



ASX/Media Release

1 February 2017

OFX ANNOUNCES THE APPOINTMENT OF A NEW CHIEF EXECUTIVE AND PROVIDES AN UPDATE ON TRADING

Appointment of new Chief Executive Officer and Managing Director

OFX Group Limited (**ASX:OFX**) today announced that John Alexander Malcolm (Skander Malcolm) has been appointed as Chief Executive Officer and Managing Director of OFX, effective immediately. Mr Malcolm replaces Richard Kimber, who has stepped down from his role as Chief Executive Officer and Managing Director.

Mr Malcolm has more than 23 years' experience in the financial services industry in the Australia & New Zealand, US and UK markets. After 10 years in the UK with HSBC Skander returned to Australia in 2000 and joined Westpac's card products group. From 2010-2013 he was President and CEO, Australia & New Zealand for GE Capital, Australia's leading consumer finance and mid-market commercial lender where he led a team of over 4,500 employees. He was subsequently President and CEO of GE Healthcare across its Eastern Europe, Middle East and African Markets.

OFX Chairman, Steven Sargent said the Board was pleased to have secured the appointment of Mr Malcolm given his strong track record in retail banking, payments and technology, and in executing growth strategies in Australia and internationally.

"Skander has extensive financial services experience in consumer finance and payments technology including leading technology-based innovation, branding and loyalty programs. He has an enviable track record of building high performance teams and growing market share, and returns, for small and large organisations in many of our key markets. The Board believes his global experience, strong leadership skills and track record of delivery makes him the right CEO to successfully execute our growth ambitions," Mr Sargent said.

"The Board believes strongly in the growth prospects and future for OFX. Richard Kimber has achieved a great deal in setting in place a growth strategy and investing in our technology and people. The Board thanks him for his contribution. However, delivery of the strategy has not been to the Board's or shareholders' expectations. Having conducted a search process, we believe Skander is the right person to lead OFX going forward."

Biographical details about Mr Malcolm and the key terms of his employment are included below.

Update on Trading

In the quarter ended 31 December 2016, against expectations OFX saw a further decline in average transaction values (ATV's) from individual customer transactions originating in the UK. Post 'Brexit' the devaluation of the pound (GBP) by more than 20% has resulted in fewer large value discretionary transactions and a corresponding 35% decline in revenues per transaction. As a result, total fee and commission income for FY2017 will be \$3 million lower than anticipated.

OFX has continued to experience positive momentum in the Group's key operating metrics, with growth in transaction volumes and client additions, especially in its offshore markets. The lower revenue per transaction, which is expected to recover in the medium term, will therefore not be offset by any reduction in spending.



Due to the ongoing roll-out and refinement of its performance-based marketing program, client additions in Australia during Q3 were below expectations. However, these are expected to improve through the remainder of the year as spend is allocated to mediums that generate the highest returns.

Given the factors outlined above, statutory EBTDA for FY2017 is now expected to be between \$27.5 million and \$28.5 million with statutory NPAT of at least \$19.0 million.

“Today’s update on trading is disappointing. While softer market conditions in the UK as a result of Brexit have resulted in lower average transaction values, the revenue uplift from our marketing program in Australia during the third quarter and into January has not been as significant as we had hoped.

“The Board firmly believes that the growth opportunities for OFX, both domestically and abroad are substantial and that the long term outlook for the business is very strong. We look forward to keeping shareholders updated on our progress” Mr Sargent concluded.

Investor Teleconference

An invitation-only conference call with OFX Chairman Steven Sargent and CFO Mark Ledsham will be held at 09.30 today. For further information please contact Matt Gregorowski at Citadel-MAGNUS on +61 2 8234 0100 or mgregorowski@citadelmagnus.com



Biographical details - Skander Malcolm

Education

Bachelor of Economics, The University of Sydney

Key roles

Period	Company	Role
2013-2016	GE Healthcare, Eastern & African Growth Markets	President & CEO
2010-2013	GE Capital, Australia & New Zealand	President & CEO
2005-2010	GE Capital, Australia & New Zealand	Managing Director, Retailer Solutions
2003-2005	GE Capital, Australia & New Zealand	Managing Director, Card Solutions
2000-2003	Westpac Banking Corporation	Senior Manager, Card Products
1990 - 2000	Household International (HSBC)	Various Leadership Roles

Summary background

Mr Malcolm has over 23 years' experience in the financial services sector in Australia, the United Kingdom and United States including 10 years with GE Capital. Since 2013, Mr Malcolm has been President and CEO of GE Healthcare's Eastern European, Middle East and African markets.

In 2003 Mr Malcolm joined GE Capital Australia & New Zealand, the company's largest region outside the US with 4,500 staff and servicing 3 million consumers and more than 100,000 SMEs. In 2010 he was appointed President and CEO and led the company through the funding constrained post global financial crisis period.

Prior to joining GE Capital, Mr Malcolm held several senior leadership roles at Household International in the UK, now part of HSBC, and Westpac Bank. At Household International he helped to launch the UK's first and largest pure digital personal loan business, Hamilton Direct Bank, which grew to over £3 billion in its first five years. At Westpac, Australia's 2nd largest card issuer, he helped to launch the Virgin Money Credit Card partnership.

Mr Malcolm holds a Bachelor of Economics degree from The University of Sydney.



Summary of key terms of Mr Malcolm's employment as Chief Executive Officer and Managing Director

Appointment	Mr Malcolm has been appointed to the position of Managing Director and Chief Executive Officer.
Commencement Date and Term	1 February 2017. The appointment is ongoing with no fixed term until terminated in accordance with the termination provisions summarised below.
Duties	The duties of Mr Malcolm are those expected of a Chief Executive Officer and Managing Director, reporting to and receiving directions from the Board. Mr Malcolm is also to comply with OFX's policies as applicable from time to time.
Fixed Remuneration	\$650,000 per annum (including superannuation), which will be reviewed annually.
Short Term Incentive (STI)	<p>Mr Malcolm is eligible for a discretionary annual short term incentive.</p> <p>STI is discretionary and subject to performance conditions set by the Board, involving a mix of group financial measures and individual non-financial measures.</p> <p>The initial STI target is \$750,000 in FY2018. The target STI will be reviewed annually.</p> <p>Half of any STI awarded for FY2018 will be paid in cash following the end of the performance year, with payment of the other half deferred, subject to shareholder approval, to be delivered each year over two years at 30 June 2019 and 30 June 2020.</p> <p>The deferred STI will be delivered in shares, rights or other security determined by the Board.</p>
Long Term Incentive	<p>Mr Malcolm will be eligible to participate in the OFX Executive Share Plan (ESP). Mr Malcolm will be eligible to be offered an annual LTI grant equal to the value of \$600,000, subject to the terms of the ESP and any terms of invitation, including vesting conditions.</p> <p>For FY2017, subject to shareholder approval and the terms of any invitation, Mr Malcolm will receive 3 LTI tranches, each equal to his LTI target of \$600,000.</p> <p>Mr Malcolm will not be offered an LTI grant in FY2018 or FY2019.</p> <p>Each tranche of shares will be tested for satisfaction of the relevant vesting conditions as set out in any invitation over the performance period specified in any invitation.</p>
Termination Provisions	6 months by either party, or payment in lieu by OFX. Nil in certain circumstances including serious or wilful misconduct.



	<p>Entitlements to STI and LTI on cessation of employment will be determined in accordance with the terms of the relevant plan and invitation terms.</p> <p>No payment will be made on cessation of employment in excess of the amount lawfully payable under Part 2D.2 of Corporations Act 2001 without shareholder approval.</p>
Post-Employment Restraint	Mr Malcolm will be subject to a 6 month non-compete and non-solicitation restraint.
Other provisions	Mr Malcolm's appointment will be subject to general provisions regarding confidential information, intellectual property and moral rights.

-ENDS-

About OFX Group (ASX:OFX)

OFX Group Limited is a global provider of online international payment services for consumer and business clients. It has offices in 6 locations. The OFX Group provides services under the brands OFX, UKForex, CanadianForex, USForex, NZForex, Tranzfers and ClearFX. To support our increased focus on marketing and people, we are launching a new single global brand, OFX, using a single domain name, www.ofx.com.