

# Appendix 4D

For the half year ended 30 September 2018

OFX Group Limited  
ABN 12 165 602 273

## Results for announcement to the market For the half year ended 30 September 2018 (“reporting period”)

		30 September 2018	% Change from 6 months ended 30 September 2017	30 September 2017 (previous corresponding period)
		A\$'000	%	A\$'000
<b>Revenue</b> from ordinary activities	Up	65,628	12%	58,680
<b>Net profit</b> for the period attributable to members	Up	9,361	13%	8,273
<b>Net profit</b> for the period attributable to members of parent (before non-controlling interest)	Up	9,361	13%	8,273

The Group achieved net profit of \$9.4 million for the half year. This was 13% higher than the \$8.3 million of the prior comparative period.

Dividend information	Amount per share (cents)	Franked amount per share (cents)	Tax rate for franking credit
2018 final dividend (paid 22 June 2018)	3.00	3.00	30%
2019 interim dividend (determined 20 November 2018)	2.64	2.64	30%

### 2019 interim dividend dates

Ex-dividend date	27 November 2018
Record date	28 November 2018
Payment date	14 December 2018

	30 September 2018 (cents)	31 March 2018 (cents)
<b>Net tangible asset backing</b> per ordinary security <sup>1</sup>	24.85	22.45

Additional Appendix 4D disclosure requirements can be found in the notes to the Interim Financial Report and the Directors' Report for the half year ended 30 September 2018. Information should be read in conjunction with OFX Group Limited's 2018 Annual Report and the attached Interim Financial Report.

This report is based on the consolidated Interim Financial Report for the half year ended 30 September 2018 which has been reviewed by PricewaterhouseCoopers with the Independent Auditor's Review Report included in the Interim Report.

<sup>1</sup> Assumes that 248,261,695 shares on issue at 30 September 2018 were on issue at 31 March 2018.

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OFX Group Limited  
ABN 12 165 602 273

Interim Financial Report  
Half Year Ended 30 September 2018



The Company's registered office is:  
Level 19  
60 Margaret Street  
Sydney NSW 2000  
Australia

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# OFX Group Limited

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# OFX Group Limited

## Directors' Report

The Directors present their report together with the financial statements of the consolidated entity (the "Group"), being OFX Group Limited (the "Company") and its controlled entities, for the half year ended 30 September 2018 and the Independent Auditor's Review Report thereon.

### Directors

The names of the Directors of the Group in office during the half year up to the date of the report unless otherwise stated are as follows:

Steven Sargent	Chairman
John Alexander ('Skander') Malcolm	Chief Executive Officer and Managing Director
Melinda Conrad	Non-Executive Director (retired 28 September 2018)
Douglas Snedden	Non-Executive Director
Grant Murdoch	Non-Executive Director
Lisa Frazier	Non-Executive Director

### Principal activities

The Group's principal activity during the half year was the provision of international payments and foreign exchange services.

### Dividend and distributions

Dividends paid or determined by the Company during and since the end of the half year are set out in Note 7 to the Financial Statements.

	2019 interim dividend	2018 final dividend
Per share (cents)	2.64	3.00
Total amount (\$'000)	6,554	7,233
Franked <sup>1</sup>	100%	100%
Payment date	14 December 2018	22 June 2018

### Operating and financial review

A summary of financial results for the half year ended 30 September 2018 is below:

	Half year 30 September 2018 \$'000	Half year 31 March 2018 \$'000	Half year 30 September 2017 \$'000
Net operating income <sup>2</sup>	59,867	56,285	53,638
EBITDA <sup>3</sup>	14,472	16,448	13,377
EBITDA margin	24.2%	29.2%	24.9%
Net profit (after tax)	9,361	10,414	8,273
Earnings per share (cents)	3.89	4.34	3.45

Strong fee and trading income growth across all regions delivered an increase of 11.6% to Net Operating Income (NOI) in the half year ended 30 September 2018. This growth was driven by an 11% increase in transactions and an 18% increase in turnover. Our active clients are dealing more regularly with transactions per active client up 13% on an annualised basis. NOI margins were stable at 56 basis points excluding International Payment Services. The Group delivered on active client growth in North America, Asia and Corporate however, there was an overall decrease of 0.8% in active clients during the 12 months to 30 September 2018. The Group is focused on executing its capital expenditure program to deliver enhanced customer experience and grow active clients.

<sup>1</sup> All dividends are fully franked based on the Australian corporate tax rate of 30%.

<sup>2</sup> Net Operating Income is the combination of interest income and net income.

<sup>3</sup> The Group actively uses its cash balances as part of its hedging strategy, making the interest income integral to its earnings. For this reason, the Group regularly uses EBITDA (earnings before interest expense, taxation, depreciation and amortisation) as a measure of performance. EBITDA is a non-IFRS unaudited measure.

# OFX Group Limited

## Directors' Report (continued)

### Operating and financial review (continued)

The Group has invested in technology to deliver a better client experience with changes to our website, mobile applications and the release of our Global Currency Account all implemented during the half. Also, to drive growth we have invested in additional resources and promotional activity in North America and Asia. Due to this investment in growth regions, EBITDA is up 8.2%. The Group remains committed to achieving annual positive operating leverage on an EBITDA basis excluding the non-recurring operating expenses for corporate actions.

Australia and New Zealand continue to be the highest contributor to fee and trading income. In the half, fee and trading revenue in this region grew by 11%, delivering on a commitment to reactivate the Australian business.

We also continued to see a return to growth for our European business with fee and trading revenue up 13% driven by strong performance in the Corporate book. During the period, an e-money licence was obtained in the UK allowing the Group to hold customer funds and launch the Global Currency Account in the UK.

The Group continues to see significant growth in our North American business. Fee and trading revenue increased 18% in the half driven by continued investment in additional resources and promotional activity. This investment led to an EBITDA loss of \$(0.2) million (\$0.7 million in the previous corresponding period).

Fee and trading revenue in Asia increased 29% in the half. The Group commenced operations in our Singapore office on 1 April 2018 and invested additional resources and promotional activity to drive growth in this region.

A reconciliation of EBITDA to Net Profit After Tax (NPAT) is provided as follows:

	Half year 30 September 2018 \$'000	Half year 31 March 2018 \$'000	Half year 30 September 2017 \$'000
<b>EBITDA</b>	<b>14,472</b>	16,448	13,377
Less income tax expense	(2,217)	(3,453)	(2,766)
Less depreciation and amortisation	(2,894)	(2,581)	(2,338)
<b>NPAT</b>	<b>9,361</b>	10,414	8,273

	As at 30 September 2018 \$'000	As at 31 March 2018 \$'000	As at 30 September 2017 \$'000
Cash and cash equivalents	207,969	203,078	157,437
Deposits due from financial institutions	17,115	10,189	10,129
Total cash	225,084	213,267	167,566
Cash held for subsequent settlement of client liabilities	(158,512)	(155,826)	(122,651)
<b>Net cash held</b>	<b>66,572</b>	57,441	44,915

The Group's financial position remains strong. The balance sheet consists predominantly of cash and client liabilities, with the cash position net of client liabilities increasing to \$66.6 million at 30 September 2018 from \$44.9 million at 30 September 2017. The Group currently has no external debt. The financial position provides a good platform to pursue future growth opportunities and, coupled with our regulatory record, provides our banking partners with assurance on our capability and diligence.

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# OFX Group Limited

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## Directors' Report (continued)

### Rounding amounts

The Group is of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, and in accordance with that instrument, amounts in the Directors' Report and the Interim Financial Report are rounded off to the nearest thousand dollars, unless otherwise indicated.

### Chief Executive Officer/Chief Financial Officer declaration

The Chief Executive Officer and the Chief Financial Officer have given the declarations to the Board concerning the Group's Financial Statements and other matters as required under section 295A(2) of the *Corporations Act 2001*.

### Auditor's independence declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* in relation to the review for the half year ended 30 September 2018 is on page 6 of this report.

This report is made in accordance with a resolution of Directors.

On behalf of the Board

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Steven Sargent  
Chairman



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Skander Malcolm  
Chief Executive Officer and Managing Director

20 November 2018



## Auditor's Independence Declaration

As lead auditor for the review of OFX Group Limited for the half-year ended 30 September 2018, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of OFX Group Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Elizabeth O'Brien', is written over a faint, light-colored rectangular stamp.

Elizabeth O'Brien  
Partner  
PricewaterhouseCoopers

Sydney  
20 November 2018

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# OFX Group Limited

## Consolidated Statement of Comprehensive Income For the half year ended 30 September 2018

	Notes	Half year 30 September 2018 \$'000	Half year 30 September 2017 \$'000
Fee and trading income		64,956	58,064
Fee and commission expense		(5,761)	(5,042)
<b>Net income</b>		<b>59,195</b>	<b>53,022</b>
Interest and other income		672	616
<b>Net operating income</b>		<b>59,867</b>	<b>53,638</b>
Employment expenses		(26,674)	(23,569)
Promotional expenses		(9,476)	(7,780)
Occupancy expenses <sup>1</sup>		(2,103)	(1,940)
Other operating expenses <sup>1</sup>	3	(7,142)	(6,972)
<b>Earnings before interest expense, tax, depreciation and amortisation (EBITDA)<sup>1</sup></b>		<b>14,472</b>	<b>13,377</b>
Depreciation and amortisation expense <sup>1</sup>		(2,894)	(2,338)
<b>Net profit before income tax</b>		<b>11,578</b>	<b>11,039</b>
Income tax expense	4	(2,217)	(2,766)
<b>Net profit attributable to ordinary equity holders of the Company</b>		<b>9,361</b>	<b>8,273</b>
<b>Other comprehensive income</b>			
<i>Other comprehensive income that may be reclassified to profit and loss</i>			
Exchange differences on translation of foreign operations, net of hedging		248	(64)
<b>Total comprehensive income attributable to ordinary equity holders of the Company</b>		<b>9,609</b>	<b>8,209</b>
<b>Earnings per share attributable to ordinary equity holders of the Company:</b>			
Basic		3.89	3.45
Diluted		3.78	3.41

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

<sup>1</sup> Comparative information has been restated to conform with presentation in the current period.

# OFX Group Limited

## Consolidated Statement of Financial Position As at 30 September 2018

	Notes	As at 30 September 2018 \$'000	As at 31 March 2018 \$'000
<b>Assets</b>			
Cash held for own use <sup>1</sup>		49,457	47,252
Cash held for subsequent settlement of client liabilities <sup>1</sup>		158,512	155,826
Deposits due from financial institutions		17,115	10,189
Derivative financial assets		11,452	12,930
Prepayments		2,326	2,874
Other receivables		1,869	1,882
Property, plant and equipment		3,415	3,874
Intangible assets		8,959	7,246
Deferred income tax assets		431	215
<b>Total assets</b>		<b>253,536</b>	<b>242,288</b>
<b>Liabilities</b>			
Client liabilities		159,402	156,867
Derivative financial liabilities		8,480	10,690
Other creditors and accruals		7,479	6,133
Provisions		4,804	4,562
Current tax liabilities		2,712	944
Deferred income tax liabilities		6	98
<b>Total liabilities</b>		<b>182,883</b>	<b>179,294</b>
<b>Net assets</b>		<b>70,653</b>	<b>62,994</b>
<b>Equity</b>			
Share capital	6	29,113	24,360
Retained earnings		39,736	37,608
Foreign currency translation reserve		432	184
Share based payments reserve		1,372	842
<b>Total equity attributable to shareholders</b>		<b>70,653</b>	<b>62,994</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

<sup>1</sup> Comparative information has been restated to conform with presentation in the current period.

# OFX Group Limited

## Consolidated Statement of Changes in Equity For the half year ended 30 September 2018

	Notes	Share capital \$'000	Retained earnings \$'000	Foreign currency translation reserve \$'000	Share based payments reserve \$'000	Total equity \$'000
<b>Balance at 1 April 2017</b>		24,360	31,636	213	1,264	57,473
Net profit		–	8,273	–	–	8,273
Other comprehensive income		–	–	(64)	–	(64)
<b>Total comprehensive income</b>		–	8,273	(64)	–	8,209
Transactions with equity holders in their capacity as equity holders:						
Dividends paid		–	(6,960)	–	–	(6,960)
Share based payment expense		–	–	–	344	344
		–	(6,960)	–	344	(6,616)
<b>Balance at 30 September 2017</b>		24,360	32,949	149	1,608	59,066
<b>Balance at 1 April 2018</b>		<b>24,360</b>	<b>37,608</b>	<b>184</b>	<b>842</b>	<b>62,994</b>
Net profit		–	9,361	–	–	9,361
Other comprehensive income		–	–	248	–	248
<b>Total comprehensive income</b>		–	9,361	248	–	9,609
Transactions with equity holders in their capacity as equity holders:						
Dividends paid	7	–	(7,233)	–	–	(7,233)
Proceeds relating to shares issued pursuant to the executive share plan		4,753	–	–	–	4,753
Share based payment expense		–	–	–	530	530
		4,753	(7,233)	–	530	(1,950)
<b>Balance at 30 September 2018</b>		<b>29,113</b>	<b>39,736</b>	<b>432</b>	<b>1,372</b>	<b>70,653</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

# OFX Group Limited

## Consolidated Statement of Cash Flows<sup>1</sup> For the half year ended 30 September 2018

	Notes	Half year 30 September 2018 \$'000	Half year 30 September 2017 \$'000
<b>Cash flows from operating activities</b>			
Profit from ordinary activities after income tax		9,361	8,273
<b>Adjustments to profit from ordinary activities</b>			
Depreciation and amortisation		2,894	2,338
Share based payment expense		530	342
Foreign exchange revaluation		1,016	1,827
Fair value changes on financial assets and liabilities at fair value through profit or loss		(732)	(3,084)
Movement in foreign currency translation reserve		248	(64)
<b>Operating cash flow before changes in working capital</b>		<b>13,317</b>	<b>9,632</b>
Changes in assets and liabilities:			
Decrease in debtors and prepayments		561	69
(Increase) in deferred tax assets		(216)	(55)
(Increase) in cash held for client liabilities		(2,686)	(6,727)
Increase in amounts due to customers		2,535	6,727
Increase/(decrease) in accrued charges and creditors		1,346	(419)
(Decrease)/increase in deferred tax liabilities		(92)	825
Increase in provisions		242	1,640
Increase in tax provision		1,768	1,425
<b>Net cash flows from operating activities</b>		<b>16,775</b>	<b>13,117</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(448)	(70)
Payments for intangible assets		(3,700)	(1,994)
Cash deposited with financial institutions		(6,926)	(15)
<b>Net cash flows from investing activities</b>		<b>(11,074)</b>	<b>(2,079)</b>
<b>Cash flows from financing activities</b>			
Dividends paid	7	(7,233)	(6,960)
Proceeds from share issue		4,753	-
<b>Net cash flows from financing activities</b>		<b>(2,480)</b>	<b>(6,960)</b>
<b>Increase in cash held for own use</b>		<b>3,221</b>	<b>4,078</b>
Cash held for own use at the beginning of the period		47,252	32,535
Exchange (loss) on cash held for own use		(1,016)	(1,827)
<b>Cash held for own use at the end of the period</b>		<b>49,457</b>	<b>34,786</b>
<b>Including cash held for settlement of client liabilities</b>			
Cash held for settlement of client liabilities at the beginning of the period		155,826	115,924
Cash inflows from clients		11,420,037	10,287,707
Cash outflows to clients		(11,419,027)	(10,281,143)
Exchange gain on cash held for client liabilities		1,676	163
<b>Cash held for settlement of client liabilities at the end of the period</b>		<b>158,512</b>	<b>122,651</b>
<b>Total cash and cash equivalents</b>		<b>207,969</b>	<b>157,437</b>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

<sup>1</sup> Comparative information has been restated to conform with presentation in the current period.

## Note 1. Basis of preparation

This condensed consolidated interim financial report for the half year ended 30 September 2018 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 March 2018 and any public announcements made by OFX Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new and amended standards as set out below.

### **New and amended standards adopted by the Group**

A number of new or amended standards became applicable for the current reporting period:

- AASB 9 *Financial Instruments*
- AASB 15 *Revenue from Contracts with Customers*

The Group adopted AASB 9 and AASB 15 at 1 April 2018. AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. AASB 15 contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time.

#### **(a) AASB 9 Financial Instruments**

The requirements of AASB 9 represent a significant change from AASB 139 *Financial Instruments: Recognition and Measurement*. The nature and effects of the key changes to the Group's accounting policies resulting from the adoption of AASB 9 are summarised below.

##### *(i) Classification and measurement of financial assets and financial liabilities*

On 1 April 2018 (the date of initial application of AASB 9), management has assessed which business models apply to the financial assets held by the group and the contractual terms of the cash flows and has classified its financial instruments into the appropriate AASB 9 categories. The adoption of AASB 9 has not impacted the carrying value or classification of financial assets.

Derivative financial instrument assets and liabilities are classified and measured at fair value through profit and loss. AASB 9 requires that all other financial liabilities be subsequently classified at amortised cost, and there is consequently no change to the classification of the Group's payables on adoption of AASB 9.

##### *(ii) Impairment of financial assets*

AASB 9 replaces the 'incurred loss' model in AASB 139 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at fair value through other comprehensive income (FVOCI), but not to investments in equity instruments. Under AASB 9, credit losses are recognised earlier than under AASB 139. The Group has assessed the impact of the adoption of an ECL model under AASB 9 and no adjustments were required to be recognised.

##### *(iii) Derivatives and hedge accounting*

The Group elected to adopt the new general hedge accounting model in AASB 9 effective 1 April 2018. There has been no impact with the adoption of AASB 9 on the Group's derivatives and hedge accounting. The Group's risk management strategies and hedge documentation are aligned with the requirements of AASB 9 and therefore hedging relationships are treated as continuing.

### **Financial assets at amortised cost**

#### *Other receivables*

Other receivables are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method less any allowance under the ECL model.

#### *Recoverability of other receivables*

At each reporting date, the Group assesses whether financial assets carried at amortised cost are 'credit-impaired'. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Group recognises loss allowances at an amount equal to lifetime ECL on other receivables. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of the receivable and are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). The Group analyses the age of outstanding receivable balances and applies historical default percentages as a means to estimate lifetime ECL. Debts that are known to be uncollectable are written off when identified.

## Note 1. Basis of preparation (continued)

### Hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as hedges of net investments in foreign operations are recorded in OCI, together with the translation gains and losses on the hedged net investment. The accumulated gains and losses in OCI are reclassified to income on disposal or partial disposal of the foreign operation. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

### (b) AASB 15 Revenue from Contracts with Customers

The requirements of AASB 15 replace AASB 118 *Revenue* and AASB 111 *Construction Contracts*. AASB 15 is based on the principle that revenue is recognised when control of a good or service is transferred to a customer. It contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much, and when revenue is recognised. It applies to all contracts with customers except leases, financial instruments and insurance contracts. It requires reporting entities to provide users of financial statements with more informative and relevant disclosures.

#### Classification and measurement of revenue

Revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits as the entity performs;
- the customer controls the asset as the entity creates or enhances it; or
- the seller's performance does not create an asset for which the seller has an alternative use and there is a right to payment for performance to date.

Where the above criteria is not met, revenue is recognised at a point in time.

From management's assessment of when performance obligations are satisfied, there is no change in the timing of revenue recognition when comparing the previous accounting policies to those now under AASB 15:

Type of revenue	Revenue recognition policy prior to 1 April 2018	Revenue recognition policy under AASB 15
Fee income	Recognised under AASB 118 as fee income, which is charged on low-value transactions, when the deal is settled.	Recognised at a point in time when the deal is settled and the performance obligation is thereby satisfied.
Trading income	Recognised under AASB 139 <i>Financial Instruments: Recognition and Measurement</i> as trading income at each reporting date, representing foreign currency transaction margins and changes in exchange rates between the time when a client rate is agreed and a subsequent hedge transaction is entered into by the Group.	AASB 15 does not apply to financial instruments and other contractual rights or obligations which are within the scope of AASB 9 <i>Financial Instruments</i> .
Interest	Recognised under AASB 139 using the effective interest method.	AASB 15 does not apply to financial instruments and other contractual rights or obligations which are within the scope of AASB 9 <i>Financial Instruments</i> .
Other income	Recognised on an accruals basis based on the contract terms.	Recognised over time as the benefit is obtained.

### Compliance with IFRS as issued by the IASB

Compliance with Australian Accounting Standards ensures that the financial report complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Consequently, this financial report has also been prepared in accordance with and complies with IFRS as issued by the IASB.

## Note 2. Segment information

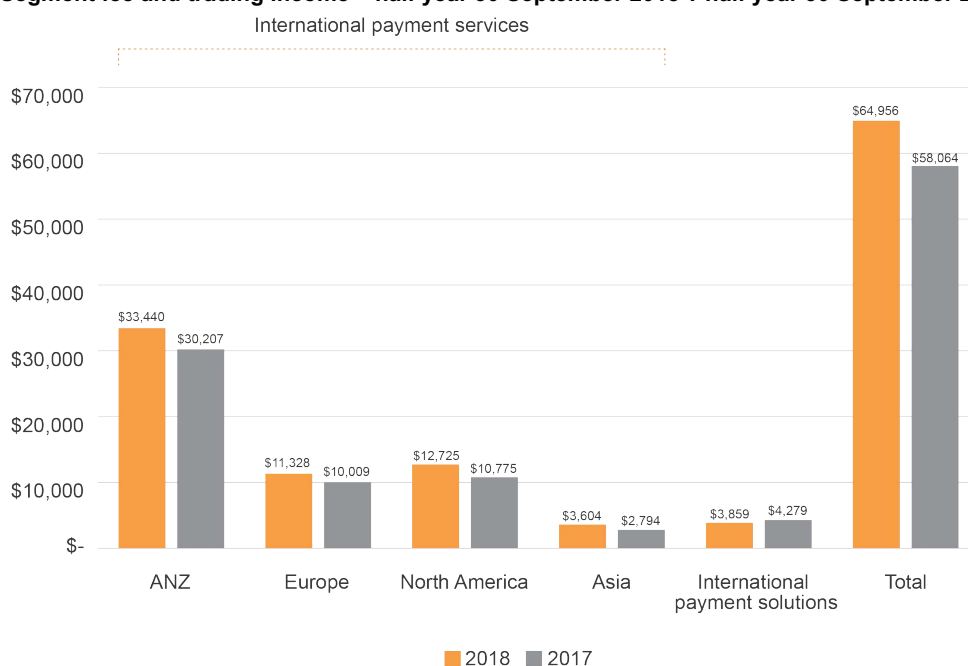
The operating segments presented below reflect how senior management and the Board of Directors (the chief operating decision makers) allocate resources to the segments and review their performance.

The chief operating decision makers examine the performance both from a product and geographic perspective and have identified five reportable segments.

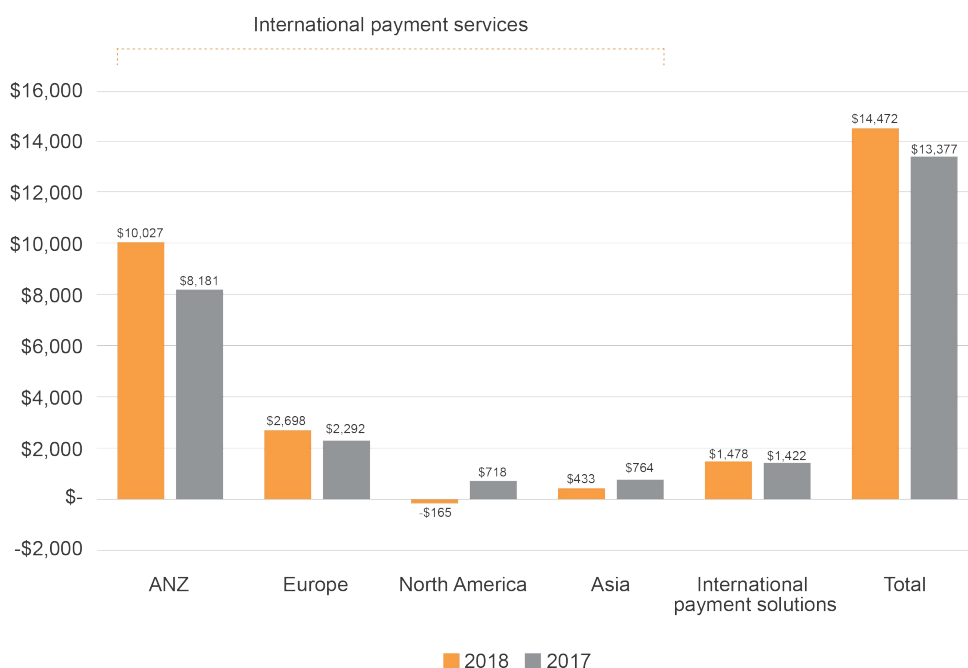
The two products are international payment services and international payment solutions:

- International payment services are monitored by geographic region (based on client location) and provide bank to bank currency transfers servicing businesses and consumers.
- International payment solutions are monitored globally and provide strategic partners with a package which includes: OFX technology platform; client service; compliance sophistication; banking relationships; and payments capabilities.

### Segment fee and trading income – half year 30 September 2018 v half year 30 September 2017 (\$'000)



### Segment EBITDA – half year 30 September 2018 v half year 30 September 2017 (\$'000)



# OFX Group Limited

## Note 2. Segment information (continued)

	Half year 30 September 2018 \$'000	Half year 30 September 2017 \$'000
<b>Group EBITDA</b>	<b>14,472</b>	13,377
Depreciation and amortisation	(2,894)	(2,338)
Net profit before income tax	11,578	11,039
Income tax expense	(2,217)	(2,766)
<b>Net profit</b>	<b>9,361</b>	8,273

	International payment services				International Payment Solutions	Consolidated
	Australia & New Zealand	Europe	North America	Asia		
<b>30 September 2018</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Segment assets	201,280	34,232	32,804	22,789	-	291,105
Intergroup eliminations	(26,845)	(6,527)	-	(4,628)	-	(38,000)
Deferred tax assets						431
<b>Total assets</b>						<b>253,536</b>
Segment liabilities	(126,736)	(22,445)	(61,132)	(10,564)	-	(220,877)
Intergroup eliminations	-	-	-	-	-	38,000
Deferred tax liabilities						(6)
<b>Total liabilities</b>						<b>(182,883)</b>
<b>31 March 2018</b>						
Segment assets	161,832	32,546	56,049	17,550	-	267,977
Intergroup eliminations	(4,937)	(12,081)	-	(8,886)	-	(25,904)
Deferred tax assets						215
<b>Total assets</b>						<b>242,288</b>
Segment liabilities	(118,444)	(28,144)	(47,883)	(10,629)	-	(205,100)
Intergroup eliminations	-	-	25,904	-	-	25,904
Deferred tax liabilities						(98)
<b>Total liabilities</b>						<b>(179,294)</b>



# OFX Group Limited

## Note 3. Other operating expenses

	Half year 30 September 2018 \$'000	Half year 30 September 2017 \$'000
<b>Other operating expenses</b>		
Information technology	(2,506)	(2,558)
Compliance	(941)	(934)
Professional fees	(847)	(1,224)
Travel	(793)	(424)
Insurance	(460)	(383)
Communication	(301)	(343)
Bad and doubtful debts	(582)	(374)
Non-recoverable GST	(103)	(152)
Other expenses	(609)	(580)
<b>Total other operating expenses<sup>1</sup></b>	<b>(7,142)</b>	<b>(6,972)</b>

## Note 4. Income tax expense<sup>1</sup>

	Half year 30 September 2018 \$'000	Half year 30 September 2017 \$'000
Current tax expense	2,704	2,005
Adjustments to current tax of prior years	(180)	(10)
Total current tax expense	2,524	1,995
Deferred income tax (benefit)/expense	(307)	771
<b>Total income tax expense</b>	<b>2,217</b>	<b>2,766</b>
<b>Reconciliation of income tax expense to prima facie tax payable</b>		
Net profit before income tax	11,578	11,039
Prima facie income tax expense at 30% (2017: 30%)	3,473	3,312
Adjustments to current tax of prior years	(180)	(10)
Decrease in tax expense as a result of operating as an OBU in the current period	(507)	(577)
Research and development tax credits	(293)	-
Effect of lower tax rates in overseas jurisdictions	(231)	(133)
Other items	(45)	174
<b>Total income tax expense</b>	<b>2,217</b>	<b>2,766</b>

<sup>1</sup> Comparative information has been restated to conform with presentation in the current period.

# OFX Group Limited

## Note 5. Fair values of assets and liabilities

A financial instrument's categorisation within the valuation hierarchy is based on the lowest level input that is significant to the fair value measurement:

Level	Instruments	Valuation process
Level 1 - Traded in active markets and fair value is based on recent unadjusted quoted prices.	Cash and cash equivalents, amounts due from financial institutions, client liabilities, creditors and receivables.	These instruments are held at amortised cost. Fair values are considered to approximate to their carrying amounts as they are short term in nature.
Level 2 - Not actively traded and fair value is based on valuation techniques which maximise the use of observable market prices.	Over the counter derivatives.	Foreign currency forward contract valuations are based on observable spot exchange rates and the yield curves of the respective currencies.
Level 3 – Not actively traded and fair value is based on at least one input which is not observable in the market due to illiquidity or complexity.	None – the Group does not hold any of these instruments.	Not applicable.

All derivative financial instruments held by the Group at fair value are categorised within Level 2.

## Note 6. Share capital

Share capital is classified as equity and measured based on the proceeds from issuing the shares less the directly attributable incremental costs, net of tax.

There are 242,522,677 fully paid ordinary shares (2017: 240,000,000). Ordinary shares entitle the holder to vote and to receive dividends and the proceeds of the Company if it is liquidated in proportion to the number of shares held.

There are 5,739,018 (2017: 3,803,088) restricted ordinary shares issued to key management personnel in connection with the Executive Share Loan Plan.

## Note 7. Dividends paid or provided for

Dividends are recognised as a liability and a reduction to retained earnings when declared. All dividends recognised in the year were fully franked (2017: all).

	<b>Half year 30 September 2018 \$'000</b>	Half year 30 September 2017 \$'000
Final dividend from the preceding year \$0.030 (2017: \$0.029) per share	<b>(7,233)</b>	(6,960)
<b>Total dividends recognised and paid</b>	<b>(7,233)</b>	(6,960)

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# OFX Group Limited

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## Note 7. Dividends paid or provided for (continued)

On 20 November 2018, the Board determined a dividend of \$0.0264 per share (\$6,402,599) as the interim dividend for 2019. This dividend was determined after 30 September 2018 and so is not reflected in this financial report. As the Company is a holding company with no trading profits, this dividend will be funded through the profits of the subsidiaries.

Ex-dividend date	27 November 2018
Record date	28 November 2018
Payment date	14 December 2018

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	2018 \$'000	2017 \$'000
<b>Franked dividends</b>		
Franking credits available for subsequent financial years based on a tax rate of 30% (2017: 30%)	<b>3,028</b>	4,111

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The above amounts represent the balance of the franking account as at the end of the financial period, adjusted for the franking credits that will arise from paying the current tax liability, but before taking account of the interim declared dividend for 2019.

## Note 8. Events occurring after balance sheet date

Other than the dividends presented in Note 7, there were no material post balance sheet events occurring after the reporting date requiring disclosure in these financial statements.

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# OFX Group Limited

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## Directors' Declaration

In the Directors' opinion:

(a) the financial statements and notes for the half year ended 30 September 2018 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

(ii) giving a true and fair view of the consolidated entity's financial position as at 30 September 2018 and of its performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that OFX Group Limited will be able to pay its debts as and when they become due and payable, and

(c) Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Directors.

On behalf of the Board:



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Steven Sargent  
Chairman



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Skander Malcolm  
Chief Executive Officer and Managing Director

20 November 2018



## **Independent auditor's review report to the members of OFX Group Limited**

### ***Report on the Half-Year Financial Report***

We have reviewed the accompanying half-year financial report of OFX Group Limited (the Company), which comprises the Consolidated Statement of Financial Position as at 30 September 2018, the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the half-year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for OFX Group Limited. The group comprises the Company and the entities it controlled during that half-year.

### ***Directors' responsibility for the half-year financial report***

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

### ***Auditor's responsibility***

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the group's financial position as at 30 September 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of OFX Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, 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 Australian Auditing Standards 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.

### ***Independence***

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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**PricewaterhouseCoopers, ABN 52 780 433 757**

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### *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of OFX Group Limited is not in accordance with the *Corporations Act 2001* including:

1. giving a true and fair view of the group's financial position as at 30 September 2018 and of its performance for the half-year ended on that date;
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### *Matters relating to the electronic presentation of the reviewed half-year financial report*

This review report relates to the half-year financial report of the Company for the half-year ended 30 September 2018 included on OFX Group Limited's web site. The Company's directors are responsible for the integrity of the OFX Group Limited web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed half-year financial report to confirm the information included in the reviewed half-year financial report presented on this web site.

A handwritten signature in cursive script that reads "PricewaterhouseCoopers".

PricewaterhouseCoopers

A handwritten signature in cursive script that reads "Elizabeth O'Brien".

Elizabeth O'Brien  
Partner

Sydney  
20 November 2018

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# OFX Group Limited

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## Corporate Information

Directors	Mr Steven Sargent (Chairman) Mr John ('Skander') Malcolm (Chief Executive Officer and Managing Director) Mr Douglas Snedden Mr Grant Murdoch Ms Lisa Frazier
Company Secretary	Mrs Freya Smith
Registered office and principal place of business in Australia	Level 19 60 Margaret Street Sydney NSW 2000 Australia  Ph +61 2 8667 8000 Fax +61 2 8667 8080 Email <a href="mailto:investors@ofx.com.au">investors@ofx.com.au</a>
Share register	Link Market Services Limited Level 12 680 George Street Sydney NSW 2000  Ph +61 1300 554 474 (toll free within Australia) Email <a href="mailto:registrars@linkmarketservices.com.au">registrars@linkmarketservices.com.au</a>
Auditor	PricewaterhouseCoopers One International Towers Sydney Watermans Quay Barangaroo NSW 2000 Australia
Securities exchange listing	OFX Group Limited shares are listed on the Australian Securities Exchange: OFX
Website address	<a href="http://www.ofx.com">www.ofx.com</a>