

Discussion report and analysis of the Board of Directors

Al Ansari Financial Services PJSC

Date	12 February 2026
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 2025 – 31 December 2025)
Overview of the main results during the financial period	<p>Income – AED 1,326 million (2024: AED 1,189 million), an increase of 11.5% mainly attributable to the acquisition of BFC Group.</p> <p>Operating income – AED 1,291 million (2024: AED 1,149 million), an increase of 12.4% mainly attributable to the acquisition of BFC Group.</p> <p>Profit before tax – AED 438 million (2024: AED 447 million), a decline of 2%</p> <p>Net profit after tax – AED 401 million (2024: AED 406 million), a marginal decline of 1.2%</p> <p>EBITDA - AED 563 million (2024: AED 510 million), an increase of 10.4% mainly attributable to the acquisition of BFC Group.</p> <p>Earnings per share – AED 0.0536 (2024: AED 0.0542)</p> <p>Total assets – AED 4,435 million (2024: AED 3,231million)</p> <p>Total Equity – AED 1,843 million (2024: AED 1,741million)</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 had acquired 100% of the shares of BFC Group Holdings W.L.L. and its subsidiaries for AED 734.60 million (i.e. US\$ 200 million). • The acquisition of BFC Group resulted in additional 160 branches across Bahrain, Kuwait and India. • Opened additional 17 physical branches across the UAE during the year • Al Ansari Digital Pay (a wholly owned subsidiary) has been launched during the year.
Summary of operational performance during the financial period	<p>Income</p> <p>Net gain on currency exchange for the year 2025 was AED 675 million (2024: AED 548 million), increased by 23.3% primarily driven by a 16.5% increase due to the acquisition of BFC Group and remaining 6.8% increase is attributable to the increase in margins and volumes in respect of bank notes and travel cards.</p> <p>Net commission income for the year 2025 was AED 616 million (2024: AED 601 million), which increased by 2.5% mainly attributable to business growth and offset by pricing adjustments to preserve market share.</p>

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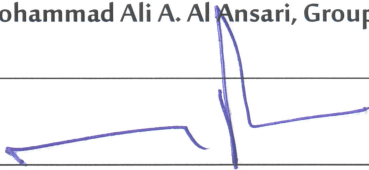
<p>Summary of operational performance during the financial period (continued)</p>	<p>Expenses</p> <p>Salaries and benefits for the year 2025 were AED 552 million (2023: AED 481 million), recorded a YoY increase of 14.7%, primarily driven by a 12.7% increase due to the acquisition of BFC Group and 2% increase is mainly due to the rise in the number of employees directly related to the opening of 17 new branches in UAE and compliance with Emiratisation targets.</p> <p>Other expenses for the year 2025 were AED 336 million (2023: AED 261 million), mainly increased by 28% due to the acquisition of BFC group and branch expansion.</p>																								
<p>Summary of profit and loss during the financial period</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">2025 AED million</th> <th style="width: 20%; text-align: center;">2024 AED million</th> </tr> </thead> <tbody> <tr> <td>Operating income</td> <td style="text-align: center;">1,291</td> <td style="text-align: center;">1,149</td> </tr> <tr> <td>Interest and other income</td> <td style="text-align: center;">34</td> <td style="text-align: center;">40</td> </tr> <tr> <td>Less: Salaries and benefits</td> <td style="text-align: center;">(552)</td> <td style="text-align: center;">(481)</td> </tr> <tr> <td>Less: Other expenses</td> <td style="text-align: center;">(336)</td> <td style="text-align: center;">(261)</td> </tr> <tr> <td>Profit before tax</td> <td style="text-align: center;">438</td> <td style="text-align: center;">447</td> </tr> <tr> <td>Less: Income tax expense</td> <td style="text-align: center;">(37)</td> <td style="text-align: center;">(41)</td> </tr> <tr> <td>Net profit after tax</td> <td style="text-align: center;">401</td> <td style="text-align: center;">406</td> </tr> </tbody> </table>		2025 AED million	2024 AED million	Operating income	1,291	1,149	Interest and other income	34	40	Less: Salaries and benefits	(552)	(481)	Less: Other expenses	(336)	(261)	Profit before tax	438	447	Less: Income tax expense	(37)	(41)	Net profit after tax	401	406
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<p>Summary of financial position as at the end of the financial period</p>	<ul style="list-style-type: none"> ● Total assets: AED 4,435 million (2024: AED 3,231 million). ● Cash and cash equivalents: AED 3,593 million (2024: AED 2,856 million). ● Total Equity: AED 1,843 million (2024: AED 1,741 million). ● Debt position (Shareholder's loan and bank borrowings): AED 692 million (2024: AED 233 million). 																								
<p>Summary of cash flows during the financial period</p>	<ul style="list-style-type: none"> ● Net cash generated from operating activities: AED 793 million (2024: AED 832 million). ● Net cash used in investing activities: AED 12 million (2024: AED 5 million). ● Net cash used in financing activities: AED 44 million (2024: AED 634 million). 																								
<p>Main performance indicators</p>	<ul style="list-style-type: none"> ● Total Transactions increased by +14% YoY. ● Wage Protection System (WPS) transactions saw a growth of 28%. ● Prepaid Cards exhibited a 76% YoY surge in volume growth. ● Outward remittance transactions conducted through digital channels were 25% of the total outward remittances. ● Increase in overall Digital transactions by 49%. 																								



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Expectations for the sector and the company's role in these expectations	<p>The market continues to face disruption from new entrants and fintech practices. To mitigate the impact, the Group launched its own digital wallet during the year.</p> <p>The Group is also committed to diversification of service offerings and new strategic partnerships to generate additional revenue.</p>
Expectations regarding the economy and its impact on the company and the sector	Overall UAE's GDP is projected to grow by 5.2% in 2026 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	<ul style="list-style-type: none"> • Synergies from the acquisition of BFC Group through 2026. • Al Ansari mobile application to be merged with Digital wallet Platform. • Further expansion opportunities into regional GCC markets.
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 2026).
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	<ul style="list-style-type: none"> • Acquisition of BFC Group Holdings W.L.L – Successfully completed during the year. • Acquisition of Al Ansari Exchange Co. WLL (Kuwait) is pending approval from Central Bank of Kuwait. • Al Ansari Digital Pay has been launched during the year.

The name of the chairman of the company or the authorized signatory	Mohammad Ali A. Al Ansari, Group Chairman
Signature and date	 <div style="float: right; text-align: right;">12 FEB 2026</div>
Company's Seal	