

Al Ansari Financial Services P.J.S.C.

Consolidated Financial Statements

For the year ended 31 December 2025

Al Ansari Financial Services P.J.S.C.

**Directors' report and consolidated financial statements
For the year ended 31 December 2025**

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Al Ansari Financial Services P.J.S.C.

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.

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.



Al Ansari Financial Services P.J.S.C.

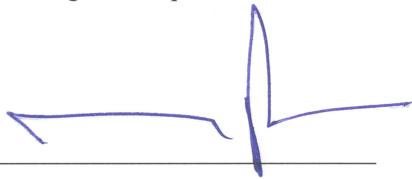
Directors' report for the year ended 31 December 2025 (continued)

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.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Al Ansari Financial Services P.J.S.C. (continued)

Key audit matters (continued)

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>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 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>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 performed, the following procedures, <i>inter alia</i>, 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>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 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>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>

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Al Ansari Financial Services P.J.S.C. (continued)

Key audit matters (continued)

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, <i>inter alia</i>, 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.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Al Ansari Financial Services P.J.S.C. (continued)

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.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Al Ansari Financial Services P.J.S.C (continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- 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.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Al Ansari Financial Services P.J.S.C (continued)

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.)

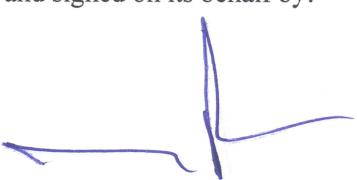


Firas Anabtawi
Registration No.: 5482
12 February 2026
Dubai
United Arab Emirates

Al Ansari Financial Services P.J.S.C.
Consolidated statement of financial position
As at 31 December 2025

	Note	2025 AED'000	2024 AED'000
ASSETS			
Non-current assets			
Right-of-use assets	6	165,231	95,868
Property and equipment	7	90,063	73,946
Intangible assets	8	94,577	-
Restricted deposits with banks	9	96,744	59,604
		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
		3,988,770	3,001,847
Total assets		4,435,385	3,231,265
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
		563,595	93,166
Current liabilities			
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
		2,028,643	1,397,510
Total liabilities		2,592,238	1,490,676
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

Al Ansari Financial Services P.J.S.C.
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	30	(37,244)	(40,983)
Profit after tax for the year		400,858	405,849
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
- 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

Al Ansari Financial Services P.J.S.C.
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

The notes on pages 13 to 52 form an integral part of these consolidated financial statements.

Al Ansari Financial Services P.J.S.C.
Consolidated statement of cash flows
For the year ended 31 December 2025

	Note	2025 AED'000	2024 AED'000
<i>Operating activities</i>			
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)
<i>Changes in working capital:</i>			
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
<i>Cash flows from investing activities</i>			
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)
<i>Cash flows from financing activities</i>			
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

Al Ansari Financial Services P.J.S.C.

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.L ¹	Bahrain	100%	-
Bahrain Financing Company B.S.C ¹	Bahrain	100%	-
BFC Payments B.S.C ¹	Bahrain	100%	-
Bahrain Exchange Company W.L.L ¹	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.

(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.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

2 Basis of preparation (continued)

(b) Basis of measurement (continued)

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.

New and revised IFRS	Summary
Amendments to IAS 21 <i>The Effects of Changes in Foreign Exchange Rates</i> 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 Material accounting policy information (continued)

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 <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments: Disclosures</i> regarding the classification and measurement of financial instruments The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9.	1 January 2026
Amendments to IFRS 9 <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments: Disclosures</i> regarding purchase power arrangements: 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.	1 January 2026
Annual improvements to IFRS Accounting Standards - Volume 11 The pronouncement comprises the following amendments: <ul style="list-style-type: none"> • IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i>: Hedge accounting by a first-time adopter • IFRS 7 <i>Financial Instruments - Disclosures</i>: Gain or loss on derecognition • IFRS 7 <i>Financial Instruments - Disclosures</i>: Disclosure of deferred difference between fair value and transaction price • IFRS 7 <i>Financial Instruments - Disclosures</i>: Introduction and credit risk disclosures • IFRS 9 <i>Financial Instruments: Lessee derecognition of lease liabilities</i> • IFRS 9 <i>Financial Instruments: Transaction price</i> • IFRS 10 <i>Consolidated Financial Statements</i>: Determination of a "de facto agent" • IAS 7 <i>Statement of Cash Flows</i>: Cost method 	1 January 2026
IFRS 18 <i>Presentation and Disclosures in Financial Statements</i> 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.	1 January 2027
IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i> IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.	1 January 2027
Amendments to IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i> 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.	1 January 2027

3 Material accounting policy information (continued)

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

New and revised IFRS	Effective for annual periods beginning on or after
Amendments to IAS 21 <i>The Effects of Changes in Foreign Exchange Rates</i> relating to Translation to a Hyperinflationary Presentation Currency The amendments clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one.	1 January 2027
Amendments to IFRS 10 <i>Consolidated Financial Statements</i> and IAS 28 <i>Investments in Associates and Joint Ventures</i> (2011) The amendments relate to the treatment of the sale or contribution of assets from an investor to its associate or joint venture	Effective date deferred indefinitely. Adoption is still permitted.

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.

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 Material accounting policy information (continued)

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%.

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.

3 Material accounting policy information (continued)

3.7 Intangible assets acquired in a business combination (continued)

Customer Relationships (continued)

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.

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.

3 Material accounting policy information (continued)

3.9 Financial instruments (continued)

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.

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.

3 Material accounting policy information (continued)

3.9 Financial instruments (continued)

Financial assets (continued)

Classification of financial assets (continued)

(ii) Debt instrument designated at other comprehensive income (continued)

Amortised cost and effective interest rate method (continued)

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.

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.

3 Material accounting policy information (continued)

3.9 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(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.

3 Material accounting policy information (continued)

3.9 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(v) Measurement and recognition of expected credit losses

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.

3 Material accounting policy information (continued)

3.9 Financial instruments (continued)

Financial liabilities (continued)

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.

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 Material accounting policy information (continued)

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.

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.

3 Material accounting policy information (continued)

3.17 Leases (continued)

The Group's leasing activities and the basis of accounting (continued)

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.

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 Material accounting policy information (continued)

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.

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.

3 Material accounting policy information (continued)

3.22 Current versus non-current classification (continued)

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.

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.

3 Material accounting policy information (continued)

3.23 Income taxes (continued)

Deferred tax (continued)

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.

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 Material accounting policy information (continued)

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.

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.

4.2 Key sources of estimation uncertainty (continued)

(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.

(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:

	AED' 000 effect on the consolidated statement of profit and loss	
Change in assumptions	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

4.2 Key sources of estimation uncertainty (continued)

(iv) Impairment of intangible assets (continued)

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.

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:

	AED' 000 effect on the consolidated statement of profit and loss		
	Change in assumptions	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.

The details of the business combination are as follows:

	2025
	AED'000
Fair value of consideration paid	
Amount settled in cash	<u>734,600</u>
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	<u>180,332</u>
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	<u>1,074,978</u>
Total assets acquired	<u>1,255,310</u>
Non-current liabilities	
Provision for employees' end-of-service benefits (note 16)	30,358
Lease liabilities	44,161
Total non-current liabilities	<u>74,519</u>
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	<u>445,596</u>
Total liabilities assumed	<u>520,115</u>
Identifiable net assets acquired	<u>735,195</u>
Negative goodwill on acquisition / Gain on bargain purchase (note 5.1)	<u>(595)</u>
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	<u>6,420</u>
Acquisition cost charged to expenses (note 5.3)	<u>2,667</u>

5 Business combination (continued)

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	-
	165,231	95,868

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

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Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

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					
As at 1 January 2024	129,563	87,796	13,247	1,572	232,178
Additions	5,691	9,715	1,650	15,013	32,069
Transfers	12,777	-	-	(12,777)	-
Disposals	(5,369)	(6,076)	-	-	(11,445)
As at 31 December 2024	142,662	91,435	14,897	3,808	252,802
Additions	2,700	18,818	861	16,226	38,605
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
Accumulated depreciation					
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

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

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).

11 Balances with banks (continued)

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	<u>115,292</u>	<u>68,279</u>
	<u>2,228,897</u>	<u>1,857,475</u>

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	<u>(47)</u>	<u>310</u>
As at 31 December	<u>9,051</u>	<u>6,550</u>

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	<u>117,443</u>	<u>25,429</u>
	<u>2,228,897</u>	<u>1,857,475</u>

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	<u>303,140</u>	<u>184,907</u>
	<u>2,228,897</u>	<u>1,857,475</u>

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	-

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.

Al Ansari Financial Services P.J.S.C.**Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)****13 Related party disclosures (continued)****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	<u>3,131</u>	2,760
Recharge of shared corporate services to Group entities	<u>3,982</u>	551
Share of profit paid against shareholder's loan (note 15)	<u>(22,662)</u>	-
Lease rental paid - Al Ansari Real Estate LLC	<u>(5,169)</u>	(4,640)

13.2 Due from / to related parties – Group entities

	2025 AED'000	2024 AED'000
Due from related parties	<u>147</u>	177
Due to related parties	<u>2,478</u>	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.

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	<u>23,423</u>	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.

Al Ansari Financial Services P.J.S.C.**Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)****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.

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.

Al Ansari Financial Services P.J.S.C.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

15 Shareholder's loan (continued)

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
As at 31 December	154,872	84,064

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.

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).

Al Ansari Financial Services P.J.S.C.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

20 Bank borrowings (continued)

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.

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.

Al Ansari Financial Services P.J.S.C.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

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).

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:		
- Remittances	450,604	475,831
- WPS	96,736	74,312
- Bill collections	42,019	28,918
- Bank notes and travel card	26,556	22,096
	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

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).

Al Ansari Financial Services P.J.S.C.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

28 Depreciation and amortization

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

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%

Al Ansari Financial Services P.J.S.C.**Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)****30 Corporate income Tax (continued)**

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.

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	2024
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.

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 Expenses	1,296,195	29,525	1,325,720
Salaries and benefits, general, administrative and other expenses	(865,908)	(21,710)	(887,618)
Segment profit before tax for the year	<u>430,287</u>	<u>7,815</u>	<u>438,102</u>
Income tax expense			(37,244)
Segment profit after tax for the year			<u>400,858</u>

For the year ended 31 December 2024

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

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	<u>1,325,720</u>	<u>1,188,636</u>

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

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	<u>137,749</u>	<u>98,213</u>
	<u>2,570,396</u>	<u>2,082,390</u>

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	<u>2,561,304</u>	<u>2,075,840</u>

Al Ansari Financial Services P.J.S.C.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

35 Financial risk management (continued)

(a) Credit risk (continued)

35.1 Risk management framework (continued)

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.

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:

Al Ansari Financial Services P.J.S.C.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

35 Financial risk management (continued)

35.1 Risk management framework (continued)

(b) Market risk (continued)

(ii) Interest rate sensitivity of assets and liabilities (continued)

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

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
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	1,829,727	977,871

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Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

35 Financial risk management (continued)

35.1 Risk management framework (continued)

(b) Market risk (continued)

(iii) currency risk (continued)

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).

	<i>Kuwaiti Dinar</i>	<i>Philippines Peso</i>	<i>Pakistani Rupee</i>	<i>Egyptian Pound</i>	<i>Bangladesh Taka</i>	<i>Indian Rupee</i>	<i>Others</i>	<i>Profit impact</i>
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								
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).

35 Financial risk management (continued)

35.1 Risk management framework (continued)

(c) Liquidity risk (continued)

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	Less than 1 year	Between 2 to 3 years	Over 3 years	Total
	AED'000	AED'000	AED'000	AED'000	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	Less than 1 year	Between 2 to 3 years	Over 3 years	Total
	AED'000	AED'000	AED'000	AED'000	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.

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, here have been no other events subsequent to the year-end that would significantly affect the amounts reported in these consolidated financial statements.