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

Al Ansari Financial Services PJSC and its Subsidiaries

Review report and condensed interim consolidated financial statements for the nine-month period ended 30 September 2024

2024
THIRD QUARTER

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

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 statement of financial position of Al Ansari Financial Services PJSC (the "Company") and its subsidiaries (together referred to as the "Group") as at 30 September 2024 and the related condensed interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the nine-month period ended 30 September 2024 and other explanatory notes. 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.

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
06 November 2024
Dubai
United Arab Emirates

Al Ansari Financial Services PJSC and its Subsidiaries

Condensed interim consolidated statement of financial position
As at 30 September 2024

	Note	30 September 2024 (Unaudited)	31 December 2023 (Audited)
ASSETS		AED'000	AED'000
Non-current assets			
Right-of-use assets	4	100,420	92,031
Property and equipment	5	73,335	71,926
Restricted deposits with banks		49,771	51,259
Total non-current assets		**223,526**	**215,216**
Current assets			
Cash on hand and in transit	6	944,805	1,137,784
Due from banks	6	1,658,256	1,577,329
Due from exchange houses and agents	6	173,633	46,363
Due from related parties	7	11,074	22
Prepayments and other receivables	8	123,654	117,454
Total current assets		**2,911,422**	**2,878,952**
Total assets		**3,134,948**	**3,094,168**
LIABILITIES AND EQUITY			
LIABILITIES			
Non-current liabilities			
Lease liabilities	9	43,638	44,550
Provision for employees' end-of-service benefits		48,805	45,851
Total non-current liabilities		**92,443**	**90,401**
Current liabilities			
Trade and other payables	10	971,189	742,103
Dividends payable	22 (a)	157,500	-
Due to banks		24,278	20,376
Due to exchange houses and agents		57,713	72,560
Due to related parties	7	418	4,163
Bank borrowings	11	159,016	325,000
Lease liabilities	9	42,265	38,146
Total current liabilities		**1,412,379**	**1,202,348**
Total liabilities		**1,504,822**	**1,292,749**
EQUITY			
Share capital	13.1	75,000	75,000
Treasury shares	13.2	(220)	-
Share premium	13.2	(22,110)	-
Statutory reserve		37,500	37,500
Acquisition reserve	14	286,143	286,143
Retained earnings		1,253,813	1,402,776
Total equity		**1,630,126**	**1,801,419**
Total liabilities and equity		**3,134,948**	**3,094,168**

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 06 November 2024 and signed on its behalf by:

Rashed Al Ansari
Group Chief Executive Officer

Faisal Anwar
Group Chief Financial Officer

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 profit or loss and other comprehensive income
For the nine-month period ended 30 September 2024

	Note	Three-month period ended 30 September 2024 (Unaudited)	2023 (Unaudited)	Nine-month period ended 30 September 2024 (Unaudited)	2023 (Unaudited)
		AED'000	AED'000	AED'000	AED'000
Net gain on currency exchange		138,403	131,262	403,934	411,869
Net commission income		149,611	154,028	451,135	451,447
Interest income		7,808	6,199	22,946	15,456
Other income		1,490	1,342	4,743	4,412
Total income		297,312	292,831	882,758	883,184
Expenses					
Salaries and benefits	15	(120,618)	(113,844)	(362,086)	(333,714)
General and administrative expenses		(36,405)	(30,882)	(102,704)	(89,573)
Depreciation and amortisation		(24,357)	(21,595)	(69,774)	(61,630)
Provision for expected credit losses - net	6.2	-	-	(750)	(240)
Finance cost		(1,943)	(1,683)	(7,036)	(9,302)
Bank charges		(327)	(317)	(948)	(922)
Profit before tax for the period		113,662	124,510	339,460	387,803
Corporate income tax expense	16	(10,601)	-	(30,923)	-
Profit after tax for the period		103,061	124,510	308,537	387,803
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		103,061	124,510	308,537	387,803
Net profit attributable to:					
Shareholders of Al Ansari Financial Services P.J.S.C.		103,061	124,510	308,537	387,803
Basic and diluted earnings per share – AED	17	0.0138	0.0166	0.0412	0.0517

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 nine-month period ended 30 September 2024

	Share capital	Treasury shares	Share premium	Statutory reserve	Acquisition reserve	Retained earnings	Total shareholders' equity
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
At 1 January 2023 (Audited)	75,000	-	-	-	286,143	1,245,087	1,606,230
Total comprehensive income for the period	-	-	-	-	-	387,803	387,803
At 30 September 2023 (Unaudited)	75,000	-	-	-	286,143	1,632,890	1,994,033
At 1 January 2024 (Audited)	75,000	-	-	37,500	286,143	1,402,776	1,801,419
Total comprehensive income for the period	-	-	-	-	-	308,537	308,537
Dividend declared (note 22)	-	-	-	-	-	(457,500)	(457,500)
Treasury shares (note 13.2)	-	(220)	(22,110)	-	-	-	(22,330)
At 30 September 2024 (Unaudited)	75,000	(220)	(22,110)	37,500	286,143	1,253,813	1,630,126

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 nine-month period ended 30 September 2024

	Note	Nine-month period ended 30 September 2024 (Unaudited)	2023 (Unaudited)
		AED'000	AED'000
Cash flows from operating activities			
Profit before tax for the period		339,460	387,803
Adjustments for:			
Depreciation and amortisation	4 , 5	69,774	61,630
Provision for expected credit losses - net	6.2	750	240
Finance cost		7,036	9,302
Provision for employees' end-of-service benefits		6,334	5,155
Loss/ (gain) on disposal of property and equipment		382	(374)
Operating cash flows before settlement of employees' end-of-service benefits and changes in working capital		423,736	463,756
Settlement of employees' end-of-service benefits		(3,379)	(2,578)
Changes in working capital:			
Due from exchange houses and agents		(128,721)	(176,284)
Due from related parties		(11,052)	(35,575)
Prepayment and other receivables		(6,200)	(15,830)
Trade and other payables		198,162	159,040
Due to related parties		(3,745)	1,115
Due to exchange houses and agents		(14,847)	23,650
Restricted deposits with banks		1,488	(903)
Net cash generated from operating activities		455,442	416,391
Cash flows from investing activities			
Purchase of property and equipment		(23,880)	(31,703)
Fixed deposits having maturities longer than three months		36,730	163,721
Proceeds from sale of property and equipment		330	1,238
Net cash generated from investing activities		13,180	133,256
Cash flows from financing activities			
Acquisition of treasury shares	13.2	(22,330)	-
Dividends paid	22 (b)	(300,000)	-
Lease liabilities paid	9	(56,661)	(47,736)
Proceeds from bank borrowings		159,016	100,000
Repayment of bank borrowings		(328,571)	(455,101)
Net cash used in financing activities		(548,546)	(402,837)
Net change in cash and cash equivalents		(79,924)	146,810
Cash and cash equivalents at the beginning of the period		2,664,247	2,226,625
Cash and cash equivalents at the end of the period	18	2,584,323	2,373,435

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

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

These consolidated condensed interim 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	
		30 September 2024	31 December 2023
Al Ansari Exchange L.L.C.	UAE	100%	100%
Worldwide Cash Express Limited	UAE	100%	100%
Blue Horizon on Demand Labours Supply Services L.L.C.	UAE	100%	100%
Cash Trans Money & Valuables Transport Services L.L.C.	UAE	100%	100%
Al Ansari Digital Pay LLC*	UAE	100%	-
Al Ansari Global Holdings Limited**	UAE	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.

* 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.

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

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.

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

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 2023. 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 2023.

b. Basis of measurement

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

No income of a seasonal nature was recorded in the condensed interim consolidated financial statements for the nine-month period ended 30 September 2024. However, the results for the nine-month period ended 30 September 2024 are not necessarily indicative of the results for the financial year ending 31 December 2024.

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 only to the extent there is no evidence of impairment.

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 amounts 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 2023.

3. Material accounting policy information

The accounting policies used in the preparation of these condensed interim consolidated financial statements are consistent with those used in the preparation of the Group's consolidated financial statements for the year ended 31 December 2023 except for the policy set-out below:

Income taxes

Income taxes have been provided for in the condensed interim financial statements in accordance with legislation enacted or substantively enacted at the reporting date in the United Arab Emirates where the Group operates and generates taxable income. The income tax charge comprises current tax and is recognised in profit or loss for the period.

Taxable profits or losses are based on estimates if the condensed interim financial statements are authorized prior to filing relevant tax returns. Taxes other than on income are recorded within general and administrative expenses.

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences. Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period, which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilised.

Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that the temporary difference will reverse in the future and there is sufficient future taxable profit available against which the deductions can be utilised.

3. Material accounting policy information (continued)

3.1 Adoption of new and revised Standards

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

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2024, 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 but may affect the accounting or disclosures for future periods.

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.
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 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:

3. Material accounting policy information (continued)

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

New and revised IFRSs	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.	1 January 2026
Annual improvements to IFRS Accounting Standards - Volume 11 The pronouncement comprises the following amendments: •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
IFRS 18 Presentation and Disclosures in Financial Statements IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.	1 January 2027

3. Material accounting policy information (continued)

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

IFRS 19 Subsidiaries without Public Accountability: Disclosures IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.	1 January 2027
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) The amendments relate to the treatment of the sale or contribution of assets from an investor to its associate or joint venture	Effective date deferred indefinitely. Adoption is still permitted.

The Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's condensed interim 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 condensed interim consolidated financial statements of Group in the period of initial application.

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 2023.

4. Right-of-use assets

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
	AED'000	AED'000
Right-of-use assets - Properties	100,420	92,031

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

	(Unaudited)
	AED'000
As at 1 January 2024	92,031
Additions	56,404
Depreciation expense	(48,015)
As at 30 September 2024	100,420

5. Property and equipment

	Furniture and fixtures	Computers, software, and office equipment	Motor vehicles	Capital work in progress	Total
	AED'000	AED'000	AED'000	AED'000	AED'000
31 December 2023					
Cost	129,563	87,796	13,247	1,572	232,178
Accumulated depreciation	(94,434)	(60,404)	(5,414)	-	(160,252)
Net book value as at 31 December 2023 (audited)	35,129	27,392	7,833	1,572	71,926
For the nine-month period					
Additions	8,597	7,325	1,650	6,308	23,880
Transfer from capital work in progress	4,694	-	-	(4,694)	-
Disposals	(626)	(86)	-	-	(712)
Depreciation	(10,568)	(9,374)	(1,817)	-	(21,759)
Net book value as at 30 September 2024	37,226	25,257	7,666	3,186	73,335
30 September 2024 (unaudited)					
Cost	142,228	95,035	14,897	3,186	255,346
Accumulated depreciation	(105,002)	(69,778)	(7,231)	-	(182,011)
Net book value	37,226	25,257	7,666	3,186	73,335

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

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
	AED'000	AED'000
Cash on hand and in transit		
Cash on hand	867,397	1,099,158
Cheques on hand	20,433	26,175
Cash in transit	56,975	12,451
Total amount of cash on hand and in transit	944,805	1,137,784
Due from banks		
Balances with banks in UAE		
- Current accounts	919,719	895,106
- Fixed deposits	450,000	336,730
- Advances to banks against credit card collections	8,388	7,739
- Credit card receivables	28,838	31,228
	1,406,945	1,270,803
Balances with banks outside UAE		
- Current accounts	256,851	312,766
	256,851	312,766
Less: Provision for expected credit losses (note 6.2)	(5,540)	(6,240)
	251,311	306,526
Total amount due from banks	1,658,256	1,577,329
Due from exchange houses and agents		
Balances with exchange houses and agents inside UAE	159	99
Balances with exchange houses and agents outside UAE	174,924	46,264
	175,083	46,363
Less: Provision for expected credit losses (note 6.2)	(1,450)	-
Total amount due from exchange houses and agents	173,633	46,363
Total balance of cash on hand and in transit, due from banks, exchange houses and agents (note 6.3)	2,776,694	2,761,476

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

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

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
	AED'000	AED'000
Assessed high rated externally (A1-Baa3)	1,516,969	1,391,871
Assessed medium to low rated externally (Ba1-B3)	31,941	19,305
Assessed very low rated externally (Caa1-C)	23,642	38,546
Unrated externally, assessed high rated internally	183,097	78,045
Unrated – others	83,231	102,165
	1,838,879	1,629,932

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

	Due from banks (Stage 1)	Due from exchange houses and agents (Stage 3)	Total
	AED'000	AED'000	AED'000
As at 1 January 2024 (Audited)	6,240	-	6,240
Provision during the period	-	1,450	1,450
Reversal during the period	(700)	-	(700)
As at 30 September 2024 (Unaudited)	5,540	1,450	6,990

6.3 Due to the nature of the Group's business, the ageing of amounts due from banks, exchange houses and agents, other than fixed deposits and fully impaired balances in stage 3, is within 30 days.

7. Related party transactions

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.

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

	Nine-month period ended 30 September	
	2024 (Unaudited)	2023 (Unaudited)
	AED'000	AED'000
Transactions with related parties (companies under common control)		
Commission and exchange income earned – Al Ansari Exchange Co. WLL, Kuwait	1,589	2,208
Right of use asset for head office lease - Al Ansari Real Estate LLC	-	20,031
Rent paid - Al Ansari Real Estate LLC	3,036	3,225

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

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
	AED'000	AED'000
Due from related parties		
Group entities	11,074	22
Due to related parties		
Group entities	418	4,163

7. Related party transactions (continued)

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

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

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

7.2 Directors' remuneration

During the nine-month period, 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.

7.3 Key management personnel

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

	Nine-month period ended 30 September	
	2024 (Unaudited)	2023 (Unaudited)
	AED'000	AED'000
Salaries and other benefits	11,636	9,962

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

8. Prepayments and other receivables

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
	AED'000	AED'000
Bills receivable	34,673	22,363
Security deposits	22,369	17,966
Commissions and incentives receivables	16,910	28,782
Prepaid expenses	11,903	8,722
Deposit with tax authorities (note 8.1)	11,827	12,801
Positive value of overnight foreign currency forwards	8,359	12,053
Due from liquidity provider (note 13.2)	5,516	-
Commission income receivable in relation to WPS	225	161
Others (note 8.2)	11,872	14,606
	123,654	117,454

8. Prepayments and other receivables (continued)

8.1 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.

8.2 Other receivables

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

9. Lease liabilities

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
	AED'000	AED'000
Non-current	43,638	44,550
Current	42,265	38,146
	85,903	82,696

The movement of lease liabilities is provided below:

	(Unaudited)
	AED'000
As at 1 January 2024	82,696
Additions	56,404
Finance cost on lease liabilities	3,464
Payments	(56,661)
As at 30 September 2024	85,903

10. Trade and other payables

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
	AED'000	AED'000
Payable balances in relation to WPS	267,552	167,667
Travel card payables (note 10.1)	261,063	213,044
Remittances payable (note 10.2)	132,007	122,500
Accrued expenses	80,029	59,795
Bills payables	43,128	32,373
Corporate income tax payable (note 16)	31,375	-
Others	156,035	146,724
	971,189	742,103

10.1 Travel card payables represent money loads by 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.

11. Bank borrowings

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
	AED'000	AED'000
Bank overdraft - secured	-	325,000
Bank overdraft - unsecured	159,016	-
	159,016	325,000

The Group has arranged secured and unsecured bank overdraft facilities with various banks for AED 350 million (31 December 2023: AED 350 million) and AED 400 million (31 December 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 590.98 million (31 December 2023: AED 375 million) and was compliant with the covenant requirements of these overdraft facilities.

12. Contingencies and commitments

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
	AED'000	AED'000
Contingent liabilities		
Guarantees issued by banks in favour of:		
CBUAE	235,000	235,000
Financial institutions for correspondent relationships (note 12.1)	11,826	11,826
Total guarantees arranged and issued	246,826	246,826

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 September 2024 amounts to AED 2.53 million (31 December 2023: AED 1.33 million).

13. Share capital and Treasury shares

13.1 Share capital

As at 30 September 2024, 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 2023: 7,500,000,000 ordinary shares of AED 0.01 each).

13.2 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 21,988,766 shares (31 December 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 current period, AED 22.11 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 5.52 million (2023: nil) in respect of advance payment against the above-mentioned arrangement. (note 8)

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 was treated as Acquisition reserve, a reserve distributable to the shareholders, as there was no consideration paid to shareholders.

15. Salaries and benefits

	Nine-month period ended 30 September	
	2024 (Unaudited)	2023 (Unaudited)
	AED'000	AED'000
Salaries and wages (note 15.1)	259,391	243,987
Leave salary and air tickets	29,004	27,232
Staff bonuses and incentives	21,714	21,055
Employees' end of service benefits	6,334	5,155
Other benefits	45,643	36,285
	362,086	333,714

15.1 Salaries and wages include AED 0.623 million (2023: nil) paid to the Directors in respect of their remuneration and fees for attending meetings (note 7.2).

16. Corporate income tax expense

On 3 October 2022, the UAE Ministry of Finance ("MoF") issued Federal Decree- Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax ("CT") Law to implement a new CT regime in the UAE. The new CT regime is applicable for accounting periods beginning on or after 1 June 2023. Generally, UAE businesses are subject to a 9% CT rate for taxable income exceeding AED 375,000.

Corporate Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the year ended 31 December 2024 is 9.11% (2023: nil).

Further, the management has concluded that there is no deferred tax impact on the reporting date.

17. Basic and diluted earnings per share

	Nine-month period ended 30 September	
	2024 (Unaudited)	2023 (Unaudited)
Net profit for the period attributable to the shareholders (AED '000)	308,537	387,803
Weighted average number of ordinary shares during the year ('000)	7,494,812	7,500,000
Basic and diluted earnings per share (AED)	0.0412	0.0517

18. Cash and cash equivalents

	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
	AED'000	AED'000	AED'000
Cash on hand and in transit	944,805	1,137,784	823,736
Due from banks - gross	1,663,796	1,583,569	1,666,093
Due to banks	(24,278)	(20,376)	(26,931)
	2,584,323	2,700,977	2,462,898
Less:			
Fixed deposits with an original maturity longer than three months	-	(36,730)	(89,463)
Total cash and cash equivalents	2,584,323	2,664,247	2,373,435

19. 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 30 September 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.

19. Reporting segments (continued)

For the nine-month ended 30 September 2024 (Unaudited)

	Money exchange & remittances	Others	Segment Total
	AED'000	AED'000	AED'000
Revenue	868,708	14,050	882,758
Expenses			
Salaries and benefits, general, administrative and other expenses	(524,140)	(19,159)	(543,299)
Profit / (loss) before corporate income tax for the period	344,568	(5,109)	339,459
Corporate income tax expense	(31,381)	459	(30,922)
Profit / (loss) after tax for the period	313,187	(4,650)	308,537

For the nine-month ended 30 September 2023 (Unaudited)

	Money exchange & remittances	Others	Segment Total
	AED'000	AED'000	AED'000
Revenue	877,048	6,136	883,184
Expenses			
Salaries and benefits, general, administrative and other expenses	(490,659)	(4,722)	(495,381)
Profit before corporate income tax for the period	386,389	1,414	387,803
Corporate income tax expense	-	-	-
Profit after tax for the period	386,389	1,414	387,803

The Group generates all its revenue from the UAE and no single customer has contributed 10% or more of revenue.

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.

20. Fair value measurement (continued)

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 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 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 amounts of financial assets and financial liabilities approximate 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 a party to certain 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. Dividends

Dividends of AED 457.5 million were declared and paid during the nine-month period ended 30 September 2024 (2023: nil) with details as follows:

a. On 19 September 2024, the Board of Directors approved to distribute interim dividend of AED 157.50 million (AED 0.021 per share) to the shareholders, which was paid subsequent to the period-end on 16 October 2024.

b. Dividend of AED 300 million (AED 0.04 per share) in respect of the year ended 31 December 2023 was declared and paid to the shareholders on 16 April 2024, based on the shareholders’ approval in Annual General Meeting held on 19 March 2024.