



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

Quantum Leap, Simple Strides



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01

OVERVIEW

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AT A GLANCE

WHO WE ARE

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

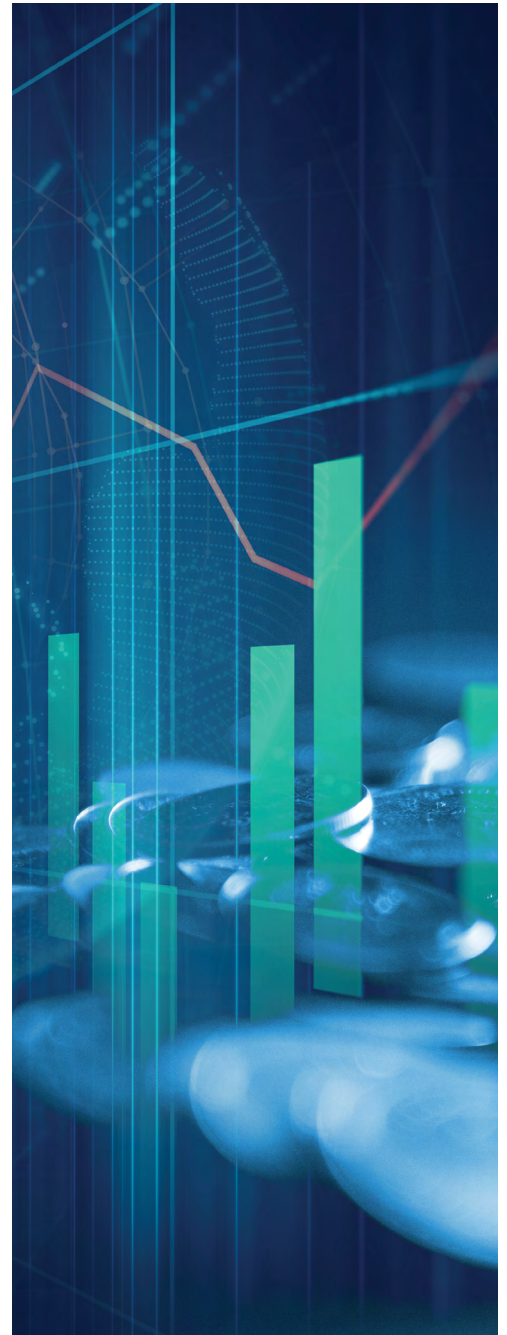
Al Ansari Financial Services empowers its operating subsidiaries, Al Ansari Exchange, Al Ansari Exchange in Kuwait (full acquisition by the Group is currently ongoing and expected to be completed soon), BLUE REMIT, CashTrans and Al Ansari Digital Pay, to unlock their growth potential through synergy.

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

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

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

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



OUR REACH



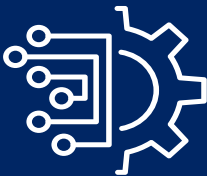
Extensive Network

Operating [267] branches strategically located across the UAE, ensuring accessibility for all customers.



Global Coverage

Seamless international money transfer capabilities to over [150] countries and [300] payout locations worldwide through strategic partnerships with banks and financial institutions.



Digital Solutions

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



Customer Engagement

Over 5 million customers are served annually, with a growing base of loyal clients who trust us for their financial needs.

WHAT WE DO

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

Remittances

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

Bank Notes

The Group's retail and wholesale foreign currency exchange services primarily comprise the sale and purchase of foreign currency directly to and from retail and wholesale customers. The Group offers its bank notes services in over 70 currencies across all its branches. The Group also offers pre-paid cards as part of its retail foreign currency exchange services. Both the Group's TravelCard and FlexiblePay products are reloadable pre-paid cards that can store either single or multiple currencies on the card, and which also allow the conversion of such currencies to other currencies by the user. The Group's pre-paid cards can be purchased or reloaded in the Group's branches, online or through the mobile app.

Wage Protection System ("WPS")

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

Emerging Financial Solutions

Leveraging digital advancements to develop innovative digital solutions, ensuring financial inclusion and convenience for all customers.

Intergated Cash Management Solutions

The Group Provides a cash management solution through CashTrans a company formed in 2011 providing cash transportation, processing, and security services to leading financial institutions, private enterprises and major corporations in the UAE.

Others Services

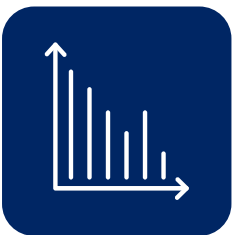
The Group's other offerings include, among others, bill payment and end-to-end cash management solutions.

KEY HIGHLIGHTS - 2024



Transactions Processed

Successfully completed 50 million transactions, reflecting the trust of our customers.



Branches Opened

We opened 11 new branches in 2024 reaching a total 267 branches in the UAE



Digital Growth

Achieved 23% growth in digital adoption through the Al Ansari Exchange App, which now contributes to 23% of total outward remittance transactions.



New Initiatives

Announced the strategic acquisition of BFC Group Holdings to enhance customer experience and expand service offerings.



Global Partnerships

Strengthened ties with international banking and payment networks, enhancing global payout capabilities. Forged impactful partnerships with esteemed institutions like Etihad Credit Bureau, MNT Halan, InstaShop, Sharjah Publishing City Free Zone and MultiBank Group.

OUR VISION AND VALUES

Vision

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



Values

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

A GLIMPSE INTO THE FUTURE

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



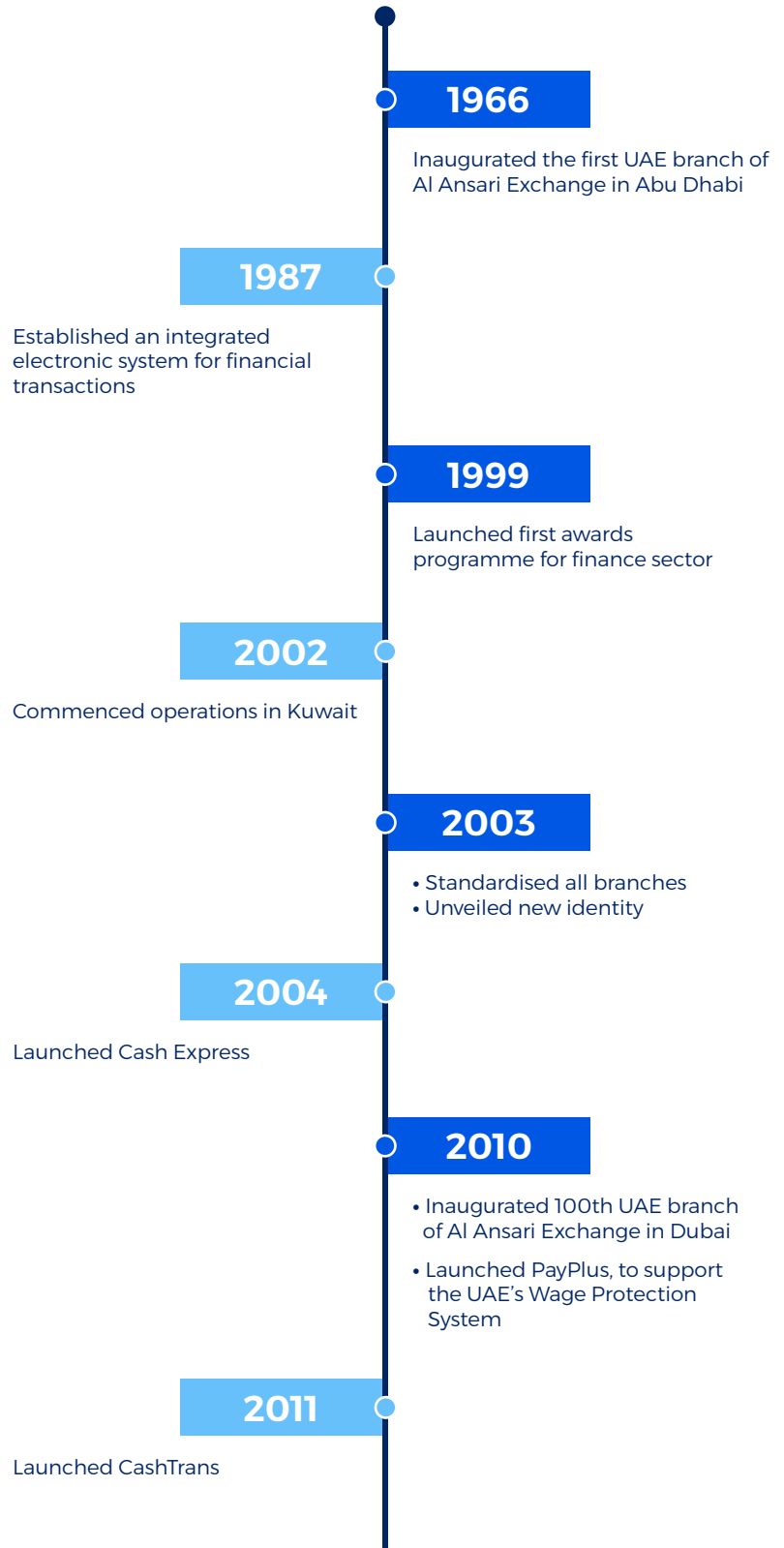
HISTORY & MILESTONES

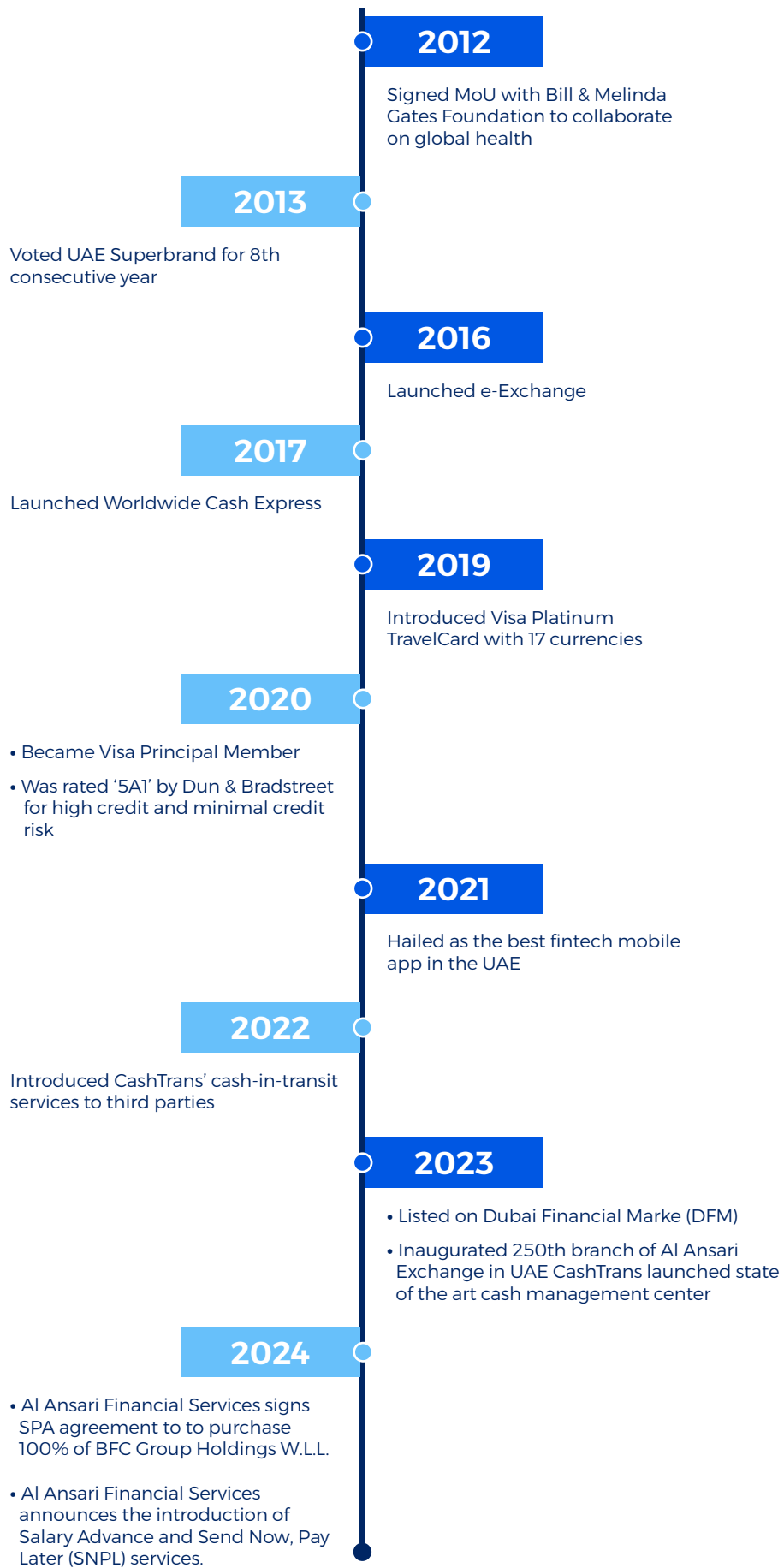
Founded in 1966 by the Late Ali Abualhassan Al Ansari, the inaugural Al Ansari Exchange branch emerged at the Abu Dhabi Central Market. In the midst of the city's expansion, this bustling market became the primary nexus for trade, drawing in merchants and residents alike seeking a variety of goods. Simultaneously,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

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

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

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





GEOGRAPHICAL FOOTPRINT

Omni-channel presence

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

Branches

AAFS has a total of 267 operational branches across the seven emirates of the UAE (as of 31 December 2024)

Emirates	Branches
Abu Dhabi	52
Al Ain (Abu Dhabi)	14
Dubai	123
Sharjah	44
Ajman	17
Ras Al Khaimah	9
Fujairah	6
Umm Al Quwain	3

Digital facilities

Mobile App
Online platform
Smart counters
Mobile branches

Vehicles

49 armoured vehicles

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

Special services
Relationship managers

Cross-feeding ecosystem

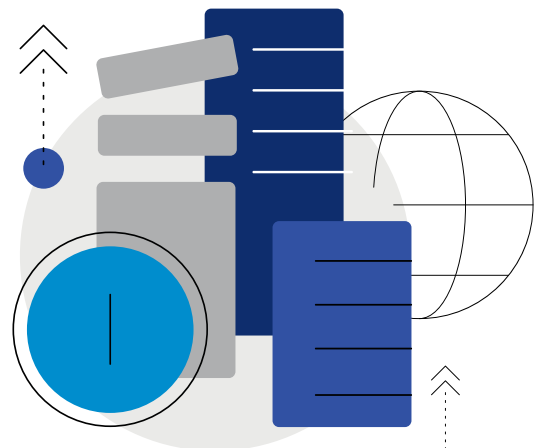
Combining market needs, regulatory stipulations, and technology infrastructure, the AFS ecosystem involves various players and processes to facilitate efficient and cost-effective transfer of funds across borders through traditional and digital means.

Remittance ecosystem

Remittances
Wage Protection System (WPS)
Blue Remit

Bank notes ecosystem

Pre-paid cards
Bank notes
CashTrans



HIGHLIGHTS OF 2024

Investor relations

- Approved and distributed an interim cash dividend of AED 157.5m for the first half of 2024.

Customer commitment

- Partnered with MEX Global Financial Services LLC (part of Multibank Group) to enable customers to make deposits and withdrawals from their trading accounts at any of Al Ansari Exchange's extensive branch network across the UAE.
- Collaborated with Etihad Credit Bureau to simplify the purchase of company credit reports through Al Ansari Exchange branches across the UAE.
- Launched a corporate tax collection service across the branches in the UAE, to provide a convenient method for businesses to meet their tax obligations and ensure compliance with UAE regulations.
- Partnered with Sharjah Publishing City Free Zone ("SPC") to offer enhanced payment solutions to SPC Free Zone members, ensuring accessibility and ease of financial transactions.
- Partnered with TerraPay to expand both organisations scope of operations and improves their capabilities to serve a broader customer base with efficient, secure and seamless transactions.
- Signed a partnership with Etihad Airways, to further enhance customer loyalty and satisfaction through its Al Ansari Exchange Plus Rewards programme.

Strategic Expansion:

- Signed agreement to purchase BFC Group Holdings W.L.L for a purchase price of USD 200m, to expand the Group's geographic presence and service portfolio.
- Launched eExchange, a web-based portal dedicated for corporates to perform transactions.

Emiratisation Initiative:

- Maintained alignment with the national Emiratisation objectives by employing over 562 UAE nationals during 2024.
- Celebrated Emirati Women's Day by recognizing the achievements of UAE national women around the world.

Employee engagement

- Actively participated in International Fraud Awareness Week to raise awareness levels and empower employees through learning and education.
- Conducted free eye check-ups, dental check-ups and general health screening for all employees.
- Organised competitive and popular inter-department corporate badminton and football tournaments.
- Organised employee visit to Dubai Health Authority's Senior Happiness Centre as part of corporate volunteering initiatives.
- Organised fitness activities, group workouts, sports events and wellness workshops for 2024 Dubai fitness challenge.
- Organised free physical check-ups for breast cancer detection to raise awareness about breast health and promote early detection.

Sustainable Finance:

- Partnered with Embassy of the Islamic Republic of Pakistan to inaugurate a state-of-the-art Consular Hall at the embassy with modern queue management system, to support the Pakistani community in the UAE.

Community Relations and Social Outreach:

- Crowned the 11th millionaire of annual summer promotion in 2024.
- Sponsored and distributed 10,000 iftar meals across the UAE during Ramadan.
- Organised blood donation drive in association with Dubai Health Authority.
- Joined the 23rd edition of the Clean UAE campaign, a nationwide initiative under the patronage of the Ministry of Climate Change and Environment to support the environment.

Awards and accolades:

- Passed the Payment Card Industry Data Security Standard validation for 2024, underscoring Al Ansari Exchange's dedication to maintaining the highest standards of data security and compliance in its operations.
- Recognised as the Best Financial Institution IPO in Europe, Middle East and Africa region for 2023 by EMEA Finance.
- Won Business Excellence Award in Fintech Sector at the Westford Awards 2024.
- Received the Gold trophy for Best Retail Shop at 2024 Season 28 Achievement Awards held at Global Village.
- Our Deputy Group CEO, Mr. Mohammad Bitar has been honoured by MEA Finance as Payments Technology Executive of the Year in Financial Services.
- Named Best Remittance and Foreign Exchange Service Provider by MEA Finance.

02

STRATEGIC REVIEW

- CHAIRMAN'S STATEMENT
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CHAIRMAN'S STATEMENT



Mr. Mohammad Ali Al Ansari
Chairman

Dear Shareholders and Stakeholders,

It has truly been a transformative year for Al Ansari Financial Services.

Al Ansari Financial Services is not merely participating in the evolution of financial services; we are actively shaping its future. Our commitment to integrating cutting-edge technology, particularly artificial intelligence, into our core operations is and will transform how our customers experience financial inclusivity and empowerment.

This strategic focus is building a robust, intelligent ecosystem that delivers accessible, secure, and sustainable growth for all stakeholders. We are dedicated to creating lasting value, ensuring that Al Ansari Financial Services remains a trusted partner in the journey towards financial prosperity.

The United Arab Emirates continues to shine as a beacon of financial excellence, fostering a landscape ripe with stability, innovation, and enduring prosperity. Al Ansari Financial Services, deeply rooted within this dynamic environment, has navigated 2024 with unwavering resolve, prioritising resilience, innovation and the creation of tangible value for our stakeholders.

This year, we confronted a complex financial ecosystem and a challenging global economy with strategic agility. By fortifying our core services, enhancing operational resilience, and accelerating our digital transformation, we not only met these challenges but emerged stronger. Our focus on executing our strategic vision has yielded robust financial results, reinforcing our commitment to all those we serve.

Our strategic investments in artificial intelligence, automation, and digital platforms have been pivotal in streamlining operations and elevating the customer experience. The remarkable adoption of our digital services underscores our dedication to providing accessible, efficient, and secure financial solutions.

We have made significant strides across our strategic pillars, ensuring sustainable growth, operational excellence, and market leadership. Our ability to adapt to evolving economic conditions, while maintaining an unwavering focus on customer experience, technological advancement, and regulatory compliance, has been the cornerstone of our success.

With the UAE's GDP projected to grow by 5% in 2025 and global remittances expected to exceed USD 1 trillion by 2028, we are poised to seize significant opportunities to further solidify our market position and expand our service offerings. The security and integrity of every transaction remain paramount, ensuring the trust and reliability our customers and partners expect.

Al Ansari Financial Services remains committed to its dividend distribution. and on behalf of the Board of Directors, I am pleased to propose a second dividend payment of AED 157.5 million, subject to shareholder approval at the upcoming Annual General Meeting, demonstrating our commitment to delivering consistent and sustainable returns. This brings the total dividend for 2024 to AED 315 million (4.2 fils per share), representing almost 78% of the net profit after tax for the year

With a clear strategic direction and the dedication of our talented team, we are confident in our ability to navigate future challenges, capitalize on emerging trends, and drive long-term value for all our stakeholders.

2024 HIGHLIGHTS

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

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

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

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



Looking Ahead

As we enter 2025, we remain dedicated to expanding our services, deepening our digital transformation, and building a more resilient financial ecosystem. Our focus will be on fostering innovation, strengthening security, and enhancing accessibility to empower individuals and businesses with the financial tools they need to thrive.

MARKET OVERVIEW AND OUTLOOK

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

Al Ansari Financial Services is strategically positioned as one of the leading integrated financial services players in the UAE, enabling the mobility of money locally and globally.

The Group operates in the UAE, one of the most rapidly developing countries globally that is known for its strategic position as a regional central hub for trade between Europe, Asia and Africa as well as a major tourist destination coupled with a supportive government with the goal of ensuring the UAE is and continues to be a stable and attractive investment environment.



Economic Landscape Overview UAE (Abu Dhabi and Dubai) and GCC

The GCC region remains heavily influenced by global energy markets, but the impact is mitigated by strong non-oil growth reflecting the advancements of the diversification efforts for the entire region. According to the World Bank Gulf Economic Update (GEU) report in December 2024, the GCC region is expected to witness a soft growth of 1.6% in 2024 mainly as a result of the contraction of 2% in the oil sector due to OPEC+ oil production cut decisions to stabilize global energy prices, despite the non-oil sectors demonstrating robust growth of 3.7% to offset the decline witness in the oil sector. In 2025, the GCC economy is poised for a stronger and more accelerated economic growth of 4.2% mainly driven by the partial recovery of the oil sector supported by the ongoing diversification efforts and ambitious government reforms for the non-oil sector.

The GCC region continues to witness considerable risks such as the escalation of the some of the current geopolitical tensions (including the Russia-Ukraine conflict, the war in Gaza and the disturbances in the Red Sea) and potential further oil production cuts by OPEC+. However, the GCC region effectively managed to shield itself from global economic turbulence, supported by strong sovereign and corporate balance sheets, enabling further reinvestment in advancing National Visions for the different GCC players.

The United Arab Emirates (UAE) is expected to witness continued economic growth in 2024 and 2025, as indicated by forecasts from the World Bank. Real GDP is projected to grow by 3.3% in 2024 as a result of a strong non-oil sector growth of 4.1% will soften the contraction in oil activities, driven by strong domestic demand, notably in tourism, real estate, construction, transportation and manufacturing sectors. Looking ahead to 2025, real GDP is expected to demonstrate 4.1% growth mainly as a result of the recovery in the oil sector and the continued upward trend of the non-oil sector. From an inflation point of view, the inflation rate is expected to stabilize at the 2% mark reflecting the government's proactive measures to manage price stability and sustain economic growth.

The country's capital, Abu Dhabi, achieved a sizeable overall economic growth of 3.7% during H1 2024, reaching a substantial AED 297 billion and an impressive overall growth of 4.1% during Q2 2024 supported by non-oil GDP growth of 6.6%. This robust performance during Q2 2024 is fueled by the continued expansion of the non-oil economy highlighted by the transportation sector growth of 15.2%, the construction sector witnessing an increase of 11.5%, the finance and insurance sectors recording an increase of 13.4% growth and the real estate sector witnessing a growth of 5.5%. As a result of the continued growth of the non-oil sector in Abu Dhabi, the non-oil sector contributes a substantial 55.2% to Abu Dhabi's GDP.

Delving into Dubai's economic landscape, the Emirate showcased strong growth, with the GDP expanding by 3.2% between January to June 2024 period, reaching AED 231 billion and growing by 3.3% during Q2 2024. The strong performance in Q2 2024 is driven by the growth in the transportation sector of 7.8%, the 5.6% growth in the information and communication sector and the accommodation and food service sectors achieving a 4.7% growth. This continued positive trend stands as a testament to Dubai's economic resilience and ability to weather challenges.

The tourism sector, a key contributor to Dubai's economic growth story, continues to demonstrate healthy trends. With an ambitious goal of contributing AED 450 billion to the GDP by 2031 and constituting 15% of GDP, the sector has demonstrated resilience, hosting 9.3 million overnight international visitors in the first 6 months of 2024. This notable figure signifies a solid 9% annual increase, showcasing the Emirate's status as a global tourism hub. In addition, the real estate sector in Dubai continued its positive trend with residential real estate sales achieving a significant 34.8% growth in the first half of 2024.

Dubai's aspirations to emerge as a global financial services hub are increasingly evident. The Emirate is actively progressing on this trajectory, signaling its intent to play a prominent role in the international financial landscape. The city state, widely regarded as the trade and tourism hub of the Gulf region, also launched a 10-year economic plan known as D33 in 2023, aiming to double the size of the economy and make Dubai one of the top four global financial centres within a decade.

One of the major highlights for the financial services sector and the UAE overall is the removal of the UAE from the Financial Action Task Force ("FATF") grey list in February 2024. As a reminder, the UAE was added to the FATF grey list in March 2022 to be under increased monitoring as a result of strategic deficiencies in its Anti money laundering/Counter financing terrorism frameworks. The UAE managed to address the deficiencies identified by FATF and implemented additional measures to ensure the framework remains robust. This victory was a collective effort involving many stakeholders including the regulators, the public sector players and the private sector players and positions the UAE at the forefront of combatting money laundering and terrorist financing and therefore increasing the confidence of international investors and financial institutions in the regulatory framework of the UAE and increasing the inflow of foreign direct investment into the country.

- **Saudi Arabia:** Real GDP is expected to grow by 1.1% in 2024 as a result of strong growth of 4.6% in non-oil sector activities, which is expected to partially offset the 6.1% decrease in oil sector GDP. The oil sector decrease is driven by the extension of the voluntary oil production cuts until November 2024. In 2025, GDP growth is projected to accelerate to achieve 4.7% growth as oil production increases and the non-oil sector continuing as a key contributor to the economy, which is critical to Saudi Arabia's economic diversification agenda.
- **Kuwait:** Real GDP is expected to demonstrate a minor contraction of 1% in 2024, attributed to the OPEC+ voluntary oil production cuts. On the other hand, the Kuwait economy is anticipated to pick up in 2025, reaching a growth of 2.6% underpinned by the increases in oil output and the acceleration of infrastructure projects in Kuwait.
- **Bahrain:** The Bahrain economy is projected to grow by 3.5% in 2024 as a result of the growth in the non-oil sectors coupled with a partial oil sector recovery due to higher oil production in the Abu Safah oilfield. In 2025, the Bahrain economy's growth is projected to reach 3.3% in line with the increases in oil output.

In summary, the overall economic landscape of the GCC and the UAE in 2025 appears very promising, supported by GDP growth, oil sector pickup, tourism resilience, strong overall infrastructure, favorable investment regulations and tax regimes, and a promising real estate market.

Source: World Bank Gulf Economic Update December 2024, CBUAE Quarterly Economic Review September 2024, Statistics Centre Abu Dhabi, Abu Dhabi Media Office, Government of Dubai Media Office

GCEO MESSAGE

Mr. Rashed Ali Al Ansari

Group Chief Executive Officer



Dear Shareholders and Stakeholders,

As we reflect on 2024, I am pleased to present our annual report, highlighting a year of resilience, strategic expansion, and continued innovation. Despite an evolving global landscape marked by economic shifts, regulatory changes, and increased fintech competition, we remained steadfast in our commitment to growth, customer-centricity, and operational excellence.

Progress Amidst Challenges

While rising costs, corporate taxation, and geopolitical uncertainties posed challenges, our diversified operations allowed us to maintain momentum. Total operating income grew by 2% year-on-year (YoY) to AED 1,149 million, underpinned by strong contributions from our key business segments.

Our Wage Protection System (WPS) recorded a 16% YoY increase in salary disbursements, reaching 8.4 million. Banknotes transactions saw a 3% YoY rise to 9.8 million, while digital transactions surged 23% YoY, now representing 23% of total outward remittances. Corporate business volumes also grew 5% YoY to 17 million transactions, reinforcing our leadership in the business-to-business (B2B) space.

Navigating the Fintech Landscape

The financial services industry is evolving rapidly, with fintechs disrupting traditional business models. While competition fosters innovation, certain unregulated fintech practices continue to create an uneven playing field, posing challenges to compliance, transparency, and customer protection. We have been working closely with regulators to ensure a fair competitive environment that prioritises security, reliability and financial integrity.

To stay ahead, we continue to enhance our digital ecosystem. Our digital transactions rose 23% YoY, and we recorded a 50% YoY increase in smart counter deployments alongside a 13% YoY growth in active app users. By leveraging emerging technologies, we are ensuring that our customers benefit from seamless, secure, and efficient financial solutions.

Evolving with the Market

Our cash management division, CashTrans, significantly expanded its external client base by 85% YoY, now serving 61 businesses with 49 armoured vehicles and a state-of-the-art cash processing facility.

On the expansion front, we successfully integrated Al Ansari Exchange Kuwait with Oman Exchange and are finalizing the acquisition of BFC Group Holdings W.L.L., with the deal expected to close in Q1 2025. These strategic steps further strengthen our regional presence and position us for future growth.

Laying the Foundation for Future Growth

Long-term success requires ongoing investment. In 2024, we added 11 new branches, bringing our total to 267 outlets. As part of our broader growth strategy, we are targeting 300 branches in the medium term to further enhance accessibility and financial inclusion.

A milestone in our digital evolution is the upcoming launch of the Al Ansari Digital Wallet in Q1 2025, pending regulatory approval. This marks a major step in our commitment to providing seamless, tech-driven financial solutions.

Financial Strength and Shareholder Value

Despite market fluctuations, we remained focused on financial discipline and delivering value to our investors. Our EBITDA margin stood at 44.4%, reflecting strong operational efficiency. The Board of Directors has proposed a second dividend payout of AED 157.5 million, bringing total dividends for 2024 to AED 315 million, equating to 78% of net profit after tax.

The Road Ahead

The UAE's robust economy and ongoing diversification efforts provide a strong platform for continued expansion. With global remittances expected to exceed USD 1 trillion by 2028, we are well-positioned to capture new opportunities while maintaining our role as a trusted financial partner.

With a sharp focus on execution, innovation, and customer excellence, we are confident in our ability to adapt to an evolving market landscape, drive sustainable growth, and create lasting value for all stakeholders.

Thank you for your continued trust and support.

STRATEGY

Driving Growth Through Our Six Pillars

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

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

Demonstrable Progress Across Our Six Strategic Pillars:

01



**UAE branch
network expansion**

02



Geographic Expansion

03



**Investing in Digital
Offerings**

04



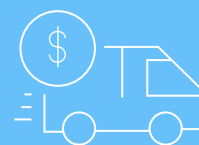
**Revenue Optimization:
Enhancing Margins and
Diversifying Services**

05



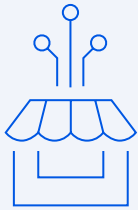
**Corporate cross-border
remittances**

06



**End-to-End Cash
Management**

Strategic Pillar 01



UAE BRANCH NETWORK EXPANSION: REINFORCING PHYSICAL PRESENCE

11

New branches in 2024

267

Strategically located outlets

Recognising the continued importance of face-to-face interactions, particularly for our valued low-income expatriate customers, we remain committed to expanding our branch network. This strategy is supported by industry insights, with reports indicating a strong preference for physical branches in remittance transactions.

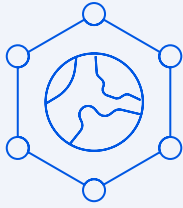
Objective

To operate 300 branches in the mid-term, based on market demand.

Achievements

- In 2024, we opened 11 net new branches, bringing our total to 267.
- An impressive 99% of our branches, operational for over six months, are profitable, demonstrating the effectiveness of our strategic location and dynamic pricing model.

Strategic Pillar 02



GEOGRAPHIC EXPANSION: EXPANDING OUR GCC FOOTPRINT

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

Objective

To strategically grow our market share within the GCC.

Achievements

- The acquisition of Al Ansari Exchange in Kuwait is expected to close in Q1 2025, with synergies realized in Q2 2025.
- The Sales and Purchase Agreement for the BFC acquisition has been signed, with closing anticipated by the end of Q1 2025. Integration and synergy realization are expected between Q1 2026 and Q3 2026.

Strategic Pillar 03



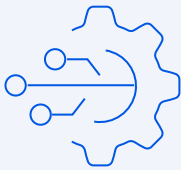
INVESTING IN DIGITAL OFFERINGS: DRIVING DIGITAL TRANSFORMATION

We are committed to enhancing our digital capabilities and expanding our digital offerings.

Achievements

- A 50% increase in smart counters, a 12% increase in newly issued pre-paid cards, and a 13% increase in active app users demonstrate strong digital adoption.
- The launch of the Al Ansari Digital Wallet, a fully-fledged digital marketplace, is expected by Q1 2025, subject to regulatory approvals.

Strategic Pillar 04



REVENUE OPTIMIZATION: ENHANCING MARGINS AND DIVERSIFYING SERVICES

Formerly known as “Increase margins” this pillar now focuses on revenue optimization through strategic margin increases and service diversification.

Achievements

- A gradual 15% increase in remittance fees in select corridors has been implemented, with positive impact on results and no negative impact on market share.
- Strategic partnerships with MNT Halan and Abhi have introduced Salary Advance and Send Now, Pay Later services, catering to customer needs.

Strategic Pillar 05



CORPORATE CROSS-BORDER REMITTANCES: EXPANDING OUR CORPORATE REACH

We are experiencing significant growth in our corporate cross-border remittance business.

Achievements

- A substantial increase in new corporate clients and a 7% increase in outward corporate remittance transactions in FY 2024.
- The launch of eExchange, a web-based portal for corporate transactions, is expected to further enhance our presence in this segment.

Strategic Pillar 06



END-TO-END CASH MANAGEMENT: STRENGTHENING CASHTRANS OPERATIONS

49

Armoured Vehicles

1

Cash Processing Facility

267

Cash Hubs

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

We continue to invest in and expand our CashTrans operations.

Achievements

- CashTrans serves 61 external customers and demonstrates continued growth.
- We maintain a strong infrastructure, including 49 armoured vehicles, 1 cash processing facility, and 267 cash hubs.

BFC GROUP

INTRODUCTION

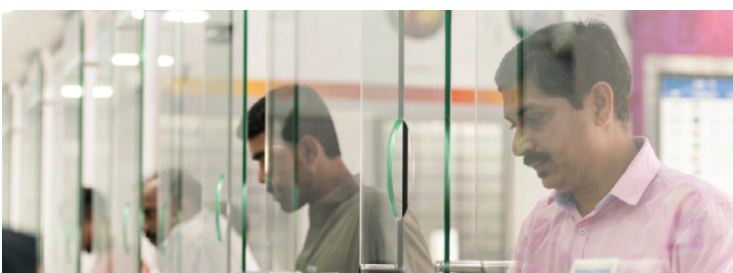
Introduction

- Established in 1917, BFC was the first foreign exchange company and financial services institution in Bahrain and the GCC and grew to be one of the leading diversified financial services players in the consumer financial services sector with strong brand equity in Bahrain, Kuwait and India markets.
- BFC provides retail, wholesale, and fintech solutions including global money transfers, foreign exchange, wholesale currency services, digital payment services, and card processing services through its widespread network of 153 branches (as of end of 2023).
- The products and services offered by BFC aim to provide reliable, efficient and cost-effective services for its customers and supported by a high standard of customer service. The products and services are summarized below:
 - Money Transfer services: includes cash remittances, bank transfers, bill payments, international payments, online money transfers and mobile app.
 - Foreign Exchange services: encompasses currency exchange, prepaid cards services and payroll services.
 - Wholesale services: comprises banknote supply chain management and foreign banknote exchange & shipping.
 - Fintech solutions: includes WPS services, mobile & salary wallets, mobile payments, bill & utility payments, prepaid & payroll cards, multi-currency travel cards and digital cross-border remittance.
- The branch split by country is as follows:
 - Bahrain: 54 branches
 - Kuwait: 62 branches
 - India: 37 branches
 - Call centre in India
- Within the retail segment, BFC offers money transfer services and foreign currency services to both individual and corporate customers.
- BFC also provides wholesale currency services to corporate clients including major banks, individual traders and leading financial institutions.
- In addition, BFC offers fintech solutions to encourage customers to make various payments through its mobile app BFC Pay.
- Secured strategic partnerships with leading players and solutions including but not limited to American Express, MoneyGram, Apple Pay, Visa, EzRemit and Transfast to serve its broader customer base with efficient, secure and seamless transactions.
- BFC has built a trusted reputation amongst its customers and within the industry to provide reliable, efficient services coupled with a high standard of customer service.
- Long standing relationships with local, regional and international banks in all major banking hubs for Asian currencies, US dollar, Euro, and GBP accounts.

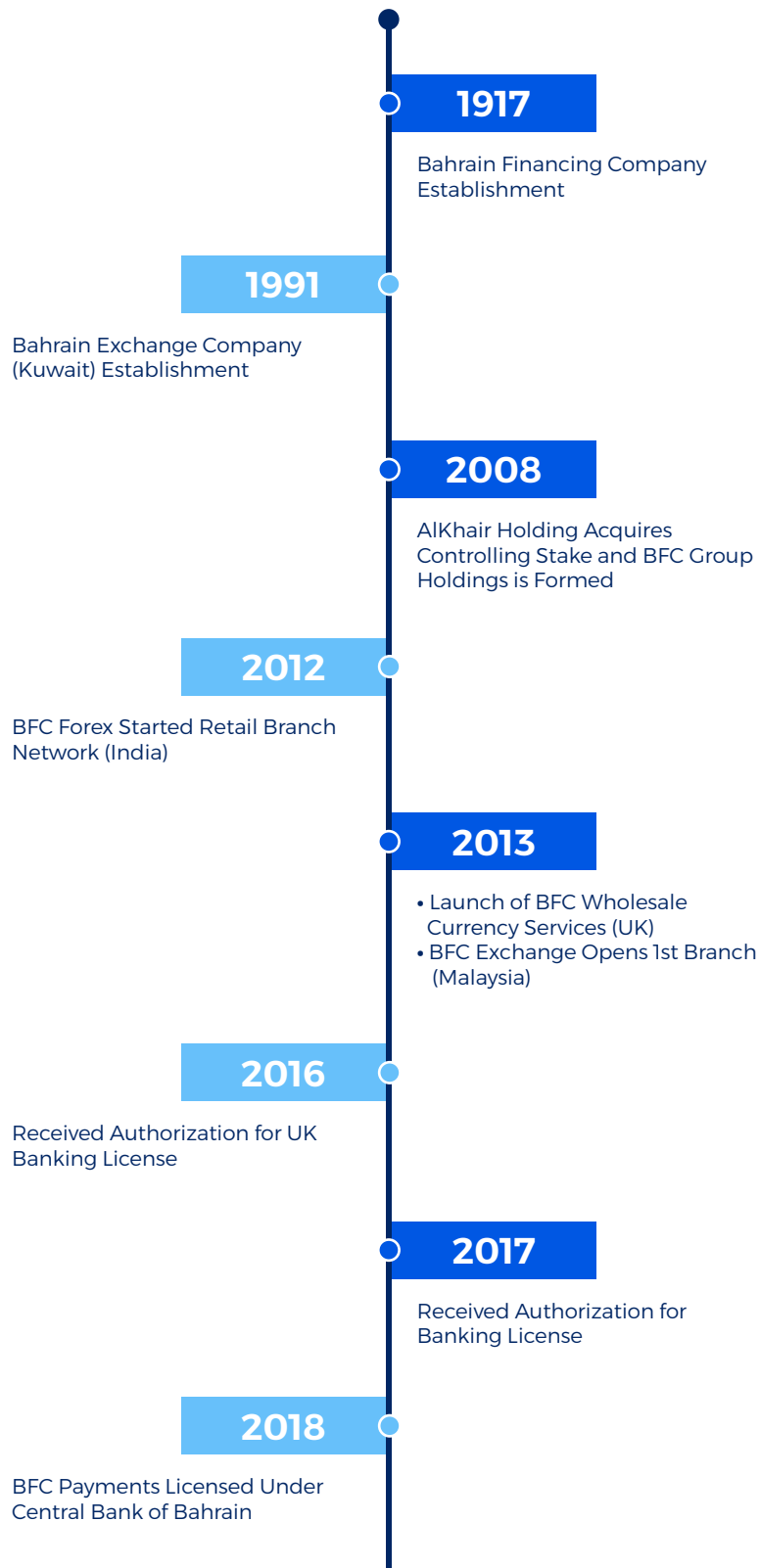
GROUP STRUCTURE

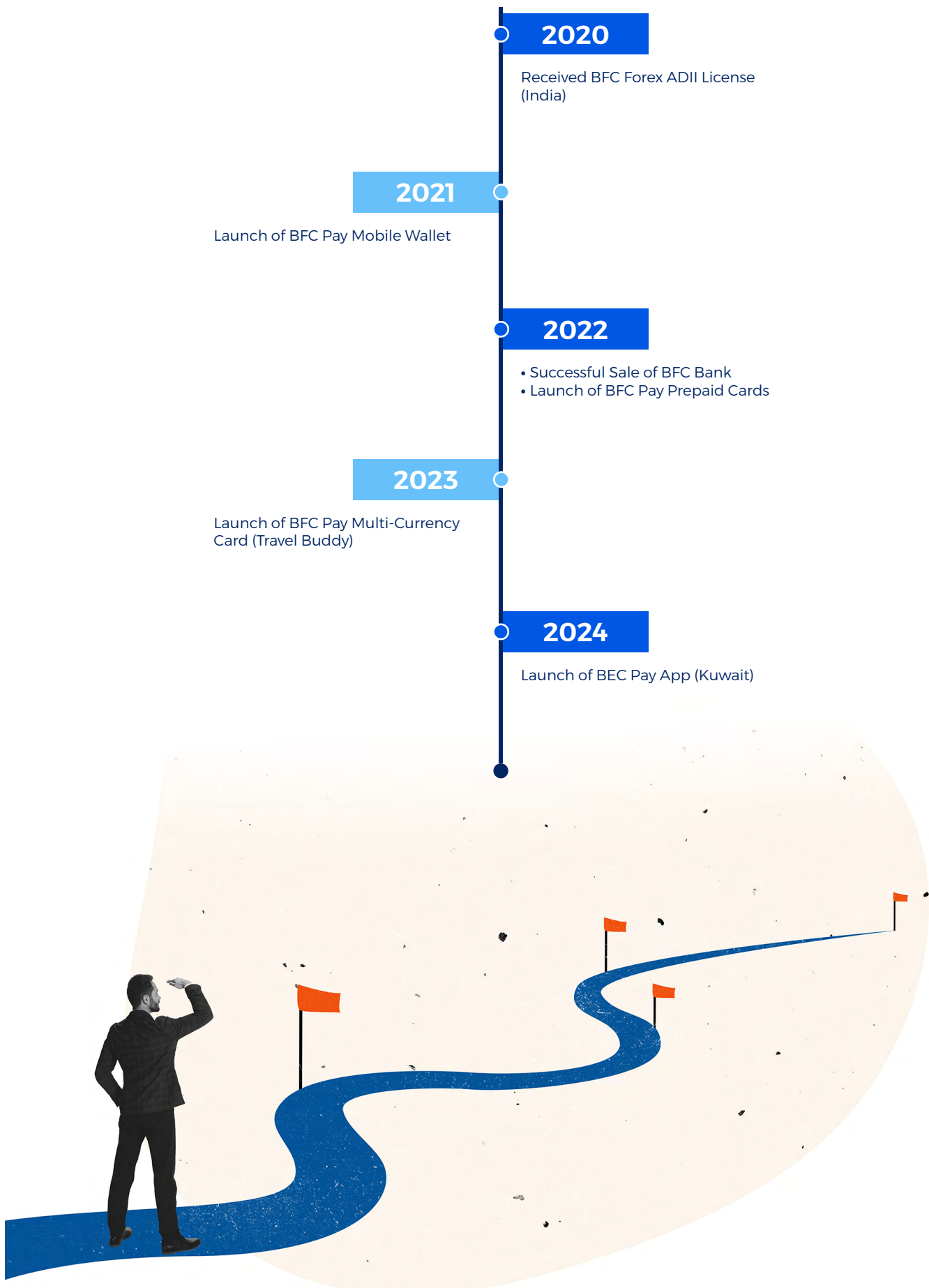


- BFC Bahrain: Licensed by the Central Bank of Bahrain as a money changer and engaged in buying and selling of foreign currencies traveler's cheques, handling of remittance business and provision of other exchange house services.
- BEC Kuwait: Licensed by the Central Bank of Kuwait to engage in issuance of demand drafts, telex transfers, purchase and sale of traveler's cheques and foreign currencies.
- BFC Forex: Licensed by the Reserve Bank of India as a full-fledged money changer in buying and selling of foreign currency to individual, corporate and wholesale customers.
- BFC Payments: Licensed by the Central Bank of Bahrain as an ancillary service provider to carry out card processing and payment service provider activities.



BFC GROUP





BFC GROUP ACQUISITION



Strategic Rationale

Become The Leading Regional Powerhouse

- Become the **largest remittance and exchange provider in GCC region by branch network** with over 410 branches (**60% increase** on AAFS current branch network) and supported by a **combined c. 6,000 employees (25% increase** on AAFS current workforce).
- Become **#1 player in Bahrain market, #3 player in Kuwait market, and a sizeable player in India market.**
- Provide a strong foundation for entry into the new markets, utilizing BFC's **established network, local market knowledge and customer relationships.**

Geographic Expansion and Diversification

- Strengthen our **market position** by **expanding the customer base** and **increasing our market share**, positioning AAFS as a formidable market leader in GCC region with broader capabilities.
- **Diversification of our geographic footprint** to reduce reliance on existing markets and enhance the stability of our revenue streams.

Significant Value Creation Potential

- Expected **cost synergies and operational efficiencies** from streamlined operations, shared services, optimization of the branch network and economies of scale.
- Potential for **revenue synergies** as a result of cross-selling opportunities and expanded market reach, leveraging best practices across both organizations.
- **Value accretive from a profitability perspective** for AAFS shareholders once the synergies and efficiencies are realized post integration.

KEY HIGHLIGHTS



53%
Of Bahrain Population Are Expats

69%
Of Kuwait Population Are Expats



c. USD 4bn
Value for Personal Outward Remittances Market for Bahrain

c. USD 19bn
Value for Personal Outward Remittances Market for Kuwait



Significant
Brand Equity Across Key GCC Markets and India

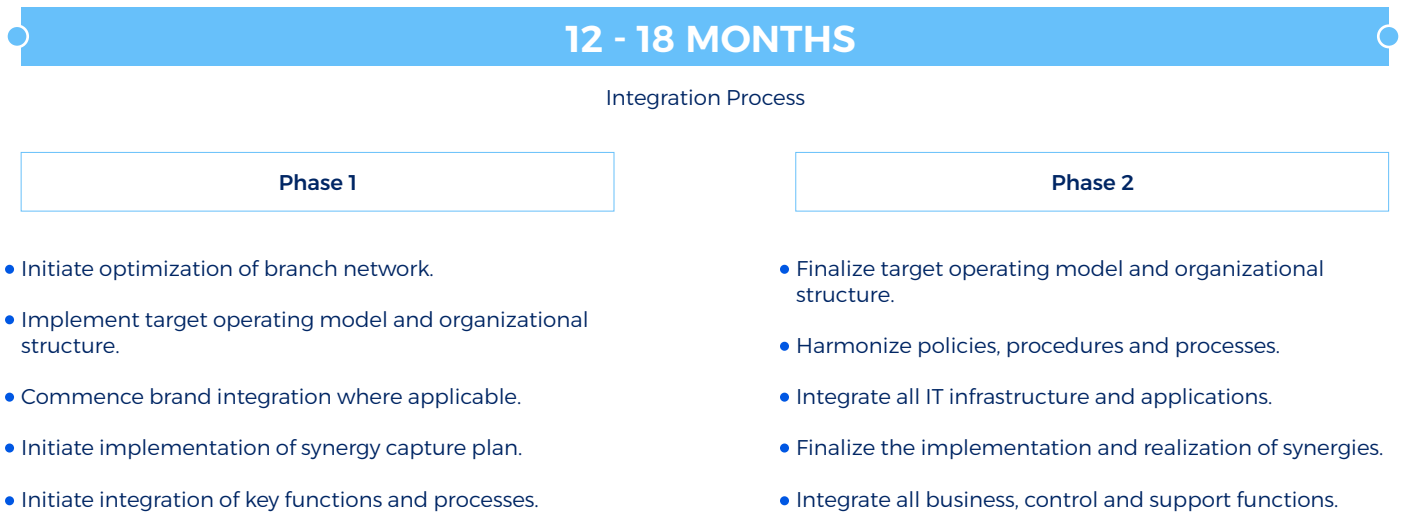
Strong
Digital Capabilities and Mobile App Presence



Large
Partnership Network of Correspondent Banks and Agents

Sizeable
Customer Base with High Penetration of Blue-Collar Workers

HIGH LEVEL INTEGRATION TIMELINES AND MILESTONES



GCFO MESSAGE



Mr. Faisal Anwar

Group Chief Financial Officer

Dear Shareholders and Stakeholders,

I am pleased to present the highlights of our financial performance for the full year 2024. While the global landscape presented certain challenges, we navigated them with prudence and maintained a robust financial position, laying the groundwork for future growth.

Key Achievements

Increased Transaction Volume

We achieved a 2% increase in overall transaction volume, reaching a record 50 million transactions. This demonstrates our ability to attract and retain customers across our diverse service offerings.

Strong Digital Growth

We continued to expand our digital footprint, with a 23% YoY increase in digital transactions. This highlights our commitment to innovation and meeting the evolving needs of our tech-savvy customers.

Financial Performance

Net profit after tax for the full year 2024 declined 18% YoY to AED 406 million. This decline is attributed to the increase in manpower (including the Emiratisation programme) and operational costs due opening of branches, as well as the introduction of Corporate Tax, effective Jan 1, 2024.

Capital Expenditure Efficiency

The Group's strategic focus on digital transformation and optimized branch network expansion resulted in a 29% reduction in Capital Expenditure (CAPEX) for FY'24. Cash Flow from operations after adjusting for CAPEX amounted to AED 478 million, with a 94% EBITDA to cash conversion rate.

Solid Profitability

We maintained a healthy EBITDA margin of 44.4%, demonstrating our focus on operational efficiency and effective cost management.

Healthy Cash Flow

We achieved a strong free cash flow of AED 478 million, showcasing our ability to generate cash and reinvest in the business.

Robust Balance Sheet

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

Looking Ahead

As we move forward, we remain steadfast in our commitment to sustainable growth, operational excellence, and customer-centric innovation. With a strong foundation built on diversified revenue streams and an expanding digital and physical presence, we are well-positioned to capitalize on emerging opportunities and reinforce our leadership in corporate cross-border remittances.

Strategic Acquisitions and Expansions

In 2025, we anticipate finalising the acquisition of BFC Group Holdings, strengthening our position as a premier provider of foreign exchange and remittance services across the Gulf region. Additionally, we expect the full integration of Al Ansari Exchange in Kuwait to be completed by Q1 2025.

New Services and Innovations

Innovation remains at the core of our strategy. Pending final regulatory approval, we plan to launch the Al Ansari Digital Wallet, offering customers a seamless and secure digital financial solution. Additionally, we will introduce services such as 'Send Now, Pay Later,' addressing the evolving needs of our customers and fostering greater financial inclusivity.

These initiatives underscore our commitment to growth, resilience, and leadership in the financial services sector. With a clear vision and strategic direction, we look ahead with confidence, focused on delivering lasting value for our stakeholders.

RISK MANAGEMENT AT AL ANSARI FINANCIAL SERVICES

Importance of Risk Management in Today's Environment

In the current dynamic and highly regulated environment, effective risk management is more critical than ever. As a leading player in the Financial Services industry, Al Ansari Financial services (AAFS) operate under stringent regulatory frameworks and face a myriad of risks that could impact our operations and reputation. Robust risk management practices enable us to navigate these complexities, safeguard our stakeholders' interests, and ensure long-term sustainability. By proactively identifying and mitigating risks, we maintain our competitive edge and uphold the highest standards of compliance and governance.

Enterprise Risk Management (ERM) Framework

At Al Ansari Financial Service (AAFS), Enterprise Risk Management (ERM) framework is the cornerstone of our approach to managing risk. It provides a structured and consistent methodology for identifying, assessing, managing, and monitoring risks across the group. This framework integrates risk management into every aspect of our operations, ensuring that risks are considered in all decision-making processes. By adopting the best practices in the industry and adhering to regulatory standards, the group's ERM framework enhances our ability to navigate uncertainties and achieve our strategic objectives.

Regulatory Compliance

As a leading Financial Services provider, we are regulated by several key authorities, including the Securities and Commodities Authority (SCA), the Central Bank of the UAE (CBUAE), the CBK (Central Bank of Kuwait), the Financial Services Regulatory Authority (FSRA), the Abu Dhabi Global Market (ADGM) and the Security Industry Regulatory Agency (SIRA). Compliance with the regulations set forth by these bodies is paramount to our operations. We maintain a robust compliance framework to ensure adherence to all regulatory requirements, thereby safeguarding our reputation and ensuring the trust of our stakeholders.

Risk Management Governance

Effective risk management governance is essential for maintaining the integrity and stability of our group. Our governance structure includes a clear delineation of roles and responsibilities, ensuring accountability at all levels. The Board of Directors, supported by the Board Committees at group level and management committees at subsidiary level, oversees the risk management framework and ensures that it aligns with our strategic goals.

Group Risk Management

The Group Risk Management section operates under the Risk & Fraud Prevention Department with a degree of independence and functions independently of the business units whose activities and risk/fraud exposures it reviews. As a second line of defense function, it covers both downside risks and upside potential that may have implications on the AAFS's ability to meet its objectives. The section supports development of effective and efficient control systems that adapt to changing business and operating environments, mitigate risks and frauds to minimum or acceptable levels (risks) and support sound decision making and governance of the organization.

Group Risk Management at Al Ansari Financial Services is led by an experienced Group Chief Risk Officer, who reports administratively to the Group Chief Executive Officer and has direct access to the Board through the Board Audit Committee (BAC).

The Group Chief Risk Officer plays a pivotal role in the development and implementation of comprehensive risk management strategies that align with the organization's overall business objectives across the group. This includes developing and enforcing risk-related policies and procedures, promoting a risk-aware culture and ensuring compliance with local and international regulatory requirements. The Chief Risk Officer is responsible for keeping the Board and the Board Audit Committee (BAC) well-informed about key risk areas and recommending mitigation strategies throughout the group.

In addition to these responsibilities, the Group Chief Risk Officer assists the Board in defining the risk appetite for the group. This risk appetite outlines the level of risk the group is willing to accept in pursuit of its objectives and serves as a foundational element for all decision-making processes within AAFS.

Furthermore, the Group Chief Risk Officer with support from the risk and fraud prevention team collaborates with various departments to ensure that there exists a comprehensive risk management framework that includes policies, procedures, and processes to identify, assess, monitor, and mitigate risks. This includes conducting training sessions for promoting a risk-aware culture within the group by providing training and raising awareness about risk management practices and regulatory requirements. The Group Chief Risk Officer also engage with external stakeholders, including regulators, auditors, and other financial institutions, to ensure effective communication and collaboration on risk management issues. By doing so, the Chief Risk Officer helps to mitigate risks, enhance operational efficiency, and uphold the group's reputation for ethical conduct.

Overall, the Chief Risk Officer's role is critical in maintaining a robust risk framework that supports the group's long-term success and commitment to responsible business practices.

The Chief risk Officer's responsibilities include:

1. Risk Oversight:

Provide an independent layer of oversight to the organization's risk management activities, ensuring that risks are identified, assessed, and managed effectively

2. Setting Risk Appetite and Strategy:

Define the organization's risk appetite and develop strategies to manage risks within acceptable levels

3. Reviewing Risk Policies and Controls:

Regularly review and approve risk management policies, procedures, and controls to ensure they are effective and up to date

4. Reporting and Communication:

Ensure that risk-related information is communicated effectively to the board of directors and other relevant stakeholders

5. Compliance and Regulatory Adherence:

Monitor compliance with regulatory requirements and ensure that the organization adheres to relevant laws and regulations

The Board Audit Committee (BAC) meets with the Chief Risk Officer every quarter to gain a comprehensive understanding of the group's key activities regarding risk related matters/projects at AAFS. These quarterly meetings are crucial for reviewing and assessing the setting at corporate level, the policies and strategy to manage risks. During these sessions, the Chief Risk Officer provides detailed reports on risk-related activities, highlights any potential open action issues, and discusses the measures being taken to address them.

Risk Management Governance is ensured by the following elements:

Board of Directors

Our Board of Directors plays a pivotal role in risk oversight. They set the tone for risk management and compliance with the Risk Statements. The Board promotes a culture of accountability towards adherence to risk management practices in the organization and approves the Risk Appetite Framework for AAFS and Risk Appetite Statements for respective organizations and ensures that they align with the group's strategic objectives. Also, the Board regularly and monitors the organization's risk profile against the approved risk appetite.

Board Committee

There are dedicated sub-committees of the Board focusing on risk governance and oversight. These committees are tasked with reviewing risk policies, assessing the effectiveness of risk management practices, and ensuring the risk exposures are within acceptable limits. The Audit Committee takes this role at Group level and at subsidiary levels the Risk Committee or the respective board ensures risk governance and oversight. These committees meet regularly (in defined intervals) to discuss risk issues and provide guidance on risk mitigation strategies.

Three lines of Defense Model

We employ the Three Lines of Defense model to ensure comprehensive risk management across the organization. The first line of defense consists of operational management, which owns and manages risks directly. The second line of defense includes risk management and compliance functions that provide oversight and support. The third line of defense is our Internal audit function, which provides independent assurance on the effectiveness of our risk management practices.

Risk and Fraud Prevention Department

Our Risk and Fraud Prevention Department is the operational arm of our risk management framework. The department operates with a degree of independence and functions independently of the business units whose activities and risk exposures it reviews. This department is responsible for implementing risk management policies, conducting risk assessments, and monitoring risk exposures. The team works closely with other departments to ensure that risks are identified and managed proactively. Through continuous training and development, our risk management professionals stay abreast of the latest industry trends and regulatory requirements.

Enterprise Risk Assessment Methodology

We employ a comprehensive risk identification and assessment methodology. Risks are assessed based on the likelihood of the risk occurring and the impact of its occurrence on the organizational objective(s) it is likely to affect. Risk assessment is performed through a three-stage process:



The following table will govern the management oversight over the identified residual risks:

Risk Exposure and Management Oversight		
Residual Risk	Management Oversight	Explanation
High	Active Management	Risk that has extreme potential exposure and needs to be tackled as an urgency
Medium High	Continuous Monitoring	Risk that has significant potential exposure and is priority for the management to track and monitor
Medium	Periodic Monitoring	Risk that has some potential exposure and needs management attention
Low	No Major Concern	Risk that is manageable

Risk Appetite

Establishing Risk Appetite is a critical component of an effective risk management and governance framework which is a key enabler for organizations wanting to drive performance and empower the functions to make timely,

risk aware decisions. Al Ansari Financial Services (AAFS) acknowledges the critical role of effective risk management in achieving business objectives and safeguarding stakeholder interests. This risk appetite framework broadly outlines AAFS' risk management strategy across different areas to ensure sustainable growth and maintain operational trust.

Risk Appetite Level	Description of Appetite and Response
Zero Appetite	<p>Unacceptable / No tolerance. Zero appetite indicates that the entity is not willing to accept risks, threats and opportunities under any circumstances. All reasonably practicable measures to eliminate risk must be taken.</p>
Low Appetite	<p>Cautious Low appetite indicates that the entity is willing to accept a minimal level of risk, provided the potential benefits are significant and the risk is carefully controlled.</p>
Medium Appetite	<p>Tolerable/Conservative Medium appetite indicates that the entity is open to taking on a moderate level of risk in pursuit of its objectives, if the potential rewards justify the risks.</p>

Risk Mitigation and Treatment

Risk mitigation and treatment are integral components of our risk management strategy. We employ a range of techniques to manage risks, including risk avoidance, reduction, transfer, and acceptance. Our risk mitigation strategies are designed to minimize the impact of adverse events and ensure business continuity. Regular monitoring and reporting enable us to track the effectiveness of these strategies and make adjustments as needed.

Risk Management Highlights in 2024

AAFS is committed to continuously strengthening and enhancing our risk management, business continuity management, and fraud prevention measures by adopting best industry practices and international standards. Key highlights of our efforts include:

- **Updated Department Charter:** The Department Charter was revised, along with the roles and responsibilities of the function, to ensure clarity and alignment with our strategic goals.
- **Regular Reporting:** We ensured regular and periodic reporting to Board Committees (Audit Committee) and subsidiary-level committees (Risk Committee) on the risk profile, key risks, and the status of remediation action plans.
- **Annual Thematic Assessments:** We conducted annual thematic assessments in key areas such as Fraud, Conduct, and Financial Crime risks to evaluate the effectiveness of our controls.
- **Updated Risk Appetite Statements:** Risk Appetite Statements were updated in line with regulatory and business changes and approved by the Board.
- **Enhanced Frameworks:** All relevant frameworks pertaining to Risk, Fraud, and BCMS were updated to reflect the latest business and regulatory changes and approved by the Board.
- **Awareness Programs:** We conducted awareness sessions and programs to empower employees with the knowledge and skills needed to manage risks effectively.
- **Comprehensive Risk Review:** An organization-wide risk review of principal risks was conducted, focusing on the identification, assessment, analysis, evaluation, and treatment of risks, along with the development of remediation action plans.
- **Adoption of Best Practices:** We continuously adopt best practices and international standards to ensure our risk management processes are robust and effective.
- **Stakeholder Engagement:** We actively engage with stakeholders to ensure transparency and alignment in our risk management efforts.
- **Continuous Improvement:** We are committed to continuous improvement, regularly reviewing and updating our risk management strategies to address emerging risks and challenges.

These initiatives demonstrate our dedication to maintaining a resilient and proactive approach to risk management, ensuring the safety and stability of our organization.

The Way Forward for risk management

As business is growing, regulatory environment is evolving and changing; AAFS also focus on strengthening and realigning the fundamentals on which how we handle uncertainty. Managing risk is riskier than ever; the organization is facing an array of reputational, regulatory, operational risks. As we navigate an increasingly complex and dynamic financial landscape, AAFS remains committed to advancing our risk management practices to ensure resilience, compliance, and strategic growth. Our forward-looking approach is built on several key pillars:

- **Adoption of Advanced Technologies:** AAFS will continue to integrate advanced technologies into our risk management processes. These technologies will enhance our ability to detect and respond to emerging risks in real-time, improving our overall risk mitigation strategies
- **Regulatory Compliance and Adaptation:** AAFS is committed to staying ahead of regulatory changes by continuously updating our frameworks to comply with new regulations. This proactive approach ensures that we meet all regulatory requirements and maintain the trust of our stakeholders
- **Strengthening Risk Culture:** AAFS aims to foster a strong risk culture across the organization by promoting awareness and accountability at all levels. Regular training sessions and communication initiatives will ensure that all employees understand their role in managing risk effectively.
- **Data-Driven Decision Making:** Leveraging data analytics, we will enhance our ability to make informed decisions. By analyzing historical data and identifying trends, we can anticipate potential risks and develop strategies to address them proactively.
- **Continuous Improvement and Innovation:** AAFS is committed to continuous improvement by regularly reviewing and updating our risk management practices. This includes benchmarking against industry standards and adopting best practices to ensure our risk management framework remains robust and effective
- **Stakeholder Engagement:** Engaging with stakeholders is crucial for effective risk management. We will maintain open lines of communication with regulators, investors, and other key stakeholders to ensure transparency and alignment in our risk management efforts.

By focusing on these strategic areas, AAFS is well-positioned to navigate the challenges and opportunities of the future. Our commitment to excellence in risk management will continue to drive our success and ensure the long-term stability and growth of our organization.



COMPLIANCE AND ITS IMPORTANCE

In today's rapidly evolving world, compliance is a fundamental pillar not only for legal protection but also for sustainable growth, reputation management, customer trust, operational efficiency, and risk management.

The Board of AAFS has consistently demonstrated a strong commitment to ensuring that our operations adhere to the highest standards of compliance and international best practices. We have always maintained a zero-tolerance policy towards non-compliance. As a publicly listed company with significant interests in highly regulated financial services, we have successfully integrated compliance into the core of our business practices. At AAFS, we ensure that our services, offerings, and transactions align with ethical practices and legal standards. By upholding rigorous compliance protocols, we aim to mitigate risks, enhance operational efficiency, and maintain our reputation for integrity and reliability.

AAFS, through its diverse business operations, aligns with the regulations and requirements of multiple regulatory bodies, including the Securities and Commodities Authority, Dubai Financial Market, Central Bank of the United Arab Emirates, Abu Dhabi Global Market, and the Financial Services Regulatory Authority, among others. This alignment ensures that AAFS operates within the legal frameworks established by these authorities, thereby maintaining the highest standards of regulatory compliance.

In addition to meeting local regulatory requirements, AAFS reinforces its compliance framework by adhering to international best practices. This includes stringent policies and procedures on critical compliance matters such as Anti-Bribery and Corruption, Conflict of Interest, Insider Information, and Disclosures. By implementing robust anti-bribery and corruption measures, AAFS ensures that all business dealings are conducted with integrity and transparency, thereby preventing any unethical practices.

By integrating these international best practices into its compliance framework, AAFS not only meets regulatory expectations but also sets a benchmark for ethical conduct and corporate governance. This proactive approach to compliance helps mitigate risks, enhance operational efficiency, and uphold the company's reputation for integrity and trustworthiness in the global financial landscape.

COMPLIANCE GOVERNANCE

The Board at AAFS exercises continuous oversight and active engagement in compliance matters to ensure that our conglomerate upholds its compliance values and acts responsibly. The community it serves is central to every decision made. This commitment to compliance is reflected in the Board's proactive approach to governance and ethical conduct.

The Board regularly reviews and approves compliance policies to address emerging regulatory requirements and industry best practices. This ensures that AAFS remains at the forefront of compliance and governance standards. The Board also fosters a culture of transparency and accountability by encouraging open communication and ethical behavior across all levels of the organization.

The Board at AAFS not only oversees compliance matters but also actively engages in fostering a culture of ethical conduct and responsibility. This holistic approach ensures that the conglomerate operates in a manner that is both legally compliant and socially responsible, with the community it serves always at the heart of its decisions.

To further strengthen its oversight on compliance matters, the Board has mandated the Board Audit Committee to oversee and advise the larger Board on compliance issues across the group. The Board Audit Committee plays a pivotal role in ensuring that compliance policies and procedures are effectively implemented and adhered to throughout the organization. This committee is tasked with reviewing compliance reports, assessing the effectiveness of compliance programs, and making recommendations for improvements where necessary.

To manage day-to-day compliance matters, the Board has established a robust Group Compliance function, complemented by other critical control functions such as Risk Management and Fraud Prevention. These functions collectively form the second line in the Group's "three lines of defense" model.

Additionally, the Board ensures that the Group compliance function is adequately resourced and supported, enabling it to operate efficiently and respond to emerging regulatory challenges. By maintaining a robust compliance framework, the Board and its Audit Committee help safeguard the group's reputation, mitigate risks, and promote a culture of integrity and accountability.

This comprehensive approach to compliance oversight underscores AAFS's dedication to ethical business practices and its commitment to serving the community with the highest standards of responsibility and transparency.

By establishing these dedicated functions, the Board demonstrates its commitment to upholding the highest standards of compliance and risk management. This proactive stance not only protects the organization from potential legal and financial repercussions but also reinforces its reputation as a responsible and ethical business leader.

GROUP COMPLIANCE

The Group Compliance function is tasked with ensuring that all business activities adhere to regulatory requirements and internal policies. This includes monitoring compliance with laws and regulations, conducting regular audits, and providing guidance on compliance-related issues. The functioning of the Group Compliance is mandated through a charter which is approved by the Board of AAFS. This charter provides independence and authority to the Group Compliance to deliver the mandate that has been awarded to them.

Group Compliance at Al Ansari Financial Services is led by an experienced Group Chief Compliance Officer, who reports administratively to the Group Chief Executive Officer and has direct access to the Board through the Board Audit Committee (BAC).

The Group Chief Compliance Officer plays a pivotal role in the development and implementation of compliance-related policies and procedures across the group. This includes ensuring that all operations adhere to both external regulatory requirements and the internal compliance policies established by the Board. The Chief Compliance Officer is responsible for keeping the Board and the Board Audit Committee (BAC) well-informed about compliance matters throughout the group. This involves regular reporting on whether the group is operating within legal boundaries and adhering to internal compliance standards.

In addition to these responsibilities, the Group Chief Compliance Officer assists the Board in defining the compliance risk appetite for the group. This risk appetite outlines the level of risk the group is willing to accept in pursuit of its objectives and serves as a foundational element for all decision-making processes within AAFS. By establishing clear parameters for compliance risk, the Chief Compliance Officer ensures that the group's operations are aligned with its strategic goals while maintaining high standards of integrity and accountability.

Furthermore, the Group Compliance Function collaborates with various departments to ensure that compliance policies are effectively communicated and integrated into daily operations. This includes conducting training sessions, providing guidance on compliance issues, and fostering a culture of compliance throughout the organization. By doing so, the Chief Compliance Officer helps to mitigate risks, enhance operational efficiency, and uphold the group's reputation for ethical conduct.

Overall, the Group Compliance Function is critical in maintaining a robust compliance framework that supports the group's long-term success and commitment to responsible business practices.

The Board Audit Committee (BAC) meets with the Chief Compliance Officer every quarter to gain a comprehensive understanding of the group's current compliance status concerning external regulations and internal policies. These quarterly meetings are crucial for reviewing and assessing the effectiveness of key compliance policies and procedures. During these sessions, the Chief Compliance Officer provides detailed reports on compliance activities, highlights any potential issues, and discusses the measures being taken to address them.

The BAC's responsibilities include scrutinizing the implementation of compliance programs, ensuring that the group adheres to regulatory requirements, and evaluating the alignment of internal policies with best practices. This thorough review process helps identify areas for improvement and ensures that the compliance framework remains robust and effective.

Based on its oversight and findings, the BAC provides regular updates to the Board of AAFS. These updates include insights into the group's compliance performance, any significant compliance risks, and the steps being taken to mitigate those risks. By keeping the Board informed, the BAC ensures that compliance remains a top priority and that the group continues to operate with integrity and accountability.

This structured approach to compliance oversight underscores the Board's commitment to maintaining high standards of governance and ethical conduct, ensuring that AAFS remains a trusted and responsible entity in the financial services industry.

To manage day-to-day compliance matters, the Group Chief Compliance Officer is supported by a dedicated and experienced team responsible for managing compliance risk across the group. The department owns the annual compliance plan, designed to identify, assess and manage compliance risks of AAFS and its fully owned subsidiaries. To strengthen compliance across the group, each subsidiary (where required) is equipped with its own independent compliance function having an entity level Chief Compliance Officer that reports to the respective subsidiary Board as well as the Group Chief Compliance Officer. The role of the entity level Chief Compliance Officer is to ensure that the operations of the subsidiary are in line with the regulations for that entity and the internal policies of the group. Entity level Chief Compliance Officers assist the Group Compliance Officer in delivering the mandate of the Group Compliance Function.

The assertion that compliance is central to every decision made at AAFS is substantiated by the group's exemplary performance in 2024. Throughout the year, there were no instances of regulatory fines, penalties, or adverse actions against the group. This achievement is particularly noteworthy given the heightened regulatory scrutiny on compliance in various critical areas.

Regulators have intensified their focus on prudential matters, ensuring that financial institutions manage compliance risks effectively. Market conduct has also been under close examination, with regulators ensuring that businesses operate fairly and transparently in the financial markets. Additionally, there has been a significant emphasis on financial crime compliance, with stringent measures to prevent money laundering, fraud, and other illicit activities. Furthermore, consumer protection has become a paramount concern, with regulators enforcing strict guidelines to safeguard the interests of consumers.

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



03

ENVIROMENT, SOCIAL & GOVERNANCE





- ESG FRAMEWORK AT A GLANCE
- ENVIROMENT
- SOCIAL
- GOVERNANCE

ESG FRAMEWORK AT A GLANCE





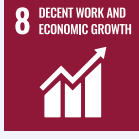



We place sustainability and environmental, social and governance (ESG) at the core of our operating model. The three core pillars of our ESG Framework are **Environment**, **Social** (customers and communities, and Our people) and **Governance**.

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


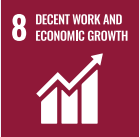
**01
ENVIRONMENT**

7 AFFORDABLE AND CLEAN ENERGY 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	13 CLIMATE ACTION 

**02
SOCIAL**

1 NO POVERTY 	3 GOOD HEALTH AND WELL-BEING 
4 QUALITY EDUCATION 	5 GENDER EQUALITY 
8 DECENT WORK AND ECONOMIC GROWTH 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 
10 REDUCED INEQUALITIES 	11 SUSTAINABLE CITIES AND COMMUNITIES 

**03
GOVERNANCE**

5 GENDER EQUALITY 	8 DECENT WORK AND ECONOMIC GROWTH 
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01 ENVIRONMENT



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

1. Driving Sustainability Through Digital Innovation:

Al Ansari Exchange Mobile App

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

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

Enterprise Resource Planning (ERP) System

The implementation of our ERP system has streamlined key processes, leading to a 30% reduction in paper usage within the affected departments. We are expanding this digitization initiative to other areas of the business.

Electronic Receipts (eReceipts)

We are partnering with the Central Bank of the UAE (CBUAE) to introduce eReceipts for all transactions at Al Ansari Exchange. This initiative will further enhance our digital transformation and contribute to a more sustainable operation.



2. Optimizing Resource Use and Managing Waste:

Responsible Waste Management

We work with a specialized waste management partner to ensure effective waste segregation at the source, minimizing landfill waste and maximizing recycling.

Energy-Efficient Lighting

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

3. Reducing Our Carbon Footprint:

Voluntary Emissions Reduction

We actively participated in the Dubai Financial Market's Voluntary Cancellation pilot project, offsetting 715 tonnes of CO2 emissions. This demonstrates our commitment to proactive climate action and supports broader environmental goals.

4. Our Ongoing Commitment to Environmental Improvement:

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

Enhanced Digitalization for Paper Reduction

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

Reducing Plastic Consumption

We are implementing measures to reduce plastic bottle use, such as providing water dispensers and reusable tumblers.

Energy Efficiency Initiatives

We are implementing various energy-saving measures, including:

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

Improved Waste Management

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

Promoting Green Commuting

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

Environmental Awareness Training

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

ONGOING ENVIRONMENTAL INITIATIVES AT AL ANSARI FINANCIAL SERVICES

Al Ansari Financial Services is dedicated to continuously identifying and implementing environmentally friendly solutions. Our current initiatives focus on several key areas:

1. Digitalisation and Paper Reduction:

- We are maximizing the use of our ERP System and SmartSign system for digital approval processes to minimize paper consumption.
- We are actively working on implementing electronic receipts (eReceipts) for all transactions. This initiative will significantly advance our digital transformation, operational efficiency, and environmental sustainability goals.

2. Reducing Plastic Use:

- We are replacing plastic bottles with water dispensers and providing reusable glass tumblers.

3. Energy Conservation:

- We are implementing a range of energy-saving measures across the Group, including:
 - o Installing motion sensor lights in common areas.
 - o Exploring the use of solar photovoltaic technology where feasible.

4. Improved Waste Management:

- We are expanding our waste segregation efforts by providing additional bins in designated areas to separate biodegradable and non-biodegradable waste.

5. Promoting Green Commuting:

- We are launching campaigns to encourage employees to choose green commuting options, such as walking, cycling, carpooling, and public transportation.
- We will offer incentives to employees who adopt eco-friendly transportation methods.



02 SOCIAL



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

Strengthening our Communities

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

Customer Centricity: Our customers are the heart of our business. We strive to deliver exceptional experiences at every touchpoint, empowering all our customers to manage their finances effectively.

Al Ansari Exchange earned an impressive 98.97% customer satisfaction rating in 2023, with over 8.4 million customers participating in the survey. By prioritising customer needs and embracing digital tools, the company strives for continuous improvement and aims to achieve 100% satisfaction, solidifying its position as a leader in customer-centric financial services.

Two of our subsidiaries, Al Ansari Exchange, and CashTrans, have maintained conformance with international Quality Management Systems (QMS) standards with **ISO 9001:2015 certification, demonstrating continuous improvement for exceeding customers’ expectations.**



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

Through initiatives such as the Wage Protection System (WPS), facilitating salary payments for domestic workers, promoting savings via National Bonds, and enabling payment of unemployment insurance premiums, we also empower individuals to engage actively in the economic ecosystem.

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

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

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

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

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

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

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

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

Since January 2023, our comprehensive fraud awareness campaigns encompassed 14 Facebook posts, 14 Instagram posts, 4 rounds of emailers sent to over 6 million customers, and push notifications distributed to over 8 million Al Ansari Exchange App customers across 5 rounds.

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



GOALS FOR 2025

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

Investing in Our People: Comprehensive Learning and Development

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

Cultivating Diverse Skillsets

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

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

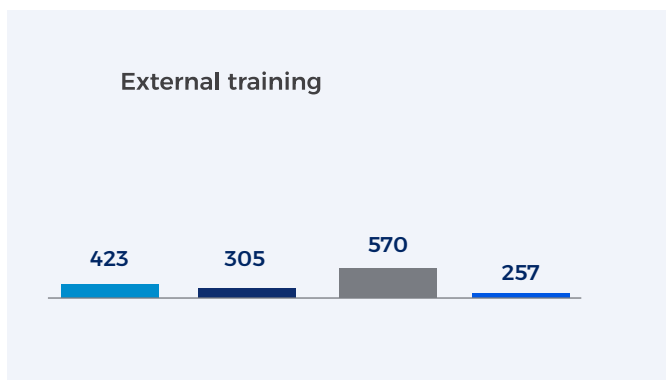
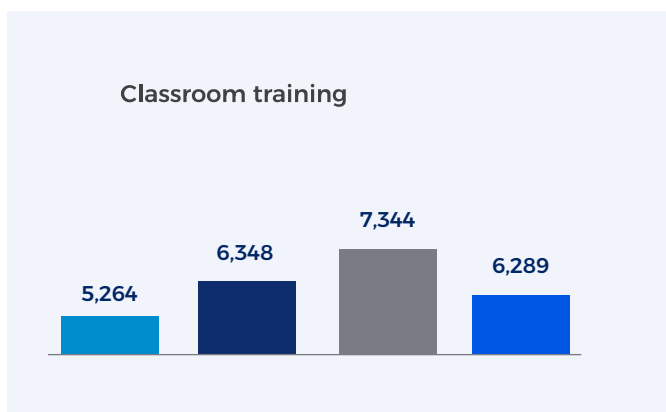


Diverse Training Opportunities

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

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

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



2021 2022 2023 2024

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

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

Building a Safe and Inclusive Workplace

Employee Wellbeing: Prioritizing Health, Safety, and Inclusion

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

Employee programmes

In 2024, we held 39 sports activities, 4 health check-ups for all back-office employees and 3 CSR drives for employees, and arranged 6 giveaways and 8 employee discounts to promote a culture of wellness and satisfaction.

Employee engagement and recognition

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

- o Employee Engagement Surveys: In collaboration with Mercer, we conduct comprehensive surveys across various departments to gain valuable insights into employee sentiment, and to identify areas for improvement. This data-driven approach allows us to tailor initiatives that directly address employee needs and foster a positive work environment.

Our employee engagement rate, as reported by Mercer, has notably remained high, wherein 87% of our employees have actively participated in the survey for 2024, as we strive to continuously enhance employee engagement levels.

Recognition Programmes:

We celebrate individual and team achievements through various recognition programmes. Our 'Employee of the Month' programme recognises outstanding contributions from our frontline workforce, while 'Loyalty Awards' recognise and reward employees for their commitment demonstrated throughout the tenure.

In 2024, we awarded 537 employees, acknowledging their dedication and motivating others to excel.

Diversity, inclusion and equity

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

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

We have also strengthened our commitment to respectful and professional interactions through a refreshed 'Code of Conduct'. This code explicitly prohibits any inappropriate treatment based on legally protected statuses, ensuring a safe and inclusive space for all.

We are proud to report that in 2024, our workforce represents a diverse tapestry of 29 nationalities, demonstrating our commitment to inclusivity. Concurrently, our female-to-male employee ratio has reached 33%, signifying progress towards greater gender balance within the organisation.

In other measures, we have introduced HRMS MyQuery as a platform for employee grievance management and implemented a whistleblowing channel for employees to report any incidents that endanger health and safety, including physical, mental, and sexual harassment. These initiatives underscore our commitment to providing avenues for employees to voice their concerns and ensure a safe and respectful workplace environment.

Emiratisation

In line with the UAE government’s mandate, we are proud to report that approximately 16.95% of our workforce across the group are Emiratis, supported by under government initiatives such as NAFIS and the Dawamee programme.

To support the retention and development of Emirati Talent in the organisation, we rolled out the UAE National Retention Policy (including a referral programme, and a Buddy Programme), as well as the Career Progression Plan specifically tailored for the UAE Nationals.

Internship Programmes

We believe in nurturing the next generation of talent and empowering our current workforce through hands-on learning experiences. This commitment is reflected in our two strategic

internship programmes:

Back-Office Internship Programme

This programme allows students to gain valuable on-site skills and experience by working in our back-office departments. We are also able to cultivate a pipeline of future talent while providing students with multiple opportunities:

- o Develop technical and professional skills relevant to their chosen field.
- o Gain exposure to real-world business operations and understand the company culture.
- o Network with experienced professionals and explore career possibilities within our organisation.

Employee Frontline Experience Programme

This programme offers current employees the chance to broaden their understanding of our business through several aspects, and serve as frontline personnel:

- o Cross-functional collaboration and knowledge sharing between departments.
- o Improved customer service through increased employee empathy and understanding of frontline challenges.
- o Employee engagement and development with opportunities for personal and professional growth.

In 2024, we welcomed 09 students to our Back-Office Internship Programme and 07 employees participated in the Frontline Experience Programme. We are proud to contribute to their development and excited to see them play a vital role in our future success.

Fikrati Programme

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

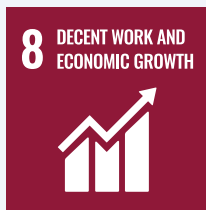
- o Idea generation and recognition: We encourage participation, fostering a culture of continuous improvement.

In 2024, 304 innovative ideas were submitted on the Fikrati system, demonstrating our employees’ enthusiasm.

- o Reward and implementation: Chosen ideas are recognised and rewarded with monetary incentives, ensuring motivation and appreciation for impactful contributions. We actively implement feasible suggestions and transform winning employee ideas into real-world solutions.



03 GOVERNANCE



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

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

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

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

Governance Overview

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

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

Remuneration Policy for the Board and Senior Executive Management

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

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

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

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

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

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

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

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

Conflict of Interest Policy

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

Fraud Prevention Framework and Policy

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

Market Conduct Compliance Policy

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

Business Continuity Management Policy, Procedure & Framework

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

Conduct Risk Framework

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

Gifts, Hospitality and Entertainment Policy

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

Consumer Protection Governance Framework

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

Enterprise Risk Management Framework

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

Anti-Money Laundering Policy

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

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

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

Privacy Policy

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

Policies on IT, Internet, Email and Computer Usage

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

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

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

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

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

Succession Plan Policy

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



044

CORPORATE GOVERNANCE

• OVERVIEW



GOVERNANCE REPORT FORM OF AL ANSARI FINANCIAL SERVICES PJSC FOR 2024

1- Statement outlining the procedures taken to complete the corporate governance system during 2024 and how these procedures will be applied.

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

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

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

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

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

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

2- Statement detailing the ownership and transactions of board members, their spouses, and their children in the company’s securities during 2024 according to the following table:

Name*	Position	Shares owned as of 31/12/2024	Total sale transaction	Total purchase transaction
Mohammad Ali Al Ansari	Chairman	41,500,588	400,000	38,300,588
Eisa Ali Al Ansari	Member of the Board	18,514,734	0	8,377,074
Rashed Ali Al Ansari	Member of the Board	47,015,262	0	29,126,214
Hamed Mohammad Ali Al Ansari	Son of Mohammad Ali Al Ansari	0	94,060	94,060
Hamdan Rashed Ali Al Ansari	Son of Rashed Ali Al Ansari	1,017,560	0	0
Youssef Rashed Ali Al Ansari	Son of Rashed Ali Al Ansari	1,017,560	0	0
Nabeel Rashed Ali Al Ansari	Son of Rashed Ali Al Ansari	1,017,560	0	0
Abeer Al Redha	Wife of Rashed Ali Al Ansari	1,017,560	0	0
Faraneh Iraj Mahmood	Wife of Fuad Ali Al Ansari	202,309	0	202,309

3- Formation of the Board of Directors:

- Statement detailing the composition of the current Board of Directors (including the names of any members who have resigned or been appointed) according to the following table:

The composition of the Board of Directors is in compliance with the requirements of SCA Governance Guide, the Federal Law by Decree No. 32 of 2021 concerning Commercial Companies, the Articles of Association of the Company ('AOA'), as well as the relevant applicable laws and regulations.

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

- i. Setting the Company's overall strategy and main work plans, and reviewing these continuously
- ii. Adopting the strategy and main objectives of the Company, and supervising implementation thereof
- iii. Ensuring the establishment of a compliance function to oversee compliance with applicable laws, regulations and decisions as well as regulatory requirements, internal policies, regulations and procedures established by the Board
- iv. Evaluating the overall performance and effectiveness of the Board, its committees and members and taking corrective actions as appropriate
- v. Evaluating the performance and work of the Board and its members.
- vi. Recommending the remuneration policy of the Board for approval by shareholders
- vii. The Board is charged with the duty to ensure that the Company carries out its objectives described in the Articles of Association. It has the responsibility and authority to determine the frameworks, policies and practices which govern, control and monitor the management of the operations and risks of the Company in the interests of achieving these objectives.
- viii. The Board will provide clear, objective and appropriate guidelines, and will make its collective knowledge and experience available to the Company.
- ix. The Board shall be responsible for applying corporate governance regulations and criteria in accordance with the Corporate Governance (CG) Code which applies to all listed public joint stock companies in the United Arab Emirates.
- x. The Board retains the ability to delegate matters which it thinks appropriate to its own Committees, members of the Board, or to Senior Executive Management.
- xi. The independent Board members confirmed their independent status during the year 2023 and the Company verified that the legal requirements regarding the minimum number of independent Board members have been satisfied.

Experience & Qualifications and Memberships of Board of Directors



Mohammad Ali Al Ansari

Chairman of the Board and Non-executive director

Date of First election:

March 2023

Experience and Qualifications:

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

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

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

Board Appointments to other Public Joint Stock Companies: None



Fuad Ali Al Ansari

Vice Chairman of the Board And Non- executive director

Date of First election:

March 2023

Experience and Qualifications:

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

Mr. Fuad Ali Al Ansari earned his bachelor’s degree in Mechanical Engineering from the University of Pittsburgh, U.S.A.

Board Appointments to other Public Joint Stock Companies: None



Eisa Ali Al Ansari

Board Member and Non-executive director

Date of First election:

March 2023

Experience and Qualifications:

Mr. Eisa Al Ansari has over 27 years of experience with the Group.

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

Mr. Eisa Ali Al Ansari earned his Bachelor of Science degree in Electrical Engineering in the US.

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

Board Appointments to other Public Joint Stock Companies: None



Rashed Ali Al Ansari

Board Member and Chief Executive Officer
Executive director

Date of First election:

March 2023

Experience and Qualifications:

Rashed Ali Al Ansari joined the Group in 2010.

He also holds the role of the CEO of Al Ansari Exchange since 2010, the UAE's largest foreign exchange and remittance company with a network consisting of more than 250 branches. Additionally, he also serves as CEO for the Group subsidiaries Blue Remit Limited and Cash Trans LLC. Previously, Rashed Al Ansari was the CEO and Vice President of Dubai Industrial City for three and a half years, responsible for the day-to-day management and setting the strategic direction for the industrial township. He has also founded various strategic projects such as Dubai Industrial Academy and Transpark Logistics. In 2005, he was appointed as a board member of the Dubai Mercantile Exchange, a joint venture between the government of Dubai and the New York Mercantile Exchange. Prior to that, he held positions at Dubai Holding and The Executive Office in Dubai.

Rashed Al Ansari holds a bachelor's degree in engineering from the University of Bradford and a master's degree in business administration from Leeds University Business School in the UK. He is an associate member of the Institute for Mechanical Engineering in the UK, a member of the Urban Land Institute, and a member of the Mohammed Bin Rashid Leadership Program. In June 2021, Rashed Al Ansari was appointed as a member of the "Dubai Chamber's advisory Council". On the social front, Mr. Al Ansari actively participates in many local and international education and health related humanitarian programs. He also serves on the UAE advisory board for The Rosalynn Carter Fellowships for Mental Health Journalism.

Board Appointments to other Public Joint Stock Companies: None



Nitin Khanna

Board Member
Independent non-executive director

Date of First election:

March 2023

Experience and Qualifications:

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

He is an advisor to several subsidiaries of Transmed Holdings and is a senior partner of Nucleus Consulting FZC. Previously, he served as an advisory board member of Emirates Hospital Group and as an adviser to the Chairman of PNCI LLC, a private company engaged in the real estate sector.

He pursued a bachelor's degree in economics from Delhi University, India and is a chartered accountant from the Institute of Chartered Accountants of India.

He currently serves as a member of the executive committee of Bin Dawood Holdings Ltd ("BDH"), a company listed on the Saudi Tadawul Exchange. Until May 2022, he was an independent non-executive director of BDH. He continues to act as a Director of Future Tech Retail, a wholly owned subsidiary of BDH engaged in making technology related investments.

Board Appointments to other Public Joint Stock Companies: None



Marcello Baricordi

Board Member
Independent non-executive director

Date of First election:

March 2023

Experience and Qualifications:

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

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

Board Appointments to other Public Joint Stock Companies Mr. Marcello is currently helping companies to accelerate growth in the region as a Member of the Board at Enza Group (Abu Dhabi) and as Senior Advisor for Kearney in the Middle East.



Ms. Raja Al Mazrouei

Board Member
Independent non-executive director

Date of First election:

March 2023

Experience and Qualifications:

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

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

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

In 2017, Ms. Raja helped launch FinTech Hive, a collaborative community encompassing over 200 FinTech, RegTech, and InsurTech firms operating at the DIFC. As Executive Vice President, Raja recruited over 1000 startups and oversaw their integration into the UAE economic scene, running acceleration programs for early stage, growth stage, and scale-ups. Her fearless forward thinking has inspired countless individuals, helping to make FinTech Hive one of the region’s most successful technology hubs and one of the world’s top financial innovation labs. Ms. Raja’s contributions as a pioneer in the field have been widely recognized. In addition to the recognition from Innovate Finance, she has been named among the «50 Most Influential Women in Middle East Finance» by Dow Jones Financial News and the «Top 100 Power Businesswomen in the Middle East» by Forbes. Additionally, she served as the Vice President of the Harvard Business School Club of the Gulf Cooperation Council, a non-profit fostering the professional and personal growth of over 1200 Harvard Business School alumni in the Gulf region. Ms. Raja’s entrepreneurial vision and her passion for innovation, combined with her commitment to the growth and development of individuals and institutions alike, have made her a significant contributor to the dynamic success of FinTech in the UAE, the Gulf region, and beyond.

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

Board Appointments to other Public Joint Stock Companies National Cement Company

- Statement of the percentage of female representation on the Board of Directors for 2024 (If there is no representation, please state that explicitly). Al Ansari Financial Services is committed to supporting gender diversity. Ms Raja Al Mazrouei is the female representative on the Board of Directors for the year 2024, which constitutes 14.29% female representation on the Board of Directors.

Statement of the remuneration, allowances, and fees received by members of the Board of Directors:

1. Total remuneration paid to board members for 2023.

During the year, Al Ansari Financial Services PJSC has paid total remuneration of AED 622,500 (including sitting fees) for the services provided in 2023, as approved by the annual General Assembly of the Company in 19 March 2024.

2. Total proposed bonuses for board members for 2024, which will be presented at the annual general assembly meeting for approval.

The Board remuneration proposal for the year 2024 of AED 1,980,000/- (including Sitting Fees), will be presented to the shareholders at the Annual General Assembly for approval on 20 March 2025

3. Statement of details of allowances received for attending committee sessions of the Board of Directors for 2024 according to the following table:

The Board members are entitled to a Sitting Fee for attending the Board committees' meetings. The proposed Sitting Fees are outlined in the table below and will be presented to the shareholders at the Annual General Assembly, for approval.

Director Name	Sitting fee in AED	Number of meetings attended		Total in AED
		Audit Committee	Nomination & Remuneration Committee	
Mohammad Ali Al Ansari				-
Fuad Al Ansari	10,000	6	-	60,000
Eisa Al Ansari	10,000		1	10,000
Rashed Al Ansari				-
Raja Al Mazrouei	10,000	-	1	10,000
Nitin Khanna	10,000	7	-	70,000
Marcello Baricordi	10,000	7	1	80,000
Total				230,000

4. Details of any additional allowances, salaries, or fees received by a member of the Board of Directors, other than committee attendance allowances, and their reasons.

The Board members did not and will not receive any additional allowances, salaries or fees other than the allowances for attending the Committees' meetings. (Except for Mr Rashed A. Al Ansari in his capacity as Chief Executive Officer)

- **The number of Board of Directors meetings held during the fiscal year 2024, indicating the dates of their holding, and the number of personal attendance times of all members, with a statement of the members attending by proxy (the names of the Board of Directors members must align with what is mentioned in Clause (3A)).** The Board held 7 meetings during the year.

No.	Meeting Date	Number of Attendees	Number of Attendees by Proxy	Names of Absent Members
1	February 13, 2024	7	N/A	N/A
2	May 9, 2024	7	N/A	N/A
3	July 29, 2024	7	N/A	N/A
4	August 8, 2024	7	N/A	N/A
5	September 19, 2024	7	N/A	N/A
6	November 6, 2024	7	N/A	N/A
7	December 12, 2024	7	N/A	N/A

- **Number of the decisions passed by the Board of Directors during the fiscal year 2024, along with their corresponding dates.**

- The key business discussed at the main Board meetings throughout the year is detailed below:

Topics discussed	Feb	May	July	Aug	Sep	Nov	Dec
Financial Performance, Planning & Control	X	X		X		X	
Dividend	X				X		
Budget & Strategy			X				X
Liquidity Stress Testing					X		
Business Updates	X	X		X		X	
Internal Control, Risk & Compliance		X				X	
Governance Updates	X	X				X	X
Board Committee Reports						X	
Group Updates (including branches and subsidiaries)			X				
Strategic Progress		X	X			X	X
Regulatory Reporting		X		X			

4- Committees of the Board of Directors

- Audit Committee:

A. Acknowledgment from the Chairman of the Audit Committee of his responsibility for the committee's system in the company and for reviewing its operations and ensuring its effectiveness. Mr. Nitin Khanna, the Audit Committee Chairman, acknowledges his responsibility for the committee system in the Company, as well as the review of its operations and its effectiveness.

B. Names of the members of the Audit Committee, and a statement of their powers and tasks.

Name	Category in BOD	Position in the Committee
Mr. Nitin Khanna	Independent non-executive	Chairman
Mr. Fuad Al Ansari	Vice Chairman, non-executive	Member
Mr. Marcello Baricordi	Independent non-executive	Member

The primary function of the Audit committee is to:

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

C. Number of meetings held by the Audit Committee during 2024 and their dates to discuss issues related to the financial statements and any other matters, and a statement of the number of personal attendance times of the members in the held meetings.

Meeting	Date	Name	Attendance
First	12 January 2024	Nitin Khanna	100%
Second	13 February 2024	Fuad Al Ansari	86%
Third	9 May 2024	Marcello Baricordi	100%
Fourth	10 June 2024		
Fifth	15 July 2024		
Sixth	8 August 2024		
Seventh	6 November 2024		

D. Annual Audit Committee report:

1. Significant matters reviewed by the committee concerning the financial statements and the manner in which these matters were addressed. The committee reviewed several significant matters concerning the financial statements, including compliance with accounting standards, accuracy of financial reporting, the arm's length nature of related party transactions and the integrity of internal controls. Additionally, the committee ensured that all financial disclosures were transparent and met regulatory requirements, thereby bolstering stakeholder confidence. These matters were deliberated upon during the various meetings held during the year and, where required, were escalated and discussed in the Board meeting.

2. An explanation of how the committee assessed the independence and effectiveness of the external audit process, the approach taken for appointing or reappointing the external auditor, and information on the tenure of the current audit firm. The selection, reappointment and continued independence of the external auditors including avoidance of any conflict of interest in light of SCA guidelines and industry best practices is governed by the Group External Auditor Independence Policy. The committee oversees the effectiveness of the external audit process by reviewing the scope of assignments and the related deliverables. The current audit firm, Deloitte & Touche (M.E) was appointed in 2023.

3. A statement outlining the committee's recommendation regarding the appointment, reappointment, or dismissal of the external auditor, along with reasons why the Board of Directors may reject this recommendation. Based on the performance of the external audit firm during the preceding year, the committee recommends the reappointment of the External Auditor. The committee is confident in their continued effectiveness and advises the board to approve the reappointment to maintain the integrity and reliability of the external audit process. The Board has accepted the recommendation of the committee.

4. An explanation of how the independence of the external auditor is maintained when providing non-audit services to the company. During 2024, the external auditor was not involved in providing any non-audit services.

5. Actions taken or planned by the committee to address any deficiencies or weaknesses in the event of failures in internal control or risk management. During 2024, the internal control and risk management processes functioned effectively with no significant failures being reported. Any internal control weaknesses highlighted in the management letter issued by the auditor is reviewed and the concerned management personnel are made accountable to take appropriate action to address the concerns.

6. An evidence that the committee has reviewed all internal audit reports with medium and high risks, issued from the internal audit, to determine whether they stem from significant violations or weaknesses in internal controls. The committee reviews the quarterly internal audit reports submitted by the Group Chief Internal Auditor prior to the quarterly audit committee meetings. The Committee discusses any key concerns and proposes remedial actions during the meeting. This is subsequent follow up to ensure that remedial action is taken.

7. Comprehensive information about the corrective action plan to address substantial deficiencies in risk management and internal control systems. The committee reviews the status of the corrective action plans to address the reported deficiencies during the quarterly meetings.

8. Documentation demonstrating that the committee has audited all transactions made with related parties, the observations or results thereof, and the extent of compliance with applicable laws in this regard. The committee reviewed the related party transactions that were conducted during 2024 and the related balances at the end of each reporting period. The committee's queries were discussed with the relevant stakeholders during the meeting and where required, also discussed in the Board meeting.

- Nominations and Remuneration Committee ("NRC"):

A. Acknowledgment from the Chairman of the Nominations and Remuneration Committee regarding his responsibility for overseeing the committee system within the company and for reviewing its operations and ensuring its effectiveness. Mr. Marcello Baricordi, the Nomination and Remuneration Committee Chairman, acknowledges his responsibility for the committee system in the Company, as well as the review of its work mechanism and for ensuring its effectiveness.

B. Names of the members of the Nominations and Remuneration Committee, along with a statement of its powers and assigned tasks.

Name	Category in BOD	Position in the Committee
Mr. Marcello Baricordi	Independent non-executive	Chairman
Ms. Raja Al Mazrouei	Independent non-executive	Member
Mr. Eisa Al Ansari	Non- Independent non-executive	Member

The primary function of the Nomination and Remuneration is primarily:

1. Develop a policy to apply for membership of the Board and Executive administration, aiming at taking into account gender diversity within the formation and encouraging women through incentive and training programs and benefits, and to provide the Authority with a copy of such policy and any amendments thereto.
2. Organise and follow up the procedures for applying for membership of the Board in accordance with the applicable laws and regulations.
3. Ensure the independence of independent members on an ongoing basis.
4. Ensure availability of continuity of the membership conditions in the Board members annually.
5. Developing the policy for granting remuneration, benefits, incentives, and salaries to members of the Board of Directors and employees, reviewing it annually, ensuring that the benefits granted to senior executives are reasonable and commensurate with the company's long-term performance.
6. Annually review the required needs of the suitable skills for Board membership and prepare a description of the abilities and qualifications required for Board membership, including determining the time that the member should set for the Board work.
7. Identify the company needs of competencies at the level of senior executive management and staff and the basis of selecting them.
8. Prepare the policy related to human resources and training in the company and monitor its implementation, along with reviewing it annually.
9. Ensuring the existence of an appropriate and updated plan for the continuation and succession of the work of the company's senior executives and chairs of the Board of Directors committees.
10. Any other matters determined by the Board

C. Number of meetings held by the Nomination and Remuneration Committee during 2024 and their dates to discuss issues related to the financial statements and any other matters, and a statement of the number of personal attendance times of all the committee members. The Nomination and Remuneration Committee conducted 1 meeting in 2024, held on January 24, 2024, with full attendance from all committee members.

- Committee for monitoring and supervising transactions of stakeholders

A. Acknowledgment from the chairman of the committee or the authorized individual responsible for the committee system within the company and for reviewing its operations and ensuring its effectiveness.

The Board of Directors sets out the insider policy guidelines for those with access to insider information, including: Board Members, employees and independent contractors. The policy strictly prohibits trading of Al Ansari securities based on non-public information and requires Al Ansari Financial Services to regularly submit to SCA and Dubai Financial Market ("DFM") an updated register of insiders who have access to sensitive company information.

B- Names of the members of the committee tasked with monitoring and supervising transactions of stakeholders, along with a statement detailing its powers and assigned tasks.

The Board Secretary Mr. Faisal Anwar has been appointed for following up on and supervising insider transactions . Faisal Anwar acknowledges his responsibility for the follow-up and supervision system on transactions of insiders in the Company, review of its work mechanism, and for ensuring its effectiveness. Faisal Anwar is authorised to approve insider transaction as per the process in Section D

C- Names of members of the Supervision and Follow-up Committee of insider transactions, clarifying their competences and tasks assigned to them.

Dana Khalaf leads the Investor Relations team and plays the role of supervision on the Al Ansari Financial Services insider register as well as updating employees on the blackout periods.

D- A summary of the committee's work report during 2024. (In case the committee was not formed, the reasons should be explained).

The Board has not formed a committee for monitoring and supervising transactions by insiders, though have appointed Mr. Faisal Anwar and Ms. Dana Khalaf to perform this function.

The Investor Relations team is committed to upholding the highest standards of corporate governance and market integrity. To this end, we have implemented a comprehensive process for overseeing and monitoring insider trading transactions:

- **Insider Identification and Registration:** We maintain a comprehensive and up-to-date list of all individuals classified as insiders under DFM regulations. This list is developed in close collaboration with other teams, ensuring all individuals with access to non-public information are properly identified. We then register these individuals on the DFM's dedicated insider trading monitoring system.
- **Restricted Trading Windows:** We establish clear blackout periods around sensitive events, prohibiting insider trading during these times. This helps ensure fair and efficient markets by preventing insiders from taking advantage of non-public information. The blackout periods are communicated through emails to all insiders.
- **Pre-clearance Process:** Insiders are required to submit all trade intentions to Investor Relations for prior approval. This thorough review process helps identify potential conflicts of interest and ensures compliance with applicable regulations and company policies.

E-In case the committee was not formed, the reasons should be explained).

As the committee establishment is not mandatory as per SCA rules, the Company did not form an insider committee

- Other committees approved by the Board of Directors**Acknowledgment from the chairman of the committee of his responsibility for the committee system within the company and for reviewing its operations and ensuring its effectiveness.**

The Board has also approved the formation of a Board Executive Committee (BEC) and the terms of reference of the committee.

Acknowledgment by the Committee Chairman or authorised person of his responsibility for the Committee system at the Company, review of its work mechanism, and for ensuring its effectiveness.

Mr. Mohammad Ali Al Ansari, Committee Chairman acknowledges his responsibility for the committee system in the Company, as well as the review of its work mechanism and for ensuring its effectiveness.

The Board approved the appointment of following members:

1.	Mr. Mohammad Ali Al Ansari	Chairman
2.	Mr. Fuad Ali Al Ansari	Member
3.	Mr. Eisa Ali Al Ansari	Member
4.	Mr. Rashed Ali Al Ansari	Member

- Statement of the tasks and powers of the Board of Directors carried out by a member of the Board or the Executive Management during 2024 based on a delegation from the Board, specifying the duration and validity of the delegation according to the following table:**The function of the Board Executive Committee are as follows:**

The Board delegated the day-to-day management of the Company to the CEO, in line with the approved delegation of authority and signing matrix. The Board defines and approves the Company's delegation of authority, which determines the types and maximum number of obligations that the Chief Executive Officer may approve, and the signing matrix for the various types of transactions subject to any matters reserved for the General Assembly, Board or Board Executive Committee approval. The delegation of authority facilitates the effective decision-making and signing process as well as the ability to be resilient in response to market demands.

The key responsibilities delegated include: · implementing the Company's strategy as determined by the Board; developing and implementing the risk management framework, as determined by the Board and subject to the oversight of the Audit Committee; managing all administrative, technical, financial and legal aspects; ·developing and implementing the internal control and compliance frameworks, subject to the oversight of the Audit Committee; and · developing and implementing the Company's remuneration policy and determine the recruitment policies and authorize implementation of such policies.as determined by the Board and subject to the oversight of the NRC and in line with the relevant guidelines set out in the policies approved by the Board or the General Assembly (as the case may be). The Board delegated the CEO to authorize or delegate others in all or part of the above-mentioned powers or authorities.

Authorized person: Chief Executive Officer and his delegates

Power of authorization: to undertake the day-to-day management of the Company, subject to the limits set by the Board.

Duration of authorization: valid until amended or revoked by the Board

- Statement of details of transactions with relevant parties (stakeholders) during 2024.

All new or amendments to the existing related party transactions during 2024 are disclosed in note 9 to the audited financial statements which sets out the details of key related party transactions. These related party transactions are carried out during the year in the normal course of business on the terms agreed between the parties.

5- Assessment of the Board of Directors:

Assessment of the board, its committees, and executive management:

A. The annual assessment of the performance of the board of directors, its members and committees. (The assessment can be carried out by the Nominations and Remuneration Committee or by the chairman, with assistance from the board's secretary, as needed. Independent consultants may also be engaged, if required, to help the board of directors with this process).

Please note that the assessment has been completed by the NRC in the following areas:

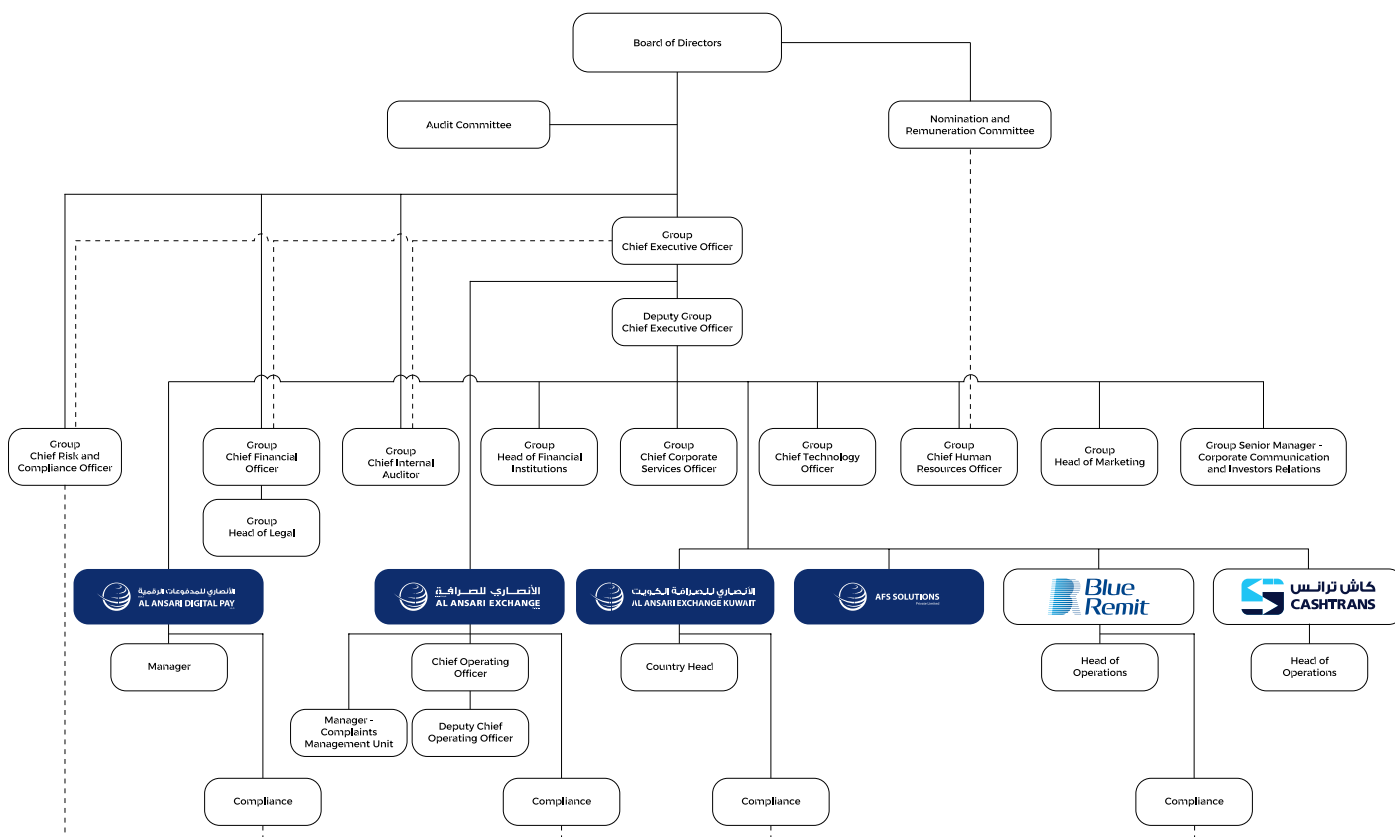
They have been found to have met the requirements of their roles and responsibilities and have remained compliant with the laws and regulations, adhered to the core values and code of conduct of the Group and ensured that any form of risk have been mitigated. The overall availability, support and commitment has proven to be exceptional. They have remained at the forefront of promoting strategic approaches to ensure the best market practice.

B. Assessment of the company's board of directors, its members, and committees by an independent professional entity without any interest or relationship with the company, its board members, or executive management. (The board will engage an independent professional entity to assess the performance of the board, its members, and committees every third year).

N/A as the assessment has been completed by the NRC

6- Organizational Structure and Executive Management

- The complete organizational structure of the company, provided that it shows the positions of the managing director, general manager, CEO, deputy general manager, and others directors working in the company, such as the financial director.



- A detailed statement of the senior executive employees in the first and second ranks according to what is stated in the company’s organizational structure (according to 3-D), their jobs, dates of appointment, and total salaries and bonuses paid, according to the following table:

Name	Position	Year of Appointment	Total Salaries & allowances 2024 (AED)	Total Bonuses paid 2024 (AED)	Any other cash/in-kind bonuses 2024 or due in the future
Mr. Rashed Ali Al Ansari	Group CEO	2010	1,440,000	-	-
Mr. Mohammad Bitar	Deputy Group CEO	2018	1,506,000	250,000	-

7- External Auditor:

A. Providing an overview of the company’s auditor to shareholders. The external auditors, Deloitte & Touche (ME), were re-appointed by the shareholders at the Annual General Assembly meeting held on 19 March 2024 for the second consecutive year. The Audit Partner at Deloitte & Touche (ME) who is in-charge of the external audit shall rotate every 3 years, whereas external audit firm may only be appointed for a maximum of 6 consecutive years.

B. Statement of fees and costs incurred for the audit or services provided by the external auditor, according to the following table: AED 740,250/-

Name of the audit firm	Deloitte & Touche (ME)
Name of the partner auditor	Mr. Ali Abdul Aziz
Number of years spent as the company’s external auditor	2 years (including current year)
Number of years the partner auditor spent auditing the company’s accounts	2 years
Total value of audit fees for 2024 (in AED)	AED 740,250/-
Details and nature of other services provided by the company’s auditor (if any). In the event that there are no other services, this shall be stated explicitly.	N/A
The value of fees and costs incurred for other special services other than auditing the financial statements for 2024 (in AED), if any. In the event that there are no other fees, this shall be stated explicitly.	N/A
Statement of other services that an external auditor other than the company auditor provided during 2024 (if any). In the event that there are no services provided by another external auditor, this shall be stated explicitly.	<p>1. Tax Consultancy Services Name: KPMG Lower Gulf Limited Details of services: Tax advisory services – corporate tax assessment and implementation</p> <p>2. Tax and Legal Advisory Services Name: PricewaterhouseCoopers Limited Partnership Details of services: Tax and Legal Advisory Services relating to incorporation of a subsidiary in DIFC FreeZone</p> <p>3. Agreed-upon procedures Name: Grant Thornton UAE Details of services: Agreed-upon procedures in respect of compliance with the Anti-money laundering compliance standards for the Regulations regarding licensing and monitoring of exchange business (the “Standards”) dated February 2018 issued by the Central Bank of the UAE</p>

C. Statement explaining the reservations that the company auditor included in the interim and annual financial statements for 2024. In the event that there is no reservation, this shall be stated explicitly. There are no reservations or concerns.

8- Internal Control System:

A. Acknowledgment by the Board of its responsibility for the company's internal control system and for reviewing its operations and ensuring its effectiveness.

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

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

Second line of defence includes the Compliance & AML, Risk Management, Legal and Finance functions. These functions complement the risk management activities of the business functions through their control, monitoring and reporting responsibilities. They are also responsible for assessing risks independent of the business functions and reporting to the Senior Management. They coordinate with the business function heads in identifying risk partners and in documenting the underlying product, process and system related risks.

Third line of defence is an independent and effective Internal Audit function, which reports to the Board Audit Committee. They provide independent review and objective assurance on the quality and effectiveness of the Group's internal control system including the first and second lines of defence.

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

The Internal Audit function reports on a quarterly basis to the Board Audit Committee, which reports any significant matters, as and when required, to the Board. The Board Audit Committee plays a key role in assessing and assuring the quality and integrity of disclosures, financial statements, financial reporting and compliance to regulatory requirements. The Board Audit Committee reviews the effectiveness of the Group's internal controls and corporate governance environment and provides oversight of the Internal Audit, Risk, Compliance and External Audit.

The Compliance and Risk functions report on a quarterly basis to the Board Audit Committee. The Finance function reports directly to the Group Chief Executive Officer and presents the financial results on a quarterly basis to the Board Audit Committee and the Board.

The Board Nomination and Remuneration Committee oversees nomination of Board members and their remuneration, in addition to senior management remuneration, bonus, incentives and other benefits.

B. The name, qualifications, and date of appointment of the department director. The Internal Audit department is headed by Mr. Viswanath Ramasubramanian who was appointed as Group Chief Internal Auditor on 1 October 2019. Viswanath has over 30 years of experience in leading internal audit, regulatory compliance, banking operations, governance, risk management, fraud investigation and business advisory services in banking and financial services industry spanning across the Middle East and Asia Pacific region. Viswanath's former appointments include Union National Bank, RSM International, KPMG, Deutsche Bank, Societe Generale, etc., where he held several key positions. He is a Chartered Accountant from the Institute of Chartered Accountants of India. He is also a Certified Financial Crime Specialist, a Certified Information Systems Auditor and a Certified Internal Auditor.

C. The name, qualifications, and date of appointment of the compliance officer. Mr. Sadiq Ali Ansari joined Al Ansari Financial Service PJSC on 26 February 2024 in capacity of Group Chief Compliance Officer. Mr. Sadiq Ali Ansari comes with vast experience in the financial sector, majority of which comes from working at the financial sector regulatory authority in the UAE where he played a pivotal role in supervision of the financial sector as well as in policy development. Sadiq Ansari is a fellow chartered certified accountant (FCCA) from the UK and a certified financial risk manager (FRM) from the US. In addition, Sadiq holds multiple certifications in the domain of Compliance.

D. How the Internal Control Department deals with any major company issues or those disclosed in the annual reports and accounts. (If no major problems have occurred, this should also be stated). Al Ansari Financial Services PJSC was formed in April 2023 and did not face any such problems during 2024

E. Number of reports issued by the Internal Control Department to the Board of Directors. A quarterly report is issued and submitted by the Internal Audit Department to the Audit Committee that includes the internal audit activities, ethics and fraud investigation cases and audit plan status.

9- Details of the violations committed during 2024 and an explanation of their causes, and how to address them and avoid their recurrence in the future. The Company did not commit any violations of the Governance Guide during 2024.

10- Statement of the cash and in-kind contributions made by the company during 2024 to support local community development and environmental preservation. (If no contributions were made, this should be explicitly stated).

Month	Initiative	Value (AED)
January 2024	Annual Blood Donation Campaign	In Kind
March 2024	Ramadan Iftar meals	190,000
June 2024	Renovation of hall at the Pakistani Embassy	194,000
June 2024	Visit to Senior Happiness Home	In Kind
October 2024	Visit to Al Jalila Children's Hospital	In Kind
December 2024	Clean UAE	In Kind

11- General information:

A. Statement of the company's share price in the market (closing price, highest price, and lowest price) at the end of each month during the fiscal year 2024.

MonthName	Month_High	Month_Low	Month_Close
Jan-24	1.090	1.040	1.08
Feb-24	1.120	1.050	1.06
Mar-24	1.110	1.040	1.06
Apr-24	1.060	1.040	1.06
May-24	1.060	1.000	1.02
Jun-24	1.040	1.000	1.02
Jul-24	1.050	1.010	1.02
Aug-24	1.030	0.995	1
Sep-24	1.010	0.997	0.997
Oct-24	0.998	0.977	0.981
Nov-24	0.990	0.970	0.983
Dec-24	0.998	0.970	0.998

B. A comparative performance statement of the company's share relative to the general market index and the sector index to which the company belongs during 2024.

MonthName	ALANSARI	DFMGI	FINANCIALS
Jan-24	1.080	4169.08	2994.64
Feb-24	1.060	4308.77	3177.61

Month Name	Month_High	Month_Low	Month_Close
Mar-24	1.060	4246.27	2996.04
Apr-24	1.060	4155.77	2904.37
May-24	1.020	3977.93	2806.37
Jun-24	1.020	4030.00	2892.02
Jul-24	1.020	4268.05	3123.49
Aug-24	1.000	4325.45	3170.42
Sep-24	0.997	4503.48	3285.28
Oct-24	0.981	4591.05	3278.13
Nov-24	0.983	4847.34	3381.63
Dec-24	0.998	5158.67	3478.95

C. Statement of the distribution of shareholder ownership as of 31/12/2024 (individuals, companies, governments) classified as follows: local, Gulf, Arab, and foreign.

No.	Shareholder Classification	Percentage of Shares Owned			Total
		Individuals	Companies	Governments	
1	Local	3.674	95.269	0.107	99.050
2	Arab	0.5803	0.0887		0.6690
3	Foreign	0.1900	0.0915		0.2815
4	Total	4.445	95.449	0.107	100.000

D. Statement of shareholders who own 5% or more of the company's capital as of 31/12/2024 according to the following table:

No.	Name	Number of Shares Owned	Percentage of Shares Owned in the Company's Capital
1	Al Ansari Holding LLC	6,750,000,000	90%

E. Statement of shareholder distribution according to the volume of ownership as of 31/12/2024 according to the following table:

Category	Number of Investors	Owned Quantity	Owned Quantity %
Less than 50,000	10,401	28,387,050	0.379
Between 50,000 and 500,000	441	65,401,488	0.872
Between 500,000 and 5,000,000	91	131,924,502	1.759
Greater than 5,000,000	16	7,274,286,960	96.991
Total	10,949	7,500,000,000	100.000

F. Statement detailing the procedures undertaken regarding investor relation controls, indicating the following:

- Name of the investor relations officer.
- Contact information for the investor relations officer (email, phone, mobile, fax).
- The electronic link to the Investor Relations webpage on the company's website.

Name Ms. Dana Khalaf
Contact details: Mobile +971504595597
Dana.khalaf@alansari.ae
IR webpage: <https://aafs.ae/investor-relations/>

G. Statement of the special decisions presented at the General Assembly held during 2024 and the actions taken in relation thereto.

Approve allocating 2 % of the Company's annual net profits as a voluntary corporate social responsibility for the purpose of community services and authorizes the Board to determine the aspects of using the allocated percentages in line with the Company's approved corporate social responsibility policy.

H. Name of the rapporteur of the Board of Directors meetings and the date of his appointment. The Board appointed Mr. Faisal Anwar as Company Secretary effective 6 April 2023. Mr. Faisal Anwar is also the Group Chief Financial Officer. He leads the organisation's financial growth strategies, budgeting and forecasting, business performance and analysis, systems implementation and tax. Prior to joining the Group, Faisal led several key positions at Mattex Group, Majid Al Futtaim, KPMG and PriceWaterhouseCoopers. He has over 30 years of experience in various sectors including financial services, commercial banks, asset management companies, manufacturing and energy. Faisal is a qualified Chartered Accountant and a member of the Institute of Chartered Accountants of Pakistan since 1997.

I. Detailed statement of the fundamental events and important disclosures that the company encountered during 2024.

Subject of Disclosure:

Feb 9, 2024	BOD Meeting to discuss the annual audited financial statements for 2023, the date, time, and proposed agenda for the annual general assembly, various policies, the corporate social responsibility of the company, and regular matters.
Feb 14, 2024	Results of Board Meeting approving the annual audited financial statements for 2023, to hold the annual general assembly on Tuesday 19 March 2024, the agenda of the General Assembly, raise a recommendation to approve cash dividend distribution of AED 300 mil, raise a recommendation to the General Assembly to approve allocating 2% of the company's annual profits as corporate social responsibility of the company, raise a recommendation to the General Assembly to approve various policies, and regular matters.
Feb 14, 2024	Financial statements for the year of 2023
Feb 14, 2024	Press release regarding financial results for the year of 2023
Feb 26, 2024	Invitation of General Assembly of the year 2023
Mar 08, 2024	Integrated report for the year 2023
Mar 19, 2024	Resolutions of General Assembly
Mar 20, 2024	Al Ansari Financial Services Approve AED 300 Million Cash Dividend For H2 2023 At Its Annual General Assembly Meeting
May 06, 2024	BOD Meeting to discuss the interim financials of Q1 2024, and other regular matters.
May 09, 2024	Results of BOD meeting approving the consolidated interim financials of Q1 2024 and other regular matters.
MAY 09, 2024	Financial statements for the 1st QTR of 2024
May 30, 2024	Notification from the company: Non-renewal of liquidity provider

June 6, 2024	Appointment of Al Ramz Capital PSC as a Liquidity Provider for the Company's shares
Jul 24, 2024	BOD meeting to discuss strategic growth opportunities and other regular matters.
Jul 29, 2024	Results of BOD Meeting approving the acquisition and purchase of 100% of the entire share capital of BFC Grou Holdings WLL and the terms of and entry into signing and execution by the company of the share purchase agreement and al documents relating to the transaction.
Jul 30, 2024	Notification from the company-regarding the latest acquisition the acquisition of the Company on 100% of the issued share capital of BFC Group Holding Limited
Aug 06, 2024	BOD meeting to discuss the consolidated interim financials for H1 2024 and other regular matters.
Aug 09, 2024	Results of BOD Meeting approving the consolidated interim financials for H1 2024 and other regular matters.
Aug 09, 2024	Financial statements for the H1 2024
Sep 17, 2024	BOD meeting to discuss the distribution of the interim cash dividends for H1 2024 and other regular matters
Sep 20, 2024	Results of BOD Meeting approving the distribution of the interim cash dividends for H1 2024 amounting to 157,500,00 (2.10 fils per share).
Sep 23, 2024	Al Ansari Financial Services PJSC Announces Interim Dividend Payment for 2024
Nov 04, 2024	BOD meeting to discuss the financial statements for 9 months period ending 30 September, certain corporate governance, and operational policies.
Nov 07, 2024	Results of BOD Meeting approving the financial statements for 9 months period ending 30 September, certain corporate governance, and operational policies.
Nov 07, 2024	Press release regarding financial results for the third QTR of 2024
Dec 10, 2024	BOD meeting to discuss business plans and budget for 2025 and other regular matters.
Dec 12, 2024	Results of BOD Meeting approving business plans and budget for 2025 and other regular matters.

J. Statement of the deals made by the company with related parties during 2024 that equate to 5% or more of the company's capital. No transactions amounted to 5% of the Company's capital or more.

K. Statement of the percentage of nationalization in the company by the end of 2022, 2023, and 2024 (excluding workers for companies operating in the contracting field). The percentage of UAE nationals employed by the Company was 13.34% and 16.95% as of 31 December 2023, and 2024, respectively.

L. Statement of the innovative projects and initiatives that the Company has undertaken or is currently developing during 2025.

The Company (by itself or through its fully owned subsidiaries) has undertaken or is currently developing during 2025 the following innovative projects:

S. No.	Name of Innovation Project	Short summary (*1 Paragraph) (On the requirement and impact of the Project/Process)	Implementation timeline (Quarter - Year)
1	Aani as payment mode on Mobile App	Click to approve payment request of Aani, makes the payment experience much more superior than all other payment modes we currently have on the app.	Q4 2024
2	Prepaid Card Tokenization for Travel Cards	Ensures the process of tokenizing the card (adding to apple pay and Samsung pay) seamless as there is a button available on our app to add the card, as opposed to manually entering the details on Apple/ Samsung Wallet increasing the tokenization usage by customers.	Q2 2024
3	Virtual Card Issuance	Virtual card issuance is a hassle free option for AAE customer to have the card issued without the need of going to the branches. The virtual card is issued in an instant and ready to be used by leveraging our mobile app	Q2 2025
4	Remittance via Visa PayPlus card	Visa PayPlus cardholders can now send and remit money using their card as a payment mode from the mobile app rather visiting branches. This is a value added service for the cardholders catering to the need of convenience and efficiently	2024
5	FCY Purchase/ Booking	Enabling customers to purchase/ book FCY through mobile app reducing the customer journey to include withdrawing amount from ATM or visiting the branch twice when it comes to booking FCY.	Q4 2025
6	Digital Signature	Digital signature for official documents.	Q3 2024
7	Cloud Call Center	Established a cloud based callcenter improves communication efficiency	Q3 2024
8	WhatsApp Solution - HR	Implemented an automated WhatsApp chatbot to enhance employee engagement by providing instant, 24/7 support for HR related queries.	Q3 2024



Signature of the

Mr. Mohammad Ali Al Ansari
Chairman of the Board

Mr. Nitin Khanna
Audit Committee Chairman

Marcello Baricordi

Mr. Marcello Baricordi
Nomination and Remuneration Committee Chairman

Mr. Viswanath Ramasubramanian
Group Chief Internal Auditor

05

CONSOLIDATED
FINANCIAL STATEMENTS

The background of the lower half of the page features a decorative graphic. It consists of a series of vertical bars of varying heights, resembling a bar chart. Each bar is topped with a small upward-pointing triangle. The bars are set against a dark blue background with a subtle pattern of small white dots and faint lines, suggesting a data visualization or financial growth theme.

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DISCUSSION REPORT AND ANALYSIS OF THE BOARD OF DIRECTORS

AL ANSARI FINANCIAL SERVICES PJSC

Date	12 February 2025
Name of the Listed Company	Al Ansari Financial Services PJSC (the Company)
The period of the financial statements covered by the report	Annual (1 January 2024 – 31 December 2024)
Overview of the main results during the financial period	<p>Income – AED 1,189 million (2023: AED 1,162 million), a nominal increase of 2.3%</p> <p>Operating income – AED 1,149 million (2023: AED 1,132 million), a marginal increase of 1.5%</p> <p>Profit before tax – AED 447 million (2023: AED 495 million), a decline of 9.8%</p> <p>Net profit after tax – AED 406 million (2023: AED 495 million), a decline of 18.0%</p> <p>EBITDA - AED 510 million (2023: AED 563 million), a decline of 9.4%</p> <p>Earnings per share – AED 0.0542 (2023: AED 0.0660)</p> <p>Total assets – AED 3,231 million (2023: AED 3,094million)</p> <p>Total Equity – AED 1,741 million (2023: AED 1,801million)</p>
Securities issued during the financial period	None
Summary of the most important non-financial events and developments during the financial period	<ul style="list-style-type: none"> • During the year, the Group has signed a Sales Purchase Agreement with BFC Group Holding Limited for the acquisition of 100% shares in BFC Group Holdings W.L.L. and its subsidiaries for US\$ 200 million, expected to be completed in Q1 2025. • Opened additional 11 physical branches across UAE during the year • Al Ansari Digital Pay (wholly owned subsidiary of the Company) received the initial approval of a Store Value Facilities and Retail Payment Service Provider license from the Central Bank of the UAE.

Summary of operational performance during the financial period

Income

Net gain on currency exchange for the year 2024 was AED 548 million (2023: AED 542 million), increased by 1.1% mainly attributed to increase in outward remittances and prepaid card volumes partially offset by decrease in wholesale banknotes volume.

Net commission income for the year 2024 was AED 601 million (2023: AED 590 million), increased by 1.8% in line with the overall transaction growth of 2%.

Expenses

Salaries and benefits for the year 2024 were AED 481 million (2023: AED 451 million), increased by 6.7% due to 5% rise in number of employees on account of opening 11 additional branches and 29% increase in number of Emirati Nationals in support of the Government's Emiratization initiative.

Other expenses for the year 2024 were AED 261 million (2023: AED 216 million), mainly increased by 20% due to one-off provision for Emirates ID validation cost of AED 22 million in respect of prior years and provision of social contribution of AED 8.3 million during the year.

Summary of profit and loss during the financial period

	2024 AED million	2023 AED million
Operating income	1,149	1,132
Interest and other income	40	30
Less: Salaries and benefits	(481)	(451)
Less: Other expenses	(261)	(216)
Profit before tax	447	495
Less: Income tax expense	(41)	-
Net profit after tax	406	495

Summary of financial position as at the end of the financial period

- Total assets: AED 3,231 million (2023: AED 3,094 million)
- Cash and cash equivalents: AED 2,856 million (2023: AED 2,664 million)
- Total Equity: AED 1,741 million (2023: AED 1,801 million)

Summary of cash flows during the financial period

- Net cash generated from operating activities: AED 832 million (2023: AED 712 million)
- Net cash used in investing activities: AED 5 million (2023: AED 121 million generated from investing activities)
- Net cash used in financing activities: AED 634 million (2023: AED 396 million)

Main performance indicators

- Total Transactions increased by +2% YoY.
- Wage Protection System (WPS) transactions saw a growth of 16%.
- Prepaid Cards exhibited a 29% YoY surge in volume growth.
- Outward remittance transactions conducted through digital channels were 23% of the total outward remittances.
- Overall transactions conducted through digital channels reported an increase of 23%.

Expectations for the sector and the company's role in these expectations

While significant improvements in key remittance corridors have fostered a more resilient operating environment, the market continues to face challenges from certain fintech practices. To mitigate the impact, the Group is set to launch its own digital wallet in Q1 2025. The Group is also committed to diversification of service offerings and new strategic partnerships to generate additional revenue and has announced partnership with MNT Halan to introduce Salary Advance and Send Now, Pay Later services.

Expectations regarding the economy and its impact on the company and the sector

Overall UAE's GDP is projected to grow by 4.5% in 2025 and global remittances expected to exceed USD 1 trillion by 2028, the Group sees significant opportunities to further strengthen its market position and enhance its service offerings.

Future plans for growth and changes in operations in future periods

- Acquisition of BFC Group Holding Limited expected to be completed in Quarter 1 of 2025, expected to complete the integration process and realize the synergies between Q1 2026 - Q3 2026
- Acquisition of Al Ansari Exchange Co. WLL (Kuwait) expected to be completed in Quarter 1 of 2025, with synergies to be realised by Q2 2025
- Introduction of Digital Wallet by Quarter 1 of 2025

The size and impact of current and projected capital expenditures on the company

Capex-light business model able to generate strong growth with limited capex requirements (Expected to be 2.5%-3.5% of total revenues for YE 2025)

The developments of the implementation of projects, plans and transactions and deals that were discussed by the company's board of directors in the report for the previous fiscal year

N/A

The name of the chairman of the company or the authorized signatory

Mohammad Ali Al Ansari

Signature and date



Company's Seal

Directors' report for the year ended 31 December 2024

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 2024 together with the consolidated audited financial statements.

Board of Directors:

The Board of Directors of the Company comprises:

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 2024 together with the consolidated audited financial statements.

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 establishing a link to the operating system of "wages protection", providing special financial products (i.e. bill payments, cash collections, sale and reload of multicurrency prepaid cards) and transportation of cash and valuables.

Financial performance

During the year ended 31 December 2024, the Group reported income of AED1,188.64 million (2023: AED1,162.48 million) and profit for the year of AED 405.85 million (2023: AED 495.19 million).

Proposed Dividend

On 12 February 2025, the Board of Directors proposed to distribute a cash dividend of AED 157.50 million to the shareholders (AED 0.021 per share). The proposed dividend is subject to approval by the shareholders at the Company's General Assembly Meeting in March 2025.

Auditors

The consolidated financial statements for the year ended 31 December 2024 have been audited by Deloitte & Touche (M.E.) who being eligible, have offered themselves for reappointment.

Outlook

The Group's strategic road map is built to unlock shareholders' value by exploring various growth opportunities to broaden our customer base and gain access to new markets. The Group's strategic initiatives are designed to reinforce our market leadership in the financial services industry by fulfilling the ever-evolving customer needs and maintaining sustained growth. In turn, these strategies are anchored by customer-centricity, market insights and technological advancements. By constantly diversifying our service offerings, embracing digital transformation and enhancing profitability, the Group is well positioned to optimise its presence in the UAE and across the region.



Mr. Mohammad Ali Al Ansari
Group Chairman
On behalf of the Board of Directors
Al Ansari Financial Services P.J.S.C.
12 February 2025



Deloitte & Touche (M.E)
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www.deloitte.com

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 PJSC (the "Company") and its subsidiaries (together, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, 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 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (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 (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Group's consolidated financial statements 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.

Money exchange, remittances and other services revenue and IT systems and controls

The Group recognized revenue of AED 1,148 million from money exchange, remittances and other services. The Group provides these services to its customers through a wide network of branches digital channels and smart counters.

The calculation and recording of money exchange and remittance services is automated and relies on complex Information Technology (IT) systems.

We identified IT systems and controls over the Group's recording of revenue as a key audit matter due to the extensive volume and variety of transactions which are processed daily by the Group and which, therefore, rely on the effective operation of automated and IT dependent manual controls. There is a risk that automated accounting procedures and related internal controls are not accurately designed and/or are not operating effectively. In particular, the incorporated relevant controls are essential to limit the potential for fraud and error as a result of change to an application or underlying data.

Refer to notes 3 and 29 in the consolidated financial statements for more details relating to revenue recognised during the year.

How our audit addressed the key audit matter

We performed, inter alia, the following procedures in relation to this matter:

We evaluated the design and tested the operating effectiveness of internal controls related to the money exchange and remittance revenue process.

We involved IT professionals with specialized skills and knowledge who assisted in:

- Testing IT general and automated controls over access security, program changes, data center and network operations.
- Identifying the relevant systems used to calculate and record money exchange and remittance revenue transactions.
- Testing the general IT controls over certain systems and Information Produced by the Entity (IPEs), including testing of user access controls, change management controls, and IT operations controls; and
- Testing automated application controls including system interfaces and the calculation and recording of money exchange and remittance revenue transactions in the Group's general ledgers.

In addition, we performed the substantive procedures described below:

- Using data enabled audit techniques, we recalculated the revenue recorded in relation to an extensive sample of transactions, and agreed these to the underlying accounting records.
- We tested a sample of money exchange and remittance revenue transactions by comparing the amounts recognized to source documents.

We also assessed the disclosure in the financial statements relating to this matter against the requirements of IFRS Accounting Standards.

Other information

The Board of Directors and management is responsible for the other information. The other information comprises the Directors' 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 Group's Annual Report, which is expected to be made available to us after the 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 Group's 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 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

As required by the UAE Federal Decree Law No. (32) of 2021, we report that for the year ended 31 December 2024:

- 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.
- 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 1 to the consolidated financial statements discloses purchases or investments in shares during the financial year ended 31 December 2024;
- note 9 to the consolidated financial statements discloses material related party transactions, and the terms under which they were conducted;
- note 22.1 reflects the social contribution made during the year; 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, during the year ended 31 December 2024, contravened any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 or in respect of the Company, its Articles of Association which would materially affect its activities or its financial position as at 31 December 2024.

Deloitte & Touche (M.E.)



Firas Anabtawi
Registration No.: 5482
12 February 2025
Dubai
United Arab Emirates

Consolidated statement of financial position

As at 31 December			
ASSETS	Note	2024 AED'000	2023 AED'000
Non-current assets			
Right-of-use assets	5	95,868	92,031
Property and equipment	6	73,946	71,926
Restricted deposits with banks	7	59,604	51,259
		229,418	215,216
Current assets			
Cash on hand and in transit	8	1,022,907	1,137,784
Due from banks	8	1,850,925	1,577,329
Due from exchange houses and agents	8	20,582	46,363
Due from related parties	9	177	22
Prepayments and other receivables	10	107,256	117,454
		3,001,847	2,878,952
Total assets		3,231,265	3,094,168
LIABILITIES AND EQUITY			
LIABILITIES			
Non-current liabilities			
Lease liabilities	11	43,188	44,550
Provision for employees' end-of-service benefits	12	49,978	45,851
		93,166	90,401
Current liabilities			
Trade and other payables	13	992,764	742,103
Due to banks	14	13,978	20,376
Due to exchange houses and agents	14	73,760	72,560
Due to related parties	9	1,616	4,163
Bank borrowings	15	233,533	325,000
Income tax liability	25	40,983	-
Lease liabilities	11	40,876	38,146
		1,397,510	1,202,348
Total liabilities		1,490,676	1,292,749

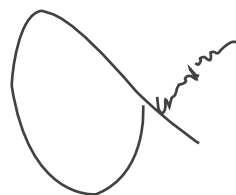
Consolidated Statement of financial position (continued)

EQUITY			
Share capital	17.1	75,000	75,000
Treasury shares	17.2	(89)	-
Share (discount) / premium	17.2	(9,090)	-
Statutory reserve	18	37,500	37,500
Acquisition reserve	19	286,143	286,143
Retained earnings		1,351,125	1,402,776
Total equity		1,740,589	1,801,419
Total liabilities and equity		3,231,265	3,094,168

These consolidated financial statements were approved by the Board of Directors and authorised for issue on 12 February 2025 and signed on its behalf by:



Mr. Mohammad Ali Al Ansari
Group Chairman



Mr. Faisal Anwar
Group Chief Financial Officer

The notes on pages 10 to 45 are an integral part of these consolidated financial statements.

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2024

	Note	2024 AED'000	2023 AED'000
Income			
Net gain on currency exchange		547,819	541,678
Net commission income	20	601,157	590,424
Interest income		32,996	25,179
Other income		6,664	5,195
Total income - net		1,188,636	1,162,476
Expenses			
Salaries and benefits	21	(481,352)	(450,725)
General and administrative expenses	22	(155,173)	(116,449)
Depreciation	23	(94,377)	(85,014)
Provision for expected credit losses	8.5	(466)	(240)
Finance cost	24	(8,753)	(13,327)
Bank charges		(1,683)	(1,532)
Total expenses		741,804	667,287
Profit before tax for the year		446,832	495,189
Income tax expense	25	(40,983)	-
Profit after tax for the year		405,849	495,189
Other comprehensive income		-	-
Total comprehensive income for the year		405,849	495,189
Profit after tax attributable to the shareholders of the Company		405,849	495,189
Basic and diluted earnings per share (AED)	26	0.0542	0.0660

The notes on pages 10 to 45 are an integral part of these consolidated financial statements.

Consolidated Statement of changes in equity For the year ended 31 December 2024

	Share capital	Treasury shares	Share (discount)/ premium	Statutory reserve	Acquisition reserve	Retained earnings	Total equity
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
As at 1 January 2023	75,000	-	-	-	286,143	1,245,087	1,606,230
Total comprehensive income for the year	-	-	-	-	-	495,189	495,189
Dividend declared and paid (note 28)	-	-	-	-	-	(300,000)	(300,000)
Transfer to statutory reserve (note 18)	-	-	-	37,500	-	(37,500)	(300,000)
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 28)	-	-	-	-	-	(457,500)	(457,500)
Acquisition of shares (note 17.2)	-	(89)	(9,090)	-	-	-	(9,179)
As at 31 December 2024	75,000	(89)	(9,090)	37,500	286,143	1,351,125	1,740,589

Consolidated Statement of cashflows For the year ended 31 December 2024

	Note	2024 AED'000	2023 AED'000
Operating activities			
Profit before tax for the year		446,832	495,189
Adjustments for:			
Depreciation	23	94,377	85,014
Provision for expected credit losses	8.5	466	240
Provision for employees' end-of-service benefits	12	7,901	7,189
Finance cost	24	8,753	13,327
Loss / (gain) on disposal of property and equipment		372	(379)
Operating cash flows before settlement of employees' end-of-service benefits and changes in working capital		558,701	600,580
Payment for employees' end-of-service benefits	12	(3,774)	(3,191)
Changes in working capital:			
Due from exchange houses and agents		25,625	18,500
Due from related parties		(155)	195
Prepayment and other receivables		10,198	(23,453)
Trade and other payables		250,661	97,391
Due to exchange houses and agents		1,200	19,919
Due to related parties		(2,547)	3,346
Restricted deposits with banks		(8,345)	(903)
Net cash generated from operating activities		831,564	712,384
Investing activities			
Payment for purchase of property and equipment		(32,069)	(45,193)
Fixed deposits having maturities longer than three months		26,730	165,195
Proceeds from sale of property and equipment		403	1,331
Net cash (used in) / generated from investing activities		(4,936)	121,333
Financing activities			
Acquisition of treasury shares	17.2	(9,179)	-
Dividends paid	28	(457,500)	(300,000)
Lease liabilities paid	11	(72,189)	(62,963)
Proceeds from bank borrowings	15	233,533	325,000
Repayment of bank borrowings		(329,136)	(358,132)
Net cash used in financing activities		(634,471)	(396,095)
Net increase in cash and cash equivalents		192,157	437,622
Cash and cash equivalents at the beginning of the year		2,664,247	2,226,625
Cash and cash equivalents at the end of the year	27	2,856,404	2,664,247

The notes on pages 10 to 45 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements for the year ended 31 December 2024

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 converted to a public joint stock company on 3 April 2023 by virtue of a resolution of the Company’s shareholders. Pursuant to a resolution dated 8 March 2023, the shareholders approved the listing of the Company’s shares on Dubai Financial Market whereby 10% of its shares were offered to the general public in an Initial Public Offering (“IPO”). The shares of the Company were listed on Dubai Financial Market on 6 April 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 financial statements of the Company and its following subsidiaries (together referred to as the “Group”).

Name of the subsidiary	Place of incorporation	Percentage holding	
		2024	2023
Al Ansari Exchange L.L.C.	United Arab Emirates	100%	100%
Blue Remit Limited (Formerly, Worldwide Cash Express Limited)	United Arab Emirates	100%	100%
Cash Trans Money & Valuables Transport Services L.L.C.	United Arab Emirates	100%	100%
Al Ansari Digital Pay LLC 1	United Arab Emirates	100%	-
Al Ansari Global Holdings Limited 2	United Arab Emirates	100%	-
Al Ansari Financial Services Business Solutions Private Limited, India	India	100%	-
Blue Horizon on Demand Labours Supply Services L.L.C. 3	United Arab Emirates	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 establishing a link to the operating system of “wages protection” (WPS), providing special financial products (i.e. bill payments, cash collections, sale and reload of multi-currency prepaid cards) and transportation of cash and valuables.

On 30 July 2024, the Group, based on the approval of the Board, has signed a Sales Purchase Agreement with BFC Group Holding Limited for the acquisition of 100% shares in BFC Group Holdings W.L.L. and its subsidiaries for US\$ 200 million. The acquisition is subject to regulatory approvals and satisfaction of certain conditions precedent agreed between the parties.

1 Al Ansari Digital Pay LLC was incorporated in February 2024 and is awaiting final approval from the Central Bank of UAE (“CBUAE”) to commence operations in respect of stored value facilities and retail payment services to its customers.

2 Al Ansari Global Holdings Limited is created solely for the potential acquisitions outside UAE.

3 The Board in their meeting held on 6 November 2024 decided to liquidate Blue Horizon on Demand Labours Supply Services L.L.C. and accordingly the liquidation formalities are under process.

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

Notes to the consolidated financial statements for the year ended 31 December 2024 (continued)

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, and on a going concern basis.

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

Certain comparative information has been reclassified to conform with the current year's presentation. The restatements did not have any impact on the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2023.

(c) Functional and presentation currency

The functional currency of the Company and presentation currency of the Group is UAE Dirham ("AED"), the currency of the primary economic environment in which the Group operates.

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.

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. Summary of material accounting policy information

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

During the year, the Group has adopted the following amendments to IFRS Accounting Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2024. Their adoption 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 IFRS 16 Leases relating to Lease Liability in a Sale and Leaseback	The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.
Amendments to IAS 1 Presentation of Financial Statements relating to Classification of Liabilities as Current or Non-Current	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments also defer the effective date of the January 2020 amendments by one year, so that entities would be required to apply the amendment for annual periods beginning on or after 1 January 2024.

Notes to the consolidated financial statements for the year ended 31 December 2024 (continued)**3. Summary of material accounting policy information (continued)****3.1 New and revised IFRS Accounting Standards applied on the consolidated financial statements (continued)**

New and revised IFRS	Summary
Amendments to IAS 1 Presentation of Financial Statements relating to Non-current Liabilities with Covenants	The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures relating to Supplier Finance arrangements	The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

Other than the above, there are no other significant IFRSs and amendments that were effective for the first time for the financial year beginning on or after 1 January 2024.

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 IAS 21 The Effects of Changes in Foreign Exchange Rates relating to Lack of Exchangeability The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.	1 January 2025
Amendments to the SASB (Sustainability Accounting Standards Board) standards to enhance their international applicability The amendments remove and replace jurisdiction-specific references and definitions in the SASB standards, without substantially altering industries, topics or metrics.	1 January 2025
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures 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. Annual improvements to IFRS Accounting Standards - Volume 11 The pronouncement comprises the following amendments: <ul style="list-style-type: none"> • IFRS 1: Hedge accounting by a first-time adopter • IFRS 7: Gain or loss on derecognition • IFRS 7: Disclosure of deferred difference between fair value and transaction price • IFRS 7: Introduction and credit risk disclosures • IFRS 9: Lessee derecognition of lease liabilities • IFRS 9: Transaction price • IFRS 10: Determination of a "de facto agent" • IAS 7: Cost method 	1 January 2026

Notes to the consolidated financial statements for the year ended 31 December 2024 (continued)**3. Summary of 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
<p>IFRS 18 Presentation and Disclosures in Financial Statements</p> <p>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.</p>	1 January 2027
<p>IFRS 19 Subsidiaries without Public Accountability: Disclosures</p> <p>IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.</p>	1 January 2027
<p>Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011)</p> <p>The amendments relate to the treatment of the sale or contribution of assets from an investor to its associate or joint venture</p>	Effective date deferred indefinitely. Adoption is still permitted.

The Management 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 third party transactions, the Group recognizes revenue on net basis as it is considered as 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 and other comprehensive income 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.

3.5 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:

Notes to the consolidated financial statements for the year ended 31 December 2024 (continued)

3. Summary of material accounting policy information (continued)

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

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 furniture 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 and other comprehensive income 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 Impairment of non-financial assets

Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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.

3.8 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 and other comprehensive income.

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, due from 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.

Notes to the consolidated financial statements for the year ended 31 December 2024 (continued)

3. Summary of material accounting policy information (continued)

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.

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 and other comprehensive income.

(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 due from banks, due from exchange houses and agents, due from related parties and other receivables as well as on financial guarantee contracts. 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 trade receivables and contract assets. 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.

(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.

For financial guarantee contracts, the date that the Group becomes a party to an irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument

Notes to the consolidated financial statements for the year ended 31 December 2024 (continued)

3. Summary of material accounting policy information (continued)

for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contract, the Group considers the changes in the risk that the specified debtor will default on the contract.

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; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

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

Notes to the consolidated financial statements for the year ended 31 December 2024 (continued)

3. Summary of material accounting policy information (continued)

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.

Gains or losses on financial guarantee contracts issued by the Group that are designated by the Group as measured at FVTPL are recognised in the consolidated statement of profit or loss.

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.

3.9 Cash and cash equivalents

For the purpose of consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, cash in transit, due from 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.

3.10 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.

3.11 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 and other comprehensive income.

3.12 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 UAE Labour Law, 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. Contributions for eligible UAE National employees are made and charged to the consolidated statement of profit or loss, in accordance with the provisions of Federal Law No. 7 of 1999 relating to Pension and Social Security Law. The Group has no further payment obligations once the contributions have been paid.

Notes to the consolidated financial statements for the year ended 31 December 2024 (continued)

3. Summary of material accounting policy information (continued)

3.13 Value Added Tax (VAT)

The Group recorded a VAT payable net of payments in the accompanying consolidated financial statements at the applicable rate of 5%. Sales revenue represents the invoiced value of services, net of VAT. All the VAT returns of the Group remain subject to examination by the tax authorities for five years from the date of filing.

3.14 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.

3.15 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 9.

3.16 Leases

The Group's leasing activities and the basis of accounting

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

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

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

- i. fixed payments of lease and non-lease components (including in-substance fixed payments), less any lease incentives receivable
- ii. variable lease payment that are based on an index or a rate

- iii. amounts expected to be payable by the lessee under residual value guarantees
- iv. the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- v. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

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

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 6.71 million (2023: AED 6.94 million) of the total lease payments included in the calculation of the lease liability in 2024 were subject to auto renewal.

Notes to the consolidated financial statements for the year ended 31 December 2024 (continued)

3. Summary of material accounting policy information (continued)

3.17 Borrowings

Borrowings 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.

3.18 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 period. Diluted earnings per share is determined by dividing the consolidated profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

3.19 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.

3.20 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.

3.21 Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current / non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

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

3.22 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 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 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)

Notes to the consolidated financial statements for the year ended 31 December 2024 (continued)

3. Summary of material accounting policy information (continued)

of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

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

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

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

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

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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are described below.

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 54.23 million (2023: AED 44.22 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

Financial assets accounted for at amortised cost are evaluated for impairment on a basis described in note 3.8. The Group reviews its financial assets to assess impairment on a regular basis.

(ii) Useful lives of property and equipment

The cost of property and equipment 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.

(iii) 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.

The Group judges these positions on their technical merits on a regular basis using all the information available (legislation, case law, regulations, established practice, authoritative doctrine as well as the current state of discussions with tax authorities, where appropriate). A liability is recorded for each item that is not probable of being sustained on examination by the tax authorities, based on all relevant information. The liability is calculated taking into account the most likely outcome or the expected value, depending on which is thought to give a better prediction of the resolution of each uncertain tax position in view of reflecting the likelihood of an adjustment being recognised upon examination. These estimates are based on facts and circumstances existing at the end of the reporting period. The tax liability and income tax expense include expected penalties and late payment interests arising from tax disputes.

Notes to the consolidated financial statements for the year ended 31 December 2024 (continued)

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.

5 Right-of-use assets

	2024 AED'000	2023 AED'000
Right-of-use assets - Properties	95,868	92,031

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

As at 1 January	92,031	67,235
Additions - new leases (5.1)	68,940	84,091
Depreciation expenses (note 23)	(65,103)	(59,295)
As at 31 December	95,868	92,031

5.1 Additions include AED 1.98 million (2023: AED 20.03 million) in respect of a lease agreement entered into with a related party, Al Ansari Real Estate LLC, for a fixed term of three years (2023: six years) in relation to renting the office premises of the Group.

6 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 2023	111,395	76,139	9,623	4,337	201,494
Additions	13,901	16,802	6,224	8,266	45,193
Transfers	11,031	-	-	(11,031)	-
Reclassification	(1,498)	1,498	-	-	-
Disposals	(5,266)	(6,643)	(2,600)	-	(14,509)
As at 31 December 2023	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
Accumulated depreciation					
As at 1 January 2023	86,691	54,952	6,447	-	148,090
Charge for the year (note 23)	13,408	10,744	1,567	-	25,719

Notes to the consolidated financial statements for the year ended 31 December 2024 (continued)

	Furniture and fixtures	Computers and office equipment	Motor vehicles	Capital work in progress	Total
	AED'000	AED'000	AED'000	AED'000	AED'000
Reclassification	(1,273)	1,273	-	-	-
Disposals	(4,392)	(6,565)	(2,600)	-	(13,557)
As at 31 December 2023	94,434	60,404	5,414	-	160,252
Charge for the year (note 23)	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
Net book amount					
As at 31 December 2023	35,129	27,392	7,833	1,572	71,926
As at 31 December 2024	38,554	24,508	7,076	3,808	73,946

7 Restricted deposits with banks - non-current

	2024 AED'000	2023 AED'000
Restricted deposits with banks inside UAE (note 7.1)	47,057	41,342
Restricted deposits with banks outside UAE (note 7.2)	12,547	9,917
	59,604	51,259

7.1 These deposits are held as margins with banks against bank guarantee arrangements.

7.2 These deposits are held as margins held against remittance arrangements and multi-currency travel card program.

8 Cash on hand and in transit, due from banks, exchange houses and agents

	2024 AED'000	2023 AED'000
Cash on hand and in transit		
Cash on hand	976,568	1,099,158
Cheques on hand	12,573	26,175
Cash in transit	33,766	12,451
Total amount of cash on hand and in transit	1,022,907	1,137,784
Due from banks		
Balances with banks inside UAE		
- Current accounts (note 8.1)	544,235	496,528

Notes to the consolidated financial statements for the year ended 31 December 2024 (continued)

	2024 AED'000	2023 AED'000
- Balances held for WPS transactions (note 8.2)	313,898	175,955
- Balances held for travel card transactions (note 8.2)	268,200	222,623
- Fixed deposits (note 8.3)	415,000	336,730
- Advances to banks against credit card collections	9,847	7,739
- Credit card receivables	22,066	31,228
	1,573,246	1,270,803
Balances with banks outside UAE - Nostro accounts	284,229	312,766
Less: Provision for expected credit losses (note 8.5)	(6,550)	(6,240)
	277,679	306,526
Total amount due from banks	1,850,925	1,577,329
Due from exchange houses and agents		
Balances with exchange houses and agents inside UAE	218	99
Balances with exchange houses and agents outside UAE	20,364	46,264
Total amount due from exchange houses and agents	20,582	46,363
	2,894,414	2,761,476

8.1 Current accounts include AED 132 million (2023: AED 250 million) placed in interest bearing call account with the Central Bank of UAE.

Current accounts also include funds received from prepaid travel card customers, where the use of associated cash is restricted solely to the settlement of the related liabilities. (note 13.1)

8.2 These represent funds received from prepaid travel card and WPS customers against the settlement of related liabilities. (note 13)

8.3 The Group has placed certain fixed deposits, at commercial market interest rates, with banks in the UAE for a tenure of 3 months to 12 months. (2023: 3 months to 6 months).

Fixed deposits also include short-term three-month deposit amounting to AED 110 million (2023: nil) placed with the Commercial Bank International to meet obligation against unclaimed funds in line with CBUAE requirements.

8.4 Due from banks, due from exchange houses and agents 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.

	2024 AED'000	2023 AED'000
Assessed high rated externally (A1-Baa3)	1,645,198	1,391,871
Assessed medium to low rated externally (Ba1-B3)	34,407	19,305
Assessed very low rated externally (Caa1-C)	29,790	38,546
Unrated externally, assessed high rated internally	91,289	78,045
Unrated - others	77,373	102,165
	1,878,057	1,629,932

Notes to the consolidated financial statements for the year ended 31 December 2024 (continued)

8.5 None of the balances with banks and exchange houses and agents as on the reporting date are past due and taking into account the historical default experience and the current credit ratings of the banks and exchange houses, Management have assessed that the expected credit losses on these balances is AED 6.55 million (2023: AED 6.24 million).

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

	Due from banks	Due from exchange houses and agents	Total
	AED'000	AED'000	AED'000
As at 1 January 2023	6,000	-	6,000
Provision for the year	240	-	240
As at 31 December 2023	6,240	-	6,240
Provision for the year	310	156	466
Write-offs	-	(156)	(156)
As at 31 December 2024	6,550	-	6,550

8.6 Concentration of balance of cash on hand and in transit, due from banks, exchange houses and agents by geographical area:

	2024 AED'000	2023 AED'000
United Arab Emirates (UAE)	1,569,914	1,264,662
Middle East countries	79,914	63,134
Philippines	72,357	99,446
Pakistan	57,888	47,513
India	52,075	67,552
Bangladesh	3,054	17,769
United States of America	2,106	4,060
Europe	2,598	2,910
Other locations	31,601	56,646
	1,871,507	1,623,692
Cash on hand - UAE	976,568	1,099,158
Cheques on hand - UAE	12,573	26,175
Cash in transit - UAE	33,766	12,451
	2,894,414	2,761,476

The geographical information shown above has been classified by location of cash and cheques on hand and cash in transit, the respective branches of the banks, exchange houses and agents.

Notes to the consolidated financial statements for the year ended 31 December 2024 (continued)

8.7 Currency wise composition of cash and cheques on hand and in transit, balance due from banks, exchange houses and agents:

	2024	2023
	AED'000	AED'000
Local currency	1,665,612	1,367,577
Foreign currency	1,228,802	1,393,899
	2,894,414	2,761,476

9 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.

These transactions are entered into in the normal course of business and mainly include foreign exchange and remittance arrangements and rental of premises. Management decides on the terms and conditions of the transactions and services received or rendered from / to related parties based on arm's length principle.

9.1 Transactions with related parties

The significant transactions included in these consolidated financial statements are as follows:

	2024	2023
	AED'000	AED'000
Commission and exchange income earned - Al Ansari Exchange Kuwait	2,760	2,401
Recharge of shared corporate services to Group entities	551	-
Lease rental paid - Al Ansari Real Estate LLC	4,640	4,467

9.2 Due from / to related parties - Group entities

	2024	2023
	AED'000	AED'000
Due from related parties	177	22
Due to related parties	1,616	4,163

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 insignificant.

9.3 Remuneration to Board of Directors

During the year, the Group, based on shareholders' approval in the general assembly meeting held on 19 March 2024, has paid AED 0.623 million (2023: nil) in respect of Directors' remuneration and fees for attending meetings in 2023.

The remuneration payable to Board of Directors for the year 2024 shall be presented to the shareholders for approval in the next Annual General Meeting.

9.4 Key management personnel

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

	2024	2023
	AED'000	AED'000
Salaries and other benefits	15,478	13,352

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.

Notes to the consolidated financial statements for the year ended 31 December 2024 (continued)**10 Prepayments and other receivables**

	2024 AED'000	2023 AED'000
Commissions and incentives receivables	25,256	28,782
Security deposits	18,127	17,966
Positive value of overnight foreign currency forwards (note 30)	15,850	12,053
Deposit with tax authorities (note 10.1)	11,827	12,801
Bills receivables	9,885	22,363
Prepaid expenses	9,043	8,722
Due from liquidity provider (note 17.2)	558	-
Commission income receivable in relation to WPS	329	161
Other receivables (note 10.2)	16,381	14,606
	107,256	117,454

10.1 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.

10.2 Other receivables

Other receivables include interest receivable on bank deposits, advances to suppliers and landlords. These are primarily related to counterparties in the UAE.

The expected credit loss on other receivables is considered to be immaterial.

11 Lease liabilities

	2024 AED'000	2023 AED'000
Non-current	43,188	44,550
Current	40,876	38,146
	84,064	82,696

Notes to the consolidated financial statements for the year ended 31 December 2024 (continued)

The movement in lease liabilities is as follows:

	2024	2023
	AED'000	AED'000
As at 1 January	82,696	57,623
Additions	68,940	84,091
Finance cost on lease liability (note 24)	4,617	3,945
Payments	(72,189)	(62,963)
As at 31 December	84,064	82,696

The maturity of leased liabilities based on contractual payments is explained in note 30.1(c).

12 Provision for employees' end-of-service benefits

	2024	2023
	AED'000	AED'000
As at 1 January	45,851	41,853
Charge for the year (note 21)	7,901	7,189
Payments during the year	(3,774)	(3,191)
As at 31 December	49,978	45,851

13 Trade and other payables

	2024	2023
	AED'000	AED'000
Travel card payables (note 13.1)	275,666	213,044
Payable balances in relation to WPS	324,740	167,667
Remittances payable (note 13.2)	101,977	122,500
Bills payable	35,529	32,373
Unclaimed funds (note 13.2)	103,703	101,179
Accrued expenses	80,617	59,795
Other payables (note 13.3)	70,532	45,545
	992,764	742,103

13.1 Travel card payables represent money loads from customers which are placed with Abu Dhabi Islamic Bank and exclusively used for settlements to Visa International upon spending by the customers.

13.2 Represents pending settlements to beneficiaries for the remittances made by the customers.

13.3 Other payables include a provision of AED 28 million (2023: AED 4.20 million) against a charge imposed by Federal Authority for Identity, Citizenship, Customs and Port Security (ICP) for the services related to validating the customers' identification at the time of onboarding / transaction processing mandated by the regulator, CBUAE.

Included in the above, AED 23 million is mandated charge for the back-dated period of 2020 to 2022. The Group is contesting this back-dated charge on the basis that it not raised on timely basis, however, the Group has made the provision on conservative basis. In addition, the Group is also seeking clarity on the payment mechanism upon resolution of this matter.

Notes to the consolidated financial statements for the year ended 31 December 2024 (continued)

14 Due to banks, exchange houses and agents

	2024 AED'000	2023 AED'000
Due to banks		
Balances with local banks	8,233	3,640
Balances with foreign banks	5,745	16,736
Total amount due to banks	13,978	20,376
Due to exchange houses and agents		
Balances with local exchange houses and agents	530	254
Balances with foreign exchange houses and agents (note 14.1)	73,230	72,306
Total amount due to exchange houses and agents	73,760	72,560
	87,738	92,936

14.1 Due to exchange houses and agents include AED 11.41 million (2023: AED 16.15 million) payable to Western Union in lieu of remittance funding.

14.2 Currency wise composition of balances due to banks, exchange houses and agents:

	2024 AED'000	2023 AED'000
Local currency	37,233	20,039
Foreign currency	50,505	72,897
	87,738	92,936

15 Bank borrowings

	2024 AED'000	2023 AED'000
Bank overdraft - secured	100,000	325,000
Bank overdraft - unsecured	133,533	-
	233,533	325,000

The Group has arranged secured and unsecured bank overdraft facilities with various banks for AED 350 million (2023: AED 350 million) and AED 400 million (2023: AED 350 million) respectively to meet the working capital requirements of the Group. These facilities carry variable interest rates, repayable on demand and secured by way of account pledge over margin deposits placed by the Group or the Parent Company.

As on the reporting date, the Group had un-utilised bank overdraft facilities of AED 516.47 million (2023: AED 375 million) and was compliant with the covenant requirements of these bank overdraft facilities.

Notes to the consolidated financial statements for the year ended 31 December 2024 (continued)**16 Contingencies and commitments**

	2024	2023
	AED'000	AED'000
Contingent liabilities		
Guarantees issued by banks in favour of		
- CBUAE	255,000	235,000
- Others (note 16.1)	11,450	11,826
Total guarantees arranged and issued	266,450	246,826

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

16.2 The commitment in respect of capital expenditure incurred as at 31 December 2024 amounts to AED 1.97 million (2023: AED 1.33 million).

17 Share capital and Treasury shares**17.1 Share capital**

As at 31 December 2024, the authorised issued and fully paid share capital of the Company comprised 7,500,000,000 ordinary shares of AED 0.01 each (2023: 7,500,000,000 ordinary shares of AED 0.01 each).

17.2 Treasury shares

The Company 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. As on the reporting date, the liquidity provider held 8,900,447 shares (2023: nil) on behalf of the Company, which are classified under equity as treasury shares at par value. At the end of the contract term with the liquidity provider, the Company will have the option to either transfer the outstanding shares under its name or dispose of the shares in the market.

During the year, AED 9.52 million has been utilised from share premium reserve to account for the premium paid on acquisition of treasury shares, net of realized gains/losses upon disposal of shares.

In addition, the Company has an amount receivable from liquidity provider of AED 0.558 million (2023: nil) in respect of advance payment against the above-mentioned arrangement. (note 10)

18 Statutory reserve

In accordance with UAE Federal Law No. (32) of 2021 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 (2023: AED 37.50 million).

19 Acquisition reserve

On 1 January 2018, the Company had entered into an equity acquisition arrangement with its shareholders whereby all the shareholders transferred their individual equity interest in the Group entities to the Company.

The fair value of the net assets, acquired at the effective date of control, were treated as acquisition reserve, a reserve distributable to the shareholders, as there was no consideration paid to the shareholders.

Notes to the consolidated financial statements for the year ended 31 December 2024 (continued)

20 Net commission income

	2024 AED'000	2023 AED'000
Commission income		
Commission on remittances	488,521	483,433
Commission on collections	94,604	89,994
Bank notes and travel cards	31,377	27,511
	614,502	600,938
Commission expense and discount	(13,345)	(10,514)
Net commission income	601,157	590,424

21 Salaries and benefits

	2024 AED'000	2023 AED'000
Salaries and wages	349,909	325,212
Leave salary and air tickets	41,939	37,155
Staff bonuses and incentives	25,608	28,577
Employees' end-of-service benefits (note 12)	7,901	7,189
Other benefits	55,995	52,592
	481,352	450,725

22 General and administrative expenses

	2024 AED'000	2023 AED'000
Communication	23,459	20,632
Premises utilities, security, and maintenance	23,518	19,481
Marketing and promotions	15,203	17,193
VAT incurred but not recovered	11,755	11,646
IT related expenses	12,913	9,740
Cash transportation	6,746	7,541
License fees	6,587	5,854
Emirates ID validation costs (note 13.3)	24,646	4,200
Reversal of VAT provision against tax assessment (note 10.1)	(6,530)	-
Social contribution (note 22.1)	8,290	-
Other expenses	28,586	20,162
	155,173	116,449

22.1 The Group, based on shareholders' approval in annual general meeting, has allocated 2% of net profit after-tax as social contribution for the year (2023: nil).

Notes to the consolidated financial statements for the year ended 31 December 2024 (continued)

23 Depreciation

	2024 AED'000	2023 AED'000
Depreciation on:		
- Right-of-use assets (note 5)	65,103	59,295
- Property and equipment (note 6)	29,274	25,719
	94,377	85,014

24 Finance cost

	2024 AED'000	2023 AED'000
Finance cost on bank borrowings	4,136	9,382
Finance cost on lease liabilities (note 11)	4,617	3,945
	8,753	13,327

25 Income Tax

On 9 December 2022, the United Arab Emirates (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 has become effective for accounting periods beginning on or after 1 June 2023. As the Group's accounting year ends on 31 December, the first tax period is from 1 January 2024 to 31 December 2024, with the respective tax return to be filed on or before 30 September 2025.

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 tax charge for the year ended 31 December 2024 is AED 40.98 million (2023: nil), representing an Effective Tax Rate ("ETR") of 9.17% (2023: nil). The deviation from the UAE statutory tax rate (i.e. 9%) is primarily driven by certain expenses non-deductible in line with CT Law.

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

	2024 AED'000	2023 AED'000
Income tax expense	40,983	-

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

The Group has recognized corporate Income tax expense @ 9% (2023: nil) on the taxable profits subject to adjustment due to non-deductible expenses as per below reconciliation.

	2024 AED'000	2023 AED'000
Accounting profit before tax for the year	446,832	495,189
Income tax at UAE statutory rate of 9% (2023: nil)	40,215	-
Tax effect of amounts which are not deductible in calculating taxable income	746	-
Others	22	-
Total income tax charge for the year	40,983	-
Effective tax rate	9.17%	-

Notes to the consolidated financial statements for the year ended 31 December 2024 (continued)

Pillar 2

On 24 November 2023, the Ministry of Finance (“MOF”) published Federal Decree Law No. (60) of 2023, amending specific provisions of the CT Law to facilitate the future introduction of domestic minimum taxes under Organisation for Economic Cooperation and Development (OECD) Pillar 2 rules. On Friday 15 March 2024, MOF issued a public consultation document on the potential framework that the UAE will introduce to implement Pillar 2. As of 31 December 2024, the effective date of application of the new Pillar 2 is yet to be substantively enacted.

The Group is mainly domiciled in UAE domiciled and is not expected to be captured within the Pillar 2 rules. The Group is closely monitoring legislative developments and will provide the necessary disclosures after further announcements are released.

26 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.

	2024 AED'000	2023 AED'000
Profit for the year attributable to the shareholders (AED '000)	405,849	495,189
Weighted average number of ordinary shares ('000)	7,489,539	7,500,000
Basic and diluted earnings per share (AED)	0.0542	0.0660

27 Cash and cash equivalents

	2024 AED'000	2023 AED'000
Cash on hand and in transit	1,022,907	1,137,784
Due from banks – gross	1,857,475	1,583,569
Due to banks	(13,978)	(20,376)
	2,866,404	2,700,977
Less: Fixed deposits having original maturity longer than three months	(10,000)	(36,730)
	2,856,404	2,664,247

28 Dividend

The Board of Directors has proposed a cash dividend of AED 0.021 per share amounting to AED 157.50 million at its meeting held on 12 February 2025. The proposed dividend is subject to approval by the shareholders at the Company's General Assembly Meeting to be held in March 2025.

During the year, the Company has paid cash dividend of AED 0.061 per share amounting to AED 457.50 million (2023: AED 0.04 per share amounting to AED 300 million) based on the shareholders' / Directors' approval.

29 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 2024:

- **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 Senior 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.

Notes to the consolidated financial statements for the year ended 31 December 2024 (continued)

The Group operates primarily in United Arab Emirates and accordingly no further geographical analysis of revenue and profitability is given. No single customer contributed 10% or more to the Group's revenue.

Geographical concentration of financial assets is explained in note 8.6 and note 30.1.

For the year ended 31 December 2024

	Money exchange and remittances	Others	Segment Total
	AED'000	AED'000	AED'000
Income	1,167,129	21,507	1,188,636
Expenses			
Salaries and benefits, general, administrative and other expenses	(724,285)	(17,521)	(741,806)
Segment profit before tax for the year	442,844	3,986	446,830
Income tax expense	(40,604)	(377)	(40,981)
Segment profit after tax for the year	402,240	3,609	405,849

For the year ended 31 December 2023

	Money exchange and remittances	Others	Segment Total
	AED'000	AED'000	AED'000
Income	1,149,471	13,005	1,162,476
Expenses			
Salaries and benefits, general, administrative and other expenses	(659,410)	(7,877)	(667,287)
Segment profit before tax for the year	490,061	5,128	495,189
Income tax expense	-	-	-
Segment profit after tax for the year	490,061	5,128	495,189

30 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.

30.1 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.

Notes to the consolidated financial statements for the year ended 31 December 2024 (continued)**(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, due from 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 due from 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 61% (2023: 64%) is placed with three local 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:

	2024	2023
	AED'000	AED'000
Restricted deposits with banks (note 7)	59,604	51,259
Cheques on hand (note 8)	12,573	26,175
Cash in transit (note 8)	33,766	12,451
Due from banks (note 8)	1,857,475	1,583,569
Due from exchange houses and agents (note 8)	20,582	46,363
Due from related parties (note 9.1)	177	22
Other receivables	98,213	108,732
	2,082,390	1,828,571

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

	2024	2023
	AED'000	AED'000
Financial assets - gross	2,082,390	1,828,571
Less: Provision for expected credit losses (note 8.5)	(6,550)	(6,240)
Financial assets - net	2,075,840	1,822,331

Due to the nature of the Group's business, ageing analysis is not considered relevant and hence not provided. The geographical distribution of other receivables is as follows:

	2024	2023
	AED'000	AED'000
Inside the UAE	82,363	96,679
Outside the UAE	15,850	12,053
	98,213	108,732

Geographical distribution of due from banks, exchange houses and agents is provided in note 8.6.

Notes to the consolidated financial statements for the year ended 31 December 2024 (continued)**(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:

	Net profit for the year AED'000	Equity AED'000
2024		
Fluctuation in yield by 100 bps	±3,730	±3,730
2023		
Fluctuation in yield by 100 bps	±3,143	±3,143

The interest rate sensitivities set out above are illustrative only and employ simplified scenarios. They are based on AED 606.60 million of interest-bearing assets (2023: AED 639.32 million) and interest-bearing liabilities of AED 233.53 million as at 31 December 2024 (2023: AED 325 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.

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

	Long/(short) 2024 AED'000	Long/(short) 2023 AED'000
United States Dollar	828,857	948,772
Saudi Riyal	36,119	88,030
Philippines Peso	26,902	30,360
Pakistani Rupee	16,004	13,055
Omani Riyal	23,377	30,127
Egyptian Pound	3,550	(603)
Bangladesh Taka	1,686	1,530
Indian Rupee	(74)	(4,345)
Others	41,451	40,267
	977,872	1,147,193

Notes to the consolidated financial statements for the year ended 31 December 2024 (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 statement of profit or loss and other comprehensive income (due to the fair value of currency sensitive monetary assets and liabilities).

	Sensitivity Percentage	2024 AED'000 ±	2023 AED'000+
Saudi Riyal	1%	361	880
Philippines Peso	1%	269	304
Pakistani Rupee	1%	160	130
Omani Riyal	1%	234	301
Egyptian Pound	1%	36	(6)
Bangladesh Taka	1%	17	15
Indian Rupee	1%	(1)	(43)
Others	1%	415	403
Profit impact	1%	1,491	1,984

Foreign currency forwards - overnight

	2024 AED'000	2023 AED'000
Notional amount (short position)	96,977	200,816
Positive fair value of overnight forwards	15,850	12,053

(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 bank overdraft facilities with banks (note 15).

The table below summarises the maturity profiles of the Group's undiscounted financial liabilities at 31 December 2024, based on contractual payment dates and current market interest rates.

Notes to the consolidated financial statements for the year ended 31 December 2024 (continued)

	On demand	Less than 1 year	Between 2 to 3 years	Over 3 years
	AED'000	AED'000	AED'000	AED'000
31 December 2024				
Trade and other payables	992,764	-	-	-
Due to banks	13,978	-	-	-
Due to exchange houses and agents	73,760	-	-	-
Due to related parties	1,616	-	-	-
Bank borrowings	233,533	-	-	-
Income tax liability	-	40,983	-	-
Lease liabilities	-	44,216	36,165	9,272
Total	1,315,651	85,199	36,165	9,272

	On demand	Less than 1 year	Between 2 to 3 years	Over 3 years
	AED'000	AED'000	AED'000	AED'000
31 December 2023				
Trade and other payables	742,103	-	-	-
Due to banks	20,376	-	-	-
Due to exchange houses and agents	72,560	-	-	-
Due to related parties	4,163	-	-	-
Bank borrowings	325,000	-	-	-
Lease liabilities	-	39,182	32,991	10,403
Total	1,164,202	39,182	32,991	10,403

(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.

30.2 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 2024, the Group's capital is AED 1,740.59 million (2023: AED 1,801.42 million) and comprises paid up capital, reserves and retained earnings.

Notes to the consolidated financial statements for the year ended 31 December 2024 (continued)

31 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 cash in transit, due from 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, 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.