



**OFX Group Limited
Annual General Meeting
11 August 2020**

Chairman's Address

Last year I opened my address as follows: “We are living at a time of unparalleled change. I can’t recall a time in my 40-year career where it has been so difficult to interpret the macro economic indicators or predict the fundamental performance of industries and companies”. I guess I have to admit, last year looks pretty straightforward compared to this year!

However, despite the world being considerably more complicated and uncertain, it’s clear to the Board that the approach we laid out last year for OFX – “to be disciplined with our growth, including strong risk management” – has stood us in good stead and has ensured a strong foundation for the current environment. Our balance sheet remains strong, our cash flow remains strong, our execution remains disciplined and our risk management culture and regimes are strong; and these have been further enhanced by our investments in transaction monitoring and fraud management software.

In my experience the critical keys to navigating difficult times like these are: -

1. To have great people who are aligned with a clear mission and a strong culture.
2. To have great operating mechanisms to drive strong execution.

OFX has both of these.

During FY20 management and the Board increased spent a week in London in late September...which is the epicentre of global payments. We met with clients, bankers, central bankers, industry experts, and of course our team. We came away with a very good view on how the UK, which we regard as the world’s leading innovator in payments, and payments regulation, is thinking about the next stage for cross border payments and flows

The Board and the management team worked closely to develop 3-5 year strategy, laying out the vision for where we believe our current choices, and our future choices, will lead us. This included regional, segment, and competitive analysis to build a clear view of the areas we feel we have advantages in, and how we can develop further advantages.

This in-depth understanding translated to a very clear set of choices for our future, as well as strong understanding of our current position, which proved invaluable when the COVID-19 crisis took hold in late February and March. I firmly believe that it, along with the investments we have made in the last 3 years, prepared us better than anyone else to flourish in February and March – serving our clients when they needed us most, proving a strong client for our banks, and a good participant in the eyes of our regulators.

During March 2020 we saw record high transaction volumes while the management team transitioned our entire global workforce to working from home. This was achieved while maintaining industry leading service levels and our NPS from clients increased during this period. An incredible achievement by all involved.

The leadership team are continuing to stay close to our teams with daily and weekly catch-ups, frequent town halls and leadership conversations continuing to evolve the strong and values based culture. We have an established wellbeing program including the use of a wellbeing services provider offering coaching, counselling and education. Our team has really focused on employee mindset, stress and how to support and build manager capability to lead a distributed workforce.



Looking forward

We continue to see considerable economic, political, and social uncertainty... probably for an extended period. As a result, we believe we will see

- Uneven activity levels by region. At the time of writing, the UK & Europe, along with Asia, have the least certain operating conditions, and outlook. The US Presidential election is also very uncertain, despite what the polls suggest. Here in Australia it is probably the least uncertain, but nevertheless, we expect a subdued economic environment.
- Consolidation in our industry. I mentioned last year the plethora of private companies we compete with, who put growth in customers above profit and cash generation. We already see signs of distress amongst several of these, and expect more to come.
- Increased regulatory scrutiny, particularly in areas of safeguarding client funds, deposit-taking-like products, and governance. This is in addition to the continued emphasis on enforcing higher standards of KYC and AML
- Increased caution by Banks about who they support in the international payments industry. Those players who are well managed with strong risk management regimes, who are well capitalised with strong cash flow will benefit

Given the investments we have made to make our systems more reliable and scalable, as well as increase the calibre and number of employees in our regions, we feel ready to compete globally.

Given our clear strategy, we know what our future looks like, and we will be very disciplined as the industry consolidates. We are exceptionally clear on our own value, as well as the distraction M&A can be to management. That said, there are often opportunities in crises, and we will be thoughtful in assessing these.

Lastly, our balance sheet, our risk management culture and the investments we have made to improve these, and our single-minded obsession to provide our clients with the best combination of human and digital service will be critical for our regulators, as well as our partners and our bankers.

In closing, on behalf of the Board I wish to thank the Executive Team and all of our employees for their hard work and commitment over the past year. They have done an excellent job in what has been a challenging year.

I would also like to thank you, our shareholders, for your continued support.

Lisa Frazier, our Director based in the US, resigned in April due to executive commitments, and I would like to thank her for her strong contribution over the last 2 years – we are a stronger company, especially in the US, because of her guidance and insights. We are in the process of finding a new Director to replace her.

I would now like to hand over to Skander Malcolm our CEO and Managing Director.

-ENDS-

About OFX Group (ASX: OFX)

OFX Group Limited is a global provider of online international payment services for consumer and business clients. The OFX Group provides services under the single global brand, OFX, using a single domain name, www.ofx.com.