recorded by the Group with any variances subject to further investigation. Recalculating the closing inventory of foreign currencies by reconciling the opening balance and all foreign currency purchases and sales during the year.
<p>Refer to notes 3.3, 25 and 34 in the consolidated financial statements for more details relating to revenue recognised during the year.</p>	<p>We selected recorded revenue transactions, on a sample basis, and agreed the transaction details to relevant supporting documentation, for example, deal/transaction confirmations and customer instructions where applicable.</p> <p>We selected recorded revenue transactions, on a sample basis, which had been recorded shortly prior and after the reporting date and determined if these transactions had been recorded in the correct year.</p> <p>We performed analytical procedures on revenue, which included analysing trends month-on-month and by major remittance corridors. We also correlated recorded revenue with underlying operational data, such as transaction volumes.</p> <p>We assessed the disclosure in the consolidated financial statements relating to this matter against the requirements of IFRS Accounting Standards.</p>



Key audit matter	How our audit addressed the key audit matter
<p>Business combination</p> <p>The Group acquired BFC Group Holdings (BFC) with effect from 8 April 2025 for a total purchase price of AED 734.6 million. This transaction, which is a significant transaction outside of the normal course of business, has been accounted for as a business combination.</p> <p>IFRS Accounting Standards requires that the fair value of all assets and liabilities of an acquiree to be determined at the date of acquisition, including those that are not recognised in the accounting records of the acquiree. This determination resulted in the Group recognising intangible assets, which consist of a license, customer relationships and a brand of AED 98 million. The Group has also recognised a gain on the purchase of BFC of AED 0.6 million, which represents the excess of the fair value of the net assets acquired over the purchase price.</p> <p>The Group employed an external expert to assist them in identifying and valuing all the assets and liabilities of BFC.</p> <p>Independent external valuation specialists were engaged by the Group to perform the purchase price allocation exercise which includes determination of fair valuation of assets acquired and liabilities assumed, and identification and valuation of the intangible assets.</p> <p>The accounting for the acquisition of BFC required management to apply judgement in identifying the assets acquired and liabilities assumed. It also required management to make the following significant estimates to determine the fair value of the net assets acquired:</p> <ul style="list-style-type: none"> • forecast cash flows; • discount rates; and • growth rates. <p>We considered the acquisition of BFC to be a key audit matter as a result of the following:</p> <ul style="list-style-type: none"> • The quantitative significance of the amount to the consolidated financial statements; • The non-routine nature of the transaction; and • The level of judgements applied and estimates made by management. <p>Refer to notes 3.24 and 5 in the consolidated financial statements for the accounting policy and more details about the acquisition.</p>	<p>We performed the following procedures, inter alia, to address the key audit matter:</p> <ul style="list-style-type: none"> • Obtained an understanding of management's process for identifying and valuing the assets acquired and liabilities assumed as part of the business combination, including the key controls in this process. • Assessed the abovementioned controls to determine if they had been appropriately designed and implemented. • Reviewed the acquisition agreement to determine if the transaction had been correctly identified as a business combination and the acquisition date had been appropriately determined with reference to the requirements contained within IFRS Accounting Standards. • Evaluated the business rationale for the acquisition. • Assessed the skills, qualification, objectivity and independence of the external valuation specialists engaged by the Group and reviewed their terms of engagement with the Group to determine if it was sufficient for audit purposes. • Utilised our internal valuation specialists to assess the valuation methodologies applied and to challenge the key assumptions used in determining the fair values of the acquired intangible assets. • Evaluated, with the assistance of our internal specialists, management's identification of acquired intangible assets by reference to the nature of the acquired business and relevant industry practice. • Reperformed, with the assistance of our internal specialists, the mathematical accuracy of the models used to determine the fair value of the net assets acquired and reperformed the calculation of the gain on the purchase of BFC. • Agreed the results of the abovementioned models to the amounts reported in the consolidated financial statements. • Assessed the disclosure in the consolidated financial statements relating to this matter against the requirements of IFRS Accounting Standards.

Other information

The Board of Directors and management are responsible for the other information. The other information comprises the Director's Report (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the Annual Report, which is expected to be made available to us after that date.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or the knowledge obtained during our 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 this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

On reading the Annual Report, if we conclude there is a material misstatement therein, we are required to communicate the matter with those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, as amended, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to have a bearing on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by the UAE Federal Decree Law No. (32) of 2021, as amended, we report that for the year ended 31 December 2025:

- we have obtained all the information we considered necessary for the purposes of our audit;
- the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 as amended.
- the Group has maintained proper books of account;
- the financial information included in the Directors' report is consistent with the books of account of the Group;
- note 5 to the consolidated financial statements discloses information related to investments made during the year ended 31 December 2025;
- note 13 to the consolidated financial statements discloses material related party transactions, and the terms under which they were conducted;
- note 27 to the consolidated financial statements discloses information related to social contributions during the year ended 31 December 2025; and
- based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened for the year ended 31 December 2025 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, as amended, or in respect of the Company, its Articles of Association, which would materially affect its activities or its financial position as at 31 December 2025.

Deloitte & Touche (M.E.)

Firas Anabtawi
Registration No.: 5482
12 February 2026
Dubai, United Arab Emirates

Consolidated Statement of Financial Position

As at 31 December 2025

	Note	2025 AED'000	2024 AED'000
ASSETS			
Non-current assets		165,231	95,868
Right-of-use assets	6	90,063	73,946
Property and equipment	7	94,577	-
Intangible assets	8	96,744	59,604
Restricted deposits with banks	9	446,615	229,418
Current assets			
Cash on hand and in transit	10	1,557,343	1,022,907
Balances with banks	11	2,219,846	1,850,925
Due from exchange houses and agents	12	63,195	20,582
Due from related parties	13	147	177
Prepayments and other receivables	14	148,239	107,256
Total assets		3,988,770	3,001,847
LIABILITIES AND EQUITY			
LIABILITIES			
Non-current liabilities			
Shareholder's loan	15	389,020	-
Lease liabilities	17	91,209	43,188
Provision for employees' end-of-service benefits	16	83,366	49,978
Current liabilities		563,595	93,166
Trade and other payables	18	1,366,887	992,764
Due to banks		104,660	13,978
Due to exchange houses and agents	19	151,587	73,760
Due to related parties	13	2,478	1,616
Bank borrowings	20	303,130	233,533
Corporate income tax liabilities	30	36,238	40,983
Lease liabilities	17	63,663	40,876
Total liabilities		2,028,643	1,397,510
EQUITY			
Share capital	22.1	75,000	75,000
Treasury shares	22.2	-	(89)
Share discount	22.2	-	(9,090)
Statutory reserve	23	37,500	37,500
Acquisition reserve	24	-	286,143
Retained earnings		1,731,655	1,351,125
Foreign exchange translation reserve		(1,008)	-
Total equity		1,843,147	1,740,589
Total liabilities and equity		4,435,385	3,231,265

These consolidated financial statements were approved by the Board of Directors and authorised for issue on 12 February 2026 and signed on its behalf by:

Mohammad Ali A. Al Ansari
Group Chairman

Suhail Hoosain
Group Chief Financial Officer

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Note	2025 AED'000	2024 AED'000
Income			
Net gain on currency exchange		675,342	547,819
Net commission income	25	615,915	601,157
Interest income		31,602	32,996
Other income		2,861	6,664
Total income - net		1,325,720	1,188,636
Expenses			
Salaries and benefits	26	(552,273)	(481,352)
General and administrative expenses	27	(169,283)	(155,173)
Depreciation and amortisation	28	(124,885)	(94,377)
Gain on bargain purchase	5	595	-
(Reversal) / provision for expected credit losses		203	(466)
Finance cost	29	(35,254)	(8,753)
Bank charges		(6,721)	(1,683)
Total expenses		(887,618)	(741,804)
Profit before tax for the year		438,102	446,832
Corporate income tax expense		(37,244)	(40,983)
Profit after tax for the year		400,858	405,849
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
- Foreign exchange translation difference on translation of foreign operations - net		(1,008)	-
Other comprehensive loss for the year		(1,008)	-
Total comprehensive income for the year		399,850	405,849
Basic and diluted earnings per share (AED)	31	0.0536	0.0542

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Share capital AED'000	Treasury shares AED'000	Share discount AED'000	Statutory reserve AED'000	Acquisition reserve AED'000	Retained earnings AED'000	Foreign exchange translation reserve AED'000	Total equity AED'000
As at 1 January 2024	75,000	-	-	37,500	286,143	1,402,776	-	1,801,419
Total comprehensive income for the year	-	-	-	-	-	405,849	-	405,849
Dividend declared and paid (note 33)	-	-	-	-	-	(457,500)	-	(457,500)
Acquisition of treasury shares (note 22.2)	-	(89)	(9,090)	-	-	-	-	(9,179)
As at 1 January 2025	75,000	(89)	(9,090)	37,500	286,143	1,351,125	-	1,740,589
Total comprehensive income for the year	-	-	-	-	-	400,858	(1,008)	399,850
Transfer of acquisition reserve to retained earnings (note 24)	-	-	-	-	(286,143)	286,143	-	-
Dividend declared and paid (note 33)	-	-	-	-	-	(306,000)	-	(306,000)
Sale of treasury shares (note 22.2)	-	89	8,619	-	-	-	-	8,708
Transfer of share discount to retained earnings	-	-	471	-	-	(471)	-	-
As at 31 December 2025	75,000	-	-	37,500	-	1,731,655	(1,008)	1,843,147

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Note	2025 AED'000	2024 AED'000
Operating activities			
Profit before tax for the year		438,102	446,832
Adjustments for:			
Depreciation and amortisation	28	124,885	94,377
Gain on bargain purchase	5	(595)	-
(Reversal) / provision for expected credit losses		(203)	466
Provision for employees' end-of-service benefits	16	14,106	7,901
Finance cost	29	35,254	8,753
Loss on disposal of property and equipment		315	372
Operating cash flows before settlement of employees' end-of-service benefits and changes in working capital		611,864	558,701
Settlement of employees' end-of-service benefits	16	(11,073)	(3,774)
Changes in working capital:			
Due from exchange houses and agents		16,991	25,625
Due from related parties		30	(155)
Prepayment and other receivables		(20,872)	10,198
Trade and other payables		328,780	250,661
Due to exchange houses and agents		(64,618)	1,200
Due to related parties		862	(2,547)
Restricted deposits with banks		(26,098)	(8,345)
Cash generated by operations		835,866	831,564
Corporate income taxes paid	30	(42,080)	-
Net cash generated from operating activities		793,786	831,564
Cash flows from investing activities			
Acquisition of subsidiaries net of cash acquired	5	6,420	-
Purchase of property and equipment		(38,605)	(32,069)
Fixed deposits having maturities longer than three months		20,126	26,730
Proceeds from sale of property and equipment		230	403
Net cash used in investing activities		(11,829)	(4,936)
Cash flows from financing activities			
Dividends paid	33	(306,000)	(457,500)
Proceeds from shareholder's loan	15	735,151	-
Shareholder's loan paid	15	(346,131)	-
Share of profit on shareholder's loan paid	15	(17,322)	-
Proceeds from bank borrowings	20	230,262	233,533
Repayment of bank borrowings		(253,817)	(329,136)
Lease liabilities paid	17	(94,702)	(72,189)
Sale / (acquisition) of treasury shares - net	22.2	8,708	(9,179)
Net cash used in financing activities		(43,851)	(634,471)
Net change in cash and cash equivalents		738,106	192,157
Cash and cash equivalents at the beginning of the year		2,856,404	2,664,247
Exchange differences on cash and cash equivalents		(1,709)	-
Cash and cash equivalents at the end of the year	32	3,592,801	2,856,404

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1 Legal status and principal activities

Al Ansari Financial Services P.J.S.C. (the "Company") is a public joint stock company with trade license number 758204 issued by the Department of Economy and Tourism in Dubai.

The Company was initially established as a limited liability company on 9 May 2016. The legal status of the Company was subsequently converted to a public joint stock company ("PJSC") upon listing of 10% of the Company's shares on Dubai Financial Market in 2023.

As of the reporting date, Al Ansari Holding L.L.C (the "Parent Company") held 90% of the issued share capital.

These consolidated financial statements comprise the results of the Company and its following subsidiaries (together referred to as the "Group").

Name of the subsidiary	Place of incorporation	Percentage holding	
		2025	2024
Al Ansari Exchange L.L.C.	United Arab Emirates	100%	100%
Blue Remit Limited	United Arab Emirates	100%	100%
Cash Trans Money & Valuables Transport Services L.L.C.	United Arab Emirates	100%	100%
Al Ansari Global Holdings Limited	United Arab Emirates	100%	100%
Al Ansari Digital Pay L.L.C	United Arab Emirates	100%	100%
BFC Group Holdings W.L.L1	Bahrain	100%	-
Bahrain Financing Company B.S.C1	Bahrain	100%	-
BFC Payments B.S.C1	Bahrain	100%	-
Bahrain Exchange Company W.L.L1	Kuwait	100%	-
Al Ansari Forex and Financial Services Private Limited ¹ (Formerly, BFC Forex and Financial Services Private Limited)	India	100%	-
Al Ansari Financial Services Solution Private Limited	India	100%	100%

The Group is engaged in the business of buying and selling of foreign currencies and travellers' cheques, executing remittance operations in local and foreign currencies, payment of wages through the UAE Wages Protection System (WPS), providing special financial products (i.e. bill payments, cash collections, sale and reload of multi-currency prepaid cards), transportation of cash and valuables, stored value facilities and retail payment services to its customers.

¹ On 8 April 2025, Al Ansari Global Holdings Limited acquired 100% of the issued share capital and voting rights of BFC Group Holdings W.L.L. and its subsidiaries for AED 734.60 million (US\$ 200 million) (note 5).

The registered office of the Group is at P.O. Box 6176, Dubai, UAE.

2 Basis of preparation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS Accounting Standards), as issued by the International Accounting Standards Board (IASB), interpretations issued by International Financial Reporting Interpretations Committee (IFRIC) and the applicable requirements of laws of the United Arab Emirates.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(b) Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except for derivatives measured at fair value. These consolidated financial statements have been prepared on a going concern basis.

The preparation of consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying IFRS Accounting Standards. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to these consolidated financial statements are disclosed in Note 4.

Certain comparative information has been reclassified to conform with the current year's presentation. The reclassifications did not have any impact on the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024.

(c) Functional and presentation currency

These consolidated financial statements are presented in United Arab Emirates Dirhams (AED) which is the Company's functional currency and the Group's presentation currency.

All values have been rounded to the nearest thousand ("000"), unless otherwise disclosed.

(d) Basis of consolidation

Subsidiary

A subsidiary is an investee controlled by the Group. The Group controls an investee if it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The stand-alone financial statements of a subsidiary are included in the consolidated financial statements from the date on which control commences until the date when control ceases.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign subsidiaries are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any realised or unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

3. Material accounting policy information

3.1 New and revised IFRS Accounting Standards applied on the consolidated financial statements

The following new and revised IFRS Accounting Standard, which became effective for annual periods beginning on or after 1 January 2025, has been adopted in these consolidated financial statements. The application of this revised IFRS Accounting Standard has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

New and revised IFRS	Summary
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates relating to Lack of Exchangeability	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

Other than the above, there are no other significant IFRS Accounting Standards and amendments that were effective for the first time for the financial year beginning on or after 1 January 2025.

3.2 New and revised IFRS Accounting Standards in issue but not yet effective and not early adopted

At the date of authorisation of these consolidated financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

New and revised IFRS	Effective for annual periods beginning on or after
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures regarding the classification and measurement of financial instruments	1 January 2026
The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9.	
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures regarding purchase power arrangements:	1 January 2026
The amendments aim at enabling entities to include information in their financial statements that in the IASB's view more faithfully represents contracts referencing nature-dependent electricity.	
Annual improvements to IFRS Accounting Standards - Volume 11	1 January 2026
The pronouncement comprises the following amendments:	
<ul style="list-style-type: none"> IFRS 1 First-time Adoption of International Financial Reporting Standards: Hedge accounting by a first-time adopter IFRS 7 Financial Instruments - Disclosures: Gain or loss on derecognition IFRS 7 Financial Instruments - Disclosures: Disclosure of deferred difference between fair value and transaction price IFRS 7 Financial Instruments - Disclosures: Introduction and credit risk disclosures IFRS 9 Financial Instruments: Lessee derecognition of lease liabilities IFRS 9 Financial Instruments: Transaction price IFRS 10 Consolidated Financial Statements: Determination of a "de facto agent" IAS 7 Statement of Cash Flows: Cost method 	
IFRS 18 Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.	

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

New and revised IFRS	Effective for annual periods beginning on or after
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.	
Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
The amendments cover new or amended IFRS Accounting Standards issued between 28 February 2021 and 1 May 2024 that were not considered when IFRS 19 was first issued.	
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates relating to Translation to a Hyperinflationary Presentation Currency	1 January 2027
The amendments clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one.	
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011)	Effective date deferred indefinitely. Adoption is still permitted.
The amendments relate to the treatment of the sale or contribution of assets from an investor to its associate or joint venture	

The Group anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the consolidated financial statements of Group in the period of initial application.

3.3 Revenue recognition

Income mainly comprises of net commissions and / or net gain on currency exchange earned on remittances, sale and purchase of bank notes and issuance and reload of prepaid cards and fees generated from provision of other services (wages protection, bill payments, cash collections, and transportation of cash and valuables) offered by the Group.

Sale or purchase of a currency contract has only one performance obligation. Net gain on currency exchange is recognised when the transaction is executed.

Commission income is earned primarily from fees charged to customers for each transaction and includes only one performance obligation that is satisfied at a point in time when the related services are performed, and instruments are issued / accepted. Commission expense is recognised when the remittances are processed.

For all transactions originated by the Group, the Group recognizes revenues on gross basis. Whereas for transactions originated by third parties and settled by the Group, it recognizes revenue on net basis as it is considered an agent in these transactions.

3.4 Interest income / expense

Interest income and expense for all interest-bearing financial instruments are recognized in the consolidated statement of profit or loss on an accrual basis using the effective interest rates of the financial assets or financial liabilities to which they relate.

The effective interest rate is the rate that discounts estimated future cash receipts and payments earned or paid on a financial asset or a liability through its expected life or, where appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. The effective interest rate is established on initial recognition of the financial asset and liability and is not revised subsequently.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

When calculating effective interest rates, the Group estimates cash flows after considering all contractual terms of the financial instruments excluding future credit losses. The calculation includes all amounts paid or received by the Group that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

3.5 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged to the consolidated statement of profit or loss and other comprehensive income on a straight-line basis to write off cost of furniture & equipment over their estimated useful lives as follows:

Class of assets	Life (years)
Furniture	4
Fixtures (cash processing centre)	20
Fixtures	5 years or lease term, whichever is lower)
Computers, software, and office equipment	4
Motor vehicles	3 - 5
Armoured vehicles	8

Useful life, residual values and depreciation method are reassessed at each reporting date with the effect of any change in the estimate, accounted for prospectively.

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing and maintenance of property and equipment are recognized in the consolidated statement of profit or loss as incurred.

3.6 Capital work in progress (CWIP)

Capital work in progress, representing expenditure incurred in respect of renovation and setting up of new branches, is stated at cost less impairment loss, if any. CWIP is transferred to property and equipment once set up is completed.

3.7 Intangible assets acquired in a business combination

Recognition and measurement

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

License

The license acquired during the year (see note 5) includes an option to renew at negligible or no cost to the Group. Based on this renewal option and the absence of foreseeable limits to the period over which the license is expected to generate net cash inflows, management has determined that the license has an indefinite useful life. Intangible assets with indefinite useful lives are not amortized but are tested annually for impairment in accordance with IAS 36 – Impairment of Assets.

License is valued using Multi-Period Excess Earnings method (MPEEM). MPEEM values an intangible asset by isolating the future earnings it generates, after deducting contributory asset charges, over its economic life and discounting them to present value. Earnings before interest and tax were forecasted using a terminal value of 2% and discount rate of 15%.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

Customer Relationships

Customer relationships acquired have a finite useful life of 6 years, determined based on management's assessment of historical customer retention rates, the nature of the customer base, and the expected pattern of economic benefits. These assets are amortized on a straight-line basis over their estimated useful life.

Customer relationships have been valued using With and Without valuation (WWM) method. The With and Without Method (WMM) is an income-based approach used to estimate the fair value of a specific intangible asset by quantifying the difference in cash flows between two scenarios: one in which the business operates with the intangible asset and one in which it operates without it. The value of the asset is equal to the present value of the incremental cash flows generated by its presence.

Key assumptions used in the valuation calculations are as follows:

- Growth rate of 2%
- Yearly attrition rate of 60%
- Required rate of return of customer relationship of 16%

Brand

The brand acquired has a finite useful life of 2 years, based on management's strategic decision to rebrand and phase out the acquired brand within that timeframe. The brand is amortized on a straight-line basis over its estimated useful life. Brand has been valued using the Relief from Royalty Method (RfR).

Key assumptions used in the valuation calculations are as follows:

- Royalty rate of 2%
- Discount rate of 17%

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the consolidated statement of profit or loss when the asset is derecognised.

3.8 Impairment of property, equipment and intangible assets excluding goodwill

At each reporting date, the group reviews the carrying amounts of its property and equipment and intangible 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 to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are measured at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets (except goodwill) that incurred impairment are reviewed for possible reversal of the impairment at each reporting date.

3.9 Financial instruments

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the consolidated statement of profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The Group's financial assets include restricted deposits with banks, cheques on hand, cash in transit, balances with banks, due from exchange houses and agents, due from related parties and other receivables.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

(i) Debt instruments designated at amortised cost

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

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

(ii) Debt instrument designated at other comprehensive income

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

For financial instruments other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

Amortised cost and effective interest rate method

The amortised cost of a financial asset is the amount at which the financial asset is measured on initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method, of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in the consolidated statement of profit or loss.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as measured at FVTPL. In addition, debt instruments that meet either the amortised cost or the FVTOCI criteria may be designated as FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments that are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in the consolidated statement of profit or loss.

The Group does not have financial assets classified as measured at FVTPL.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (ECL) on restricted deposits, balances with banks, due from exchange houses and agents, due from related parties and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for other receivables. The management has used the forward-adjusted loss rate associated with the credit default swap (CDS) spread which is a market indication of credit risk to determine the expected credit loss provision.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying a significant increase in credit risk before the amount becomes past due.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default,
- The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(ii) Definition of default

The Group employs statistical models to analyse the data collected and generate estimates of probability of default ("PD") of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies in which the Group operates.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event (see (ii) above);
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is strong evidence indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as measured at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to the consolidated statement of profit or loss and other comprehensive income. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to the consolidated statement of profit or loss, but is transferred to retained earnings.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognised in the consolidated statement of profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in the consolidated statement of profit or loss incorporates any interest paid on the financial liability.

However, for financial liabilities that are designated as measured at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in the consolidated statement of other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in the consolidated statement of profit or loss. The remaining amount of change in the fair value of liability is recognised in the consolidated statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in the consolidated statement of other comprehensive income are not subsequently reclassified to the consolidated statement of profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not designated as measured at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the consolidated statement of profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.10 Cash and cash equivalents

For the purpose of consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and in transit, balances with banks and fixed deposits having original maturity of less than three months, less amount due to banks.

Restricted deposits with banks are not considered to be a part of cash and cash equivalents as these are the funds placed by the Group in accordance with the correspondence arrangements with various corresponding banks and are not available to the Group for its day-to-day operations.

3.11 Deposit with tax authorities

Other receivables include deposit with tax authorities related to taxes other than income tax. This is recognised as an asset in the consolidated statement of financial position and is measured at amortised cost. The deposit is a right to obtain future economic benefits, either by receiving a refund or by utilising the deposit to settle a tax liability.

3.12 Foreign currencies

Transactions denominated in foreign currencies are translated to AED at the foreign exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to AED at exchange rates prevailing at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to AED at the foreign exchange rates prevailing at the date of the transaction. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

Foreign exchange differences arising on translation are recognised in the consolidated statement of profit or loss.

3.13 Provision for employees' end-of-service benefits

A provision is made for the full amount of end-of-service benefits due to non-UAE national employees in accordance with the Group's policy, which is at least equal to the benefits payable in accordance with the respective Country's Labour Law (i.e. UAE, Bahrain, Kuwait and India), for their period of service up to the end of the reporting period. The provision for end of service benefits is disclosed as a non-current liability.

The Group is a member of the pension scheme operated by the Federal Pension General and Social Security Authority UAE, Social Insurance Organization Bahrain, Public Institution for Social Security Kuwait. Contributions for eligible National employees are made and charged to the consolidated statement of profit or loss, in accordance with the provisions of Pension and Social Security Laws in UAE, Bahrain and Kuwait. The Group has no further payment obligations once the contributions have been paid.

3.14 Value Added Tax (VAT)

Wherever applicable, the Group recorded a VAT payable net of payments in the accompanying consolidated financial statements at the applicable rate of respective country. Sales revenue represents the invoiced value of services, net of VAT. All the VAT returns of the Group subsidiaries remain subject to examination by the tax authorities for five years from the date of filing.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

3.15 Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if the amount of the receivable can be measured reliably.

In all those cases, where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

3.16 Related party transactions

Related party transactions are transfers of resources, services or obligations between the Group and a related party, regardless of whether a price is charged. They include commitments to do something if a particular event occurs (or does not occur) in the future and executory contracts (recognised or unrecognised). All the related party information required by IAS 24 that is relevant to the Group has been presented in note 13.

3.17 Leases

The Group's leasing activities and the basis of accounting

The Group leases mainly offices and branch locations. Rental contracts are typically made for fixed periods of 1 to 5 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Rental contracts may contain both lease and non-lease components.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- i. fixed payments of lease and non-lease components (including in-substance fixed payments), less any lease incentives receivable
- ii. variable lease payment that are based on an index or a rate
- iii. amounts expected to be payable by the lessee under residual value guarantees
- iv. the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- v. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted based on the incremental borrowing rate determined by the Group, being the rate at which the lessee would have to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

Future cash outflows to which the Group is potentially exposed to and that are not reflected in the measurement of lease liabilities includes the following:

- i. variable lease payments;
- ii. extension options and termination options;
- iii. leases not yet commenced to which the lessee is committed;

Right-of-use assets are measured at cost comprising the following:

- i. the amount of the initial measurement of lease liability
- ii. as applicable, any lease payments made at or before the commencement date less any lease incentives received, and
- iii. as applicable, any initial direct costs.

Leases of low value assets mainly comprise office equipment (scanner and printer machines). Other short-term leases include vehicles rented for business purpose.

The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in note 3.7 ('Impairment of non-financial assets').

Variable lease payments

Impact of leases containing variable payment terms that are linked to sales generated or any other type of variable aspects are found to be immaterial with the Group.

Extension and termination options

Extension and termination options are included in a number of leases. These terms are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. Some extension and termination options held are exercisable by the Group, others require both the lessee and the lessor to mutually agree before an option to extend or early terminate is exercised. Approximately, AED 8 million (2024: AED 6.71 million) of the total lease payments included in the calculation of the lease liability in 2025 were subject to auto renewal.

3.18 Borrowings

Bank Borrowings and shareholder's loan are initially recognised at fair value, net of transaction costs which are subsequently carried at amortised cost and any difference between the proceeds (net of transaction costs) and the redemption value is amortised over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities in case settlement is due within 12 months. Otherwise, they are classified as non-current liabilities.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payment through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. The future cash payment is estimated taking into account all the contractual terms of the instrument.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

3.19 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic earnings per share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.20 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Directors or the shareholders, as the case may be.

3.21 Segment reporting

Reportable segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the reportable segments, has been identified as the Senior Management Committee.

3.22 Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on 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 period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Group classifies all other liabilities as non-current.

3.23 Income taxes

The income tax expense represents the sum of current and deferred income tax expense.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profits, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination or for transactions that give rise to equal taxable and deductible temporary differences) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.24 Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the consolidated statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in the consolidated statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the consolidated statement of profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGU") that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

3.25 Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in consolidated statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium/discount. Such treasury shares may be acquired and held by the entity or by the other members of the consolidated group. Consideration paid or received shall be recognised directly in equity.

4 Significant accounting estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

4.1 Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the Management has made in the process of applying the Group accounting policies and that have the most significant effect on the amounts recognised in these consolidated financial statements.

(i) Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows of AED 28.01 million (2024: AED 54.23 million) have not been included in the lease liability because the Group is not reasonably certain that the leases will be extended. The assessment is reviewed at each reporting period if a significant event or a significant change in circumstances occurs which affects this assessment and is within the control of the Group.

4.2 Key sources of estimation uncertainty

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

(i) Expected Credit Loss (ECL) on financial assets

The calculation of ECLs under IFRS 9 requires the use of significant management judgement. The Group estimates ECLs on restricted deposits, balances with banks, due from exchange houses and agents, due from related parties, and other receivables (excluding prepayments and advances to suppliers). ECLs represent the difference between the contractual cash flows due and the cash flows the Group expects to receive, discounted using the asset's original effective interest rate.

The Group applies the simplified approach and recognises lifetime ECLs using a provision matrix derived from historical loss experience. These rates are adjusted for current and forward-looking information related to the debtor's economic environment. The assessment requires estimating the probability of default (PD) and the loss expected if default occurs, both of which involve management judgement and are sensitive to changes in economic conditions.

For balances with banks, PDs are derived from external credit ratings mapped to our internal scale. For due from exchange houses and agents, PDs are based on historical default experience and forward-looking overlays.

There were no changes to the estimation techniques or significant assumptions used during the year.

(ii) Useful lives of property, equipment and intangibles

The cost of property, equipment and intangibles is depreciated over its estimated useful lives. Depreciation is based on expected usage of the asset and expected physical wear and tear, which depends on operational factors. Management has not considered any residual value as it is deemed immaterial. The estimated useful life is monitored, and adjustments are made in future periods, if future factors indicate that such adjustments are appropriate.

During the year, there was a change in estimated useful lives for leasehold improvements (cash processing center) from 5 years to 20 years and for armoured motor vehicles from 5 years to 8 years. The changes in estimates are applied prospectively and resulted in a decrease in depreciation charge and an increase in finance cost for the year amounting to AED 2.52 million and 0.58 million respectively.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

(iii) Fair value of assets acquired, and liabilities assumed under business combination

Accounting for the acquisition of a business requires the allocation of the purchase price to the various assets and liabilities of the acquired business. For most assets and liabilities, the purchase price allocation is accomplished by recording the asset or liability at its estimated fair value. Determining the fair value of assets acquired and liabilities assumed requires judgment by management and often involves the use of significant estimates and assumptions, including assumptions with respect to valuation methodology, cash flow projections, useful life, growth rates and discount rates. The Group's management uses all available information as at the relevant date to make the fair value determinations.

(iv) Impairment of intangible assets

In accordance with the International Accounting Standard 36 Impairment of Assets, the Group is required to carry out an impairment assessment whenever there is an indication that asset may be impaired.

License

License is valued using Multi-Period Excess Earnings method (MPEEM). MPEEM values an intangible asset by isolating the future earnings it generates, after deducting contributory asset charges, over its economic life and discounting them to present value.

Discount rate

The discount rate represents the current market assessment of the risks, taking into consideration the time value of money and risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and is derived from the weighted average cost of capital (WACC) of the Group. The WACC considers both debt and equity. The cost of equity is derived from the expected return on investment from a willing market participant, and the cost of debt is based on an estimate of debt available to willing market participants.

Terminal growth rate

The terminal growth rate represents the long-term growth assumption applied to cash flows beyond the forecast period. It reflects management's expectation of the entity's sustainable growth in perpetuity, taking into consideration industry trends, inflationary factors, and long-term economic conditions.

No impairment loss was identified based on the result of the impairment assessment conducted as on 31 December 2025 (2024: nil). The impairment assessment estimated because of the sensitivity analysis conducted as on 31 December 2025 is disclosed below:

	Change in assumptions	AED' 000 effect on the consolidated statement of profit and loss	
		For the year ended 31 December 2025	For the year ended 31 December 2024
Terminal value of 2%	+0.5%	+3,095	-
Discount rate of 15%	+0.5%	+3,451	-

Customer Relationships

Customer relationships have been valued using With and Without valuation (WWM) method. The With and Without Method (WMM) is an income-based approach used to estimate the fair value of a specific intangible asset by quantifying the difference in cash flows between two scenarios: one in which the business operates with the intangible asset and one in which it operates without it. The value of the asset is equal to the present value of the incremental cash flow generated by its presence.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

Attrition Rate

The attrition rate represents management's estimate of the annual decline in customer relationships over their useful life. It reflects expected customer churn based on historical patterns, industry benchmarks, and the anticipated longevity of the customer base. The management have estimate attrition rate of 60% in the customer relationships valuation.

Required rate of return (IRR)

IRR represents the current market assessment of the risks, taking into consideration the time value of money and risks of the underlying assets that have not been incorporated in the cash flow estimates. The IRR calculation is based on the specific circumstances of the Group and is derived from the weighted average cost of capital (WACC) of the Group. The management have estimated the IRR of customer relationship to be 16% (higher than the WACC of the company), given the riskiness associated and intangible nature of this asset.

No impairment loss was identified based on the result of the impairment assessment conducted as on 31 December 2025 (2024: nil). The impairment assessment estimated because of the sensitivity analysis conducted as on 31 December 2025 is disclosed below:

	Change in assumptions	AED' 000 effect on the consolidated statement of profit and loss	
		For the year ended 31 December 2025	For the year ended 31 December 2024
Attrition rate	+5.0%	+1,627	-
IRR	+0.5%	+49	-

(v) Tax positions

The income tax positions taken are considered by the Group to be supportable and are intended to withstand challenge from tax authorities. However, it is acknowledged that these positions are uncertain and include interpretations of complex tax laws which could be disputed by tax authorities.

Management has used its best estimate of the correct value of liability to recognise in each case, which includes a judgement on the length of the future time period to use in such assessments.

(vi) Lease term

During the year, there was a change in lease term of a property, on which cash processing centre is built, from non-cancellable lease period of 5 years to total lease period of 20 years; resulting in additional right-of-use asset and corresponding lease liability of AED 9.39 million (note 6).

5 Business combination

On 8 April 2025, the Group acquired 100% of the issued share capital and voting rights of BFC Group Holdings W.L.L. and its subsidiaries for AED 734.60 million (US\$ 200 million). The objective of the acquisition was to expand the Group's market share and geographical presence.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

The details of the business combination are as follows:

	2025 AED'000
Fair value of consideration paid	
Amount settled in cash	734,600
Recognised amounts of identifiable net assets	
Non-current assets	
Right-of-use assets (note 6)	59,399
Property and equipment (note 7)	11,732
Intangible assets (note 8)	98,159
Restricted deposits with banks	11,042
Total non-current assets	180,332
Current assets	
Cash on hand and in transit	435,912
Balances with banks	559,351
Due from exchange houses and agents	59,604
Prepayments and other receivables	20,111
Total current assets	1,074,978
Total assets acquired	1,255,310
Non-current liabilities	
Provision for employees' end-of-service benefits (note 16)	30,358
Lease liabilities	44,161
Total non-current liabilities	74,519
Current liabilities	
Trade and other payables	40,003
Due to banks	157,882
Due to exchange houses and agents	142,445
Bank borrowings (note 20.1)	88,141
Income tax liabilities (note 30)	91
Lease liabilities	17,034
Total current liabilities	445,596
Total liabilities assumed	520,115
Identifiable net assets acquired	735,195
Negative goodwill on acquisition / Gain on bargain purchase (note 5.1)	(595)
Net cash outflow on acquisition	
Consideration transferred and settled in cash	(734,600)
Cash and cash equivalents acquired (note 5.2)	741,020
Net cash inflow on acquisition	6,420
Acquisition cost charged to expenses (note 5.3)	2,667

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

- 5.1** The negative goodwill that arose on the business combination is considered as gain on bargain purchase, calculated as the difference between purchase consideration and fair value of identifiable net assets and recognised in the consolidated statement of profit or loss. The fair value of assets and liabilities has been determined by an external expert.
- 5.2** Cash and cash equivalents comprise cash on hand and in transit of AED 435.91 million and balances with banks of AED 561.90 million (grossed up for provision for expected credit loss amounting to AED 2.54 million) and offset by amounts due to banks amounting to AED 157.88 million and fixed deposits having maturities longer than three months amounting to AED 98.91 million.
- 5.3** Acquisition-related costs amounting to AED 2.67 million are not included as part of consideration and have been recognised as an expense in the consolidated statement of profit and loss.
- 5.4** From the date of acquisition to 31 December 2025, BFC Group has contributed AED 161.61 million and AED 28.32 million to the Group's income and profit-after-tax respectively. Had the acquisition occurred on 1 January 2025, the Group's income and profit-after-tax for the year would have been AED 1,385.37 million and AED 413.33 million respectively.
- 5.5** Contingent liabilities acquired through business combination include bank guarantees arranged by the acquiree in favour of the Central Bank of Bahrain, other banks and business partners amounting to AED 15.93 million in aggregate. (note 21).

6 Right-of-use assets

	2025 AED'000	2024 AED'000
Right-of-use assets - Properties	164,433	95,868
Right-of-use assets - Vehicles	798	-

The movement of right-of-use assets is as follows:

	2025 AED'000	2024 AED'000
As at 1 January	95,868	92,031
New leases	87,174	68,940
Acquisition through business combination (note 5)	59,399	-
Changes in lease term estimate (note 4.1(i))	9,390	-
Lease modifications and terminations	1,207	-
Depreciation expense (note 28)	(87,702)	(65,103)
Foreign exchange translation adjustment	(105)	-
As at 31 December	165,231	95,868

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

7 Property and equipment

	Furniture and fixtures AED'000	Computers and office equipment AED'000	Motor vehicles AED'000	Capital work in progress AED'000	Total AED'000
Cost	129,563	87,796	13,247	1,572	232,178
As at 1 January 2024	5,691	9,715	1,650	15,013	32,069
Additions	12,777	-	-	(12,777)	-
Transfers	(5,369)	(6,076)	-	-	(11,445)
Disposals	142,662	91,435	14,897	3,808	252,802
As at 31 December 2024	2,700	18,818	861	16,226	38,605
Additions	2,700	-	-	-	-
Acquisition through business combination (note 5)	3,611	6,624	1,178	319	11,732
Transfers	13,876	4,214	-	(18,090)	-
Disposals	(2,405)	(3,591)	(599)	-	(6,595)
As at 31 December 2025	160,444	117,500	16,337	2,263	296,544
As at 1 January 2024	94,434	60,404	5,414	-	160,252
Charge for the year (note 28)	14,390	12,477	2,407	-	29,274
Disposals	(4,716)	(5,954)	-	-	(10,670)
As at 31 December 2024	104,108	66,927	7,821	-	178,856
Charge for the year (note 28)	16,131	15,989	1,481	-	33,601
Disposals	(1,913)	(3,538)	(599)	-	(6,050)
Foreign currency translation adjustment	49	29	(4)	-	74
As at 31 December 2025	118,375	79,407	8,699	-	206,481
Net book amount					
As at 31 December 2024	38,554	24,508	7,076	3,808	73,946
As at 31 December 2025	42,069	38,093	7,638	2,263	90,063

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

8 Intangible assets

	License AED'000	Customer Relationships AED'000	Brand AED'000	Total AED'000
Cost				
As at 1 January 2025	-	-	-	-
Acquisition through business combination (note 5)	80,583	12,034	5,542	98,159
As at 31 December 2025	80,583	12,034	5,542	98,159
Accumulated amortization				
As at 1 January 2025	-	-	-	-
Amortisation for the year (note 28)	-	(1,504)	(2,078)	(3,582)
As at 31 December 2025	-	(1,504)	(2,078)	(3,582)
Net book amount				
As at 31 December 2025	80,583	10,530	3,464	94,577

License, customer relationships and brand acquired through business combination met the requirements to be separately identifiable under IFRS 3. Refer to note 3.7 for further details on fair value techniques for valuing intangibles.

9 Restricted deposits with banks - non-current

	2025 AED'000	2024 AED'000
Restricted deposits against bank guarantees	65,278	45,860
Restricted deposits against travel card arrangements	25,353	8,760
Restricted deposits against remittances and other arrangements	6,113	4,984
	96,744	59,604

10 Cash on hand and in transit

	2025 AED'000	2024 AED'000
Cash on hand	1,513,720	976,568
Cheques on hand	27,251	12,573
Cash in transit	16,372	33,766
Total amount of cash on hand and in transit	1,557,343	1,022,907

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

10.1 Currency wise composition of cash on hand and in transit:

	2025 AED'000	2024 AED'000
United Arab Emirates Dirham	387,864	350,248
United States Dollars	617,773	353,836
Bahraini Dinar	42,193	3,199
Other currencies	509,513	315,624
	1,557,343	1,022,907

11 Balances with banks

	2025 AED'000	2024 AED'000
Balances with banks		
- Current accounts (note 11.1)	471,140	544,235
- Nostro and other accounts	559,339	284,229
- Held for WPS transactions (note 11.2)	615,995	313,898
- Held for travel card transactions (note 11.2)	342,939	268,200
- Fixed deposits (note 11.3)	226,353	415,000
- Advances to banks against credit card collections	12,596	9,847
- Credit card receivables	535	22,066
	2,228,897	1,857,475
Less: Provision for expected credit losses (note 11.5)	(9,051)	(6,550)
	2,219,846	1,850,925

11.1 Current accounts include nil (2024: AED 132 million) placed in interest bearing call account with the Central Bank of UAE (CBUAE).

11.2 These represent funds received from prepaid travel card and WPS customers against the settlement of related liabilities (note 18).

11.3 The Group has placed certain fixed deposits, at commercial market interest rates, with banks in the UAE for a tenure of 1 month to 12 months. (2024: 3 months to 12 months).

Fixed deposits also include short-term three-month deposit amounting to AED 113.79 million (2024: AED 110 million) placed with a commercial bank to meet obligation against unclaimed funds in line with CBUAE requirements.

Fixed deposits also include a deposit amounting to AED 80.53 million (2024: nil) held as security with a correspondent bank against a term loan availed by the Group (note 20.1).

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

11.4 Balances with banks are regularly assessed for credit quality considering the credit rating assigned to them by international or respective country's rating agencies and the country risk.

	2025 AED'000	2024 AED'000
Assessed high rated externally (A1-Baa3)	1,849,800	1,645,198
Assessed medium to low rated externally (Ba1-B3)	76,877	34,407
Assessed very low rated externally (Caa1-C)	97,630	29,790
Unrated externally, assessed high rated internally	89,298	79,801
Unrated - others	115,292	68,279
	2,228,897	1,857,475

11.5 None of the balances with banks as on the reporting date are past due and taking into account the historical default experience and the current credit ratings of the banks, the management has assessed that the expected credit losses on these balances is AED 9.05 million (2024: AED 6.55 million).

The movement of provision for expected credit losses is as follows:

	2025 AED'000	2024 AED'000
As at 1 January	6,550	6,240
Provision in respect of bank balances acquired through business combination during the year (note 5.2)	2,548	-
(Reversal) / provision for the year	(47)	310
As at 31 December	9,051	6,550

11.6 Concentration of balances with banks by geographical area:

	2025 AED'000	2024 AED'000
United Arab Emirates (UAE)	1,488,736	1,576,245
India	124,274	51,832
Kuwait	117,013	-
Pakistan	115,857	57,888
Philippines	98,732	64,907
Bahrain	60,309	73
Other Middle East countries	56,971	75,488
United States of America	30,878	-
Europe	11,768	2,581
Bangladesh	6,916	3,032
Other locations	117,443	25,429
	2,228,897	1,857,475

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

11.7 Currency wise composition of balances with banks:

	2025 AED'000	2024 AED'000
United Arab Emirates Dirham	1,179,277	1,320,015
United States Dollars	698,975	352,553
Bahraini Dinar	47,505	-
Other currencies	303,140	184,907
	2,228,897	1,857,475

12 Due from exchange houses and agents

12.1 These represent balances due from exchange houses and agents in respect of settlement of remittances and bank note parcels.

	2025 AED'000	2024 AED'000
Balance due from exchange houses and agents	63,236	20,582
Less: Provision for expected credit losses (note 12.3)	(41)	-
	63,195	20,582

12.2 Currency wise composition of due from exchange houses and agents:

	2025 AED'000	2024 AED'000
United Arab Emirates Dirham	7,425	3,577
United States Dollars	24,111	13,596
Bahraini Dinar	21,745	-
Other currencies	9,955	3,409
	63,236	20,582

12.3 None of the balances with exchange houses and agents are past due and taking into account the historical default experience, the management has assessed that expected credit losses on these balances is immaterial (2024: nil).

The movement of provision for expected credit losses is as follows

	2025 AED'000	2024 AED'000
As at 1 January	-	-
Provision in respect of due from exchange houses and agents acquired through business combination during the year	41	-
(Reversal) / provision for the year	(156)	156
Write backs / (write-offs) during the year	156	(156)
As at 31 December	41	-

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

13 Related party disclosures

The Group enters into transactions with other entities that fall within the definition of a related party as defined in the International Accounting Standard 24: Related Party Disclosures.

Related parties comprise parent company, jointly controlled, or significantly influenced entities (together referred as "Group entities"), shareholders, directors, key management personnel and their associated entities.

The related party transactions mainly include foreign exchange, remittance arrangements, rental of premises and financing arrangement.

The Board of Directors decides on the terms and conditions of the transactions and services received or rendered from / to related parties based on arm's length principle. In certain cases, the related party transactions also require shareholders' approval in the Annual General Meeting.

13.1 Transactions with related parties (Group entities)

Other than disclosed in note 15, the significant transactions included in these consolidated financial statements are as follows:

	2025 AED'000	2024 AED'000
Commission and exchange income earned - Al Ansari Exchange Co. W.L.L., Kuwait	3,131	2,760
Recharge of shared corporate services to Group entities	3,982	551
Share of profit paid against shareholder's loan (note 15)	(22,662)	-
Lease rental paid - Al Ansari Real Estate LLC	(5,169)	(4,640)

13.2 Due from / to related parties - Group entities

	2025 AED'000	2024 AED'000
Due from related parties	147	177
Due to related parties	2,478	1,616

Due from / to related parties represent unsecured interest-free current accounts which have arisen in the normal course of business. The expected credit loss on amounts due from related parties is immaterial.

Due to related parties represents unsecured interest free current accounts which have arisen in the normal course of business.

13.3 Remuneration to Board of Directors

During the year, the Group, based on shareholders' approval in the general assembly meeting held on 20 March 2025, has paid AED 1.98 million (2024: AED 0.623 million) in respect of Directors' remuneration and fees for attending meetings in 2024.

The remuneration payable to Board of Directors for the year 2025 shall be presented to the shareholders for their approval in the next Annual General Meeting.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

13.4 Key management personnel

The total amount of compensation paid to key management personnel during the year is as follows:

	2025 AED'000	2024 AED'000
Salaries and other benefits	23,423	15,478

Key management personnel include the Group's Chief Executive Officer, Group's Deputy Chief Executive Officer, Group's Chief Financial Officer, Group's other C-Suite officers, and department heads.

14 Prepayments and other receivables

	2025 AED'000	2024 AED'000
Bills receivables	52,195	9,885
Commissions and incentives receivables	13,953	25,585
Security deposits	21,611	18,127
Deposit with tax authorities (note 14.1)	11,827	11,827
Prepaid expenses	10,490	9,043
Positive value of overnight foreign currency forwards (note 35)	8,191	15,850
Due from liquidity provider	-	558
Other receivables (note 14.2)	29,972	16,381
	148,239	107,256

14.1 Deposit with tax authorities

Tax assessment for tax periods from January 2018 to January 2019 - AED 6.53 million

During the year 2020, the Federal Tax Authority ("FTA") had assessed that the share of income received from sending agents in relation to inward remittances is subject to standard rate of value added tax ("VAT") and, accordingly, FTA had assessed short payment of VAT and related penalties amounting to AED 9.43 million (subsequently reduced to AED 6.53 million). The Group is of the view that receipt of such income should be zero rated and filed an appeal with the Federal Court.

On 22 November 2023, the Federal Supreme Court decided the matter in favour of the Group and, accordingly, the Group has filed an execution writ with the Federal Court pending decision as on the reporting date.

Voluntary disclosures filed for tax periods from February 2019 to October 2020 - AED 5.30 million

In view of the above-mentioned tax assessment, the Group had filed voluntary disclosures for tax periods from February 2019 to October 2020 and additionally paid AED 5.30 million. Following the verdict in its favour, the Group is currently considering its legal position in relation to filing the case for recovery of the said amount.

14.2 Other receivables

Other receivables include interest receivable on bank deposits, advances to suppliers and landlords. The expected credit loss on other receivables is considered to be immaterial.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

15 Shareholder's loan

	2025 AED'000	2024 AED'000
Shareholder's loan - non-current	389,020	-

This represents unsecured financing amounting to AED 950 million arranged from the Parent Company for the purpose of financing the Company's acquisitions, working capital, material capital expenditure or any other business requirements in line with Shariah rules and principles. The facility carries market prevailing profit rates and is payable in quarterly instalments over a period of 5 years. The financing is not subject to any covenant obligations.

The shareholders in their Annual General Meeting held on 20 March 2025 have approved the terms and conditions of this loan.

The movement of shareholder's loan is as follows:

	2025 AED'000	2024 AED'000
As at 1 January	-	-
Drawdown during the year	735,151	-
Payment during the year (includes early settlement of AED 272 million)	(346,131)	-
As at 31 December	389,020	-

Share of profit accrued and payable during the year in respect of shareholder's loan amounted to AED 22.66 million (2024: nil) (note 29).

16 Provision for employees' end-of-service benefits

	2025 AED'000	2024 AED'000
As at 1 January	49,978	45,851
Acquisition through business combination (note 5)	30,358	-
Charge for the year (note 26)	14,106	7,901
Payments during the year	(11,073)	(3,774)
Foreign exchange translation adjustment	(3)	-
As at 31 December	83,366	49,978

17 Lease liabilities

	2025 AED'000	2024 AED'000
Non-current	91,209	43,188
Current	63,663	40,876
	154,872	84,064

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

The movement of lease liabilities is as follows:

	2025 AED'000	2024 AED'000
As at 1 January	84,064	82,696
New leases	87,174	68,940
Acquired through business combination (note 5)	61,195	-
Changes in lease term estimate (note 4.1(i))	9,390	-
Lease modifications and terminations	211	-
Finance cost on lease liability (note 29)	7,582	4,617
Payments	(94,702)	(72,189)
Foreign exchange translation adjustment	(42)	-
As at 31 December	154,872	84,064

The maturity of leased liabilities based on contractual payments is explained in note 35.1(c).

18 Trade and other payables

	2025 AED'000	2024 AED'000
Payable balances in relation to WPS	564,371	324,740
Travel card payables (note 18.1)	384,358	275,666
Unclaimed funds (note 18.2)	112,863	103,703
Remittances payable (note 18.2)	85,855	101,977
Accrued expenses	84,799	80,617
Bills payable	40,825	35,529
Unearned revenue (note 18.3)	27,971	-
Share of profit accrued on shareholder's loan (note 15)	5,340	-
Other payables	60,505	70,532
	1,366,887	992,764

18.1 Travel card payables represent money loads from customers which are placed with a bank and exclusively used for settlements to Visa International upon spending by the customers.

18.2 Represent pending settlements to beneficiaries for the remittances made by the customers.

18.3 Unearned revenue represents incentives received in advance from business partners to be recorded over a period of time subject to performance obligation.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

19 Due to exchange houses and agents

	2025 AED'000	2024 AED'000
Balances with exchange houses and agents inside UAE	1,035	530
Balances with exchange houses and agents outside UAE	150,552	73,230
Total amount due to exchange houses and agents	151,587	73,760

19.1 Currency wise composition of balances due to exchange houses and agents:

	2025 AED'000	2024 AED'000
United Arab Emirates Dirham	40,740	26,909
United States Dollars	6,401	36,099
Bahraini Dinar	5,292	-
Other currencies	99,154	10,752
	151,587	73,760

20 Bank borrowings

	2025 AED'000	2024 AED'000
Term loan (note 20.1)	72,868	-
Bank overdraft - unsecured (note 20.2)	230,262	133,533
Bank overdraft - secured (note 20.3)	-	100,000
	303,130	233,533

20.1 The Group has availed a revolving term loan facility for AED 73.46 million (2024: nil) from a bank payable on due date. The loan is current in nature and carries variable interest rates plus fixed margin and is secured by a fixed deposit (note 11.3).

The movement of term loan is as follows:

	2025 AED'000	2024 AED'000
As at 1 January	-	-
Acquisition through business combination (note 5)	88,141	-
Finance cost	3,091	-
Payment during the year	(17,882)	-
Foreign exchange translation adjustment	(482)	-
As at 31 December	72,868	-

20.2 The Group has arranged unsecured bank overdraft facilities with various banks for AED 510.19 million (2024: AED 400 million). These facilities are available to meet the working capital requirements of the Group and carry variable interest rates plus fixed margins. These facilities are repayable on demand.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

20.3 The Group has arranged secured bank overdraft facilities with a bank for AED 107.14 million (2024: AED 350 million with various banks), which remained un-utilised at the year-end. This bank overdraft facility carries variable interest rates plus fixed margin, repayable on demand and secured by way of account pledge over margin deposit placed by the Parent Company.

As on the reporting date, the Group had un-utilised bank overdraft facilities of AED 387.07 million (2024: AED 516.47 million) and was compliant with the covenant requirements of these bank overdraft facilities.

21 Contingencies and commitments

	2025 AED'000	2024 AED'000
Contingent liabilities		
Guarantees issued by banks in favour of		
- Central Bank of UAE	255,000	255,000
- Central Bank of Bahrain	1,461	-
- Others (note 21.1)	37,147	11,450
Total guarantees arranged and issued	293,608	266,450

21.1 The Group has arranged guarantees from various commercial banks, drawn in favour of certain correspondent banks, business and other partners as required under the terms of the respective correspondent arrangements.

21.2 The commitment in respect of capital expenditure incurred as at 31 December 2025 amounts to AED 3.50 million (2024: AED 1.97 million).

22 Share capital and Treasury shares

22.1 Share capital

As at 31 December 2025, the authorised issued and fully paid share capital of the Company comprised 7,500,000,000 ordinary shares of AED 0.01 each (2024: 7,500,000,000 ordinary shares of AED 0.01 each).

22.2 Treasury shares

The Company had engaged a third-party licensed liquidity provider on the DFM, to place buy and sell orders for the Company's shares with the objective of reducing bid/ask spreads as well as reducing price and volume volatility. The contract with the liquidity provider was terminated during the year and the liquidity provider disposed of the previously held treasury shares in the market amounting to AED 8.71 million (2024: purchase of treasury shares for AED 9.18 million). Accordingly, there were no treasury shares as on the reporting date (2024: 8,900,447 treasury shares).

The net loss of AED 0.47 million incurred on the buying and selling of treasury shares has been directly recognised in equity.

23 Statutory reserve

In accordance with UAE Federal Law No. (32) of 2021 (as amended) and Articles of Association of the Company, 10% of net profit of the Company is to be allocated every year to statutory reserve. This statutory reserve, as per the Articles of Association, is subject to maximum of 50% of the Company's issued share capital. This reserve is not available for distribution except as stipulated by the law.

During the year, no additional transfer has been made from retained earnings to statutory reserve (2024: nil).

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

24 Acquisition reserve

During the year ended, the Board has approved to transfer AED 286.14 million (2024: nil) from acquisition reserve to retained earnings. The reserve was created initially in 2018 when the shareholders transferred their individual equity interest in the Group entities to the Company.

25 Net commission income

	2025 AED'000	2024 AED'000
Net commission income earned on:	450,604	475,831
- Remittances	96,736	74,312
- WPS	42,019	28,918
- Bill collections	26,556	22,096
- Bank notes and travel card	615,915	601,157

26 Salaries and benefits

	2025 AED'000	2024 AED'000
Salaries and wages	412,767	349,909
Leave salary and air tickets	43,885	41,939
Staff bonuses and incentives	24,566	25,608
Employees' end-of-service benefits (note 16)	14,106	7,901
Other benefits	56,949	55,995
	552,273	481,352

27 General and administrative expenses

	2025 AED'000	2024 AED'000
Communication	27,887	23,459
Premises utilities, security, and maintenance	26,212	23,518
Marketing and promotions	21,410	15,203
Cash transportation	20,735	6,746
IT related expenses	16,149	12,913
VAT incurred but not recovered	10,366	11,755
License fees	8,356	6,587
Emirates ID validation costs (note 27.1)	2,096	24,646
Reversal of VAT provision against tax assessment	-	(6,530)
Social contribution (note 27.2)	(3,598)	8,290
Other expenses	39,670	28,586
	169,283	155,173

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

27.1 Emirates ID validation costs in 2024 included AED 23 million a mandated charge for the back-dated period of 2020 to 2022.

27.2 During the year, the Board of Directors in their meeting held on 12 May 2025 resolved to reverse the provision of social contribution amounting to AED 3.598 million (2024: The Group had allocated AED 8.29 million as social contribution).

28 Depreciation and amortization

	2025 AED'000	2024 AED'000
Depreciation on:	87,702	65,103
- Right-of-use assets (note 6)	33,601	29,274
- Property and equipment (note 7)	3,582	-
Amortisation on intangible assets (note 8)	124,885	94,377

29 Finance cost

	2025 AED'000	2024 AED'000
Finance cost on shareholder's loan (note 15)	22,662	-
Finance cost on bank borrowings	5,010	4,136
Finance cost on lease liabilities (note 17)	7,582	4,617
	35,254	8,753

30 Corporate income Tax

On 9 December 2022, the UAE Ministry of Finance ("MoF") released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to enact a new CT regime in the UAE. The new CT regime became effective for accounting periods beginning on or after 1 June 2023. The Group is subject to Corporate Tax effective from 1 January 2024.

The taxable income of the entities that are in scope for UAE CT purposes will be subject to the rate of 9% corporate tax for mainland entities and where conditions are met, 0% for freezones.

The component of corporate income tax expense in the consolidated statement of profit or loss is as follows:

	2025 AED'000	2024 AED'000
Corporate income tax expense	37,244	40,983

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

Following is the reconciliation of corporate income tax expense and accounting profit during the year:

	2025 AED'000	2024 AED'000
Accounting profit before tax for the year	438,102	446,832
Income tax at UAE statutory rate of 9% (2024: 9%)	39,429	40,215
Prior period tax adjustment	139	-
Tax effect of foreign subsidiaries taxed at higher rate in respective jurisdiction	160	-
Tax effect of amounts which are not deductible in calculating taxable income of foreign subsidiaries in respective jurisdiction	88	-
Tax effect of profits of foreign subsidiaries not subject to tax	(2,247)	-
Tax effect of amounts which are not (taxable)/ deductible in calculating taxable income	(325)	768
Corporate income tax expense for the year	37,244	40,983
Effective tax rate	8.50%	9.17%

The movement of corporate income tax liabilities in the consolidated statement of financial position is as follows:

	2025 AED'000	2024 AED'000
As at 1 January	40,983	-
Acquisition through business combination (note 5)	91	-
Income tax expense for the year	37,244	40,983
Payment during the year	(42,080)	-
As at 31 December	36,238	40,983

Pillar Two

The UAE Ministry of Finance (MOF) has enacted legislation to implement the Pillar Two GLoBE rules effective from 1 January 2025. This is facilitated through the recently issued Cabinet Decision No. 142 of 2025, which introduces the UAE Pillar Two legislation.

The Group is not subject to the UAE Pillar Two rules because its consolidated revenue is less than EUR 750 million threshold. Therefore, there are no Pillar Two implications for the financial year ended 31 December 2025.

Deferred Tax

The management has concluded that the deferred tax impact is immaterial on the reporting date.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

31 Earnings per share - basic and diluted

The basic and diluted earnings per share is calculated by dividing the net profit attributable to the shareholders of the Company by the weighted average number of shares outstanding during the year, adjusted in the case of diluted earnings by dilutive potential ordinary shares.

	2025 AED'000	2024 AED'000
Profit for the year attributable to the shareholders (AED'000)	400,858	405,849
Weighted average number of ordinary shares ('000)	7,484,186	7,489,539
Basic and diluted earnings per share (AED)	0.0536	0.0542

32 Cash and cash equivalents

	2025 AED'000	2024 AED'000
Cash on hand and in transit	1,557,343	1,022,907
Balances with banks - gross	2,228,897	1,857,475
Due to banks	(104,660)	(13,978)
	3,681,580	2,866,404
Less: Fixed deposits having original maturity longer than three months	(88,779)	(10,000)
	3,592,801	2,856,404

33 Dividends

The Board of Directors has proposed a cash dividend of AED 0.0198 per share amounting to AED 148.50 million at its meeting held on 12 February 2026. The proposed dividend is subject to approval by the shareholders at the Company's General Assembly meeting to be held in March 2026.

During the year, the Company has paid cash dividend of AED 0.041 per share amounting to AED 306 million (2024: AED 0.061 per share amounting to AED 457.5 million) based on the shareholders' / Directors' approval.

34 Reporting Segments

For management purposes, the Group is organised into business units based on relevant business activity and accordingly, there is only one reportable segment as of 31 December 2025:

- Money Exchange and Remittances: The Group primarily provides cross-border and domestic remittances, purchase and sale of foreign currencies, processing of salaries, bill collections and sale of prepaid travel cards. The Group provides these services to its customers through a wide branch network, digital channels and smart counters.

The Executive Management Committee is the Chief Operating Decision Maker ("CODM") and monitors the segment results for the purposes of making decisions in relation to resource allocation and performance assessment. No information that includes the segments' assets and liabilities is reported to the Group's CODM.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

Geographical concentration of financial assets is explained in note 35.1 (a).

For the year ended 31 December 2025	Money exchange and remittances AED'000	Others AED'000	Segment Total AED'000
Income	1,296,195	29,525	1,325,720
Expenses			
Salaries and benefits, general, administrative and other expenses	(865,908)	(21,710)	(887,618)
Segment profit before tax for the year	430,287	7,815	438,102
Income tax expense			(37,244)
Segment profit after tax for the year			400,858

For the year ended 31 December 2024	Money exchange and remittances AED'000	Others AED'000	Segment Total AED'000
Income	1,167,129	21,507	1,188,636
Expenses			
Salaries and benefits, general, administrative and other expenses	(724,285)	(17,519)	(741,804)
Segment profit before tax for the year	442,844	3,988	446,832
Income tax expense			(40,983)
Segment profit after tax for the year			405,849

The Group's total income disaggregated by primary geographical markets is as follows:

	2025 AED'000	2024 AED'000
United Arab Emirates	1,164,109	1,188,636
Kingdom of Bahrain	108,491	-
State of Kuwait	45,548	-
Republic of India	7,572	-
Total income for the year	1,325,720	1,188,636

No single customer contributed 10% or more to the Group's revenue.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

35 Financial risk management

The Group has exposure to the following risks from its use of financial instruments and operations:

- Credit risk
- Market risk
- Liquidity risk
- Operational risk management

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, risk management frameworks, policies and processes for measuring and managing risk, and the management of the Group's capital.

35.1 Risk management framework

Management sets out the principles for overall financial risk management. Periodic reviews are undertaken to ensure that Group's policy guidelines are complied with. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures risk.

(a) Credit risk

Credit risk is the risk that a counter party to a financial asset fails to meet its contractual obligation and causes the Group to incur a financial loss. The Group is exposed to credit risk through restricted deposits with banks, cheques on hand, cash in transit, balances with banks, due from exchange houses and agents, due from related parties and other receivables (excluding prepayments). The Group is not involved in extending any credit facility to its customers.

Credit risk is managed by the Group by dealing with reputable counter parties approved after a thorough due diligence by the management of the Group and monitoring exposure with each counterparty and average balances held with banks and intermediaries on a daily basis.

The Group monitors the split of balances with banks and exchange houses across the counterparties against their risk profile to ensure that the counterparty credit risk is managed. The Group's funds are placed with various international and local banks of which 50% (2024: 61%) is placed with 3 major banks in the UAE.

Maximum exposure to credit risk

Credit risk exposure is limited to the carrying amount of the Group's financial assets as follows:

	2025 AED'000	2024 AED'000
Restricted deposits with banks (note 9)	96,744	59,604
Cheques on hand (note 10)	27,251	12,573
Cash in transit (note 10)	16,372	33,766
Balances with banks (note 11)	2,228,897	1,857,475
Due from exchange houses and agents (note 12)	63,236	20,582
Due from related parties (note 13.1)	147	177
Other receivables	137,749	98,213
	2,570,396	2,082,390

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

The credit quality analysis of Group's financial assets is as follows:

	2025 AED'000	2024 AED'000
Financial assets - gross	2,570,396	2,082,390
Less: Provision for expected credit losses (note 11.5 and 12.3)	(9,092)	(6,550)
Financial assets - net	2,561,304	2,075,840

Due to the nature of the Group's business, ageing analysis is not considered relevant and hence not provided. The geographical distribution of financial assets.

31 December 2025	UAE AED'000	Bahrain AED'000	Kuwait AED'000	Other AED'000	Total AED'000
Restricted deposits with banks	46,448	13,667	367	36,262	96,744
Cheques on hand	21,085	6,166	-	-	27,251
Cash in transit	16,372	-	-	-	16,372
Balances with banks	1,488,736	60,309	117,013	562,839	2,228,897
Due from exchange houses and agents	1,253	22,201	-	39,782	63,236
Due from related parties	147	-	-	-	147
Other receivables	112,801	4,333	7,173	13,442	137,749
Total	1,686,842	106,676	124,553	652,325	2,570,396

31 December 2024	UAE AED'000	Bahrain AED'000	Kuwait AED'000	Other AED'000	Total AED'000
Restricted deposits with banks	47,057	-	-	12,547	59,604
Cheques on hand	12,573	-	-	-	12,573
Cash in transit	33,766	-	-	-	33,766
Balances with banks	1,576,245	73	-	281,157	1,857,475
Due from exchange houses and agents	218	-	18	20,346	20,582
Due from related parties	177	-	-	-	177
Other receivables	82,295	-	-	15,918	98,213
Total	1,752,331	73	18	329,968	2,082,390

(b) Market risk

The Group recognises market risk as the exposure created by potential changes in market prices and rates. The Group is exposed to market risk arising principally from customer driven transactions including foreign exchange positions. The objective of the Group's market risk policies and processes is to obtain the best balance of risk and return while meeting its customers' requirements.

(i) Interest rate risk

The Group is exposed to the risk that changes in interest rates would have an adverse effect on the value of its financial assets and liabilities.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

To mitigate this risk, the Group manages its exposure through managing the duration of its interest-bearing portfolio. The substantial portion of the Group's assets and liabilities are repriced within one year.

(ii) Interest rate sensitivity of assets and liabilities

Interest rate risk is also assessed by measuring the impact of reasonable potential change in interest rates. A movement in interest rates of 100 basis points will have the following impact on the net profit for the year and net assets at that date:

	Net profit for the year AED'000	Equity AED'000
2025		
Fluctuation in yield by 100 bps	± 3,691	±3,691
2024		
Fluctuation in yield by 100 bps	±3,730	±3,730

The interest rate sensitivities set out above are illustrative only and employ simplified scenarios. They are based on AED 323.06 million of interest-bearing assets (2024: AED 606.60 million) and interest-bearing liabilities of AED 692.15 million as at 31 December 2025 (2024: AED 233.53 million).

The sensitivity does not incorporate actions that could be taken by management to mitigate the effect of interest rate movements.

(iii) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Group manages its currency risk by monitoring its daily foreign currency exposure. As the AED is pegged to the US Dollar, balances in US Dollars are not considered to represent significant currency risk.

Moreover, there are certain other GCC currencies (e.g. Saudi Riyal, Bahraini Dinar and Omani Riyal) also pegged against US Dollar, therefore these are also not expected to represent any significant currency risk.

The Group has the following significant net exposures denominated in foreign currencies:

	Long/(short) 2025 AED'000	Long/(short) 2024 AED'000
United States Dollar	1,190,893	828,857
Kuwaiti Dinar	169,374	4,486
Bahraini Dinar	99,553	2,004
Saudi Riyal	85,548	36,119
Pakistani Rupee	23,924	16,004
Egyptian Pound	21,895	3,550
Philippines Peso	19,741	26,902
Omani Riyal	18,020	23,377
Indian Rupee	16,191	(74)
Bangladesh Taka	5,706	1,686
Others	178,882	34,960
	1,829,727	977,871

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

The table below calculates the effect of a reasonable potential movement of the AED currency rate against the various currencies, with all other variables held constant, on the consolidated statement of profit or loss and other comprehensive income (due to the fair value of currency sensitive monetary assets and liabilities).

31 December 2025	Kuwaiti Dinar	Philippines Peso	Pakistani Rupee	Egyptian Pound	Bangladesh Taka	Indian Rupee	Others	Profit impact
Sensitivity Percentage	1%	1%	1%	1%	1%	1%	1%	1%
2025 AED'000 +	1,694	197	239	219	57	162	1,789	4,357
2024 AED'000 +	44	269	160	36	17	(1)	350	875

Foreign currency forwards - overnight	2025 AED'000	2024 AED'000
Notional amount (short position)	85,459	96,977
Positive fair value of overnight forwards	8,191	15,850

(iv) Price risk

Price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment or its issuer or factors affecting all instruments traded in the market. The Group is not exposed to any significant price risk.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

To guard against this risk, management has diversified funding sources and assets are managed with liquidity in mind, maintaining sufficient balance of cash and cash equivalents to meet the Group's financial obligations. Daily cash flow statements are prepared on the basis of projected purchases and sales of currencies, the maturity profile and interest flows from bank deposits. These are used by the Group to monitor and manage the liquidity structure of its assets and liabilities to ensure that an appropriate balance of cash and cash equivalents is maintained to meet liquidity requirements. Most of the Group's transactions are made on a back-to-back basis and its bank accounts are adequately managed and funded to meet commitments.

Treasury and finance departments work in close coordination to avoid any liquidity issues that can impact the operations of the Group. To avoid any liquidity concerns, the Group has also arranged shareholders' loan (note 15) and bank borrowings (note 20).

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

The table below summarises the maturity profiles of the Group's undiscounted financial liabilities at 31 December 2025, based on contractual payment dates and current market interest rates.

31 December 2025	On demand AED'000	Less than 1 year AED'000	Between 2 to 3 years AED'000	Over 3 years AED'000	Total AED'000
Trade and other payables	1,363,397	3,490	-	-	1,366,887
Due to banks	104,660	-	-	-	104,660
Due to exchange houses and agents	151,587	-	-	-	151,587
Due to related parties	2,478	-	-	-	2,478
Bank borrowings	230,262	72,868	-	-	303,130
Shareholder's loan	-	-	201,520	187,750	389,270
Income tax liabilities	-	36,238	-	-	36,238
Lease liabilities	-	66,145	51,245	28,441	145,831
Total	1,852,384	178,741	252,765	216,191	2,500,081

31 December 2024	On demand AED'000	Less than 1 year AED'000	Between 2 to 3 years AED'000	Over 3 years AED'000	Total AED'000
Trade and other payables	992,764	-	-	-	992,764
Due to banks	13,978	-	-	-	13,978
Due to exchange houses and agents	73,760	-	-	-	73,760
Due to related parties	1,616	-	-	-	1,616
Bank borrowings	233,533	-	-	-	233,533
Income tax liabilities	-	40,983	-	-	40,983
Lease liabilities	-	44,216	36,165	9,272	89,653
Total	1,315,651	85,199	36,165	9,272	1,446,287

(d) Operational risk management

Operational risk is the risk of a direct or indirect loss being incurred due to an event or action arising from the failure of technology, processes, infrastructure, personnel and other factors having an operational risk impact.

Management of the Group closely monitors the operations. A formal budgeting process is in place to monitor the performance of the Group.

Monthly branch wise profit or loss is prepared by the finance department for management's review.

IT Disaster recovery procedures, risk and compliance audits and internal audits also form an integral part of the operational risk management process.

35.2 Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize its value.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

The Group manages its capital structure and adjusts it, in light of changes in the economic conditions and in compliance with regulatory capital requirements. No changes were made to the objectives, policies or processes during the year. As at 31 December 2025, the Group's capital is AED 1,843.15 million (2024: AED 1,740.59 million) and comprises paid up capital, reserves and retained earnings.

As on the reporting date, the Group had a debt-to-equity ratio of 37.55% (2024: 13.42%) and liquidity ratio of 1.97x (2024: 2.15x).

36 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Group.

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of restricted deposits with banks, cash in transit, balances with banks, due from exchange houses and agents, due from related parties and other receivables. Financial liabilities consist of trade and other payables, due to banks, due to exchange houses and agents, due to related parties, shareholder's loan, bank borrowings and lease liabilities. Fair value of all financial assets and financial liabilities that are measured at amortized cost approximate their fair value.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The carrying amount of financial assets and financial liabilities approximates their fair values.

Other receivables include forward contracts which are valued based on the difference between the contractual forward rate and the forward rate determined on the reporting date. Forward contracts are considered at level 2 of the fair value hierarchy.

37 Off balance sheet

As part of cash processing operations, the Group was holding third-party cash amounting to AED 22.10 million (2024: AED 1.29 million) on behalf of its customers. The cash is not available to the Group other than to settle as per instructions from respective customers.

38 Subsequent events

Other than disclosed in note 33, there have been no other events subsequent to the year-end that would significantly affect the amounts reported in these consolidated financial statements.