

# Al Ansari Financial Services PJSC and its Subsidiaries

Review report and condensed interim consolidated financial  
statements for the six-month period ended 30 June 2023



2023  
SECOND QUARTER



# AL ANSARI FINANCIAL SERVICES PJSC AND ITS SUBSIDIARIES

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## REVIEW REPORT ON CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders  
Al Ansari Financial Services PJSC  
Dubai, United Arab Emirates

### Introduction

We have reviewed the accompanying condensed interim consolidated balance sheet of Al Ansari Financial Services PJSC (the "Company") and its subsidiaries (together referred to as the "Group") as at 30 June 2023 and the related statements of comprehensive income, changes in equity and cash flows for the six-month period then ended 30 June 2023. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Other Matter

The comparative information presented in the condensed interim consolidated statements of income, comprehensive income, changes in equity and cash flows and related notes has not been reviewed or audited.

The financial statements of the Group for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those statements on 21 February 2023.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Deloitte & Touche (M.E.)



Firas Anabtawi  
Registration No. 5482  
09 August 2023  
Dubai  
United Arab Emirates



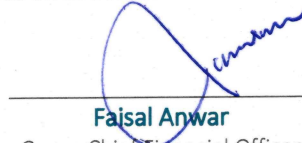
# Al Ansari Financial Services PJSC and its Subsidiaries

Condensed interim consolidated statement of financial position  
as at 30 June 2023

	Note	30 June 2023 (Unaudited)	31 December 2022 (Audited)
		AED'000	AED'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Right of use assets	4	96,152	67,235
Property, equipment and intangibles	5	57,737	49,067
Capital work in progress		4,864	4,337
<b>Total non-current assets</b>		<b>158,753</b>	<b>120,639</b>
<b>Current assets</b>			
Cash in hand and in transit	6	1,052,982	1,051,113
Due from banks	6	1,755,935	1,432,617
Due from exchange houses and agents	6	408,493	64,863
Due from related parties	7	20,197	217
Prepayments and other receivables	8	120,205	94,001
<b>Total current assets</b>		<b>3,357,812</b>	<b>2,642,811</b>
<b>Total assets</b>		<b>3,516,565</b>	<b>2,763,450</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities	9	45,586	23,658
Provision for employees' end of service benefits		43,997	41,853
<b>Total non-current liabilities</b>		<b>89,583</b>	<b>65,511</b>
<b>Current liabilities</b>			
Trade and other payables	10	935,578	657,492
Due to banks		39,873	10,824
Due to exchange houses and agents		89,710	39,861
Due to related parties	7	3,937	817
Bank borrowings	11	450,000	348,750
Lease liabilities	9	38,361	33,965
<b>Total current liabilities</b>		<b>1,557,459</b>	<b>1,091,709</b>
<b>Total liabilities</b>		<b>1,647,042</b>	<b>1,157,220</b>
<b>EQUITY</b>			
Share capital	13	75,000	75,000
Acquisition reserve	14	286,143	286,143
Retained earnings		1,508,380	1,245,087
<b>Total equity</b>		<b>1,869,523</b>	<b>1,606,230</b>
<b>Total liabilities and equity</b>		<b>3,516,565</b>	<b>2,763,450</b>

To the best of our knowledge, the condensed interim consolidated financial statements are prepared, in all material respects, in accordance with IAS 34. The condensed interim consolidated financial statements were approved by the Board of Directors and authorised for issue on 09 August 2023 and signed on its behalf:

  
**Rashed Al Ansari**  
Group Chief Executive Officer

  
**Faisal Anwar**  
Group Chief Financial Officer



# Al Ansari Financial Services PJSC and its Subsidiaries

Condensed interim consolidated statement of profit or loss and other comprehensive income for the six-month period ended 30 June 2023

	Note	Three-month period ended 30 June		Six-month period ended 30 June	
		2023 (Unaudited)	2022 (Unaudited and unreviewed)	2023 (Unaudited)	2022 (Unaudited and unreviewed)
		AED'000	AED'000	AED'000	AED'000
<b>Continuing operations Income</b>					
Net gain on currency exchange		130,973	153,295	280,607	289,682
Net commission income		160,031	134,350	297,419	261,079
Interest income		3,459	1,717	9,257	2,574
Other income		2,891	29	3,070	29
<b>Total income</b>		<b>297,354</b>	<b>289,391</b>	<b>590,353</b>	<b>553,364</b>
<b>Expenses</b>					
Salaries and benefits	15	(112,448)	(100,510)	(219,870)	(196,922)
General and administrative expenses		(31,014)	(25,891)	(58,691)	(51,037)
Depreciation and amortisation		(20,773)	(15,935)	(40,035)	(32,635)
Provision for expected credit losses		-	(300)	(240)	(1,300)
Finance cost		(2,531)	(553)	(7,619)	(931)
Bank charges		(304)	(346)	(605)	(570)
<b>Profit from continuing operations</b>		<b>130,284</b>	<b>145,856</b>	<b>263,293</b>	<b>269,969</b>
Profit from discontinued operations	16	-	2,094	-	3,986
<b>Net profit for the period</b>		<b>130,284</b>	<b>147,950</b>	<b>263,293</b>	<b>273,955</b>
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>130,284</b>	<b>147,950</b>	<b>263,293</b>	<b>273,955</b>
<b>Net profit attributable to:</b>					
Shareholders of Al Ansari Financial Services P.J.S.C.		130,284	147,826	263,293	273,742
Non-controlling interest		-	124	-	213
		<b>130,284</b>	<b>147,950</b>	<b>263,293</b>	<b>273,955</b>
<b>Profit attributable to shareholders of Al Ansari Financial Services P.J.S.C.:</b>					
Continuing operations		130,284	145,856	263,293	269,969
Discontinued operations		-	1,970	-	3,773
		<b>130,284</b>	<b>147,826</b>	<b>263,293</b>	<b>273,742</b>
<b>Basic and diluted earnings per share</b>					
Continuing operations - AED per share	17	0.0174	0.0195	0.0351	0.0360
Discontinued operations - AED per share	17	-	0.0003	-	0.0005
<b>Total basic and diluted earnings per share - AED</b>		<b>0.0174</b>	<b>0.0198</b>	<b>0.0351</b>	<b>0.0365</b>

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

## Al Ansari Financial Services PJSC and its Subsidiaries

Condensed interim consolidated statement of changes in equity  
for the six-month period ended 30 June 2023

	Share capital	Acquisition reserve	Shareholders' current account	Retained earnings	Total Shareholders' equity	Non controlling interest	Total equity
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
<b>At 1 January 2022 (Audited)</b>	50,000	1,381,043	96,934	983,980	2,511,957	14,513	2,526,470
Total comprehensive income for the period	-	-	-	273,742	273,742	213	273,955
Distribution of dividend	-	(15,549)	327,853	(312,304)	-	-	-
Distribution from current account	-	-	(43,770)	-	(43,770)	-	(43,770)
<b>At 30 June 2022 (Unaudited and unreviewed)</b>	<b>50,000</b>	<b>1,365,494</b>	<b>381,017</b>	<b>945,418</b>	<b>2,741,929</b>	<b>14,726</b>	<b>2,756,655</b>
<b>At 1 January 2023 (Audited)</b>	75,000	286,143	-	1,245,087	1,606,230	-	1,606,230
Total comprehensive income for the period	-	-	-	263,293	263,293	-	263,293
<b>At 30 June 2023 (Unaudited)</b>	<b>75,000</b>	<b>286,143</b>	<b>-</b>	<b>1,508,380</b>	<b>1,869,523</b>	<b>-</b>	<b>1,869,523</b>

The accompanying notes are an integral part of these condensed interim consolidated financial statements.



# Al Ansari Financial Services PJSC and its Subsidiaries

Condensed interim consolidated statement of cash flows  
for the six-month period ended 30 June 2023

Six-month period ended 30 June

	Note	2023 (Unaudited)	2022 (Unaudited and unreviewed)
		AED'000	AED'000
<b>Cash flows from operating activities</b>			
Net profit for the period		263,293	273,955
<b>Adjustments for:</b>			
Depreciation and amortisation	4,5	40,035	35,274
Provision for expected credit losses	6.2	240	1,300
Finance cost		7,619	931
Provision for employees' end of service benefits	15	3,551	3,273
Gain on disposal of property, equipment and intangibles		(60)	(28)
<b>Operating cash flows before settlement of employees' end of service benefits and changes in working capital</b>		<b>314,678</b>	<b>314,705</b>
Settlement of employees' end of service benefits		(1,407)	(1,410)
<b>Changes in working capital:</b>			
Due from exchange houses and agents		(343,630)	(117,063)
Due from related parties		(19,980)	(48,889)
Prepayment and other receivables		(26,204)	(44,979)
Trade and other payables		278,086	294,077
Due to related parties		3,120	3,817
Due to exchange houses and agents		49,849	14,809
Restricted deposits with banks		(91)	(26,282)
<b>Net cash generated from operating activities</b>		<b>254,421</b>	<b>388,785</b>
<b>Cash flows from investing activities</b>			
Payment for purchase of property, equipment and intangibles		(20,336)	(13,335)
Capital work in progress		(527)	320
Fixed deposits		165,190	(55,000)
Investments at fair value through profit & loss		-	(9,816)
Proceeds from sale of property, equipment and intangibles		373	-
<b>Net cash generated from / (used in) investing activities</b>		<b>144,700</b>	<b>(77,831)</b>
<b>Cash flows from financing activities</b>			
Dividend paid		-	(327,853)
Disbursements from shareholders' current account		-	284,083
Lease liabilities paid	9	(33,216)	(22,188)
Proceeds from bank borrowings		450,000	-
Repayment of bank borrowings		(354,428)	-
<b>Net cash generated from / (used in) financing activities</b>		<b>62,356</b>	<b>(65,958)</b>
<b>Net change in cash and cash equivalents</b>		<b>461,477</b>	<b>244,996</b>
Cash and cash equivalents at the beginning of the period		2,226,625	2,681,258
<b>Cash and cash equivalents at the end of the period</b>	18	<b>2,688,102</b>	<b>2,926,254</b>

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

# Al Ansari Financial Services PJSC and its Subsidiaries

Notes to the condensed interim consolidated financial statements  
for the six-month period ended 30 June 2023

## 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 has been converted to a public joint stock company on 3 April 2023 by virtue of the Company’s shareholders’ resolution.

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 LLC (the “Parent Company”) held 90% of the issued share capital whereas the remaining 10% is held by the general public.

The condensed interim consolidated financial statements for the period ended 30 June 2023 comprise the interim financial statements of the Company and its following subsidiaries (together referred to as the “Group”).

Name of the subsidiary	Percentage holding	
	30 June 2023	31 December 2022
Al Ansari Exchange L.L.C.	100%	100%
Worldwide Cash Express Limited	100%	100%
Blue Horizon on Demand Labours Supply Services L.L.C.	100%	100%
Cash Trans Money & Valuables Transport Services L.L.C.	100%	100%

All the subsidiaries mentioned above are incorporated in the United Arab Emirates.

The Group is engaged in the business of buying and selling of foreign currencies and travellers cheques, cheques, executing remittance operations in local and foreign currencies, payment of wages through establishing a link to the operating system of “wages protection”, provision of special products and services (i.e. bill payments, cash collections, sale and reload of multi-currency prepaid cards) and transportation of cash and valuables.

The registered office of the Company is at PO Box 6176, Dubai, UAE.



# Al Ansari Financial Services PJSC and its Subsidiaries

Notes to the condensed interim consolidated financial statements (continued)  
for the six-month period ended 30 June 2023

## 2. Basis of preparation

### a. Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with the International Accounting Standard 34. "Interim Financial Reporting" issued by the International Accounting Standards Board.

The condensed interim consolidated financial statements do not include all the information required for a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and should be read in conjunction with the Group's audited consolidated financial statements for the year ended 31 December 2022. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual audited consolidated financial statements as at and for the year ended 31 December 2022.

### b. Basis of measurement

These condensed interim consolidated financial statements have been prepared under the historical cost convention except for derivatives which are recognised at fair value, and on a going concern basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

No income of a seasonal nature was recorded in the condensed interim consolidated financial statements for the six-month period ended 30 June 2023. However, the results for the six-month period ended 30 June 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

### c. Functional and presentation currency

The condensed interim consolidated financial statements are presented in United Arab Emirates Dirhams (AED) which is the Company's functional currency and the Group's presentation currency. All amounts have been rounded to the nearest AED thousands ('000s), unless stated otherwise.

### 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 interim financial statements of a subsidiary are included in the condensed interim 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 unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intragroup transactions, are eliminated in preparing the condensed interim consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but to the extent that there is no evidence of impairment.

# Al Ansari Financial Services PJSC and its Subsidiaries

Notes to the condensed interim consolidated financial statements (continued)  
for the six-month period ended 30 June 2023

## 2. Basis of preparation (continued)

### e. Judgments and estimates

The preparation of these condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, equity, income and expense. Actual amount may differ from these estimates.

In preparing these condensed interim consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of uncertainty in relation to estimates were the same as those which were applicable to the audited consolidated financial statements as at and for the year ended 31 December 2022.

## 3. Summary of significant accounting policies

The accounting policies used in the preparation of these condensed interim consolidated financial statement are consistent with those used in the preparation of the Group's consolidated financial statements for the year ended 31 December 2022, and the notes attached thereto.

### 3.1 Adoption of new and revised Standards

#### New and amended IFRS Standards that are effective for the current period

During the six-month period, the Group has applied a number of amendments to IFRS 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 2023.

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2023, have been adopted in these condensed interim consolidated financial statements. Their adoption has not had any material impact on the disclosures or on the amounts reported in these condensed interim consolidated financial statements.

New and revised IFRS	Summary
IFRS 17 Insurance Contracts	IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2023.
Amendments to IFRS 17 Insurance Contracts	<ul style="list-style-type: none"> <li>Amends IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 Insurance Contracts was published in 2017. The main changes are:</li> <li>Deferral of the date of initial application of IFRS 17 by two years to annual periods beginning on or after 1 January 2023.</li> </ul>

# Al Ansari Financial Services PJSC and its Subsidiaries

Notes to the condensed interim consolidated financial statements (continued)  
for the six-month period ended 30 June 2023

## 3. Summary of significant accounting policies (continued)

### 3.1 Adoption of new and revised Standards (continued)

#### New and amended IFRS Standards that are effective for the current period (continued)

New and revised IFRS	Summary
Amendments to IFRS 17 Insurance Contracts	<ul style="list-style-type: none"> <li>• Additional scope exclusion for credit card contracts and similar contracts that provide insurance coverage as well as optional scope exclusion for loan contracts that transfer significant insurance risk.</li> <li>• Recognition of insurance acquisition cash flows relating to expected contract renewals, including transition provisions and guidance for insurance acquisition cash flows recognised in a business acquired in a business combination.</li> <li>• Clarification of the application of IFRS 17 in interim financial statements allowing an accounting policy choice at a reporting entity level.</li> <li>• Clarification of the application of contractual service margin (CSM) attributable to investment-return service and investment-related service and changes to the corresponding disclosure requirements.</li> <li>• Extension of the risk mitigation option to include reinsurance contracts held and non-financial derivatives.</li> <li>• Amendments to require an entity that at initial recognition recognises losses on onerous insurance contracts issued to also recognise a gain on reinsurance contracts held.</li> <li>• Simplified presentation of insurance contracts in the statement of financial position so that entities would present insurance contract assets and liabilities in the statement of financial position determined using portfolios of insurance contracts rather than groups of insurance contracts.</li> <li>• Additional transition relief for business combinations and additional transition relief for the date of application of the risk mitigation option and the use of the fair value transition approach.</li> </ul>
Amendment to IFRS 17 Insurance Contracts Initial Application of IFRS 17 and IFRS 9 - Comparative Information	The amendment permits entities that first apply IFRS 17 and IFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset before.
Amendments to IFRS 4 Insurance Contracts Extension of the Temporary Exemption from Applying IFRS 9	The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.

# Al Ansari Financial Services PJSC and its Subsidiaries

Notes to the condensed interim consolidated financial statements (continued)  
for the six-month period ended 30 June 2023

## 3. Summary of significant accounting policies (continued)

### 3.1 Adoption of new and revised Standards (continued)

#### New and amended IFRS Standards that are effective for the current period (continued)

New and revised IFRS	Summary
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2	The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.
Amendments to IAS 12 Income Taxes relating to Deferred Tax related to Assets and Liabilities arising from a Single Transaction	The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.
Amendments to IAS 12 Income Taxes relating to International Tax Reform - Pillar Two Model Rules	The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

# Al Ansari Financial Services PJSC and its Subsidiaries

Notes to the condensed interim consolidated financial statements (continued)  
for the six-month period ended 30 June 2023

## 3. Summary of significant accounting policies (continued)

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

At the date of authorisation of these condensed interim 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 IFRSs	Effective for annual periods beginning on or after
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.	1 January 2024
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.	1 January 2024
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.	1 January 2024
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.	1 January 2024
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) relating to the treatment of the sale or contribution of assets from an investor to its associate or joint venture	Effective date deferred indefinitely. Adoption is still permitted.

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



# Al Ansari Financial Services PJSC and its Subsidiaries

Notes to the condensed interim consolidated financial statements (continued)  
for the six-month period ended 30 June 2023

## 3. Summary of significant accounting policies (continued)

### 3.3 Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2022.

## 4. Right of use assets

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
	AED'000	AED'000
Properties	96,152	67,235

The movement of right of use assets - properties during the six-month period:

	(Unaudited)
	AED'000
At 1 January 2023	67,235
Additions (note 4.1)	57,599
Depreciation expense	(28,682)
At 30 June 2023	96,152

4.1 Additions include AED 20 million in respect of a lease agreement entered into with a related party, Al Ansari Real Estate LLC, for a fixed term of six years in relation to renting the head office premises of the Group (note 7(a)).



## Al Ansari Financial Services PJSC and its Subsidiaries

Notes to the condensed interim consolidated financial statements (continued)  
for the six-month period ended 30 June 2023

### 5. Property, equipment and intangibles

	Furniture and fixtures	Computers, software, and office equipment	Motor vehicles	Total
	AED'000	AED'000	AED'000	AED'000
<b>31 December 2022</b>				
Cost	111,395	76,139	9,623	197,157
Accumulated depreciation	(86,691)	(54,952)	(6,447)	(148,090)
<b>Net book value as at 31 December 2022 (audited)</b>	<b>24,704</b>	<b>21,187</b>	<b>3,176</b>	<b>49,067</b>
<b>For the six-month period</b>				
Additions	11,587	5,859	2,890	20,336
Reclassification	(225)	225	-	-
Disposals	(284)	(29)	-	(313)
Depreciation	(5,593)	(5,060)	(700)	(11,353)
<b>Net book value as at 30 June 2023</b>	<b>30,189</b>	<b>22,182</b>	<b>5,366</b>	<b>57,737</b>
<b>30 June 2023 (Unaudited)</b>				
Cost	117,407	78,879	12,156	208,442
Accumulated depreciation	(87,218)	(56,697)	(6,790)	(150,705)
<b>Net book value</b>	<b>30,189</b>	<b>22,182</b>	<b>5,366</b>	<b>57,737</b>

### 6. Cash in hand and in transit, due from banks, exchange houses and agents

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
	AED'000	AED'000
<b>Cash in hand and in transit</b>		
Cash in hand	986,460	1,029,310
Cash in transit	66,522	21,803
<b>Total amount of cash in hand and in transit</b>	<b>1,052,982</b>	<b>1,051,113</b>



## Al Ansari Financial Services PJSC and its Subsidiaries

Notes to the condensed interim consolidated financial statements (continued)  
for the six-month period ended 30 June 2023

### 6. Cash in hand and in transit, due from banks, exchange houses and agents (continued)

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
	AED'000	AED'000
<b>Due from banks</b>		
Balances with banks in UAE		
- Current accounts	1,295,496	783,448
- Fixed deposits	36,735	201,925
- Restricted deposits	40,530	40,476
- Advances to banks against credit card collections	8,566	5,218
- Credit card receivables	41,594	23,380
	<b>1,422,921</b>	<b>1,054,447</b>
Balances with banks outside UAE		
- Current accounts	329,337	374,290
- Restricted deposits	9,917	9,880
	<b>339,254</b>	<b>384,170</b>
Less: Provision for expected credit losses (note 6.2)	(6,240)	(6,000)
	<b>333,014</b>	<b>378,170</b>
<b>Total amount due from banks</b>	<b>1,755,935</b>	<b>1,432,617</b>
<b>Due from exchange houses and agents</b>		
Balances with exchange houses and agents inside UAE	53	68
Balances with exchange houses and agents outside UAE	408,440	64,795
<b>Total amount due from exchange houses and agents</b>	<b>408,493</b>	<b>64,863</b>
<b>Total balance of cash in hand and in transit, due from banks, exchange houses and agents (note 6.3)</b>	<b>3,217,410</b>	<b>2,548,593</b>

6.1. Amounts due from banks, exchange houses and agents are regularly assessed for credit quality having regard to their credit rating assigned by international or respective country's rating agencies and the country risk.





## Al Ansari Financial Services PJSC and its Subsidiaries

Notes to the condensed interim consolidated financial statements (continued)  
for the six-month period ended 30 June 2023

### 6. Cash in hand and in transit, due from banks, exchange houses and agents (continued)

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
	AED'000	AED'000
Assessed high rated externally (A1-Baa3)	1,868,591	1,135,001
Assessed medium to low rated externally (Ba3-B1)	73,516	125,899
Unrated externally, Assessed high rated internally	119,134	132,941
Unrated – others	109,427	109,639
	<b>2,170,668</b>	<b>1,503,480</b>

6.2. The movement for provision for expected credit losses during the six-month period:

	Stage 1
	AED'000
At 1 January 2023 (Audited)	6,000
Provision during the period	240
<b>At 30 June 2023 (Unaudited)</b>	<b>6,240</b>

6.3 Due to the nature of the Group's business, the ageing of amounts due from banks, other than fixed deposits and restricted deposits, and from exchange houses is within 30 days.

### 7. Related party transactions

Related parties comprise shareholders, directors, key management personnel, their related businesses and the Group's associates and joint ventures.

The Group enters into transactions with other entities that fall within the definition of a related party as defined in the International Accounting Standard No. 24: Related Party Disclosures. These transactions are entered into in the normal course of business and mainly include foreign exchange, remittance arrangements and rental of office / branch premises.

# Al Ansari Financial Services PJSC and its Subsidiaries

Notes to the condensed interim consolidated financial statements (continued)  
for the six-month period ended 30 June 2023

## 7. Related party transactions (continued)

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

	Six-month period ended 30-June	
	2023 (Unaudited)	2022 (Unaudited and unreviewed)
	AED'000	AED'000
<b>Transactions with related parties (companies under common control)</b>		
Commission income earned – Al Ansari Exchange Co. WLL, Kuwait	243	189
Interest paid – Group entities	-	189
Right of use asset for head office lease - Al Ansari Real Estate LLC (a)	20,031	-
Finance Cost and depreciation	2,173	-

- a) During the six-month period ended 30 June 2023, the Group entered into a lease agreement with a related party, Al Ansari Real Estate LLC, for a fixed term of six years in relation to renting the head office premises of the Group resulting in right of use and lease liability addition of AED 20 million.

### 7.1 Due from / to related parties (companies under common control)

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
	AED'000	AED'000
<b>Due from related parties</b>		
Group entities	20,197	217
<b>Due to related parties</b>		
Group entities	3,937	817

# Al Ansari Financial Services PJSC and its Subsidiaries

Notes to the condensed interim consolidated financial statements (continued)  
for the six-month period ended 30 June 2023

## 7.1 Due from / to related parties (companies under common control) (continued)

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

Due to related parties represents unsecured interest free current accounts which have arisen under the normal course of business. Certain due to related party balances as at 30 June 2022 were subject to an average interest rate of 1.15%. These balances were fully settled during 2022.

## 7.2 Key management personnel

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

	Six-month period ended 30 June	
	2023 (Unaudited)	2022 (Unaudited and unreviewed)
	AED'000	AED'000
Salaries and other benefits	6,723	5,556

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.

## 8. Prepayments and other receivables

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
	AED'000	AED'000
Prepaid expenses	8,958	7,868
Bills receivables	26,120	10,128
Security deposits and other receivables (note 8.1)	60,572	53,674
Deposit with tax authorities (note 8.2)	12,801	12,801
Commission income receivable in relation to WPS	309	132
Positive value of overnight foreign currency forwards	11,445	9,398
	<b>120,205</b>	<b>94,001</b>

8.1 Other receivables are primarily related to counterparties in the UAE. The expected credit loss on other receivables is insignificant.

# Al Ansari Financial Services PJSC and its Subsidiaries

Notes to the condensed interim consolidated financial statements (continued)  
for the six-month period ended 30 June 2023

## 8. Prepayments and other receivables (continued)

### 8.2 Deposit with tax authorities

#### Voluntary disclosures filed for tax periods from January 2018 to January 2019 – AED 0.97 million

On 29 March 2019, the Group had filed voluntary disclosures as a result of applying incorrect apportionment formula for allocating input tax into taxable and exempt supplies for the tax period from January 2018 to January 2019. The Federal Tax Authority (FTA) accepted the voluntary disclosures, however, levied a penalty of AED 0.97 million, on the tax shortfall of AED 1.88 million, originated as a result of using an inappropriate method of apportionment.

The Group has challenged the levy of these penalties based on the contention that the Group had a refundable tax position during the tax period January 2018 to December 2018 and therefore, any tax shortfall should have been adjusted with the excess refundable position.

On 30 August 2022, the Federal Court of First Instance decided the matter against the Group. The Group filed an appeal against the decision on 29 September 2022. However, on 16 November 2022, the Federal Court of Appeal upheld the decision of Federal Court of First Instance against which the Group has filed an appeal with Federal Supreme Court pending hearing.

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

During the year 2020, The FTA had assessed that the share of income received from sending agents in relation to inward remittances is subject to standard rate of tax. Accordingly, FTA had assessed short payment of VAT by the Group and related penalties amounting to AED 9.43 million based on the view that the recipients of the service reside in UAE. In 2021, the FTA reduced its original assessment to AED 6.53 million. The Group is of the view that receipt of such income should be zero rated in accordance with VAT regulations due to the fact that the services are provided to the sending agents who are non-resident persons at the time of providing such services and filed an appeal with Federal Court of First Instance.

On 8 February 2022, the Federal Court of First Instance has decided the matter in favour of the Group. However, the FTA had filed an appeal challenging the decision of the Court. On 1 February 2023, the Federal Court of Appeal upheld the decision of Federal Court of First Instance, against which FTA has filed an appeal with the Federal Supreme Court which is pending hearing.

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

Further, as a result of above-mentioned tax assessment and to avoid further penalties, the Group has filed voluntary disclosures in 2021 for tax periods from February 2019 to October 2020 and additionally paid AED 5.30 million (VAT and related penalties). The Group reserves the right to get a refund from FTA if the matter is decided by the Federal Supreme Court in the Group's favour.



## Al Ansari Financial Services PJSC and its Subsidiaries

Notes to the condensed interim consolidated financial statements (continued)  
for the six-month period ended 30 June 2023

### 9. Lease liabilities

The movement of lease liabilities is provided below:

	2023 (Unaudited)
	AED'000
At 1 January 2023	57,623
Additions	57,599
Finance cost on lease liability	1,941
Payments	(33,216)
<b>At 30 June 2023</b>	<b>83,947</b>

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
	AED'000	AED'000
Non-current	45,586	23,658
Current	38,361	33,965
	<b>83,947</b>	<b>57,623</b>

### 10. Trade and other payables

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
	AED'000	AED'000
Travel card payables (note 10.1)	209,141	168,916
Bills payables	324,368	81,499
Cash Express remittances payable (note 10.2)	80,688	60,871
Payable balances in relation to Wage Protection System	121,924	130,122
Payable to Western Union in lieu of remittance funding	-	12,780
Accrued expenses	57,860	59,068
Other payables	141,597	144,236
	<b>935,578</b>	<b>657,492</b>

10.1 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.

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

# Al Ansari Financial Services PJSC and its Subsidiaries

Notes to the condensed interim consolidated financial statements (continued)  
for the six-month period ended 30 June 2023

## 11. Bank borrowings

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
	AED'000	AED'000
Term loan facility (note 11.1)	-	298,750
Bank overdraft (note 11.2)	450,000	50,000
	<b>450,000</b>	<b>348,750</b>

### 11.1 Term loan facility

On 24 November 2022, the Group arranged a term loan facility of AED 1,000 million, subsequently reduced to AED 500 million on 12 June 2023, from a local commercial bank for a period of three years with an initial drawdown of AED 300 million against the facility on 29 December 2022. The facility can be drawn in multiple tranches whereby each tranche is repaid in full along with the interest within 90 days of utilisation, with an option to rollover the principal amount throughout the term. As on the reporting date, the utilised tranche of term loan facility was repaid in full and not rolled over.

As per the facility agreement, each drawdown should be secured by way of pledge over fixed deposits for a similar amount by the Group or the Parent Company and carries interest at three-month EIBOR plus a fixed margin per annum.

### 11.2 Bank overdraft

This represents the drawdown amount out of the total overdraft facilities arranged with various banks for AED 600 million (2022: AED 50 million). These facilities are available to meet the working capital requirements of the Group and carry variable interest rates plus fixed margins. These facilities are repayable on demand and are secured by account pledge over the margin deposits placed by the Group or the Parent Company.

## 12. Contingencies and commitments

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
	AED'000	AED'000
<b>Contingent liabilities</b>		
Guarantees issued by banks in favour of:		
Central Bank of the UAE ("CBUAE")	235,000	220,000
Financial institutions for correspondent relationships (note 12.1)	11,826	11,826
<b>Total guarantees arranged and issued</b>	<b>246,826</b>	<b>231,826</b>

# Al Ansari Financial Services PJSC and its Subsidiaries

Notes to the condensed interim consolidated financial statements (continued)  
for the six-month period ended 30 June 2023

## 12. Contingencies and commitments (continued)

- 12.1 The Group has arranged guarantees from local commercial banks, drawn in favour of certain correspondent banks and business partners as required under the terms of the respective correspondent arrangements.
- 12.2 The commitment in respect of capital expenditure incurred as at 30 June 2023 amounts to AED 6.38 million (31 December 2022: AED 3.70 million).

## 13. Share capital

At 30 June 2023, the authorised issued and fully paid share capital of the Company comprised 7,500,000,000 ordinary shares of AED 0.01 each (31 December 2022: 7,500,000,000 ordinary shares of AED 0.01 each).

## 14. 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 that were 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 shareholders.

## 15. Salaries and benefits

Six-month period ended 30 June

	2023 (Unaudited)	2022 (Unaudited and unreviewed)
	AED'000	AED'000
Salaries and wages	165,719	142,706
Staff bonuses and incentives	12,995	12,695
Leave salary and air tickets	17,927	15,297
Employees' end of service benefits	3,551	3,247
Other benefits	19,678	22,977
	<b>219,870</b>	<b>196,922</b>

## 16. Discontinued operations

On 30 September 2022, the Board resolved to carry out an internal restructuring of the Group whereby all the shares owned by the Company in Al Ansari Real Estate LLC and Al Ansari Financial Brokerage LLC were sold to the Parent Company on 24 November 2022 and 30 November 2022 respectively.



## Al Ansari Financial Services PJSC and its Subsidiaries

Notes to the condensed interim consolidated financial statements (continued)  
for the six-month period ended 30 June 2023

### 16. Discontinued operations (continued)

Financial information and cash flow information presented are for the six-month period from 1 January to 30 June 2022:

	2022 (Unaudited and unreviewed)
	AED'000
Net commission income	2,779
Interest income – net	705
Rental income	7,959
Other income	626
	<b>12,069</b>
Salaries and benefits	(1,574)
General and administrative expenses	(3,558)
Depreciation and amortisation	(2,639)
Bank and finance charges	(312)
<b>Profit from discontinued operations</b>	<b>3,986</b>
Net cash flows from operating activities	12,812
Net cash flows used in investing activities	(96)
<b>Net cash flows from discontinued operations</b>	<b>12,716</b>

### 17. Basic and diluted earnings per share

Basic and diluted earnings per share - Continuing operations

	Six-month period ended 30 June	
	2023 (Unaudited)	2022 (Unaudited and unreviewed)
Profit from continuing operations for the period attributable to the shareholders (AED '000)	263,293	269,969
Weighted average number of Number of ordinary shares during the year ('000)	7,500,000	7,500,000
Basic and diluted earnings per share – continued operations (AED)	0.0351	0.0360





## Al Ansari Financial Services PJSC and its Subsidiaries

Notes to the condensed interim consolidated financial statements (continued)  
for the six-month period ended 30 June 2023

### 17. Basic and diluted earnings per share (continued)

Basic and diluted earnings per share - Discontinued operations

Six-month period ended 30 June

	2023 (Unaudited)	2022 (Unaudited and unreviewed)
Profit from discontinued operations for the period attributable to the shareholders (AED '000)	-	3,773
Weighted average number of Number of ordinary shares during the year ('000)	7,500,000	7,500,000
Basic and diluted earnings per share – Discontinued operations (AED)	-	0.0005

### 18. Cash and cash equivalents

	30 June 2023 (Unaudited)	31 December 2022 (Audited)	30 June 2022 (Unaudited)
	AED'000	AED'000	AED'000
Cash in hand and in transit	1,052,982	1,051,113	981,679
Due from banks - gross	1,762,175	1,438,617	2,106,935
Due to banks	(39,873)	(10,824)	(14,431)
	<b>2,775,284</b>	<b>2,478,906</b>	<b>3,074,183</b>
<b>Less:</b>			
Fixed deposits with an original maturity longer than three months	(36,735)	(201,925)	(60,000)
Restricted deposits with banks inside UAE	(40,530)	(40,476)	(78,012)
Restricted deposits with banks outside UAE	(9,917)	(9,880)	(9,917)
<b>Total cash and cash equivalents</b>	<b>2,688,102</b>	<b>2,226,625</b>	<b>2,926,254</b>

# Al Ansari Financial Services PJSC and its Subsidiaries

Notes to the condensed interim consolidated financial statements (continued)  
for the six-month period ended 30 June 2023

## 19. Reporting segments

For management purposes, the Group is organised into business units based on relevant business activities and there is one reportable segment as of 30 June 2023 (3 main reportable segments as of 30 June 2022), as follows:

- **Money Exchange and Remittances:** the Group primarily provides cross-border and domestic remittances, purchase and sale of foreign currencies, processing 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.
- **Lease of real estate properties:** the Group owns real estate properties and leases it to individuals and businesses for residential and commercial purposes.
- **Securities brokerage:** the Group provides brokerage services in local securities traded on Dubai Financial Market (DFM) & Abu Dhabi Stock Exchange (ADX).

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.

For the six-month ended 30 June 2023 (Unaudited)

	Money exchange & remittances	Lease of real estate properties	Securities brokerage	Others	Segment Total
	AED'000	AED'000	AED'000	AED'000	AED'000
<b>Revenue</b>	<b>586,297</b>	-	-	<b>4,056</b>	<b>590,353</b>
<b>Expenses</b>					
Salaries and benefits, general, administrative and other expenses	(323,545)	-	-	(3,515)	(327,060)
<b>Segment profit from continued operations</b>	<b>262,752</b>	-	-	<b>541</b>	<b>263,293</b>
Profit from discontinued operations	-	-	-	-	-
<b>Segment profit for the period</b>	<b>262,752</b>	-	-	<b>541</b>	<b>263,293</b>

# Al Ansari Financial Services PJSC and its Subsidiaries

Notes to the condensed interim consolidated financial statements (continued)  
for the six-month period ended 30 June 2023

## 19. Reporting Segments (continued)

For the six-month ended 30 June 2022 (Unaudited and unreviewed)

	Money exchange & remittances	Lease of real estate properties	Securities brokerage	Others	Segment Total
	AED'000	AED'000	AED'000	AED'000	AED'000
<b>Revenue</b>	<b>548,232</b>	-	-	<b>5,132</b>	<b>553,364</b>
<b>Expenses</b>					
Salaries and benefits, general, administrative and other expenses	(281,088)	-	-	(2,307)	(283,395)
<b>Segment profit from continued operations</b>	<b>267,144</b>	-	-	<b>2,825</b>	<b>269,969</b>
Profit from discontinued operations	-	3,018	968	-	3,986
<b>Segment profit for the period</b>	<b>267,144</b>	<b>3,018</b>	<b>968</b>	<b>2,825</b>	<b>273,955</b>

The Group generates all its revenue from the UAE and all non-financial assets are located in the UAE.

## 20. 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 Company.

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.

# Al Ansari Financial Services PJSC and its Subsidiaries

Notes to the condensed interim consolidated financial statements (continued)  
for the six-month period ended 30 June 2023

## 20. Fair value measurement (continued)

### *Fair value hierarchy*

The Company 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 Company 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 forward rate determined on the reporting date.

## 21. Litigations

The Group is subject to litigations in the normal course of its business. The Group expects that the outcome of these legal cases will not have a material impact on the Group's condensed interim consolidated financial performance or condensed interim consolidated financial position.

## 22. Subsequent events

There are no other significant events after the reporting period that would require adjustment or disclosure in these condensed interim consolidated financial statements.

## 23. Corporate tax in UAE

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the CT Law) to enact a Federal corporate tax regime in the UAE. The new CT regime became effective for accounting periods beginning on or after 1 June 2023. As the Group's accounting year ends on 31 December, accordingly the effective implementation date for the Group will start from 1 January 2024 to 31 December 2024, with the first return to be filed on or before 30 September 2025.

The Group will be subject to a 9% corporate tax rate on taxable income above a threshold of AED 375,000. As per the Group's assessment, there is no deferred tax impact on account of the CT Law on these condensed interim consolidated financial statements. The Group will continue to assess the possible impact of the CT Law from current and deferred tax perspective based on clarifications and guidance on the implementation of CT Law.