

TRAVELEX LIMITED

ACCC INQUIRY INTO FOREIGN CURRENCY CONVERSION

SUBMISSION IN RESPONSE TO THE ISSUES PAPER OF 2 OCTOBER 2018

12 November 2018

A. EXECUTIVE SUMMARY

1. As a key participant in the foreign exchange industry, Travelex has an interest in ensuring that pricing across the industry is transparent. We use various methodologies to abide by these principles as an organisation. This submission highlights, among other things, the following:
 - our pricing methodology and channels for distribution;
 - factors which influence our pricing;
 - how our industry has evolved over time and the effect this has had on Travelex;
 - how the Australian market for foreign currency differs from its overseas counterparts; and
 - recommendations we would make to improve the customer experience.
2. Please note that some of the Annexures have been marked **strictly confidential**. These Annexures contain highly commercially sensitive information which is provided to the ACCC only on the basis that they are viewed by employees of and advisors to the ACCC for the purposes of its Inquiry and are not disclosed or otherwise made available to any third party or member of the public.

B. TRAVELEX LIMITED

3. Travelex Limited is an Australian foreign exchange company with its head offices in London. It is a wholly owned subsidiary of Travelex Holdings Limited (UK) and forms part of an international group of companies. Our Organisation Chart as at 1 July 2018 is attached at Annexure A.
4. Our main business in our Australian retail outlets is buying and selling foreign currency (“**FX**”) at bureaux de changes and issuing prepaid travel money cards (“**TMC**”) for use by travellers. We also supply FX directly to customers through various online channels operated by third parties, as well as selling FX to third parties directly through our wholesale channel.
5. The focus of this submission is our branded retail outlets.
6. Annexure B provides further information about Travelex (as a global entity) including its origins, operations and core principles.

C. BUSINESS OVERVIEW

7. Our main sources of revenue in terms of Travelex retail outlets are from the sale of FX and TMC at Travelex branded stores in various locations (shopping centres, airports, kiosks, implants, etc), ATMS and online via the Travelex website.
8. We operate retail stores Australia-wide and source our cash from various regions for this purpose, both domestic and overseas. The IBISWorld Industry Report OD5094 dated April 2018 (the “**Report**”, attached at Annexure C) estimated Travelex’s market share at 6.6% (refer to page 20 of the Report).

TRAVELEX LIMITED

9. We rely on foreign exchange spreads to run our business. This is the difference between:
- (a) the customer buy rates and sell rates that are displayed on the rate-boards that appear at the front of most of our stores (an example of which is shown in Annexure D); and
 - (b) the wholesale bank-note market rates. This refers to the rate at which we buy cash for on-selling to our customers. This is different from the rate that is often quoted in the media, which is the Reuters rate.

D. APPROACH TO PRICING

10. Broadly speaking, we take a dual approach to pricing. There is global policy which is designed to ensure best practises across our group, and a local approach which takes into account local factors (for example, there is a difference between mature vs emerging markets).
11. We use a variety of inputs including market analysis, stock availability, reference to Reuters rates, customer feedback and media sources to inform our decision making.
12. Our pricing policy has been developed with the aim of driving sustainable growth without compromising our Customer Value Proposition. Our core proposition is essentially to be “trusted and fair value”, whilst working within local constraints.
13. We have a dedicated dealing team who (among other things) research the retail market daily, along with a pricing team who use that information to set prices at our retail outlets. Once we get the daily cost rate (which is often referred to as the “wholesale rate”), we factor in our overheads and margins.
14. Our Airport pricing reflects the higher costs of doing business at the airport which in part is justified by the convenience factor. It is however a crucial catchment area for Travelex to strengthen and promote its brand. Further information about this is set out in Annexure E.
15. How a spread (and ultimately a retail rate) is determined is influenced by a host of factors, which we then align with our customer value proposition. The customer value proposition itself varies by channel and product. The influencing factors include (non-exhaustively):
- availability of stock
 - what distribution channel it is (ATMs, Stores, Airport vs Off-airport, Online)
 - customer traffic
 - risk factors
 - natural events
 - contract terms with landlord
 - location of competitors and other Travelex stores
 - what type of currency it is (standard vs exotic)
 - our target market, which can differ according to time of year, geographical factors, worldwide events and the like
 - our competitors, which tend to be global brands and regional players (like the major banks, Travel Money Oz, Global Exchange, QANTAS and Virgin (online and TMC only), together with many smaller participants) when it comes to in-store sales, and wider variety of players online
 - Australia being a mature market in which customers tend to be sophisticated, value conscious of things like convenience, certainty, properly vetted notes and brand reputation
 - our industry norms also dictate high quality investment in vault facilities, secure CIT carriers, insurance & secure IT infrastructure
 - customer feedback.

TRAVELEX LIMITED

16. In terms of our customer proposition, broadly speaking we split it into 2 categories – product and channel. More information about this can be found at Annexure F. Further information about our pricing can be found at Annexure G.

E. FEES

17. We charge an airport commission (which factors among other things, convenience into the equation) and pass-through fees levied by credit card providers.
18. Any other fees applicable to products we offer are set out on our website or in the PDS (which can be found on our website).

F. COST OF DOING BUSINESS

19. These include:
- Direct costs (rent, staff costs, cost of cash, CIT)
 - Overheads (head office costs, vault, staffing in HQ, functional support including compliance + legal, marketing finance, HR, IT infrastructure and other support functions).
 - Influencing factors such as the dynamic nature of the foreign currency market and the highly volatile nature of the market (IDR and Turkish Lira are recent examples of this).
 - Distribution channels
 - Product type
 - Cost of sourcing currency both from overseas and local suppliers
 - Location of store

G. TRENDS

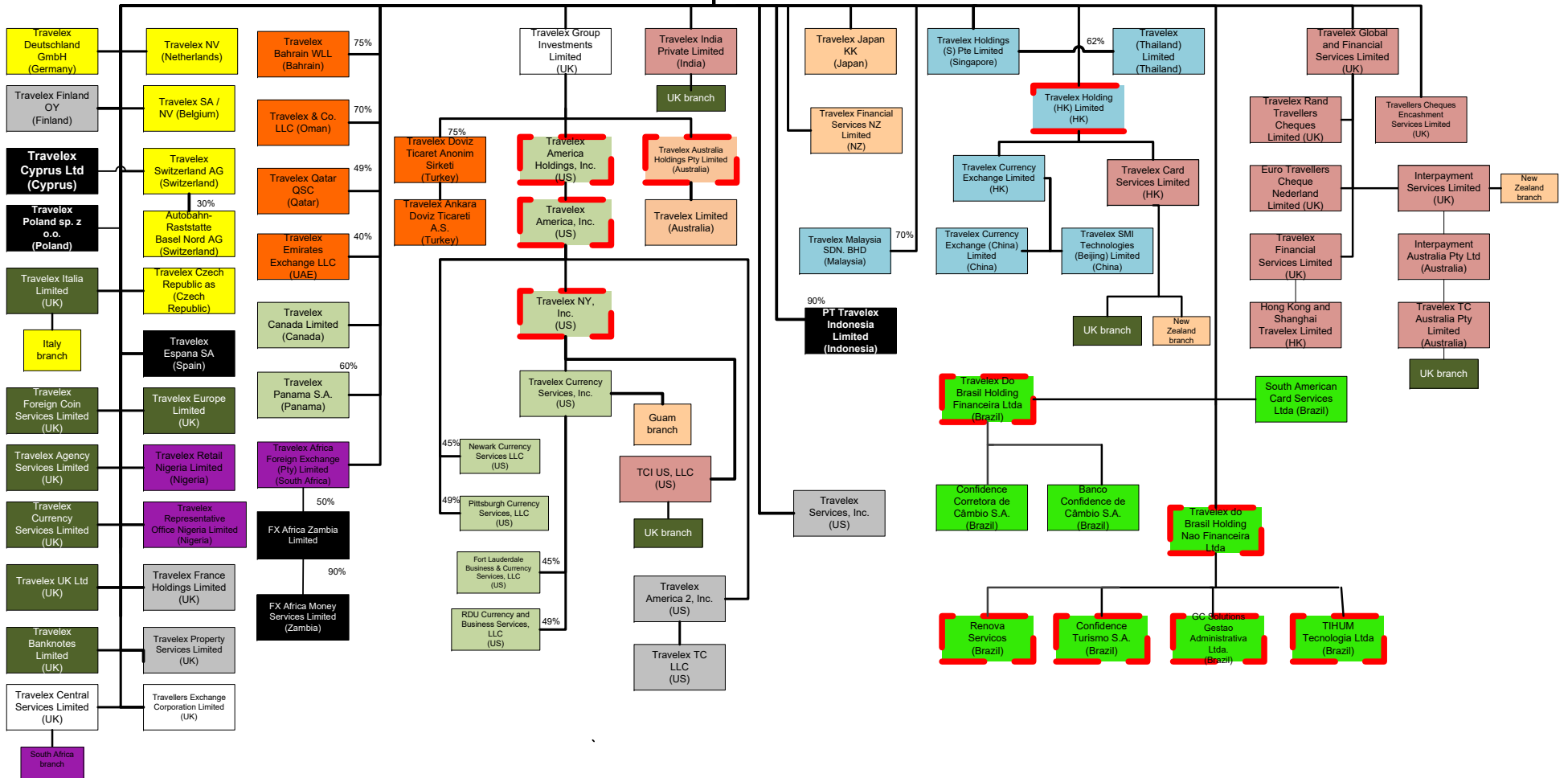
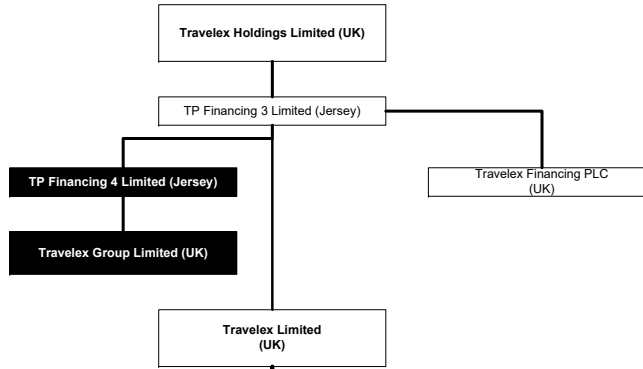
20. The Report notes some trends in the FX industry, including on page 6 where it states that “Industry profitability has declined over the past five years.”
21. We have seen our off-airport margins decrease over the last few years and have used economies of scale through increased volumes to make up the difference. However off airport volumes have grown at a faster rate than on-airport volumes. We attribute this largely to the factors outlined in the Report and would add the following:
- the product in which we deal (cash being an increasingly declining commodity);
 - increased competition in the Australian market (as noted in the Report at page 16: “While Travelex is the largest industry operator, the big four banks, other commercial banks and deposit-taking institutions play a significant role in the industry due to their size and scope of operations. Due to the industry’s strong performance over the past five years, many new operators, particularly online platforms, have entered the market over the period, reducing the industry’s market share concentration”);
 - the increasing international availability of alternative payment methods, channels and sources of funds (for example with payment capabilities brought on by the likes of Alipay and WePay);
 - an increased move towards digital purchases; and
 - travel money card market saturation affects Australia quite substantially, being a mature market.

H. RECOMMENDATIONS

22. Our recommendations are contained in Annexure H.

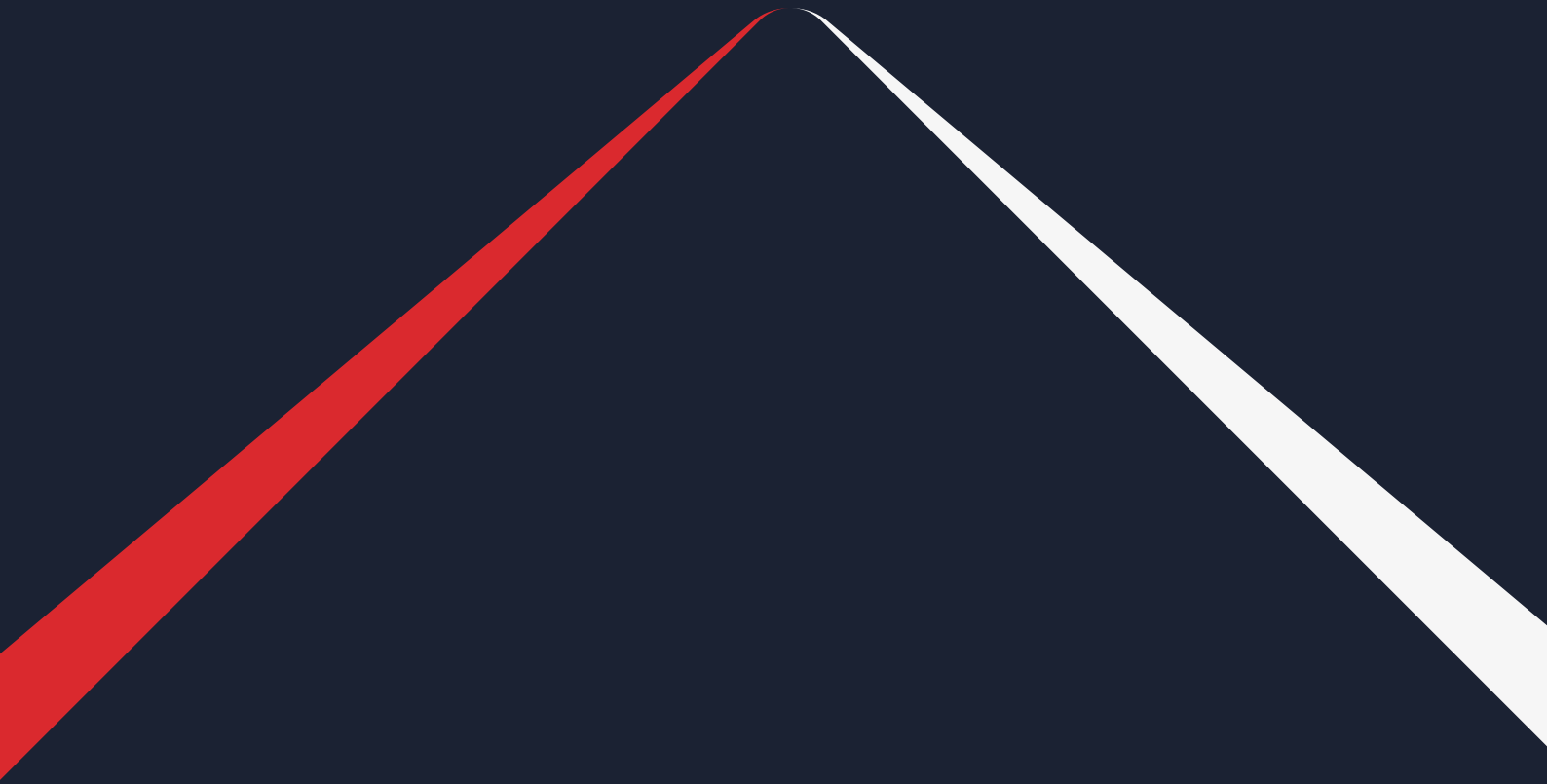


Travelex Group
Corporate Chart
as at 1 July 2018



Travelex

A Brand made for explorers



Welcome to Travelex



Anthony Wagerman
Chief Executive Officer

I'm happy to introduce you to the brand book for the world's leader in foreign exchange. I hope that through this book you are transported back to 1976 and the start of the Travelex story, taken through the journey to where we are today, and most importantly, excited with the vision of where we want to be as we move towards Leap2020 and beyond.

From the very beginning, Travelex has always explored new opportunities, challenging the status quo and investing in products, services and markets where we see potential growth. When our customers do business with us, they're not just exchanging or moving money: they are entering into a relationship with experts who care, people they can trust with their money, which is in some cases their livelihood. Through channelling our 140 years' experience into every product, service and experience, we take away the worry, giving our customers the freedom and peace of mind to explore the world their way.

We have a clear purpose at Travelex. We understand the value of exchanged money, and the opportunities it opens up to our customers. We're excited for them, and enjoy being part of their individual journey, whatever and wherever it might be.

I hope that you enjoy reading our brand story, and that it resonates with you as a part of the Travelex team. We're already moving into the next chapter of our story, building our money transfer business through remittance and international payments. We'll continue to explore new ventures in this space with the same tenacity that only a true explorer can have, and I'm excited to have you come on this journey with us.

Contents

1. Our company

Who we are today is a reflection of the journey we've been on, so to start with, spend some time exploring our past. You'll also find information on what we do as a business and where we do it, as well as a 'Who's who' in our leadership team.

Pages 4 to 21

2. Our group

Our group is formed of a number of companies, united by a single vision summarised under Leap2020. Jump to here if you want to read more about what this means for us, and how this feeds into our strategy.

Pages 22 to 29

3. Our brand identity

This section introduces our brand: more than just a logo, our brand answers the question 'why are we here?' It's our purpose, our promise, our guarantee to our customers. This chapter explores what it means to be Travelex.

Pages 30 to 45

4. Our creative guidelines

We interact with our customers through many touchpoints, and we must ensure we demonstrate a clear and consistent representation of our brand across each so that we are recognised as a single brand. Our creative guidelines bring our brand to life, illustrating how it should be used, and what it looks like when it's used well.

Pages 46 to 57

5. Our brand at work

Our colleagues are the heart and soul of Travelex, and are the ones that reinforce what we stand for as a brand. Therefore it's up to each of us to ensure we are living up to our brand promise and delivering it to our customers, every day. This final section explores how we do this, and what it means to our customers when we succeed.

Pages 58 to 81

Our company

Who we are today is a reflection of the journey we've been on, so to start with, spend some time exploring our past. You'll also find information on what we do as a business and where we do it, as well as a 'Who's who' in our leadership team.

Our story

Chapter 1: Origins

On 18th December 1976, Lloyd Dorfman opened the door to the first Travelex store in central London (although at the time, it was called Express Exchange), in a carefully selected unit, situated between the busy tourist areas of Holborn, the British Museum, and in the middle of the University of London with hundreds of international students arriving each year. He recalls the day he unlocked the large glass door for the first time, wondering whether he would get any customers at all. He had nothing to worry about with customers coming through the door within minutes of opening, and the days and months following. This day marked the beginning of the journey that would see Travelex grow from a single store to the successful leading global foreign exchange business we have today.

18th December 1976 marked the beginning of the journey that would see Travelex grow from a single store to the successful leading global foreign exchange business we have today.



Chapter 2: From tourists to travellers

Over the first few years, Travelex grew across the city of London, with four units by 1978. But by then, London was becoming saturated with bureaux de change, so we had to start thinking about our next steps. On the 4th May 1979 luck was on our side: following the victory of the Conservative Party led by Margaret Thatcher, the UK was able to openly trade foreign currency (previously non-bank retailers could only buy foreign currency).

As Lloyd drove down to the ferry terminals he could see that the travelling revolution was already in full swing.

This new policy not only changed the face of tourism and travel in general, but it also opened up a huge opportunity for us as a foreign exchange business, with a future no longer limited to serving tourist hotspots like London, but rather in bringing foreign currency to any traveller across the UK. And as Lloyd drove down to the ferry terminals (for these had now become the next logical step to grow his business), he could see that the travelling revolution was already in full swing with Brits heading down en masse to the ports on England's South coast.

Chapter 3: Exploring the international seas

The ferry business was generally lucrative, but the real money was made on-board the ferries themselves and not at the terminals where our businesses were based. The next step for us was clear: somehow Travelex services had to get onto a ferry. The big break came when we won the on-board business for a ferry operator between England and the Netherlands. With that, Travelex was finally able to set sail into international waters, and eventually arrived onto the Dutch mainland itself, opening our first international store at Rotterdam terminal in April 1984.

Lloyd Dorfman,
Founder of Travelex



Our story



Chapter 4: New airport frontiers – challenging the status quo

The ferry business continued to grow and was doing well, but then in 1985, a change in ownership of our biggest partner – P&O Ferries – marked the end of our most prosperous ferry contract, as the new owners quickly replaced our currency exchange service with their own. When evaluating where to go next, Lloyd's conclusion was that “we were never going to be a serious business until we were in an airport”. At the time, airport bureaux de change were all owned and run by major banks, and so normally we wouldn't have stood a chance, but we were about to get lucky. With the building of London Heathrow Terminal 4 being managed by the British Airports Authority (BAA), there came a potential opportunity to break through this barrier and to convince the BAA to include one of our stores as part of a new retail shopping experience planned within the departure lounge.

First step: get onto the tender list – easier said than done. The first attempt was rejected. The second attempt resulted in an invitation to pitch for a space on the tender list. That was then rejected. But we didn't just throw in the towel and quit. We persevered, focusing on that dot on the horizon, and eventually that tenacity paid off: Travelex was added to the coveted list.

The following weeks and months were dedicated to building a strong enough business case to assure BAA that despite the small size of our business, we were capable of holding our own in this busy and demanding environment. From securing financial backing, to finding innovative ways to gather the information that would support the case (such as picking up receipts from bureaux de change in the other Heathrow terminals to help estimate an average transaction value), the team worked around the clock. To add to the do-to list, the trading name of the business also came under review: BAA wasn't keen on Express Exchange as a trading name, and perhaps we had outgrown it. So in looking for a name that would make us sound established, like we'd been around for years, ‘Travellers Exchange Corporation’ - or ‘Travelex’ when abbreviated – was born. A new logo was also created: a heraldic shield featuring a galleon ready to enter uncharted territories, and some scales to represent financial acumen.

With the tender completed, it was time to sit and wait. And wait. And wait some more. Weeks and months went by, and eventually, on 11th December 1986, ten years after Lloyd opened his first small bureau de change on Southampton Row, we went where no man had gone before: Travelex won the bid and was appointed the first non-bank foreign exchange retailer at Heathrow airport.

Chapter 5: Rapid expansion – acquiring Thomas Cook

Over the years, Travelex has continued pushing international boundaries, opening in New York's JFK airport in 1989, before expanding to 50 terminals across 34 airports in the U.S. following the acquisition of a foreign exchange business from Mutual of Omaha. We also opened in the domestic terminals of Brisbane airport, Australia in 1990 – yet again winning the space through sheer persistence despite an unsuccessful bid in its international terminals.

We've always seized opportunities to invest in areas where we see potential growth, and this is no truer than in our famous acquisition of Thomas Cook Global Financial Services in March 2001. This was transformational to the scale of our business, as Thomas Cook was many times bigger than Travelex at that time. We added Thomas Cook's worldwide network of foreign exchange stores, an outsourced travel money operation, and a business-to-business payments division to our portfolio. It also brought over a century of foreign exchange expertise and heritage to Travelex.

Following the purchase of Thomas Cook, it seemed a good time to have another look at our logo. We wanted to grow the Travelex brand, whilst taking the opportunity to make use of Thomas Cook's brand recognition as an established foreign exchange business.

We also wanted to feature the Travelex name more prominently on the logo, and find a way to move away from ‘bureau de change’ (as this didn't always have positive connotations, nor was it relevant in many parts of the world).

We've always seized opportunities to invest in areas where we see potential growth.

The new logo was created in two stages: first, a brand agency came up with a new tagline ‘Worldwide Money’, which succinctly summarised everything we did. This was used to replace ‘bureau de change’. Then the logo itself was designed in-house: Travelex's colour was blue, whilst Thomas Cook's was red, and so a combined blue and red rectangle signified the joining of two companies, with the blue making up a larger proportion of the rectangle to reflect its position as the parent company.

Since 2001 we've continued to grow our international presence, by expanding the existing business into India, UAE, Oman, China, Malaysia, Japan, Thailand, Bahrain and Panama, and making acquisitions in the Netherlands, Qatar, Turkey, Singapore, South Africa and Brazil.

Our story

Chapter 6: Diversification – the move into wholesale and international payments

Over the years we had built up our experience and expertise beyond simply changing currency: we had set up high street retail stores, managed currency exchange within ferries operating in international waters, and were now managing multiple stores across multiple airports around the world.

We understood the logistics of cash-handling and managed it successfully within our own business, and so looked to see whether these skills could be offered to other businesses as a service; they could, and Travelex began to manage the foreign exchange and wholesale cash distribution for a number of other airport retailers, hotels and casinos it had partnered with.

In less than 20 years our international payments business went from a payment-facilitation service done off the side of a desk to an upscale business with revenue of over £140 million.

Then in 1999, in view of the impending introduction of the euro, Barclays made the decision to sell Transpay, its wholesale banknote centre in Frimley. Transpay supplied Barclays bank branches with foreign currency and handled the foreign currency sold back to its banks.

This was big news for Travelex; acquiring Transpay would open up the opportunity for us to provide foreign currency to the branches of many of the major banks in the U.K. Travelex made a successful bid for Transpay in partnership with the Royal Bank of Scotland, and gained control of the wholesale banknote centre (today our Frimley vault, which is now 100% owned). We were now set to start offering currency services to other financial businesses.

Another fantastic opportunity for growth and expansion in the 1990s was international payments. Historically, major banks had controlled the market for companies that needed to make payments abroad, but times were changing and Travelex saw an opportunity to enter into this space. However, this business didn't have a glamorous start: three graduates with a desk and phone at Kingsway, a copy of the Yellow Pages and access to a Reuters screen was what it took to kick-start our payments journey!

We believe that many more opportunities with business partners around the globe lie ahead.

In less than 20 years our international payments business went from a payment-facilitation service done off the side of a desk with an annual turnover of £150,000 to an upscale business with revenue of over £140 million, servicing over 35,000 businesses across 14 countries.

As with any business, the question of when to make a smart exit arose, and in our case, the opportunity came in 2011. Travelex Global Business Payments was sold to Western Union, for £606 million. This move not only released a significant amount of cash to repay our debt, but also allowed us to focus on other parts of the business.

We have recently re-entered the payments marketplace, identifying pockets of opportunity created from the rapid pace of change and disruption prevalent in this space. We've been busy building a new digital payments platform based on the latest technology, and its success has meant Amazon has chosen to showcase us as an innovative client of Amazon Web Services. We launched this service both to consumers and with our first partner in the summer of 2017, and we believe that many more opportunities with business partners around the globe lie ahead.

Chapter 7: Our journey continues

Today Travelex operates along the entire foreign exchange value chain. We serve customers in over 70 countries, offering a range of services to both consumers and businesses:

- Our core consumer foreign exchange offering is available in stores, online, mobile and ATMs;
- We offer international payments to both consumers and businesses;
- We provide remittance services as an agent for Western Union, Xpress Money and others;
- We prepare, process and deliver foreign currency for our supermarket and retail bank customers; and
- We source and distribute large quantities of foreign currency banknotes for wholesale customers, including central banks and international financial institutions.

Since opening in 1976, Travelex has evolved from a single high street bureau de change to a globally recognised and widely trusted foreign exchange operator.

We've extended our services over international borders, bringing Travelex to six continents, whilst broadening our business from just exchanging money to providing currency solutions our customers want. We've kept full steam ahead as the digital era continues to grow, investing in technology and capability to ensure we continue to stay ahead of the game, and reinventing ourselves as a digital business that offers our customers the best methods for spending and sending money around the world.

We've grown our money transfer business across remittance and international payments, and have built a world class payments platform using best-in-class technology that is already transforming the way in which we are able to serve our customers. Together with our shareholders and owners of UAE Exchange and Xpress Money, we will continue on our journey to be the most admired global brand in Money Transfer, Foreign Exchange and Payment Solutions.

“One of the fundamental characteristics of an entrepreneur is the ability to recognise an opportunity”

Lloyd Dorfman



Timeline

<p>1976</p> <p>SOUTHAMPTON ROW WC1</p> <p>OPEN FOR BUSINESS Lloyd Dorfman opens the first store in Southampton Row, London</p>	<p>1984</p> <p>GOING DUTCH Travelex opens its first overseas branch in the Netherlands at North Sea terminal, Rotterdam</p>	<p>1986</p> <p>BREAKING BARRIERS Travelex becomes the first non-bank foreign exchange provider at London Heathrow Terminal 4 Hambros purchases a 21% stake in Travelex</p>	<p>89-90</p> <p>OPEN FOR BUSINESS First Travelex branches in the US & Australia</p>	<p>1993</p> <p>THE US TAKES OFF Travelex acquires a foreign exchange business from Mutual of Omaha, with stores in 50 terminals at 34 airports across the US</p>	<p>1995</p> <p>RETAIL TAKEOVER Travelex takes over Abbey National's retail foreign exchange operation, giving Abbey National a 33% stake in the Group</p>	<p>1998</p> <p>STAKES ARE RAISED 3i purchases stakes in Travelex from Abbey National and Hambros</p>	<p>1999</p> <p>DIVERSIFICATION Travelex acquires Transpay, Barclays' wholesale banknote centre in the UK, kick-starting our vault operations Launch of Travelex Online in UK</p>	<p>2001</p> <p>ACQUISITION Travelex acquires Thomas Cook Global Financial Services for £440 million</p>	<p>2003</p> <p>FURTHER AFIELD Travelex opens its first store in India and enters the Middle East with the first store opening in Oman</p>	<p>2004</p> <p>NEXT STOP CHINA Travelex expands into China Travelex acquires GWK in the Netherlands for €15 million</p>	<p>2005</p> <p>CHANGE IN STAKES Apax acquires a majority shareholding in Travelex</p>	<p>2009</p> <p>AN ASIAN-PACIFIC 1ST First foreign exchange ATM in Asia-Pacific goes live at Brisbane Airport</p>	<p>2011</p> <p>ON THE CARDS Sale of prepaid card programme management business to MasterCard Sale of Travelex Global Business Payments to Western Union</p>	<p>2012</p> <p>MULTI-CURRENCIES Travelex launches the multi-currency prepaid card in Australia and New Zealand, expanding into the UK in 2013</p>	<p>2013</p> <p>A FAIR SHARE Acquisition of 49% shareholding in Grupo Confidenc (Brazil's largest independent foreign exchange business), with remaining 51% acquired in 2015 Launch of Global Delivery Centre (GDC) for shared services in Mumbai</p>	<p>2015</p> <p>A STRONG FOUNDATION Travelex cements its presence at Heathrow Airport by becoming the first sole foreign exchange provider there Travelex secures licence to import and export foreign currency and commence a wholesale business in China Travelex Money App launched to help customers buy travel money more easily from their phone Dr Bavaguthu Raghuran Shetty, H.E. Saeed Butti Mohamed Al Qebaisi, and Mr Khalifa Butti Omair Yousif Al Muhairi</p>	<p>2017</p> <p>FUTURE BUILDING Travelex builds its own bank-to-bank international payments platform, and launches a business solution for a major partner in the U.S, and Wire - the consumer product offering in the U.K.</p>
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KEY FACTS:

- > Present in 70 countries, across 6 continents
- > 20,000 locations through our retail partners
- > 1,050 ATMS
- > 20 websites
- > Access to 1 billion customers globally every year
- > 1,230 Stores
- > 80 currencies
- > 1 app

Our Leadership team

Executive Team



Anthony Wagerman
Chief Executive Officer



Tony D'Souza
Chief Financial Officer



Steve O'Donovan
Chief Commercial Officer



Kate Kennedy
Products & Strategy Director



Daryl Norman
Compliance and Risk Director



James Birch
General Counsel



Gareth Williams
Global HR Director



Jaap Remijn
Chief Operating Officer



Victoria Bénis
Group Company Secretary

Shareholders



Dr Bavaguthu Raghuram Shetty
Dr Shetty's principal investment portfolio includes significant holdings in nmc Health plc, UAE Exchange and Neopharma, as well as investments in hospitality, food and beverage businesses



H.E. Saeed Butti Mohamed Al Qebaisi
Chairman of Centurion Investments. Founded in Abu Dhabi, Centurion Partners is a leading investment company in the region with a total portfolio of over AED3bn. Backed by KBBO Group / the Butti family



Mr Khalifa Butti Omair Yousif Al Muhairi
Chairman of KBBO Group, a privately owned diversified investment group focused on the UAE and the Middle East, based in Abu Dhabi. Also Executive Vice Chairman of Centurion Investments among other positions

Our business



Brand architecture

Travelex operates across Retail, Wholesale & Outsourcing for both Foreign Currency and Money Transfer. Our corporate brand 'Travelex', also lends its name to our consumer brand – that is, how our retail customers recognise us. In addition to our corporate and consumer brands, we also have a sub-brand – Travelex Currency Solutions, which we use when we talk with our business partners. Finally Grupo Confidence in Brazil (Banco Confidence and Confidence Cambio) is endorsed by Travelex, but is also an established brand in its own right.

We are known for being Travelex, and it's that brand awareness that we focus on when it comes to building our brand reputation: for our retail customers, it is an emotional connection with our brand that drives them to transact with us and come back again; for our business customers it is the knowledge of our name and the confidence it instils that makes that initial positive impression and enables us to have that first conversation.

Corporate brand



B2b sub-brand



CURRENCY SOLUTIONS

Consumer brand



Endorsed brands



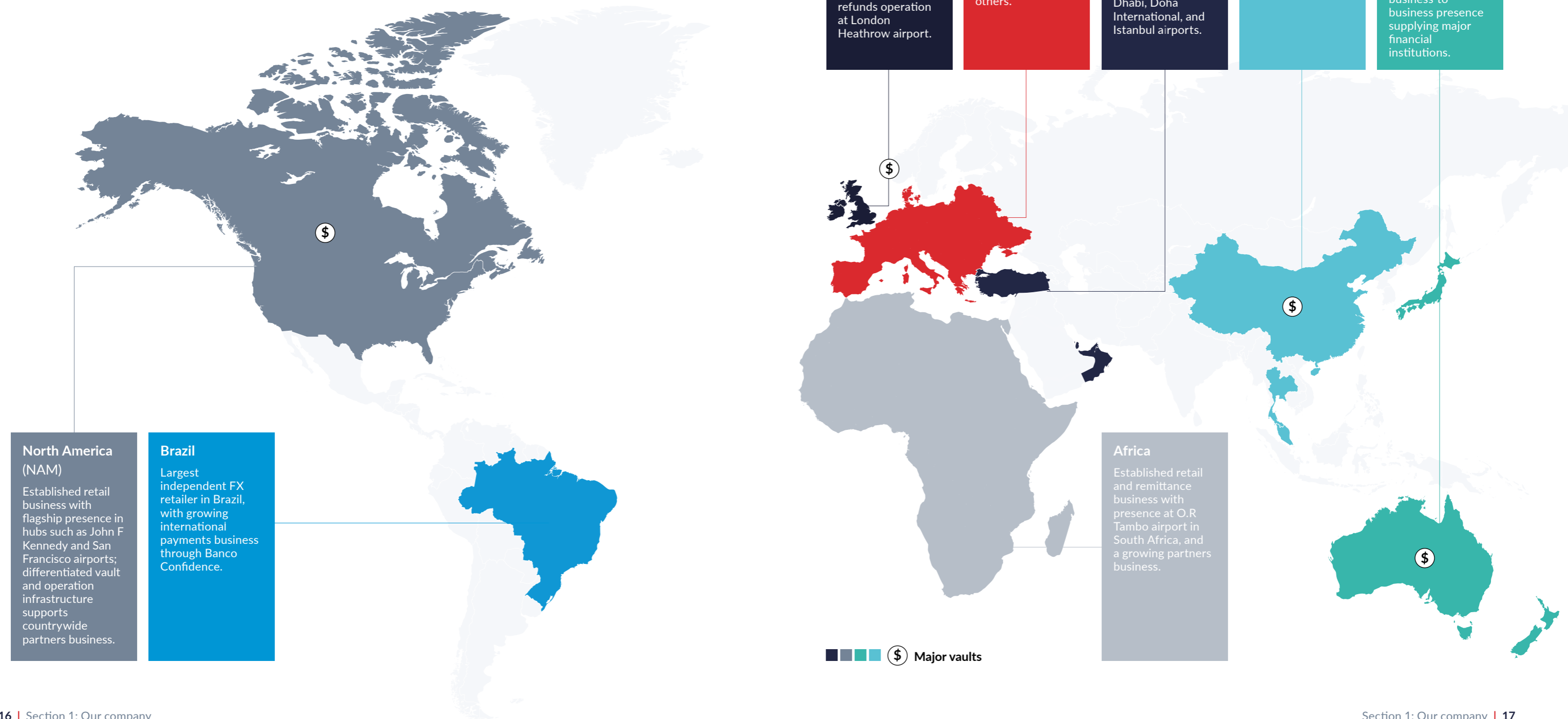
Organisational structure

The management structure of our business is organised along geographical lines. We operate across the globe, and split our business into eight geographies, or 'geos', each of which is led by a Commercial Director.

The Commercial Director has full responsibility for all products and distribution channels within their geo.

Our footprint

Travelex is present in many of the biggest global FX markets, across six continents and in over 70 countries.



What we do

Our business is divided into two core segments, Retail and Wholesale & Outsourcing, for foreign currency and money transfer. Across both we serve customers in over 70 countries.



Retail

Our Retail business is a market leading independent retail foreign exchange business. As of August 10 2017, we operated over 1,230 foreign exchange stores in 30 countries, many of which are in leading airports and prime locations, as well as over 1,050 ATMs, and online and mobile platforms for retail customers. We were present in 15 of the top 20 airports globally.

Customer: We serve a mix of leisure and business travellers across our store, ATM and online channels.

Products & services offered: We sell foreign currency cash and prepaid cards, process tax refunds, and offer remittance, consumer payments (bank-to-bank), and concessionaire services (e.g. SIM cards, travel insurance).

Other trade

We also maintain a card issuing business, which allows us to issue prepaid cards and distribute them in certain jurisdictions.

We retained our license after the sale of our prepaid card business to MasterCard.

Wholesale & Outsourcing

We are the largest wholesale supplier of currency in the market, sourcing and distributing foreign exchange banknotes for hundreds of customers including central banks, travel agents and financial institutions, across over 70 countries. We are involved in the preparation, processing and delivery of foreign currency orders for outsourcing customers. We also offer a payments solution to our financial services partners, enabling their customers to complete international payments.

Customer: Retail banks and central banks, other financial institutions, supermarkets, travel agencies, hotels, casinos.

Products & services offered: Integrated, white-label outsourced currency and international payment solutions, wholesome banknotes, fulfilled through a network of vaults and bespoke logistic services.

As of August 2017 we were present in 15 of the top 20 airports globally.

What we do... Our products



Foreign currency exchange (cash)

Our customers can exchange cash in more than 80 currencies. We self-source the currency we sell in our retail business from our wholesale business, and are able to recycle currencies within our vast global network.

Prepaid cards

Customers can buy prepaid cards in multiple countries across four continents. They primarily bear the MasterCard logo, and are accepted by over 35 million merchants worldwide. Customers can also use their card to withdraw cash from an ATM.

The prepaid card is a flexible, secure and convenient alternative to credit and debit cards or cash, not requiring or linked to a bank account. They can be topped up when the balance runs low, and have a PIN number for added security.

Tax Free Shopping

Customers can claim tax refunds on departure from some of our stores in the U.K. and mainland Europe (with further markets on the roadmap). We act as an agent for a number of refund providers, including Global Blue and Premier.



International Payments & Remittance (Money transfer)

We recognise that in an increasingly connected world, the demand for international payments continues to grow, and as regulation and requirements change, new and existing players must continue to innovate to meet customers' needs. Money transfer is recognised in Leap2020 as a huge opportunity for growth, and in response we are increasing our focus across both payments and remittance – in the products and payment corridors available to our customers, and in where we offer those products. For our individual customers we offer cash-to-cash or cash-to-bank remittance payments from our stores using Western Union Money Transfer service, or Xpress Money (rolling out in multiple markets from 2017 onwards).

We allow customers to make bank-to-bank international payments in certain countries through a number of products including Travelex Money Transfer in the Middle East, and the more recently launched Wire in the U.K. (March 2017).

Our financial services partners also have a need to offer their customers international payments, and as such we identified an opportunity in the market to provide them with a solution. In the summer of 2017, we launched an international payments product for our business partners. It offers a full foreign exchange and payment aggregation service, and is built on a best-in-class technology platform. This marks the beginning of our re-entry into the payments space, and a real opportunity to redefine our position in the business fintech industry.

Channels

Customers are able to access our products – whether direct from Travelex or via a partner – through a number of channels. We come into contact with customers through a vast store network, both our own stores and in partner branches (e.g. supermarkets and retail banks), and also online where we have websites in over 20 countries. These vary from information sites or reservation only, through to fully transactional sites set up in key markets (e.g. U.K., Australia, U.S. and France), so customers can purchase their currency online and have it delivered to their home or collect it in one of our stores. Beyond the website, we also encourage customers to download the Travelex Money App, which they can use to purchase cash or reload their Travelex Money Card from their phone. Finally, Travelex has a global network of over 1,050 ATMs, where customers can use their own bank card to withdraw cash in both foreign and local currency.



Wholesale

Our wholesale business provides sourcing of foreign currency banknotes for partners all over the world, including financial institutions, central banks, and other money service bureaus. These banknotes are then distributed by our cash in transit partners to our customers in their country of operation. Our footprint is truly global, serving customers across 6 continents, and in approximately 70 countries. We provide banknotes in over 80 currencies and have access to a number of sourcing partners directly, giving us unparalleled access to stock. This business is highly regulated, with a strong focus on compliance and risk management.

Our wholesale banknotes business is supplied through our global vaults network, with major hubs in the U.K. the U.S., Australia and Hong Kong. These vaults also supply currency to our retail network – connecting Travelex globally.

Our vertical integration – and therefore access to a low cost source of banknotes in major and exotic currencies - is an important competitive advantage.

Outsourcing

We provide foreign currency services to a wide variety of partners, who usually have recognisable distribution networks and consumer brands (e.g. supermarkets, retail banks). Our outsourcing business enables our partners to provide their customers access to foreign currency quickly, securely and via a choice of channels. Our partners can opt for an entire end-to-end foreign exchange operation or simply choose a customised selection of products and services that suit their business model.



Our group

Travelex is part of a wider group of financial service companies, which are united by a single vision, summarised under Leap2020. Jump to here if you want to read more about what this means for us, and how this feeds into our strategy.

Our shareholders

Travelex is owned by three shareholders, acquired through the vehicle UTX Holdings Limited: **Dr B. R. Shetty**, **H.E. Saeed Bin Butti** and **Mr Khalifa Bin Butti**. Each is an established well known entrepreneur, and together have a track record of long term ownership across a diverse portfolio of assets.

Dr Bavaguthu Raghuram Shetty

- Self-made entrepreneur with over 40 years of experience with more than 35 of those spent in the Financial Services industry
- Runs global business entities across 40+ countries
- Founder and Chairman of UAE Exchange; Founder, Executive Vice Chairman and CEO of NMC Healthcare
- Listed among Forbes' Top 40 Indian business leaders in the Arab world (2016) – net worth of \$2.7bn as of December 2016
- Active philanthropist, having affiliations with several charitable and socio cultural organisations



H.E. Saeed Butti Mohamed Al Qebaisi

- Chairman of Centurion Investments
- Founded in Abu Dhabi, Centurion Partners is a leading investment company in the region with total portfolio of over AED3bn
- Backed by KBBO Group / the Butti family



Mr Khalifa Butti Omair Yousif Al Muhairi

Significant financial and investment experience in the Middle East and Europe. His current positions include:

- Chairman of Khalifa Butti Bin Omeir Group (KBBO), a privately owned diversified investment group based in Abu Dhabi, and focused on the UAE and the Middle East
- Chairman and CEO of Brokerage House Securities
- Executive Vice Chairman of Centurion Investment
- Chairman of Cosmesurge Emirates Hospital



In 1980, Dr Shetty established UAE Exchange to address the needs of the growing expatriate population in the UAE. Today it is a leading money transfer brand operating across 5 continents. Travelex was acquired in 2015 to form, together with UAE Exchange, one of the largest retail money transfer and foreign exchange networks in the world, with operations in 43 countries.

Other industries (Selection of assets)



One of the largest hospital operators in the GCC, listed on the LSE with c.\$3.3bn market cap². **Established by Dr Shetty in 1975**



Pharmaceutical manufacturing company based in Abu Dhabi. **Established by Dr Shetty in 2003**



One of the major hospital operators in the UAE. **Owned by KBBO since 2014**



Cosmetic surgery clinics mainly operating in the UAE, with a presence in Oman and Kuwait. **Owned by KBBO since 2014**



Catering and hospitality services provider based in the UAE. **Owned by Dr Shetty since 2015**



Manufacturer and distributor of edible oil products based in Abu Dhabi, **operating since 1998**



A snapshot of our sister brand, from whom there is strong ambition to leverage strengths to mutually benefit both Travelex and Xpress Money:

- Established in 1999, and is now present in 160 countries.
- Around 180,000 cash payout locations globally
- Present in 50+ countries for account credits
- Present in 10 countries for mobile wallets
- Other payout modes available (specific geographies): home delivery, ATM payouts & prepaid card



Leap

ACCELERATING TRANSFORMATION 2020

We're part of a family of companies, and our shareholders have ambitious goals for us. Our collective vision for the future is called 'Leap2020' – and behind this lies an ambitious plan that outlines the 'big and bold' goals we'll strive for together. Our annual goals will help us to get closer to our **Group vision** every year that goes by...

- 'To be the most admired global brand in Money Transfer, Foreign Exchange and Payment Solutions'

Our strategy



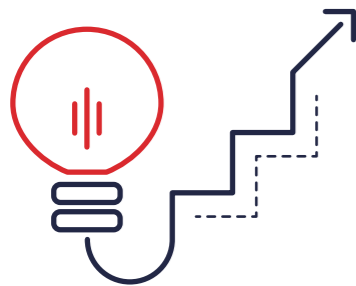
1. **Personal.** Continue to build deep customer relationships and provide a seamless experience across channels

We believe that having a deep knowledge of our customers will drive growth by delivering products and services that are relevant for them, which in turn opens up opportunities to move them from one product to multiple, increase engagement and ultimately long term value.

We believe we have a compelling value proposition for our customers, through our range of products, accessibility and experience, that will help us to achieve

this goal. We aim to further improve our offering through delivering a seamless customer experience and personalised service across all our channels. Ultimately we aim to build a 'one stop shop' to support our customers in all their foreign exchange needs.

To support this we aim to further grow an already large base of consumer and corporate customers, giving us greater reach and allowing us to have more conversations.



2. **Innovative.** Deliver innovative products, services and channels

We have a proven track record of bringing new and innovative products to market, such as the multi-currency prepaid cards in the U.K., Australia, New Zealand, Japan and the U.S., and VAT refunds to our stores in the U.K., and parts of Europe.

More recently we launched our "Travelex Money App", and our own international payments platform for our retail customers and business partners, and continue to expand our remittances capability and geographic reach through both Western Union and Xpress Money.

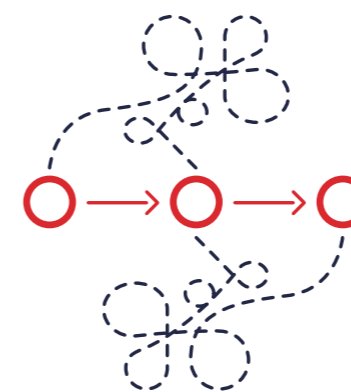
We will continue to develop a pipeline of great products for our customers, which address the challenges they face in the foreign exchange and payments landscape. We'll continue to invest in our digital capabilities to ensure we are building solutions that are relevant in an increasingly digitally connected world.



3. **Focused.** Increase our footprint in the markets in which we are present

We will focus on maximising our market share in our key markets by making best use of our full range of distribution channels and business models. Some ways we will look to do this include: expanding into more airports; growing our ATM network; establishing more and deeper partner relationships through our Wholesale & Outsourcing business; and driving our online and mobile presence and market penetration, through our own brand or white label partnerships.

Historically we have used a number of expansion strategies to enter new markets, including acquiring existing businesses, organic growth and joint ventures. We will continue to drive growth in these newer markets, in addition to our focus on key markets.



4. **Efficient.** Maintain the efficiency of our operating model

We continue to benefit from our scale to optimise efficiencies in our business. We have: a set of functions that sit centrally and support our geographies on a global basis; a global support chain, where we are looking to drive further automation within our vaults to continually reduce costs and errors; and we have a growing Shared Service Centre in Mumbai (the GDC), which provides Finance, IT, Compliance and Human Resources services to our global business.

We will continue to look at where we can further increase operational efficiency through the digitisation of back-end processes, upgrade of our platforms for business partners, and the development of new systems to support new digital products, customer insight, compliance and our data analytics capability.

Our brand identity

This section introduces our brand: more than just a logo, our brand answers the question 'why are we here'? It's our purpose, our promise, our guarantee to our customers. This chapter explores what it means to be Travelex.



Our brand identity

A brand is the sum of all perceptions that come from everything you see, hear, read, know, feel, or think about a product, service or business. It is influenced by past experiences, associations and expectations. And it plays a key role in a customer's decision to do business with us.

Our brand is not just a logo, a tagline or a physical store. Our brand is an intangible concept, which encompasses our purpose, our promise, and our guarantee of quality; it represents an origin, expectations and benefits.

Our purpose

Behind all market-leading brands is an idea about how the world could be: a purpose, rather than a positioning.

By clearly articulating our purpose, we hope to give ourselves and our customers a reason to believe in and keep coming back to Travelex.

- **We know** that money exchanged has more value than it's worth.
- **We believe** people should feel confident to explore.
- **Peace of mind** has been our currency for more than 40 years.
- **We are excited to be a part of your journey.** Wherever you are, wherever you go, we are with you.

Our personality

We use our personality to develop visuals, messaging and experiences that invoke very specific emotional reactions from our customers. By doing this we make it easier for customers to quickly understand what we are about.

Behind every successful brand personality is the story of its history. It is that story that helps to explain 'who' the brand is. Our story begins in 1976 when Travelex was founded by Lloyd Dorfman, and it continues into 2001 when we acquired the Financial Services arm of Thomas Cook, bringing with it an entire history of its own spanning back to the turning of two centuries.

Travelex is an entrepreneurial company with over 140 years of global experience in foreign exchange. We are the **Original Explorer**: we were there first with Thomas Cook's travellers cheques in 1874, there as the first non-bank company to operate a travel money store in London Heathrow airport in 1986, and have continued to be "there" in many new places ever since. Our heritage lies not only in who we are but where we are. Wherever in the world our customers are or wherever they go, chances are we've been there. So they can lean on us and travel well.

Our behaviours

Underpinning our brand personality are core behaviours that we strive to deliver not only in our interactions with our customers, but also in what we do, every day. These behaviours are there when we engage with our colleagues, when we decide what to focus on each day, and they show through our work:

We're Courageous:
we don't shy away from
challenges

We're Reliable:
we do what we say
we will

We're Responsive:
we're there when our
customers need us

In addition, we love what we do, and want our colleagues and our customers to be as excited as we are: **our passion and enthusiasm is tangible.**

We're Motivators:
we get our people excited
about our causes.



Our tone of voice

In order to deliver a single brand across the globe, we need to be consistent in how we communicate to our customers.



Our content reflects our core values

Purposeful, confident and insightful: We build trust through our voice, giving confidence to our customers through our own confidence in what we're saying. We know what we're talking about and we know just how to articulate it – we get to the point but without missing out any important details.

Personal and genuine: We speak in a way that's approachable, engaging and open. We speak from one human being to another, in a way that's friendly without being false. We're not afraid to be warm and witty when the moment's right, but we're never flippant.

Responsible: We only speak about things that are relevant to our brand. We'll never 'tell' our customer what to do, but equally we don't take our commitments lightly – we know how to offer the right level of advice to help them decide for themselves.

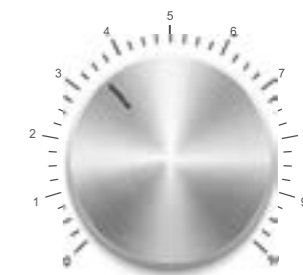
Passionate: Our love for what we do shines through in everything that we say. We combine all of our values to bring out our very best.

How we speak

Whilst our core values make up the base of our brand, how we use them depends on who we're talking to. An email to our database celebrating a new product launch needs a different tone to a reply on social media dealing with a customer complaint – and yet, both of these need to sound like Travelex and carry our core values.

We can manage this through deciding the volume of Travelex's personality we demonstrate in each communication¹:

Medium volume: Our day to day tone, to be used with all standard B2C communication and customer service



Low volume: Our most serious tone, to be used with standard B2B communication, customer complaints and apologies

High volume: Our celebratory tone, to be used with product launches, special news and exciting announcements

How we speak

- ✔ We are human, friendly and warm – We speak to the user directly using a conversational style and speaking their language.
- ✘ We are NOT conservative, detached or stuffy.

- ✔ We are helpful – We make complex things simple, using clear and concise language.
- ✘ We don't use unexplained acronyms or references.

- ✔ We are inclusive and accessible to everyone – We use language that reflects diversity and that doesn't exclude anyone.
- ✘ We are NOT arrogant, prejudiced or critical.

- ✔ We are to-the-point – We are efficient with words and never say anything that doesn't add value.
- ✘ We are NOT complicated, superfluous or trying to be too clever.

- ✔ We are fun, positive, energetic and inspirational – We apply pace, vigour and optimism to our sentences to enthuse the customer and fire their imagination.
- ✘ We are NOT dull, boring or unimaginative.

- ✔ We are informative, knowledgeable and credible – We offer practical information and local, insider knowledge.
- ✘ We are NOT loud, brash or trying to sell something.

- ✔ We are contemporary, modern and progressive – We write in the present tense, using the language of today.
- ✘ We are NOT old-fashioned, frilly or predictable.

Our tone of voice Summary

Whatever we say during an interaction with a customer, whether face-to-face, over the phone or in an email, we must remember who we are and how we want to come across, and ensure this is reflected in the right way through our tone of voice.

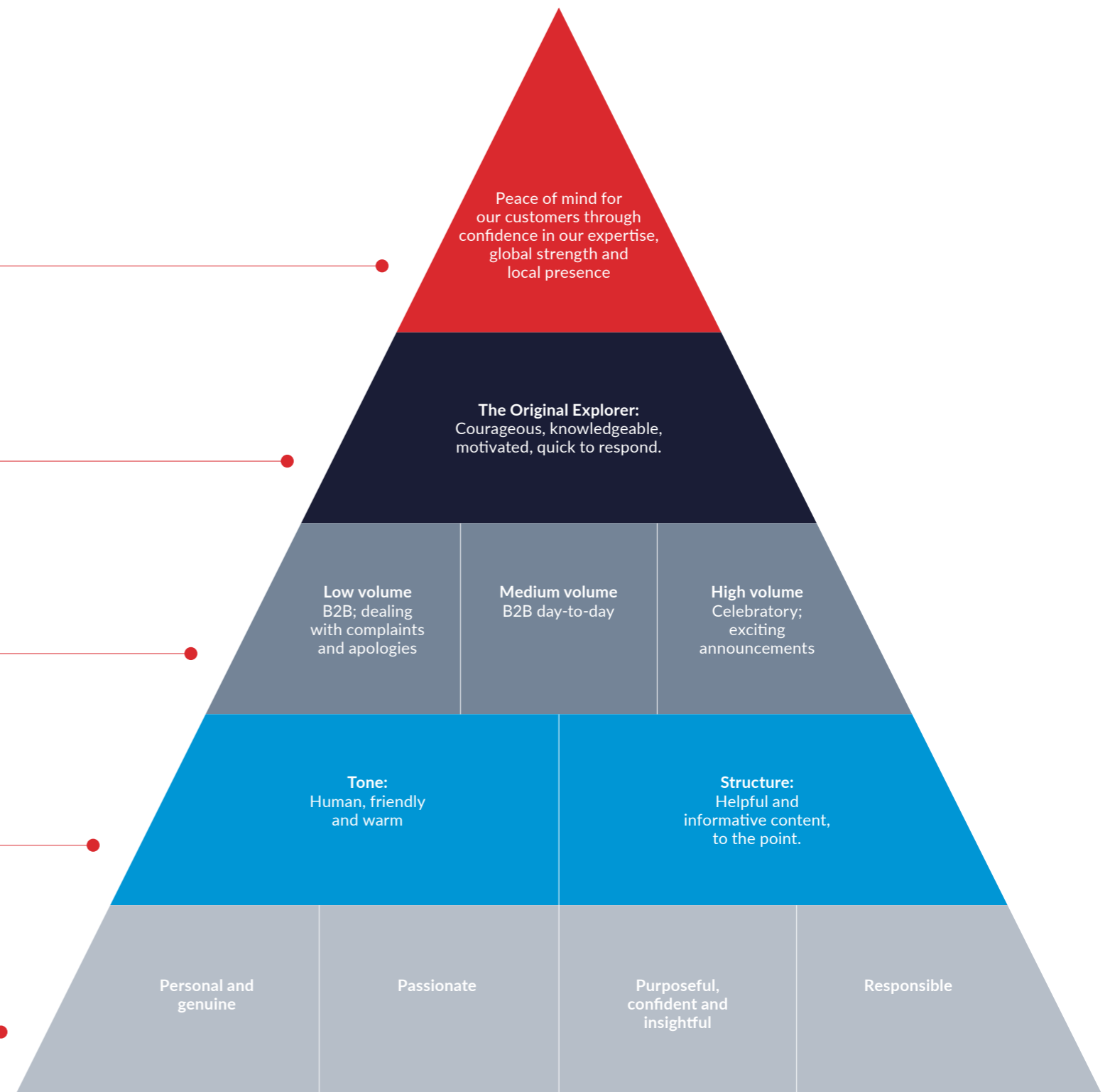
What we build

Who is talking

When we say it

How we say it

How we sound



Our customer needs

The reasonably unreasonables

The world is getting smaller, our expectations are increasing and our patience has gone.

From refusing to wait 5 seconds for the lift doors to close to searching on Google, we want everything on our time – and our time is now. Successful brands have created an expectation within all of us to expect faster and cheaper with the bonus of better.

Unreasonable behaviour you might think. We believe it's inspiring... they want the world to be better. And so do we.

Whether it's Ethel looking forward to her holiday with friends, or a national bank searching for new ways to provide a better service for their customers, clients and partners.

Every person and every business can trace their needs and ambitions to one clear mindset: **Being demanding.**

Whoever we're dealing with, they're sure to be 'Reasonably unreasonable'.

*They want the world to be better.
And so do we.*

Our uniqueness

How we differentiate

We have to have a clear understanding of our strengths: what we do or have that is different, or better than our competitors. These are the things that make us the best choice for our customers.

Global footprint

No other foreign exchange business has our **global footprint**, not just in terms of our physical stores which drive awareness, but also in our vertical integration and strength of partnerships within FX, remittance and payments.

Accessibility, Peace of Mind

We are widely **accessible**, whether through our physical or digital presence, in convenient locations or at the end of a phone, and this, together with our in depth knowledge of the industry offers **peace of mind** to our customers.

Our strength lies in the potential of our people

People

And finally, our strength lies in the **potential of our people** – the volume, distribution, diversity and knowledge we have at our fingertips across the globe.



Our brand truths

Customer Value Proposition

Our customer value propositions are founded on brand truths; they explain how we meet the needs of our customers by solving a problem or improving a situation. They are the way we deliver specific emotional and functional benefits. They give our customers a reason to do business with us, rather than our competitors.

Experts you can trust:

- **140 years of experience in foreign exchange** (from the launch of travellers cheques through Thomas Cook in 1874)
- Together with our partners, **we serve millions of customers in over 70 countries** and 20,000 locations, each year
- **A dedicated team of c.80 compliance & risk professionals**, responsible for ensuring ongoing compliance and risk management across all the jurisdictions we operate in
- **Partners with some of the largest financial institutions in the world**

People who care:

- **Invest in on the ground training for front line staff** (F2F and via online learning platform); a continuous feedback and development cycle as part of the personal development process
- **Net Promoter Score** measured and reviewed across the business
- **New business opportunities** measured against a clear customer benefit as one of the key filters during design phase
- **'Time to respond'** to customers tracked as a KPI across customer services and social

Solutions that are right for you:

- **Multiple FX products across B2C and B2B**, including cash, prepaid cards, international money transfer (payments and remittance), tax refunds, outsourcing, wholesale banknotes
- **Solutions that span across channels** store, online, brand presence (Travelex branded vs white-label), B2C, B2B2C, B2B
- **Customised B2B solutions** that touch various parts of the value chain, depending on the requirements of the individual partner
- **Flexibility in cash offering:** customers can exchange cash in more than 80 currencies

There when you need us:

- **Choice of FX purchase channels available:**
 - Over 1,230 airport and off-airport stores across 30 countries (presence in over 70 countries including our partners);
 - Websites in over 20 countries, travel money app in our 3 biggest markets
 - Over 1,050 ATMs worldwide
- **UK customer service centre** supporting the global business. Phone and email access
- **Monitored Facebook and Twitter accounts**

Our brand promise

Our brand promise sits at the heart of our brand. It is the distillation of our brand, the pure essence. This is what Travelex stands for.

For us this is grounded in the service we provide. By always using our expert knowledge to provide the most positive experience, and by

being 'there' when needed, our customers are free to focus on what they want to achieve, with complete peace of mind.

This is our consistent guarantee to every one of our customers, whoever and wherever they are.

'We give people the freedom and peace of mind to explore the world their way.'

Go beyond!

When everything is working for us, there should be no end to what we can accomplish.

But too often we're forced to accept the limitations placed on us by external factors: borders, boundaries, queues and customs. Travelex breaks down those boundaries giving our customers the freedom and peace of mind to explore the world their way. **We want everyone to feel that nothing can stop them.** No one should have to miss out on an opportunity due to FX limitations again.

No one should have to miss out on an opportunity due to FX limitations again.

We Go Beyond
for our customers

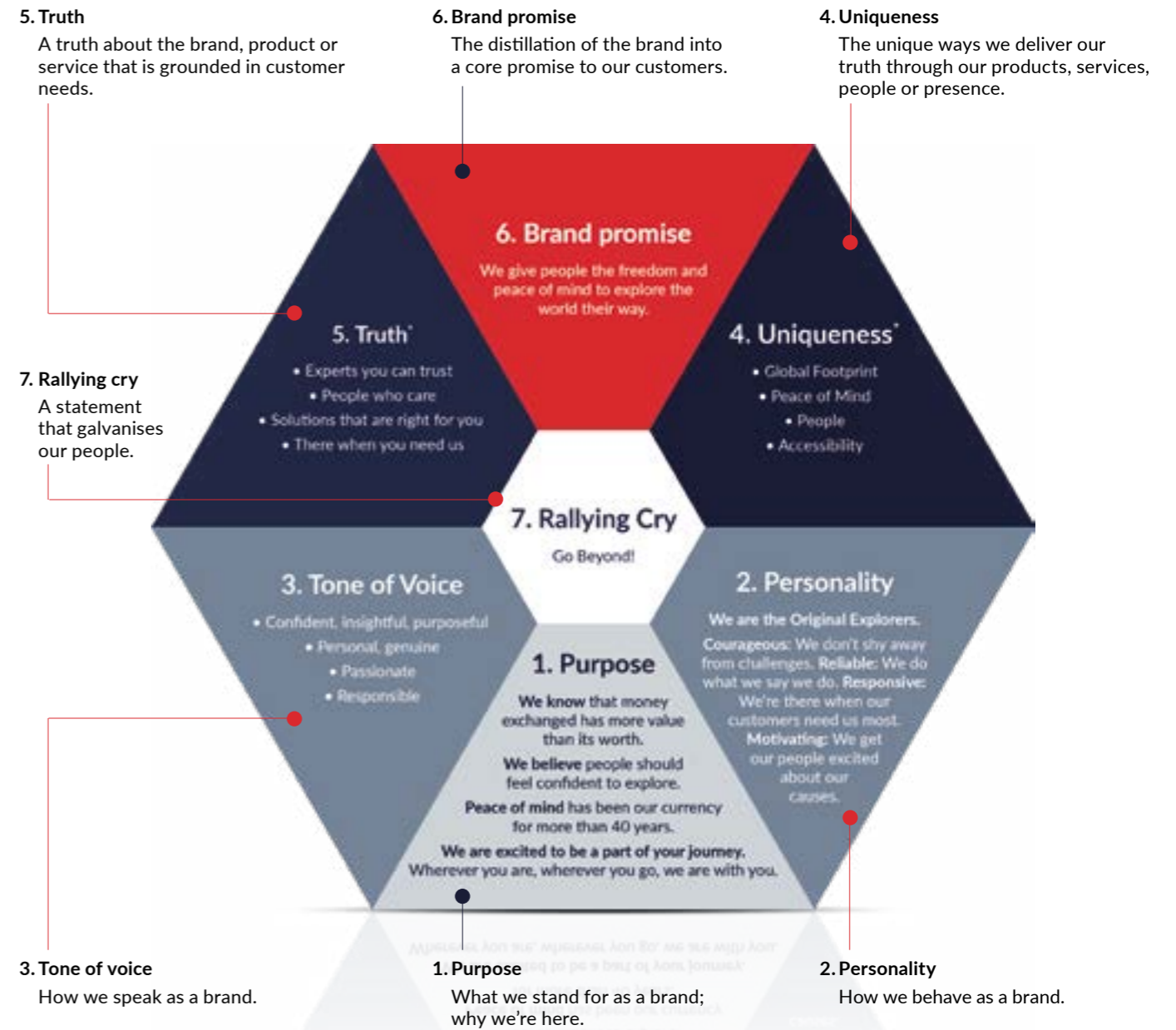
We enable them to Go Beyond
to achieve their goals and ambitions.

We Go Beyond
for ourselves.



Our brand on a page

To ensure that we provide consistency to our customers wherever they are, we follow our brand hexagon as our guiding light. **This is the summation of our brand, and serves as a simplified reminder of what our brand is about for every one of us.**



*Adaptation of the hexagon

We acknowledge that flexibility is needed when applying the brand hexagon in specific geographies or parts of the business, to make it relevant to the audience at hand. So whilst the core of the brand – our brand promise and purpose, personality and tone of voice – must remain consistent, how we highlight our uniqueness, and the proof points that validate our truths are both open to local interpretation.

Our creative guidelines

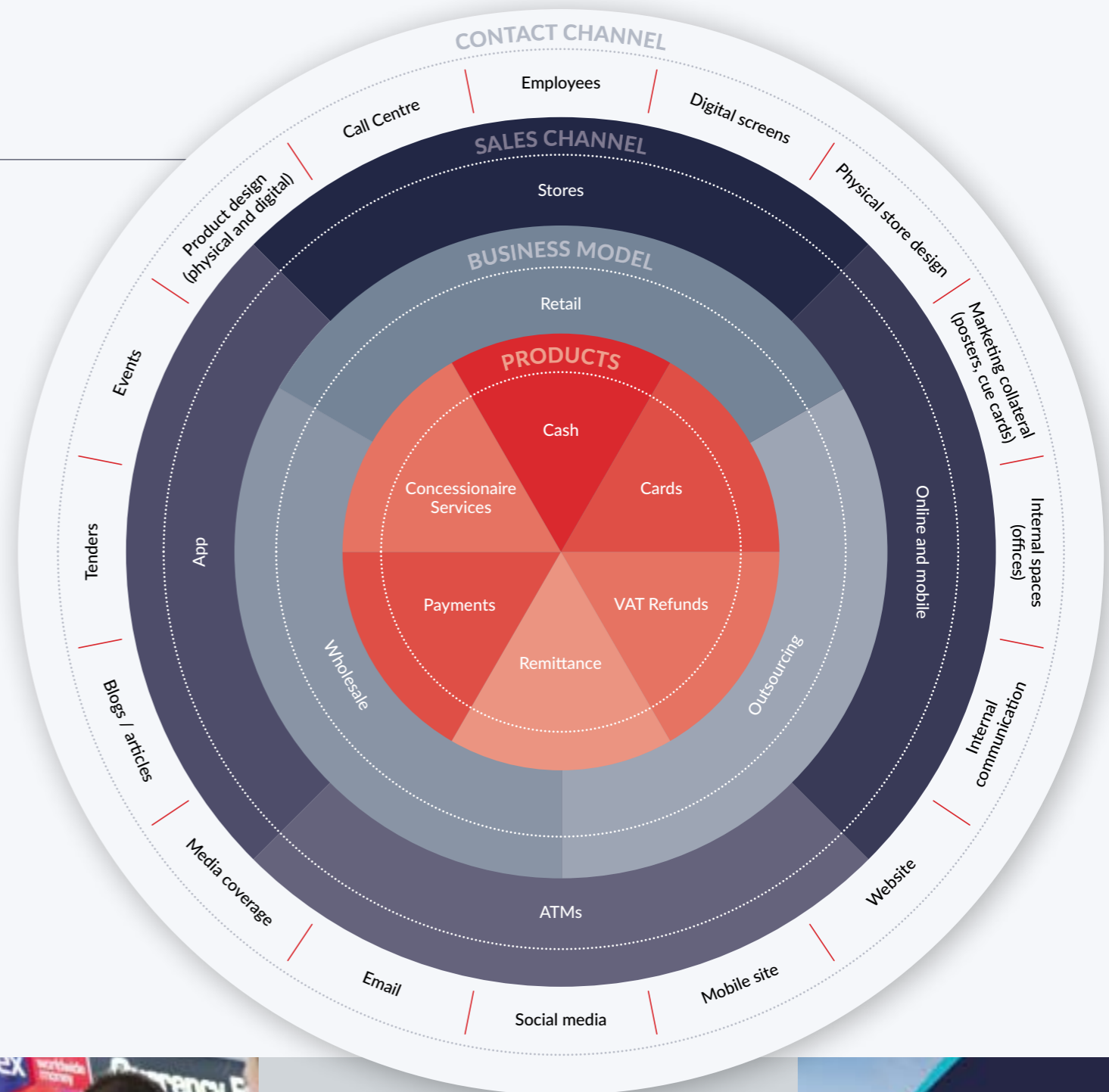
We interact with our customers through many touchpoints, and we must ensure we demonstrate a clear and consistent representation of our brand across each so that we are recognised as a single brand. Our creative guidelines bring our brand to life, illustrating how it should be used, and what it looks like when it's used well.

Our creative guidelines

Our brand creative guidelines are here to ensure we all communicate and deliver messaging about Travelex as consistently and coherently as possible. In doing so, there'll be a clear representation of our brand across the globe, in its look and feel, no matter which platform we're communicating from.

Customer touchpoints

The Travelex ecosystem is complex, making it even more important that we keep to our brand guidelines regardless of the product or solution we are offering, the customer segment we are talking to, or the sales or contact channel we are communicating through. That consistency ensures efficiency, and is the way in which to build a powerful brand.



Our logo

Our logo is a valuable and prized asset, which must be handled carefully and protected from misuse. When customers see our logo, they are reminded of our brand promise and truths, and expect a high level of service in their dealings with us, wherever they are in the world.



Landscape version:
Use this version of our logo at all times – or as often as you can.



Smaller version:
Use this version of the logo, without the strapline, if it's going to be small (e.g., lower screen resolutions or less than 30mm wide in print).



Portrait version:
In digital spaces, there may be occasions where space is limited (for example in very narrow format ads) and the landscape logo would be too diminished in scale.



Dual branded:
A grey line device between the partner logos aids balance and subtle delineation.

The history of the logo

The story of our logo dates back many decades, and as is often the case, in order for us to fully appreciate the importance of holding our logo in high regard, we must go back and understand its history.

Soon after the purchase of Thomas Cook, there was a strong desire from Lloyd Dorfman to do two things: firstly, feature the Travelex name more prominently on what was then our logo, and secondly, find a way to move away from the tag 'bureau de change', which didn't have the

most positive connotations, nor was it relevant in many parts of the world.

A brief was sent to a brand agency, and they came back with the new tagline 'Worldwide Money', which nicely summarised everything we did. This was used to create a logo that featured the Travelex brand name, 'Worldwide Money', and the Travelex shield.

At this time, Travelex's brand colour was blue, and always had been through

each evolution of the logo. We steered clear of the colour red, as that was the brand colour for Thomas Cook, our key competitor at the time.

However now that Travelex had acquired Thomas Cook, there was the opportunity to make use of Thomas Cook's brand recognition as an established foreign exchange business, whilst keeping hold of and growing the Travelex name.

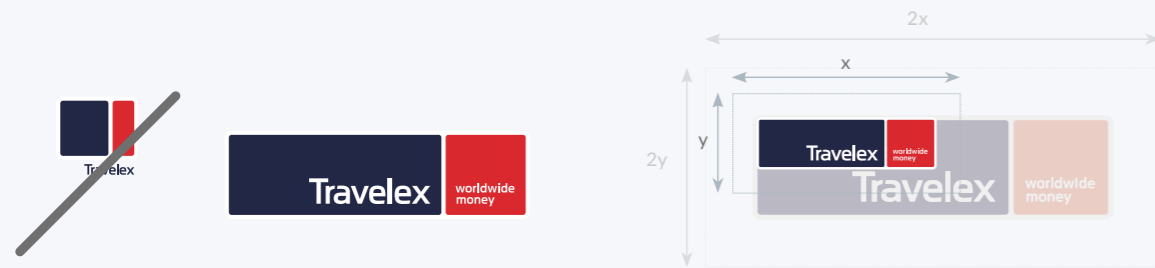
2017: The logo today

The new Travelex logo was designed in-house, and signifies the combining of two companies under a single umbrella: the Travelex blue represents the parent company, and so makes up a larger proportion of the rectangle; the Thomas Cook red represents the acquired company. The tagline 'Worldwide Money' is still as relevant today as it was in

2001, and the brand name Travelex has since been firmly established as a household brand in its own right. The logo has been slightly adjusted to ensure it continues to be current as we move through the 21st century, but the essence from this pivotal moment in our history is still very much present.

Using our logo

Whenever you use our logo, you have the responsibility to ensure that it always looks correct and at its best.



Always use the right logo for the right format.

Always scale proportionally and ensure clear space is adhered to.

Never use our old logo	Never distort the logo	Never change the colours
Never rotate our logo	Never adjust the stroke width of our outer line	Never use our logo as a pattern
Never introduce elements into the logo clear space	Never rearrange or vary the scale of the logo elements	Never change the logo type
Never crop our logo	Never use our logo as part of a sentence	Never overlap our logo

Logo best practice

The landscape version of our logo should always be considered first, and used wherever possible.

However we recognise that there are some spaces where a landscape logo doesn't work – whether in a narrow digital advert, or on a plinth in store. Only in these cases is it permissible to use our portrait oriented logo.

Another area where we may need to use a different version of our logo is for the profile icons of different social media platforms. Here our logo is often expected to fit inside a square or circle.

Portrait logo



Our portrait logo, with white-out text, is better suited to darker backgrounds.

Our portrait logo, with blue text, is better suited to lighter backgrounds.

Social media logos



Profile icon (square)

Most social media platforms use a square image for their profile icon. In these cases, we'd suggest using this logo. It includes a small border, which will ensure the icon remains fully visible within any rounded corners applied by the social media platform.

Profile icon (square)

Where the icon sits on a darker background, the alternative portrait version should be used, featuring the Travelex name in white.

Profile icon (round)

Some social media platforms (Instagram, for example) crop uploaded images to a circle, obscuring the corners of the original.

In these instances, use this round graphic. It includes a small border, which will ensure the icon remains fully visible within the frame applied by the social media platform.

Graphic device

The **Wing Tip** is a key graphic device that we use in all our print and digital communications. It's been created to carry a strong, concise headline message, just as our products and services help carry our customers to have great experiences. Through consistent use of this graphic device, our creative will become a recognisable and effective part of our brand identity.

The story behind the Wing Tip



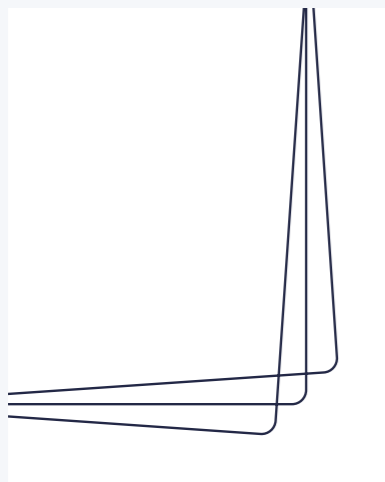
Our role in providing currency across the world inspired us to look at the graphic nature of handling currency itself.



The graphic nature of rounded corners in card currency further echoed the graphic device design.



In addition our own logo uses a radius corner giving strength in our graphic device as a consistent brand.



These illustrated fans of notes inspired geometric patterns, which were then treated in the Travelex palette of colours.



Strength in simplicity: These elements all neatly combine to provide our 'Wing Tip' graphic device.

Our brand in action

The imagery we choose, the way we treat it, the application of our graphic device and the colours we use all come together in our creative execution.

Here are some examples of what happens when our creative guidelines are correctly applied to our offline and online communications.

Retail

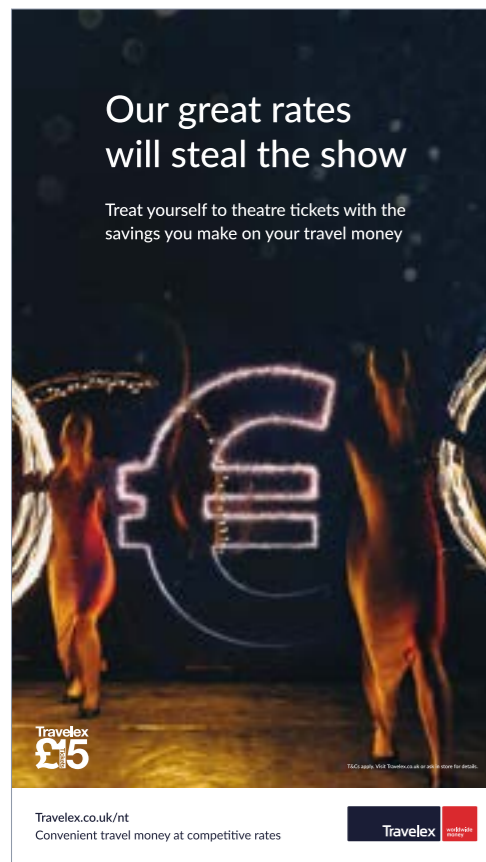


Our brand in action

Retail



Partners



Our brand at work

Our colleagues are the heart and soul of Travelex, and are the ones that reinforce what we stand for as a brand. Therefore it's up to each of us to ensure we are living up to our brand promise and delivering it to our customers, every day. This final section explores how we do this, and what it means to our customers when we succeed.



Our brand at work

Earlier we introduced our company purpose, the answer to the questions ‘Why are we here? Why do we do what we do?’ Whether you’re based in one of our stores or in the Customer Service Centre; are part of the GDC team or work in IT, Compliance or another Support Function; or perhaps you work in one of our vaults, take time to reflect on how you can connect your role with our purpose to understand the part you play in bringing our brand to life.

Our purpose unpacked

“We know that money exchanged has more value than it’s worth.”

‘Value’ can mean many things, and for us it’s certainly more than just price. It’s about the freedom we give our customers to enjoy experiences using the currency we exchange for them, the money they receive from their families from overseas, and the products or services we provide. It’s the guarantee they get through engaging with a global foreign exchange expert: the accessibility, the expertise and the knowledge they can depend on through being part of the Travelex family.

“We believe people should feel confident to explore. Peace of mind has been our currency for more than 40 years.”

We give our customers the confidence to explore, whether that’s through the security that comes with having money in their pocket; through knowing that their loved ones are well cared for with the money they’ve sent back home; through sharing knowledge and best practice so they are comfortable exploring new territories and ideas; or through managing complex regulatory and risk challenges so that our partners are free to focus on exploring how they can deliver better solutions to their customers.

“We are excited to be a part of your journey. Wherever you are, wherever you go, we are with you.”

Our customers can always reach us due to our presence in so many markets. We’re there throughout the value chain, so are eager to jump in and support them at the point they need our help. They can call us or contact us online; they can come and speak to us in a store, or we’ll go to their offices; we’re a prepaid card in their wallet or the Travelex Money app on their phone. We want to hear their story, celebrate their successes and experiences.

The Travelex Way

Building a great culture starts with the behaviours of individuals. The Travelex Way is a reflection of what we consider to be important behaviours for our colleagues, and a way to check that we are living our brand every day. These behaviours will help to shape a culture that will go beyond for our external and internal customers, and consistently deliver a customer-centric service.

The Travelex Way behaviours are outlined in the table, and we should have regular conversations with our colleagues and manager to ensure that we are clear on how they apply to our individual roles.

	Personal I take pride in looking after our customers to ensure they feel valued and at the heart of everything I do	Innovative I stay connected and curious about our customers ever changing needs and strive to find new ways to exceed their expectations	Focused I take accountability for myself and my team collaborating with my colleagues to stay focused in delivering our objectives	Efficient I can be relied on to get things done, in a simple and organised way, while always striving for quality outcomes
Positive indicators	I engage with customers and find ways for them to connect with our brand	I adopt a mind-set of innovation and spot the opportunities to improve my ways of working in order to keep improving solutions for our customers	I understand what is expected of me in my role and take responsibility developing my skills to help me perform to the best of my ability	I make sure I am clear about my goals, commit to achieving them and seek support when I need it
	I prioritise making time to understand our customer's evolving needs	I keep up to date with changes affecting me in my role, our markets and the wider business to ensure my knowledge is current	I ensure that whatever I contribute to the customer experience is enabling life-time value	I am committed to creating a seamless customer experience and am resourceful in my approach
	I go beyond what's expected of me to ensure that my service and solutions for customers exceeds expectations	I speak to customers and find out what their challenges and frustrations are, taking steps to improve their experience	I see my accountabilities through from beginning to end and make sure that I keep things simple for our customers	I understand that it's important to be organised and follow procedures and I find ways to ensure that each transaction is accurate and compliant
	I am inquisitive about our customer's needs and I am focused on asking the right questions	I take ownership of issues when they arise that block innovation and take the initiative to address or escalate them	I am resilient in times of pressure and maintain my focus on delivering for our customers	I value the need to provide a quick and efficient experience for our customers whilst ensuring the quality of the service or solution is not compromised
	I take the time to ask our customers the right questions so I can understand how I can deliver better quality of service and solutions	I take the time to discuss challenges with my colleagues to come up with new situations for improvement	I make sure that my team and colleagues are clear about what I am responsible for and what I expect of them in order for us to work effectively as a team.	I use judgement, experience and analysis to make good decisions for myself, my team and our customers
Negative indicators	I make incorrect assumptions about our customer needs without fully understanding them	I am reluctant to embrace change or new ways of working and tend to just do 'more of the same'	I don't always collaborate with others which results in a unfocused solution for our customers	I get side-tracked into things that are not relevant and prevent progress on the things that matter
	I miss opportunities to Go Beyond for our customers and build the relationship that creates life-time value	I regard the status quo as acceptable and do not challenge it	I am not always clear on what I can do for the customer which leads to indecision and customer dissatisfaction	I set my goals without fully understanding what is needed to achieve them
	I act without thinking through the customer experience and fail to connect and deliver quality service/ solutions	I never put forward new ideas or share ideas with others	I dismiss the importance of my responsibilities and the connection to my own development	I am known for procrastinating which shows up as high unproductivity
	I struggle to see things from a customer's point of view	I miss the opportunity to collaborate across teams and the business to drive innovative ideas and try new ways of doing things	I don't take ownership when things go wrong and I blame others	I act inconsistently which makes it's hard for the team to all pull together and achieve our collective goals

Internal checklist

At Travellex, we're passionate about helping our customers to achieve their aspirations – however unique or ambitious they may be – and we strive to remove any barriers that slow them down or hold them back.

This is why our brand promise to our customers is to give them the “freedom and peace of mind to explore the world, their way”. In everything you do, wherever you may be, you need to be asking yourself whether your actions and decisions really do help your customers: whether you're in a store speaking directly to a customer, or in the office deciding on how you choose to invest your time and efforts.

To help you, we've developed a simple, speedy way of checking whether what you're doing is aligned to our brand promise. It's our brand truth test. By asking the following four questions regularly, you can ensure that you keep delivering the amazing products, services and experiences that make our brand famous and help our customers truly go beyond.

We're passionate about helping our customers to achieve their aspirations

The brand truth test

Does it have the customer at the centre?

- Is it easy to use and/or deal with?
- Are all the pain points and obstacles removed?
- Have we thought about how it might impact all aspects of the customer experience?



People who care

Is it solving a customer problem?

- How does it address a significant need?
- Does it help the customer to do what they want to do cheaper/easier/faster?



Solutions that are right for you

Have we made it worry free?

- Is it rigorously tested, i.e. is it thorough and precise?
- How is it safe, secure and protected?
- Have we checked local regulations?



Experts you can trust

Does it put us where the customer needs us?

- Is it multichannel, multiplatform, with the ability to scale?
- Does it give us more face time with, or enable us to do more for our customers?



There when you need us

Customer sales experience

Our employees are the heart and soul of Travelex: they're the ones who reinforce our brand identity and what we stand for – they visibly represent Travelex and they ultimately deliver our brand promise.

This is especially relevant to our colleagues on the frontline, where we have direct contact with customers through our retail network. In every store interaction we have the opportunity to shape the brand experience, and create the Travelex brand we want our customers to associate with us.

Until now we've spent time exploring what our brand is; now we're going to explore how we each fit into delivering it, every day.



Delivering a great customer experience

It is vital that we deliver exceptional and consistent service across the globe. Our **Customer C.A.R.E. Program** was created to ensure we do just that:

Customer C.A.R.E. Principles

- Develop and define your customer service skills
- Provide a consistent Travelex experience for our customers around the globe
- Deliver a positive and memorable experience to our customers
- Help Travelex achieve its organisational goals

Customer **C.A.R.E.** breaks up the sales experience into four stages, which guide the customer through to a transaction. The cycle is intended to positively engage customers through each stage, so that they come away from the interaction with a good impression of Travelex.

Below we look at how we live our brand through **C.A.R.E.**, making each stage a great brand experience for our customers.



Connect

...with the customer



Ask

...the right questions



Recommend

...to get buy-in from the customer



Exchange

...with the customer while keeping the conversation intact

Brand filters	Our purpose	<i>"...people should feel confident to explore"</i> Be confident: give customers the confidence they're dealing with professionals	<i>"...excited to be a part of your journey."</i> Be excited: show customers that you're interested in their story.	<i>"...money exchanged has more value than it's worth."</i> Be helpful: demonstrate your value add through subtle suggestions, local knowledge.	<i>"Peace of mind has been our currency..."</i> Be competent: reassure customers through completing the transaction with minimum fuss.
	Our behaviours	<ul style="list-style-type: none"> • Eyes up • Eye contact • Smile • Positive body language • Speak up, greet customers first • Smart appearance 	<ul style="list-style-type: none"> • Ask open questions • Listen to the responses • Make it personal – use your own experience • Focus on the customer 	<ul style="list-style-type: none"> • Make relevant recommendations • Share local tips • Highlight any other benefits • Refer to Travelex assets (e.g. Travelex hub, support contact details) 	<ul style="list-style-type: none"> • Focus on the task at hand • Re-state any important information • Complete on interaction before starting the next • Thank every customer and wish them a great trip
	Tone of voice	<ul style="list-style-type: none"> • Personal, genuine • Confident 	<ul style="list-style-type: none"> • Passionate 	<ul style="list-style-type: none"> • Insightful 	<ul style="list-style-type: none"> • Responsible • Purposeful
	Customer feels...	<ul style="list-style-type: none"> • Welcomed 	<ul style="list-style-type: none"> • Listened to 	<ul style="list-style-type: none"> • Knowledgeable • Confident 	<ul style="list-style-type: none"> • At ease • Excited

C.A.R.E. in motion



Here are some examples of how you might harness our tone of voice in your conversation with the customer. Remember though, it needs to sound genuine and not rehearsed, so use these as guidance:

Connect

“Hi there, how can I help you today?”

“If you’re wanting to send money to Ghana, I can tell you a little more about the options we have available so you can choose the one that’s right for you.”

Ask

“Ah, you’re off to Japan? I love it there! Did you know that most places in Japan only accept cash? So you might need to take more cash than you normally would on holiday. Have you paid for your hotel already?”

Recommend

US customer visiting Cape Verde:

“The escudo isn’t available outside of Cape Verde, so what I’d recommend is taking your vacation budget with you to exchange once you get there. It might be best to take it with you in euros, because the escudo rate is tied to the euro, so you’ll get a better rate there than on your dollars.”

“You should also take a look at all the tips in our Cape Verde travel guide – it’s on our Travelex hub at www.travelex.com!”

Exchange

Customer purchasing a prepaid card:

“Your Travelex Money Card will be activated straight away and you can use it to spend abroad as soon as you land. If you download our Travelex Money app too, it’s really easy to manage your card from there and to top it up when you need to.”

Store behaviours & expectations

Every day has the potential to be a great day. This means being professional about your job and bringing your best self to work. It makes you a better person and helps you stand out more – it will mean acknowledgement, and often leads to further career development... Plus it gives the great feeling of being up there with the best sales consultants in Travelex worldwide.



Store code of conduct

- **Be ready:** take care of your customers better than anyone else can or will. It is incredibly frustrating for customers when they arrive at your counter ready to be served only to have to wait for you to “grab a pen”, “finish counting the cash”, “pull up the system”, or “sign-in” before you help them.
- **Value people’s time:** if you know there will be a slight delay for other customers waiting in line, let them know about how long and why. Put yourself in the customer’s shoes and think of how you would like to be treated if you were in that queue. At the very least, make sure you acknowledge the waiting customer with a smile as this will show that you’re aware of their presence and that they’re waiting.
- **Never lose sight:** customers are the reason you have a job! Plus your personality, the extent to which you are prepared and your personal presentation is a reflection of the Travelex brand.
- **Never promise more than you can deliver:** do not make promises if you do not intend to deliver on them. Wherever and whenever possible, make sure you under-promise and over-deliver.
- **Be pleasant and smile:** being pleasant, smiling, friendly, and courteous always makes a bad situation better. It increases the likelihood of customer satisfaction and repeat business, which makes for a win-win situation for all.

“...If you don’t give your customers some good reasons to stay, your competitors will give them a reason to leave...”



Housekeeping

- Look after your store, and keep it clean and tidy. Remove any clutter, especially from the counter and other surfaces visible to the customer.
- Wear your full uniform and name badge when you’re at work.
- Ensure all customer-facing marketing materials (e.g. posters, leaflets) are official, up to date, and on brand. If you have hand-made posters, internal communications, rosters and anything not intended for the customer, keep it out of sight.
- Display official marketing materials correctly and clearly on the counter. Refill when stock gets low, and remember to order more before you run out completely.
- Check that your digital screens are working. If they aren’t, report to Facilities.

Be ready for business with at least one sales consultant at the desk, ready to serve customers at any time.

Going beyond

Redefining those key moments

Day-to-day transactions are important when it comes to building a strong brand, however it is often more difficult to establish a deep emotional bond with the customer during a quick functional purchase.

The real opportunities come at the moments which are highly emotionally charged, and these usually come about when a customer has a problem: a lost prepaid card on holiday; a delayed flight; an order not found on the system. It's these 'moments of truth' that brands can choose to turn into a 'moment of magic' or a 'moment of misery', changing brand perception for better or for worse.

Moments of truth

A moment of truth is a high energy or emotional instance where a customer and the business come into contact in a situation that gives the customer an opportunity to either form or change an impression about that business or brand.



Moments of magic

Positive moments of truth are called 'moments of magic'. These are occasions where customers are served in a manner that exceeds their expectations. An example might be where a sales consultant goes out of their way to help a customer find their lost luggage, even if it has nothing to do with them.

Moments of misery



'Moments of misery' are those occasions where a customer interaction has a negative outcome. Examples may be rude or unhelpful staff, an unanswered email, or poor quality food at a restaurant.



Moments of Truth

Below are some examples of potential moments of truth for our store customers. As you read through each, think about other ways you might live our brand in the way you behave, and how you can go beyond for our customers to turn these moments of truth into **#TravelexMagicMoments**

Customer visibly looks to be in a rush but is stuck in a queue at a Travelex store, waiting to pick up their pre-ordered prepaid card.

Create a Moment of Misery

Ignore the customer and leave the customer to wait in the queue without acknowledging that they are in a rush.

Create a Moment of Magic

Send a queue host to have a quick word with the customer to understand their timeline. Walk them to the front of the queue, having apologised to other customers, or walk them to a nearby store where they can be served more quickly.

We don't have the right currency in stock (walk up).

Create a Moment of Misery

Apologise to the customer. Suggest that they go to check another Travelex store (or competitor) as they 'might' have the right currency.

Create a Moment of Magic

Apologise to the customer. Offer to ring a number of nearby stores (if at a multiple store location) to check and reserve the currency. If possible, ask a colleague to bring the stock to you while the customer waits. If at a single store location, suggest the customer orders online to ensure availability and collects (or has the currency delivered to their home) in a couple of days.

The customer looks a little lost (arrivals).

Create a Moment of Misery

Tell them that you can't help them because you're busy, and suggest they go and find someone who works at the airport.

Create a Moment of Magic

Take time to understand what they need. Use your knowledge of the airport and local area to help them as best you can. Direct them to the information desk (or take them yourself if you can).

There is a language barrier and the customer cannot understand you.

Create a Moment of Misery

Struggle through the conversation, guessing what they want with the hope to eventually get the order right.

Create a Moment of Magic

Check with your colleagues whether anyone can speak the language. If not, call another store, or the Customer Support team, to try to find someone who can communicate. If all else fails, try Google translate!

Celebrating success

Our colleagues around the world are already going beyond for our customers every day. Here are some examples of how you have gone above and beyond for our customers, and how they feel when we create these moments of magic for them.

#TravelexMagicMoments

Remember that you can recognise your colleagues on the Go Beyond Platform, when they do something exceptional.



“Whilst serving her customers Katy discovered that they (father and son) had experienced a bit of a nightmare with flights, seeing them diverted to Perth via an unplanned route and arriving a day earlier than expected. They asked her where the most comfortable place to make a camp in the airport would be. Katy advised where the most comfortable lounges were located but asked why they needed to find them. The customer explained that they needed somewhere to spend the night due to their flight getting them in a night earlier and since their hotel booking only starting the following night.

Katy immediately offered to help the customer check whether the hotel had a room available that evening so they could head there straight away. She called the hotel, and with their booking confirmation (which was in Italian), managed to locate their details and book the extra night.

The customer was so overjoyed at the level of service he received that he exchanged an additional 400 euro on top of his original request, before very happily catching a taxi to the hotel to enjoy a nice warm bed instead of airport lounge. A Travelex customer for life!”

Katy Cooper
(Perth airport, Australia)

“Reece was serving at the main store and a customer went out of their way to find Reece’s manager and tell him about the service Reece had provided. Reece didn’t only service the customer with currency but went above and beyond the job to let the customer know how to use the transport in London.

The customer had just arrived in London and did not know how to get to his hotel so Reece took time to explain the different transport methods to get round London. He also found out where the customer’s hotel was, and built a route for the customer to follow to get there easily. The customer said that he was very enthusiastic, friendly and a pleasure to talk to.”

Reece Campbell
(London City airport, U.K.)

“A very distressed lady and her children approached Mike at the Main Landside Travelex desk at East Midlands Airport. Unfortunately due to unforeseen circumstances the lady and children had missed their flight and were stranded at East Midlands Airport.

The lady was in a complete panic and even more so as she had young children with her and wasn’t sure how she was going to book another flight or accommodation for the night. Mike very kindly helped the lady with the booking of her flights and accommodation, for which the lady was very grateful and referred to Mike as ‘a life saver’.”

Michael Hindle
(East Midlands airport, U.K.)

“We are writing in reference to Ms Mavis Williams, who works the 2pm to 11pm shift at the Travelex kiosk in JFK airport, NY. We were trying to obtain Chinese yuan for a close friend of ours, whose son had become very ill over in Beijing. The parents received an emergency Visa and were scheduled to depart on Saturday, August 5th. We went to Roosevelt Field, Garden City Travelex and found that there were no Chinese yuan available on Thursday night. However we were provided with information that two kiosks were located in JFK airport.

At 10 pm, we found the Travelex kiosk that required no boarding pass and proceeded to tell our story to Ms Williams. She was very sorry, but no Chinese yuans were available and there was no guarantee that they would be available on Friday, August 4th. She directed us to fill out a request form with the hope that someone would get back to us on Friday.

Ms Williams contacted us at 3pm the next day and told us our money had arrived. She was professional, caring and expedited the transaction quickly enough that we could get to our friends with the money before their assigned departure.

We write because Ms Williams took the time with us on both Thursday and Friday and called promptly when the money arrived. She refused a tip that was offered, stating that what she did was her job. We asked for an email to send an account of her kindness, warm personality and concern for our situation.

It is people like Ms Williams that should be commended for their professionalism. You can be sure that we will share our positive thoughts on using Travelex, because of Ms Mavis Williams.”

Mavis Williams
(JFK airport, U.S.)

“I was at the Leeuwarden branch. It was a very busy day and the waiting hall was full of customers. At that moment an old lady came to the counter to be served. She was ordering a large amount of IDR (€7000), so we let her inside the special privacy space to proceed with her transaction.

During the transaction, she told us that her husband was ill and she wanted to take him back to see his ‘home’ country for one final time, together with their daughters.

After processing the transaction the lady put the large amount of money away and suddenly looked very nervous. I asked if she had arrived by car (she had), and as there was confusing building work in front of the station and the station was busy, I offered to walk with her to her car.

Later that day the lady called the office to let us know she arrived home safely and wanted to thank us for our help and understanding.”

Petra Bouma
(Leeuwarden, Netherlands)

“Mike very kindly helped the lady with the booking of her flights and accommodation, for which the lady was very grateful and referred to Mike as ‘a life saver’.”

Celebrating success

"This might not happen very often, but I'd like to share my deep appreciation and congratulate Confidence for the service given to me by Miss Edilene Alves Silva this morning. I was about to complete a fraudulent transaction which would jeopardize me, but her attention and guidance prevented this from happening. Thank you very much Edilene, people like you with this kind of attitude will change the world. Congratulations and if you ever need anything I am at your disposal."

Edilene Alves Silva
(National Retail Table, Brazil)

"An elderly gentleman came to the counter wanting to know if he needed his ID to get some euros. Charlotte and Lauren informed his he would for anything over £500. The customer said that he would have to go back to his car to get his passport. The gentleman had very little vision and was registered blind. So Lauren gently took him by the arm and led him back to his car where his wife was waiting for him with their pets. They got his passport and Lauren guided him back to our counter. He was so grateful. He then purchased £5000 of euros from Charlotte! Lauren then escorted him back to his wife. Excellent customer service from both Lauren and Charlotte at Eurotunnel."

Lauren Eldridge & Charlotte Denby
(Eurotunnel, U.K.)

"After Emily had finished the transaction and the customer had left, she realised he had left his wallet on the counter. She tried her best to find a telephone number to contact the customer, but he was already inside Customs. Finally, she asked a policeman for help, and a member of staff from Customs was able to locate him and reunite him with his wallet. To show his gratitude, the customer bought Emily a souvenir during his next trip to Beijing."

Emily Liu
(Beijing airport, China)

"A tourist wanting to exchange GBP to JPY accidentally came to our support office in Japan, thinking he could exchange currency there. Unfortunately our support office doesn't provide a currency exchange service! However Aki kindly offered to take the customer to our nearest store - a 30 minute walk in hot weather, with temperatures reaching over 30°C. This customer was very impressed with the level of service he received."

Aki showed great customer care, demonstrating the Travelex value "Personal". I am sure this customer will admire our brand and become a fan of Travelex. Well done Aki, we are so proud of you."

Akifumi Momoi
(Facilities, Japan)

"One morning a customer came in on a second occasion to return 4600 USD and 1000 euro worth of travellers cheques. The customer had already visited the store the previous weekend and had been told to come back the following day. Upon doing so he was met by Div, who explained to him that we would not be able to cash in all the cheques as the total was over our limit. The customer was very upset: he'd had these cheques for many months as they were no longer accepted in his country. He had sent the cheques to Toronto but had no luck - he had been told that the only place they could be changed was in the UK. He had therefore flown all the way from South Africa and was now being told that he wouldn't be able to change them in the two days he had left in the UK. Seeing how upset the customer was, Div called his manager D'Ann to see how they might be able to help the customer. Following an hour of collaboration between us and Kanoo Travel, the customer was able to change the cheques through Kanoo Travel. The customer thanked us and the team, saying that he would never forget this day and the help he received."

Divyang Shastri & D'Ann Samuels
(Russell Square, U.K.)

"Aki showed great customer care, demonstrating the Travelex value "Personal". I am sure this customer will admire our brand and become a fan of Travelex. Well done Aki, we are so proud of you."



"During my time in the Charles de Gaulle Airport in Paris, I experienced some brilliant service that I ought to notify your company of as it made a positive impact on my trip to France and he deserves some recognition because of his work."

On the 30th June, I was at the airport with two of my friends and we were trying to receive our tax refunds as we were shopping in Paris for the majority of our stay.

Your employee had a great attitude and was really nice and despite the language barrier, he helped me and my friends so much to receive our money back.

I am really thankful for him as because of him, me and my friends were able to get on our flight back to Hong Kong just in time and I believe that if someone else wasn't as nice and helpful as Ese Mbaya, I would have a difficult time and maybe I would've missed my flight back to Hong Kong.

I am hoping for Travelex to tell him that me and my friends are very thankful for him and what he has done for us in the airport and that he is a hard-working, sincere and nice person and to make sure that his service is brilliant."

Ese Mbaya
(Charles de Gaulle, France)

"I attended your Hunts Cross branch travel bureau this morning to purchase currency for my son who is going away tomorrow on a football trip to Bulgaria. Your Hunts Cross branch did not have any of in stock so your member of staff Chantelle went out of her way to contact other stores for me and locate the amount of currency I needed. Then when I attended your Widnes branch as arranged by Chantelle, your member of staff Bre was also extremely helpful, friendly and polite. I would just like to compliment your staff on helping me as much as they did, their customer service skills are fabulous. In my position as a Practice Manager for an extremely busy inner city GP surgery I find that the general public are quick to complain but not as quick to compliment people. Well done Asda and thanks so much to Chantelle and Bre."

Chantelle Clark & Bre Lynne
(Hunts Cross, Asda, U.K.)

"I was sitting in the box thinking about what to eat for lunch, when a sales lady came up to the counter and asked if I could speak English because there was an elderly man who needed help buying a SIM card. So I went to the man and asked what the problem was."

He told me that he wanted to buy a sim card to call his girlfriend but didn't know which size, so I let him use my phone. He seemed really happy and called his girlfriend. After hanging up, he told me he was from Austria. He'd had a long journey and hadn't slept for 2 days but he kept going because he couldn't wait to see his girlfriend (so sweet!).

It was his first time visiting Japan and he was lost. I understood his feelings because I had the same experience when I first visited America.

He seemed to really appreciate what I had done and was happy, though it was just a little help with no cost. And I witnessed them finally see each other and hugging tight. It was like a scene from a romantic movie!

Just lending my phone for a 3 minute phone call made him, his girlfriend and myself happy.

Today is a good day."

Ami Nemoto
(JR Sendai Station, Japan)

"A Customer walked in asking about purchasing 5000 rand worth of foreign currency for their daughter travelling during the upcoming school holidays. Noluvuyo asked all the right questions, and identified the most relevant product, recommending the cash passport prepaid card and explaining its benefits."

Once her customer bought the card she subsequently cross-sold 1,000 rand in cash onto the same transaction. She maintained a good connection through the transaction and successfully closed the deal, with the customer leaving confident that her daughter would be able to travel using a secure card rather than carrying a lot of cash."

Noluvuyo Plaatjie
(Somerset, Western Cape, South Africa)

She maintained a good connection through the transaction and successfully closed the deal, with the customer leaving confident that her daughter would be able to travel using a secure card rather than carrying a lot of cash."



More from our customers



"I made an error when selecting a pick up date online for my foreign currency which was after my departure date. I called the customer service line and they were so helpful, arranging for me to be able to pick up my order within 24 hours of me realising the error I made."

Jo, Australia



"Quick delivery and the desk staff was very customer friendly and took the time to ask where I went on vacation and wishing a nice holiday with a lot of sunshine. I appreciated that and found it very service oriented."

Jeanitza, Netherlands



"When I explained that I was leaving before the date listed when my money would be ready for pickup, the man working that day called the other Travelex in town and made sure to have it delivered so I was not inconvenienced. Great service!"

Anna, USA



"...Finally the professionalism of Travelex and the way they handle these transactions, makes purchasing overseas currency much more pleasurable with less hassle and confidence."

Bruce, Australia



"I was having difficulty with a non-standard piece of software on my laptop. Gareth (Ashley) had never seen this piece of software before so he spent some time researching the software, troubleshooting it and identifying a fix. While he was doing this, he also noticed an issue with my laptop which I wasn't aware of and resolved it. Thanks for the time and support Gareth, you are an approachable colleague with a friendly nature and an attitude to persevere to resolve the issue."

Internal customer, Travelex

"Anthony Mapes should be recognised for his focus implementing an important airline partnership in the North American business."

His understanding of the stakeholders requirements, coupled with his front and back-end systems knowledge, was instrumental to the success of the project.

His leadership saw the development of a project plan and supporting documents to include customer service process, risk log and process flow chart which captured the detail necessary for the working knowledge to carry on within the business."

Internal customer, Travelex

"I recently had a problem in uploading money onto my card (it was in fact my mistake over my spelling of the answer to a security question, so it was good I could proceed no further). I phoned Travelex as I was so confused and preferred to talk personally with someone (rather than try to sort it out online). The person helping me with my enquiry was excellent; helpful, friendly and efficient, and within minutes everything was sorted out for me. That's why top marks!"

Iris, UK

The Deal

Going beyond to fulfil our brand promise for our customers is at the heart of who we are. It's on these occasions, in our commitment as part of The Deal, that we'll go beyond for you, too.

The Deal is our promise to you, a framework that supports and empowers you to go beyond for our customers, offering you the opportunity to develop and grow, and rewarding and recognising you in return for your bringing our promise to life. The Deal has four pillars, which support you in your consideration of our brand and how you can live it every day.



Lead Beyond

Leadership initiatives and support that give you the skills to role-model our brand, and lead your teams to follow in your footsteps,



Grow Beyond

Helping you learn and grow through the right tools that help you develop the skills to understand and deliver our brand purpose,



Perform Beyond

Our performance framework helps to guide you in which behaviours best represent our brand day-to-day, and help you in having the right conversations with your manager to further develop those skills.



Reward Beyond

The Go Beyond Recognition platform is used to recognise colleagues who deliver on our brand promise. The Deal is grounded in recognising and rewarding those who embody our brand by providing the value to their customers that keeps them coming back to do business with us.





WHERE KNOWLEDGE IS POWER

Cashed up: Increasing international travel to Australia boosts demand for industry services

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IBISWorld Industry Report OD5094 Foreign Currency Exchange Services in Australia

July 2018

William McGregor

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About this Industry

Industry Definition

Firms in this industry offer retail foreign currency exchange services to the public. The industry

excludes wholesale foreign currency dealing services to institutions and investors.

Main Activities

The primary activities of this industry are

Currency exchange services through retail and online outlets

The major products and services in this industry are

Instore foreign exchange

Kiosk operations

Online foreign exchange

Retail bank foreign exchange

Similar Industries

K6419c Custody, Trustee and Stock Exchange Services in Australia

Credit card administrators provide foreign exchange services indirectly when their clients use credit cards in different countries.

K6221a National and Regional Commercial Banks in Australia

The industry consists of commercial banks that also perform foreign currency exchange services.

K6221b Foreign Banks in Australia

Many foreign banks facilitate the exchange of foreign currency for their customers.

K6411a Investment Banking and Securities Brokerage in Australia

Companies operating in the industry provide foreign exchange services to wholesale clients, and over-the-counter derivative products for currency.

Additional Resources

For additional information on this industry

www.abs.gov.au

Australian Bureau of Statistics

www.asic.gov.au

Australian Securities and Investments Commission

www.rba.gov.au

Reserve Bank of Australia

Industry at a Glance

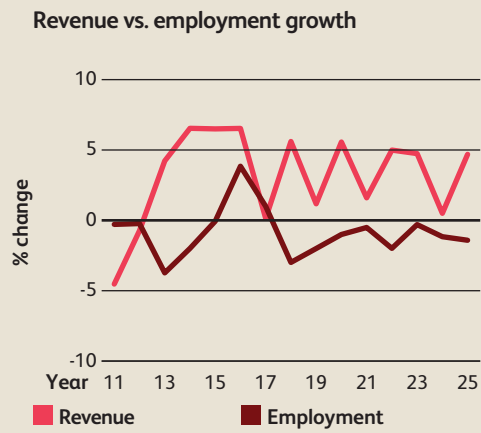
Foreign Currency Exchange Services in 2018-19

Key Statistics Snapshot

Revenue	Annual Growth 14–19	Annual Growth 19–24
\$1.7bn	4.0%	3.5%
Profit	Wages	Businesses
\$206.1m	\$259.8m	395

Market Share
 Travelex Limited
7.9%

p. 20

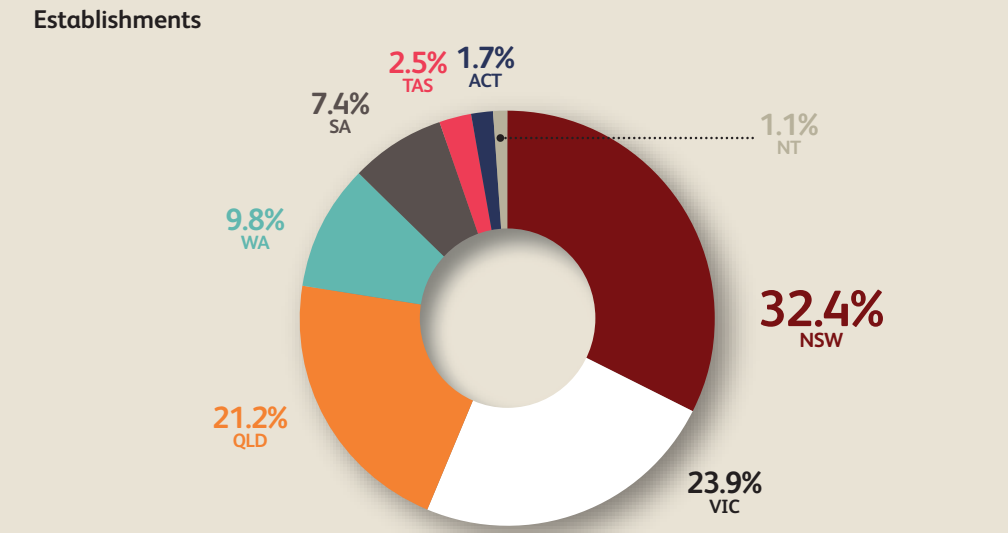


SOURCE: WWW.IBISWORLD.COM.AU

Key External Drivers

- International travel to Australia
- International travel by Australians
- Number of foreign students
- Net migration
- Trade-weighted index

p. 4



SOURCE: WWW.IBISWORLD.COM.AU

Industry Structure

Life Cycle Stage	Mature	Regulation Level	Light
Revenue Volatility	Medium	Technology Change	Medium
Capital Intensity	Medium	Barriers to Entry	Medium
Industry Assistance	Low	Industry Globalisation	High
Concentration Level	Low	Competition Level	High

FOR ADDITIONAL STATISTICS AND TIME SERIES SEE THE APPENDIX ON PAGE 25

Industry Performance

Executive Summary | Key External Drivers | Current Performance
Industry Outlook | Life Cycle Stage

Executive Summary

Demand for foreign currency exchange services has grown strongly over the past five years as world economies have become more interconnected. The rising volume of people travelling in and out of Australia has driven growth in the volume of foreign currency exchange transactions. Strong growth in the number of international students choosing to study in Australia has also contributed to the rise in industry demand over the period. As a result,

undertaking tertiary study, which has supported industry growth. Industry profit margins have decreased over the period as a result of increased competition from online foreign currency exchange platforms. However, online sales channels have also substantially improved operational efficiency, limiting profitability declines.

The industry's outlook remains strong, with an increasing volume of travellers booking trips in and out of Australia forecast to drive growth. Net migration is also anticipated to rise over the next five years, fuelling higher demand for industry services. However, growth in the number of international students entering the country is forecast to slow over the next five years compared with the previous five-year period, which could limit demand for foreign currency exchange services. The industry is expected to continue to grow as major banks and kiosk operators, such as Travelex, expand their networks of branches and outlets, and rollout more self-service foreign currency machines. Industry revenue is forecast to increase at an annualised 3.5% over the five years through 2023-24, to reach \$2.1 billion.

The increasing number of overseas tourists and students has driven revenue growth

industry revenue is expected to grow at an annualised 4.0% over the five years through 2018-19, to reach \$1.7 billion. This includes anticipated growth of 1.2% in the current year as the number of overseas visitors and international students entering Australia continues to rise.

Significant depreciation of the Australian dollar over the past five years has made Australia a more affordable destination for holidaying and

Key External Drivers

International travel to Australia

People travelling to Australia for holidays or business require industry services to exchange currency during their stay. As a result, demand for industry services increases as the number of international travellers to Australia rises. The number of people travelling to Australia is expected to increase in 2018-19.

International travel by Australians

Travel by Australians overseas creates demand for industry services. However, Australians travelling abroad often exchange their currency upon arrival at their destination, rather than domestically, which can limit demand from this driver. The number of Australians travelling overseas is expected to increase in 2018-19.

Number of foreign students

International students need to exchange foreign currency into Australian dollars. International students' sources of income often come from overseas and they require local currency to support themselves while studying. When the number of international students in Australia increases, the volume of foreign currency trades rises. Increases to education fees in Australia can therefore threaten the industry. The number of foreign students in Australia is expected to increase in 2018-19.

Net migration

Industry services are strongly affected by net migration to Australia. A higher number of immigrants leads to a higher volume of currency exchange

Industry Performance

Key External Drivers continued

transactions. The total number of migrants is expected to increase in 2018-19, representing an opportunity for the industry.

Trade-weighted index

The trade-weighted index measures the strength of the Australian dollar relative to a group of currencies that Australia most commonly trades with. A

stronger index indicates a higher Australian dollar. An unusually strong Australian dollar generally deters tourists and international students from choosing Australia as a destination for holidaying or tertiary study, therefore reducing the volume of foreign exchange. The Australian dollar is expected to depreciate in 2018-19.



Current Performance

Foreign currency exchange services have been in high demand over the past five years. Growing numbers of tourists travelling to and from Australia and an increase in net migration have driven industry demand over the period. Significant depreciation of the Australian dollar over the past five years has encouraged many international visitors to travel to Australia, subsequently boosting demand for domestic foreign currency exchange services. Consequently, industry revenue is expected to grow at a compound annual rate of 4.0% over the five years through 2018-19, to reach \$1.7

billion. Industry revenue is anticipated to grow by 1.2% in the current year, fuelled by continued growth in the volume of international travellers and foreign students entering Australia.

The industry comprises the retail operations of the big four banks, several large independent kiosk operators and numerous small kiosk operators. Foreign currency exchange makes up a small portion of revenue earned by the banks. However, due to their large number of customers and vast retail networks, the banks still generate a significant portion of industry revenue.

Fluctuating Australian dollar

Fluctuations in exchange rates have little direct effect on industry revenue. Industry participants charge a fee and make their income on the spread regardless of the spot rate. However,

fluctuations in exchange rates have a direct effect on trends that drive foreign exchange transaction volumes. The Australian dollar has depreciated substantially over the past five years,

Industry Performance

Fluctuating Australian dollar continued

making education in Australia a more affordable option for international students. As a result, the number of

international students in Australia has risen significantly over the past five years, fuelling demand for industry services.

Tourism and travel

Tourism plays a crucial role in the industry's performance. Tourists travelling from overseas need to exchange their foreign currency into Australian dollars, and generally do so upon arrival or over the course of their stay. Tourists include both business travellers and holiday-makers. International travel to Australia has grown consistently over the past five years. Strong economic growth and rising incomes in China have led to a significant increase in the number of international arrivals from this country over the period. Overall, the depreciation of the Australian dollar over the past five years has increased the volume of international visitors over the period by making Australia a more affordable

holiday destination. The rise in the number of foreign arrivals can also be attributed to the Australian property market's rising popularity as an investment vehicle, with many international investors entering the country to inspect potential real estate investments.

The rising volume of Australians travelling overseas has also benefited the industry over the past five years. International travel by Australians increased over the period due to rising competition in air travel on international routes, and falling oil prices, which have made air travel more affordable. Overall, travel and tourism (both inbound and outbound) have strongly boosted industry revenue over the past five years.

Moving online

Banks have traditionally dominated the industry, while smaller kiosk operators have also had a strong presence. This trend has largely been attributable to banks and kiosk operators having extensive operating networks. Kiosk operators have enhanced their online offerings over

the past five years by allowing customers to lock in exchange rates and make payments online. Banks have offered customers similar services over the period, although these services have been significantly enhanced by existing relationships and established accounts.

Profitability and other trends

Industry profitability has declined over the past five years. This fall is despite an increase in the total volume of currency exchanged at the retail level, fuelled by the rising number of international travellers and foreign students entering the country over the period. Declines in industry profit margins over the past five years can be attributed to rising competition from online platforms over the period. Rising competition has forced industry operators to decrease fees to remain competitive.

Banks provide foreign currency

exchange services at their branches and therefore dominate the industry due to their high number of establishments. Credit unions also have a presence in the market through their branches, but these institutions often operate in the industry via agreements with other foreign exchange dealers, such as American Express. Overall, the number of industry establishments has increased over the past five years as major kiosk operators and commercial banks expanded their networks of outlets and branches offering foreign

Industry Performance

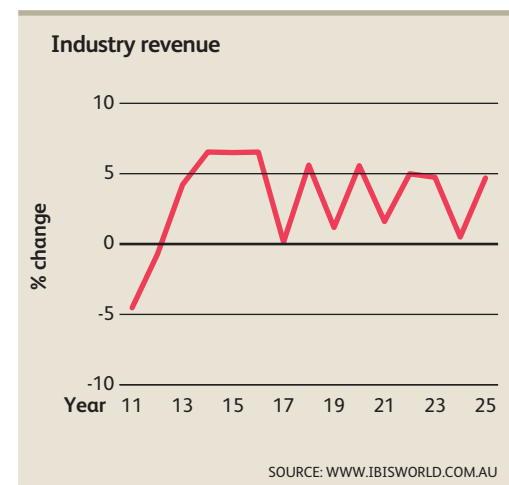
Profitability and other trends continued

currency exchange services. Industry participation has also increased over the past five years through a rise in the number of post offices offering both instore and online foreign currency exchange services. Over the same period, industry employment has declined. The rising adoption of online

conversion platforms has enabled industry operators to decrease the amount of staff needed. Furthermore, banks have largely been able to implement currency exchange services in their existing operations. This trend has limited the industry's requirement for new employees over the period.

Industry Outlook

The outlook for the Foreign Currency Exchange Services industry remains strong. Continued growth in the volume of foreign visitors entering the country and the number of Australians travelling overseas is forecast to support industry demand over the period. Furthermore, net migration is anticipated to rise over the next five years, fuelled by an increase in the number of skilled workers seeking employment in Australia. An increase in the range of currencies offered by industry establishments, particularly from post offices, is also expected to aid industry revenue growth. As at July 2018, Australia Post offers over 50 foreign currencies for exchange online. Overall, industry revenue is forecast to grow at an annualised 3.5% over the five years through 2023-24, to reach \$2.1 billion. This forecast slowdown in revenue



growth over the next five years, compared with the previous five-year period, can be attributed to an anticipated slower rise in the number of foreign students entering Australia over the next five years.

Tourism and travel

Migrants make up a significant proportion of the Australian population. A higher number of migrants generally leads to higher demand for foreign currency exchange service providers. The projected rise in immigration over the next five years is expected to drive industry demand over the period. This market segment can often provide stronger demand for industry operators than the tourism segment, as immigrants tend to have family or property overseas and sometimes travel frequently between countries. Demand for foreign exchange services will be influenced by movements between the Australian dollar and foreign currencies,

as many individuals may choose to exchange currencies when the economic payoff is perceived to be higher.

International tourism is anticipated to increase as tourists continue to choose Australia as a holiday destination. While the Australian dollar is expected to appreciate over the next five years, it is anticipated to remain well below its peak during the previous five-year period, encouraging international travellers to visit Australia. Globalisation trends are expected to increase the number of people taking trips to and from Australia, boosting domestic demand for foreign currency exchange services.

Industry Performance

Tourism and travel continued

Furthermore, as the Australian dollar strengthens over the next five years, Australians are expected to travel

abroad in greater numbers. This trend is expected to further increase demand for industry services over the period.

Profitability and technology

Industry profitability is expected to decline over the next five years, despite the rise in transaction volumes. This will likely be due to the growing proportion of transactions conducted online. However, the more transactions are conducted online, the greater the likelihood of industry revenue growth outpacing the associated rise in operational costs. Despite this, increasing internal competition, rising capital intensity and rising average wages (due to the greater need to hire professionals with IT expertise) are expected to contribute to decreasing profitability over the period. Employment is expected to contract at a faster pace than over the previous five-year period as the major banks shift more of their retail operations online and rollout more self-service foreign exchange machines to reduce labour costs.

Improvements in telecommunications

technology could lead to significant changes in the industry. The ongoing development of automated currency dispensers that specialise in several currencies could widen the industry's reach to downstream markets and reduce the industry's reliance on workers. Capital intensity is expected to increase as computer systems become more integrated in the industry. This is particularly relevant to online foreign exchange operators. The line between foreign currency exchange and international money transfer services is expected to become increasingly blurred as larger players offer more holistic services. With online payment systems becoming more prominent, more currencies are expected to be exchanged online, while white-label arrangements, such as that between MasterCard and Travelex, are expected to become more common.

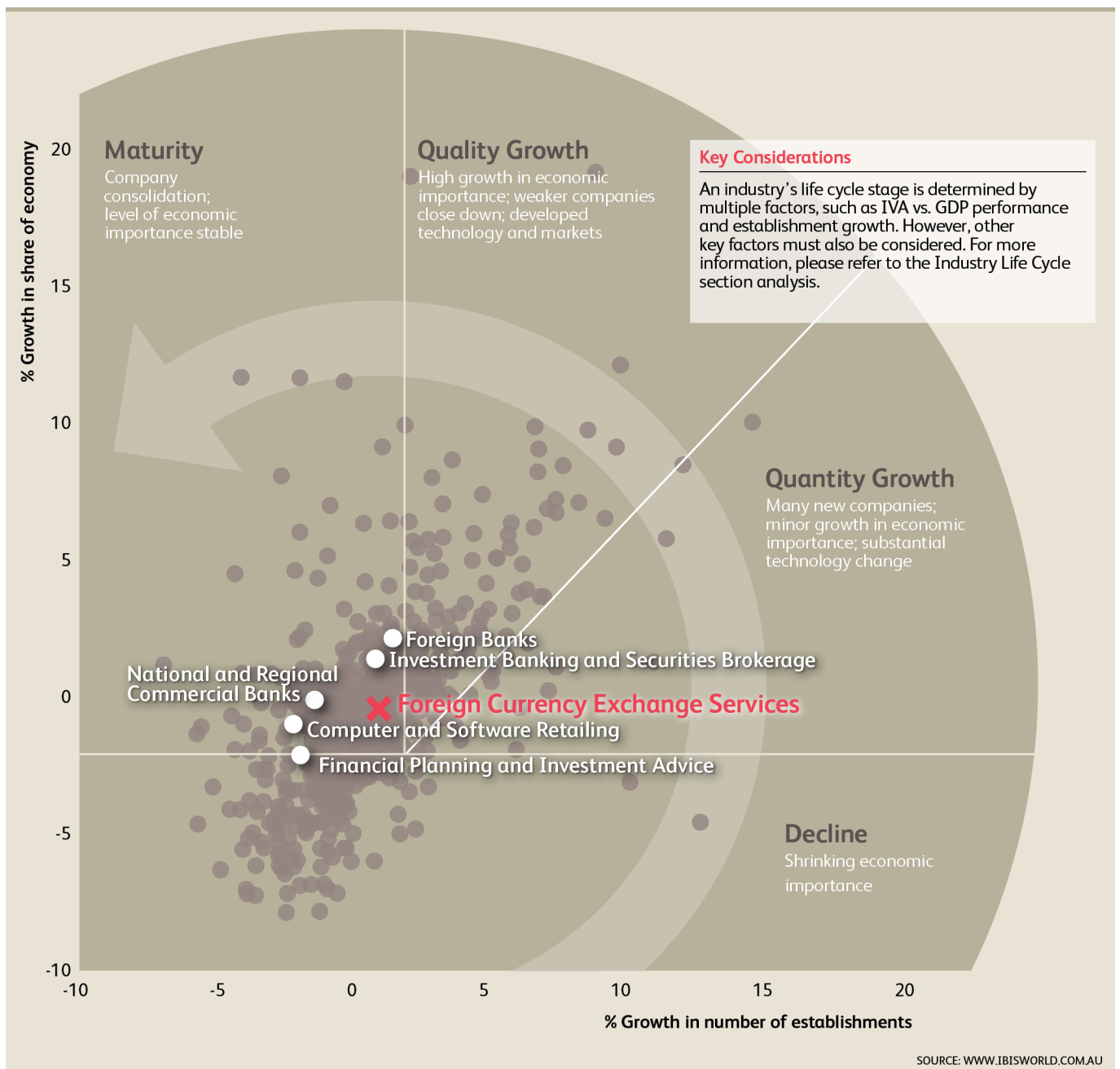
Industry Performance

Life Cycle Stage

The industry is growing at a slower rate than the overall economy

Industry employment has declined over the past five years

Rising volumes of international travel to and from Australia will drive higher demand for industry services



Industry Performance

Industry Life Cycle

This industry
is **Mature**

The Foreign Currency Exchange Services industry is in the mature phase of its economic life cycle. Industry value added, which measures the industry's contribution to the overall economy, is expected to grow at an annualised 2.2% over the 10 years through 2023-24. This represents an underperformance compared with real GDP, which is forecast to grow at an annualised 2.7% over the same period.

Industry demand is largely driven by trends in international travel into and out

of Australia, which are forecast to rise over the 10 years through 2023-24. Industry participants continue to introduce new products, such as online currency exchange transactions and automated currency dispensers, which increases the level of service provided and in return improves profitability. However, industry employment has declined over the past five years as efficiency gains associated with the implementation of advanced computer systems has reduced the need for staff.

Products & Markets

Supply Chain | Products & Services | Demand Determinants
 Major Markets | International Trade | Business Locations

Supply Chain

KEY BUYING INDUSTRIES

Z Consumers
 Consumers are the main source of demand for industry services, especially consumers preparing to travel to foreign destinations.

KEY SELLING INDUSTRIES

- G4222 Computer and Software Retailing in Australia**
 This industry supplies computer hardware and software platforms that monitor spot exchange rates and facilitates currency exchange.

- K6221a National and Regional Commercial Banks in Australia**
 Many industry operators purchase physical holdings of foreign currencies through arrangements with commercial banks.

- K6419b Financial Planning and Investment Advice in Australia**
 Industry operators consult investment and financial planners to arrange risk management strategies.

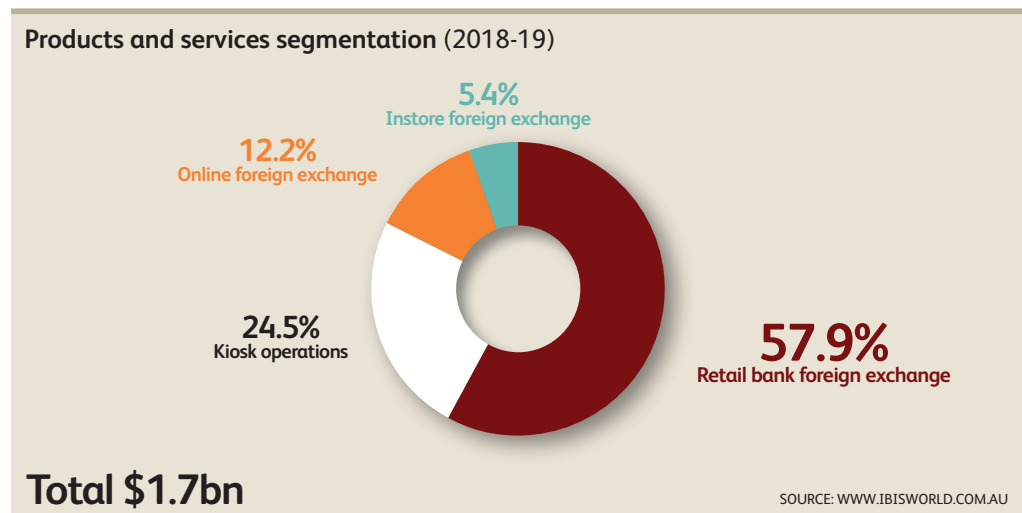
Products & Services

The Foreign Currency Exchange Services industry mainly deals with the exchange of foreign currencies through retail outlets. Industry players earn a commission from their bid-ask spread for the desired currency to be exchanged, and often a service fee for processing an exchange transaction.

fallen due to a lack of innovation, and increasing competition from other segments. This segment is expected to continue to fall as a share of industry revenue over the next five years as consumers are drawn to more sophisticated and efficient forms of foreign currency exchange.

Retail bank foreign exchange
 Foreign exchange services offered by retail banks make up the largest product segment in the industry. This is largely due to the vast numbers of retail bank branches throughout Australia. Over the past five years, this product segment's contribution to industry revenue has

Kiosk operations
 Kiosk operations make up the industry's second largest product segment. Kiosks located at airports and inner-city locations have benefited from consumers' need for convenience, particularly regarding inbound tourists. This segment has grown as a share of industry revenue



Products & Markets

Products & Services continued

over the past five years due to the increasing number of tourists visiting Australia over the period.

Online foreign exchange

The online exchange of foreign currencies is one of the industry's fastest growing product segments. Growth in this segment has been driven by the convenience of online currency orders, especially with companies such as Travelex offering advanced orders and airport pickups of foreign currency. These systems have also allowed travellers to lock in exchange rates to avoid small fluctuations in foreign exchange. This segment is expected to

grow as a share of industry revenue over the next five years, as technological advancements offer consumers more secure and efficient online transactions.

Instore foreign exchange

Instore foreign exchange services include kiosk and specialist foreign exchange operations located at associated partner organisations. For example, Australia Post often has American Express foreign exchange services or Travelex kiosks at its branches. This product segment represents a small portion of industry revenue, and has remained largely stable as a share of revenue over the past five years.

Demand Determinants

Demand for foreign currency exchange is influenced by several factors, including the number of tourists travelling to and from Australia. The demand for international travel significantly influences the Foreign Currency Exchange Services industry, as travellers require foreign currency when overseas. Kiosks and online operators have largely captured growth in travel and tourism due to the ability to lock in foreign currency rates and the convenience in

location offerings.

The strength of the Australian dollar and global economic conditions also affect the industry. It is anticipated that large cash holdings will be converted in advance to protect against a fall in the Australian dollar. This is especially true for consumers wishing to use these foreign currencies at some point in the future. A fall in the Australian dollar has encouraged inbound tourism, further driving the demand for foreign exchange services in Australia.

Major Markets

Industry participants generate revenue from commissions and service fees from the exchange of currency for both Australian consumers and international travellers. Institutional clients are not included in the industry. The market can be further segmented based on consumer age groups.

Consumers aged 25 and under

This market segment accounts for a small share of industry revenue, despite consumers in this age category travelling more frequently than other age groups. This market's low contribution to industry revenue is due to its lower discretionary income levels.

Younger consumers generally have a lower volume of funds to exchange, relative to older demographics. Over the past five years, a weaker Australian dollar and higher youth unemployment have caused this market segment to decline as a portion of revenue.

Consumers aged 26 to 40

This market is expected to account for the second largest share of industry revenue. This large contribution to the industry reflects the significantly strong income earning potential of this market segment. This market also captures a large proportion of generation X, which is more inclined to travel and spend

Products & Markets

Major Markets continued

time abroad. Due to increased international travel by Australians over the past five years, this segment has increased as a share of industry revenue over the period.

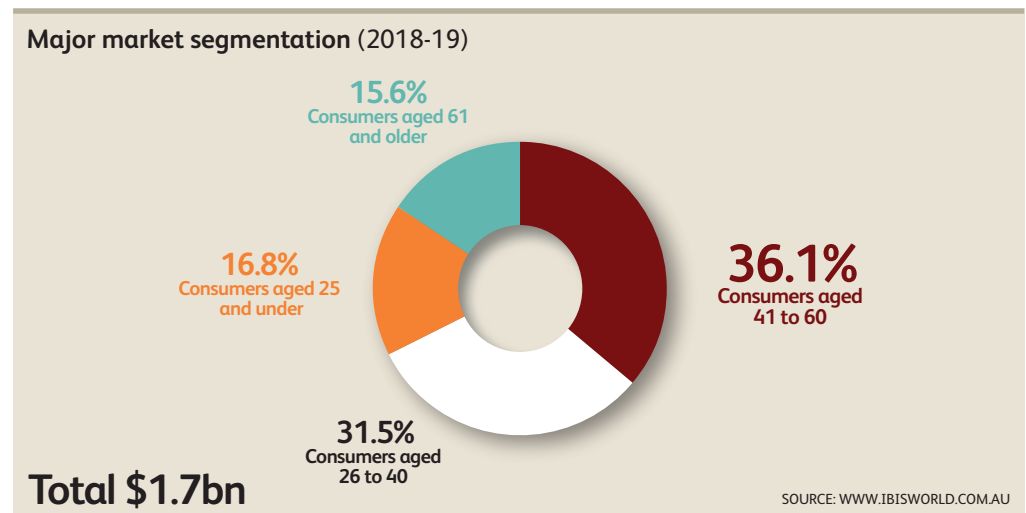
Consumers aged 41 to 60

Consumers aged 41 to 60 represent the largest share of industry revenue. A large number of inbound and outbound travellers expected to fall into this group. Furthermore, a large portion of consumers in this category have dependent children. Consequently, most foreign currency exchange for dependent children is

conducted by consumers aged 41 to 60. As a result, this market has increased as a portion of revenue over the past five years.

Consumers aged 61 and older

This market segment is anticipated to account for the lowest share of industry revenue. This is primarily due to the disinclination of the mature demographic to travel or exchange foreign currencies for future use. However, due to Australia's ageing population, this market is expected to have increased as a share of industry revenue over the past five years.



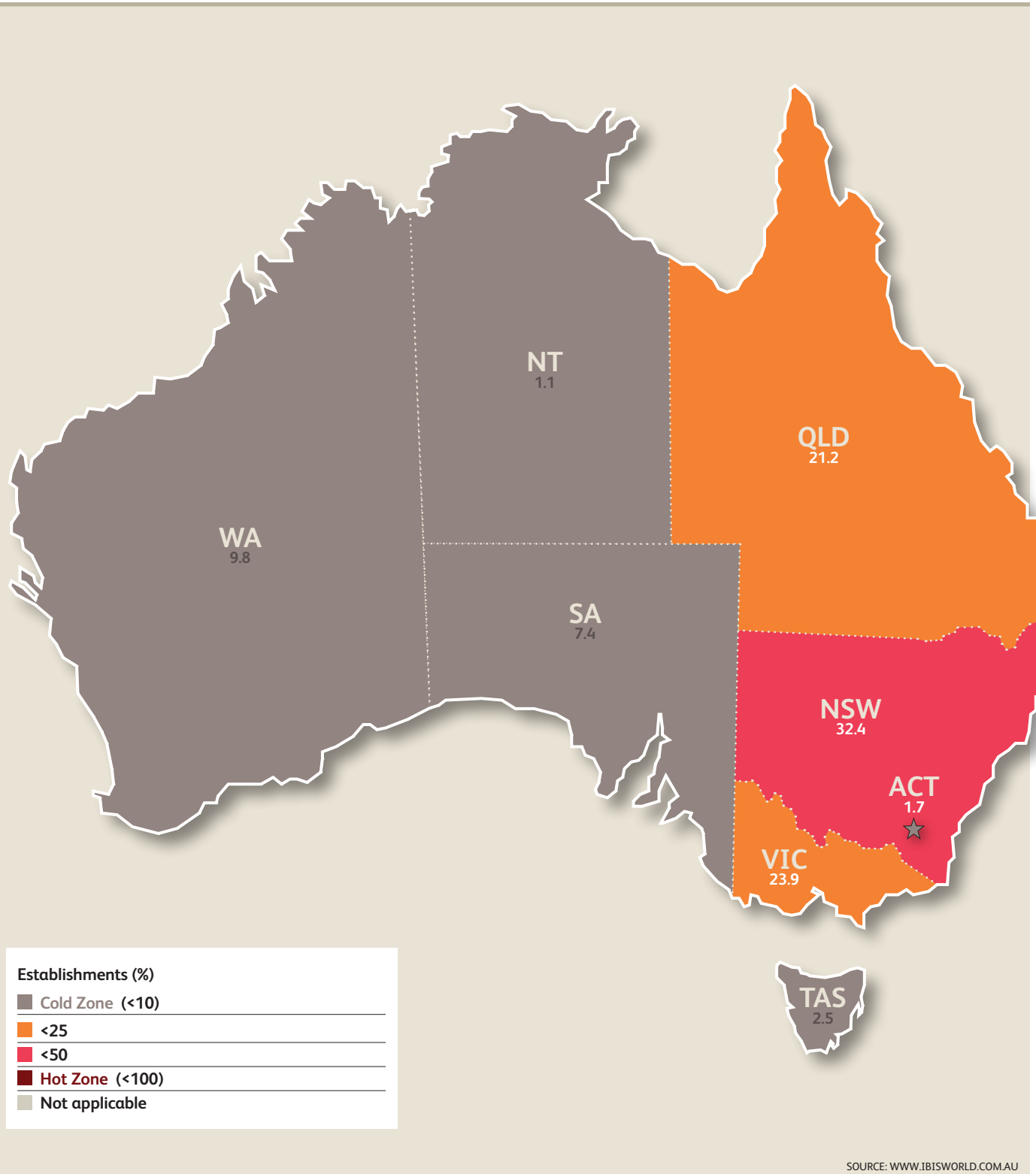
International Trade

The Foreign Currency Exchange Services industry serves the exchange of foreign currencies in Australia through retail and online transactions. As a result, no international trade of any merchandise

occurs. However, the industry is significantly affected by the movement of international tourists in Australia and the state of the global economy, which influences the value of foreign currencies.

Products & Markets

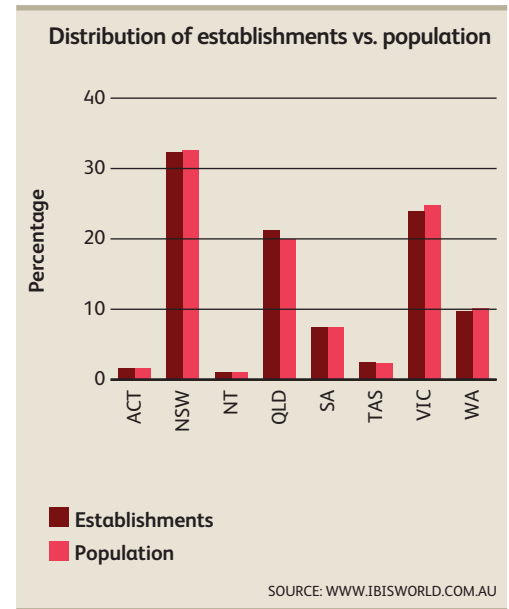
Business Locations 2018-19



Products & Markets

Business Locations

Queensland, New South Wales and Victoria together account for an estimated 77.5% of industry establishments and about 77.7% of Australia’s population. Queensland has a higher proportion of industry establishments compared with its share of domestic population, despite a lack of concentration in financial institutions and international businesses. This is due to its status as a popular tourist destination, requiring more foreign currency exchange establishments to cater to the foreign exchange needs of inbound and outbound international travellers. New South Wales and Victoria both have a high concentration of international businesses. Furthermore, New South Wales and Victoria are home to popular tourist destinations with attractions such as the Sydney Harbour Bridge and the Great Ocean Road, respectively, which draw in large numbers of



domestic and international tourists each year. Consequently, the overall share of establishments in these states is also significant.

Competitive Landscape

Market Share Concentration | Key Success Factors | Cost Structure Benchmarks
Basis of Competition | Barriers to Entry | Industry Globalisation

Market Share Concentration

Level
Concentration in this industry is **Low**

The Foreign Currency Exchange Services industry exhibits low market share concentration. While Travelex is the largest industry operator, the big four banks, other commercial banks and deposit-taking institutions play a significant role in the industry due to their size and scope of operations. Due to the industry's strong performance over

the past five years, many new operators, particularly online platforms, have entered the market over the period, reducing the industry's market share concentration. Despite this, industry concentration is expected to rise over the next five years, as larger players snap up struggling participants and online foreign currency exchange platforms.

Key Success Factors

IBISWorld identifies 250 Key Success Factors for a business. The most important for this industry are:

Ability to control stock on hand

Kiosks and other industry establishments that deal with the physical exchange of currencies need to ensure they have a sufficient supply of the currencies offered to meet demand from consumers.

Having a good reputation

Industry operators that have good reputations, especially regarding timely foreign exchange quotes and competitive spreads, are more likely to attract return customers.

Proximity to key markets

Location is vital for many industry operators, especially kiosks and other physical retail establishments. This is because certain locations, such as airports and tourist destinations, have higher demand for currency exchange.

Management of exchange rate risks

Industry players can exercise greater control over their purchase expenses via foreign exchange hedging, which enables them to secure their supply of foreign currencies at a predetermined price.

Cost Structure Benchmarks

The industry's cost structure varies depending on the business models of different foreign currency exchange dealers. The major commercial banks, which include foreign currency exchange services among their portfolio of retail services, have different cost structures from dealers with kiosk networks, such as Travelex. Overall, the industry's cost structure is skewed towards the banks due to their heavy presence in the industry.

Profit

Industry profit margins vary significantly depending on operators' business models. Kiosks must source their currencies at wholesale rates from larger financial institutions. The mark-up that kiosks then charge their retail clients for similar services varies depending on the liquidity of currency pairs. Conversely, due to their size and influence, retail banks are not necessarily required to

source their currencies at wholesale rates. As a result, profit margins for retail banks are often significantly higher than kiosk operations because the lower associated mark-up costs attract a greater number of customers. Competition from online foreign currency exchange platforms has increased over the past five years. Increased competition has forced industry operators to reduce mark-ups over the period. Consequently, industry profit margins are expected to decline over the five years through 2018-19.

Wages

Wage costs typically represent a greater share of revenue for companies that operate through kiosks, compared with banks or online companies. This is because employees are more crucial to the operation of kiosk and online business models, whereas foreign currency exchange services are only a component of a bank's portfolio of retail

Competitive Landscape

Cost Structure Benchmarks continued

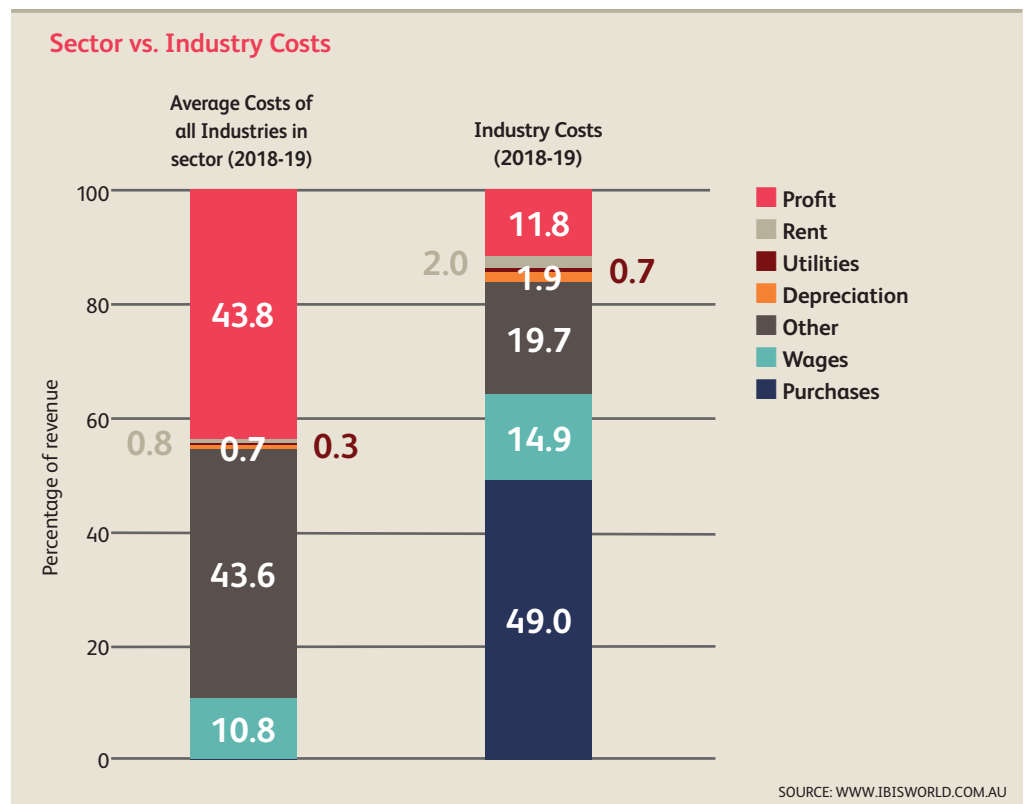
services. Wages are expected to decline as a portion of industry revenue over the five years through 2018-19, driven by higher transaction volumes conducted online, reducing the industry’s dependence on labour.

Purchases

Industry operators must be able to source different currencies to exchange with retail clients. Industry operators source these currencies via other financial institutions that deal on the inter-bank foreign exchange market. Industry players must pay a spread to financial institutions, although this is substantially lower than the spread paid by retail customers to foreign exchange operators. These costs have remained stable as a share of industry revenue over the past five years.

Other

Other expenses include depreciation, marketing costs, security costs, impairment losses and rental leases. Because kiosks often hold large sums of cash on premises, security costs also make up a significant portion of the industry’s other expenses. Rising depreciation expenses have caused this segment to increase as a share of industry revenue over the past five years. Furthermore, industry players have increasingly established online sales channels and enhanced their marketing budgets over the period to include more targeted internet-related marketing channels, such as search engine marketing. This trend has also contributed to the industry’s other expenses rising as a share of revenue over the period.



Competitive Landscape

Basis of Competition

Level & Trend
 Competition in this industry is **High** and the trend is **Increasing**

The Foreign Currency Exchange Services industry exhibits a high level of competition. Due to the lack of suitable substitutes, internal competition is significantly greater than external competition.

Internal competition

Competition within the industry is largely based on the quoted rates of exchange and the spread offered by industry players. Independent kiosks owned by specialist service providers tend to have slightly more volatile spreads from one kiosk to another than banks and other financial institutions. This is due to the need to offset the dedicated labour costs and the substantial cost of rent in high-traffic locations, such as inner city and airports. This results in each kiosk having slightly different spread offerings to increase profitability and revenue relative to location and traffic. The major commercial banks are also better

positioned to attract business from downstream markets given their substantial brand recognition and the preference of consumers to conduct all their financial activities with their bank to monitor their financial positions more efficiently.

External competition

While there are not many direct substitutes, retail foreign exchange operations receive competition from a range of other currency transfer methods such as multi-channel transfers of cash through financial institutions and credit card issuers. These allow consumers to receive foreign currency through other means than retail exchanges in Australia. Industry players also compete with foreign currency exchange service providers based overseas, as Australians travelling overseas tend to exchange currencies once they have arrived at their destinations.

Barriers to Entry

Level & Trend
 Barriers to Entry in this industry are **Medium** and **Steady**

The Foreign Currency Exchange Services industry exhibits medium barriers to entry. While capital investments for the set-up of a physical kiosk and installation of computing systems are low, entry to the industry often entails other hurdles. Industry participants with substantial retail operations are required to protect against foreign exchange fluctuations, especially due to retail operations often holding large amounts of physical foreign currency. This factor is one of the largest impediments to potential entrants, with many small players unable to obtain large currency holdings and hedge against risk at the same time. As a result, players unable to source currency and hedge their exposure to risk would be unable to quote competitive exchange rates.

Barriers to Entry checklist

Competition	High
Concentration	Low
Life Cycle Stage	Mature
Capital Intensity	Medium
Technology Change	Medium
Regulation & Policy	Light
Industry Assistance	Low

SOURCE: WWW.IBISWORLD.COM.AU

Another substantial barrier to entry is the difficulty for new players to enter into lucrative markets such as airports and inner-city locations. These locations typically have a well-established base of industry players and are often expensive to rent.

Competitive Landscape

Industry Globalisation

Level & Trend

Globalisation in this industry is **High** and the trend is **Steady**

Despite the absence of material trade, the industry exhibits a high level of globalisation due to the international focus of foreign exchange. Variations in the spot rate and quotes provided by industry players depend on information relating to changes in international

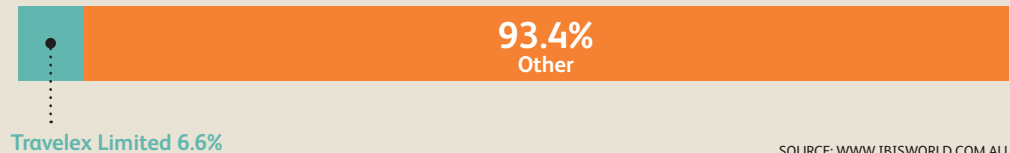
foreign exchange markets. In addition, foreign establishments own many significant industry players. Travelex Limited is owned by BRS Ventures & Holdings Limited, a holding company based in the British Virgin Islands.

Major Companies

Travelex Limited | Other Companies

Major players

(Market share)



SOURCE: WWW.IBISWORLD.COM.AU

Player Performance

Travelex Limited
Market share: 6.6 %

Travelex Limited is a foreign owned public unlisted company. The company is a wholly owned subsidiary of Travelex Group, which is ultimately owned by British Virgin Islands-based BRS Ventures and Holdings Limited. The group’s businesses include international payments, kiosk foreign exchange operations and issuing prepaid credit cards for travellers.

Travelex Group operates in the industry through Travelex Limited. The company is administered through its head office in Sydney, and employs more than 680 people. In Australia, Travelex works extensively with many entities including major airports, financial institutions and travel agencies to deliver its products and services.

Financial performance

Travelex’s industry-specific revenue is expected to decline at an annualised 3.9% over the five years through December 2018, to reach \$112.0 million. This represents an underperformance compared with the overall industry over

Travelex Limited - industry segment performance*

Year**	Revenue (\$ million)	(% change)
2013	137.0	N/C
2014	138.9	1.4
2015	139.1	0.1
2016	123.4	-11.3
2017	120.9	-2.0
2018	112.0	-7.4

*Estimate **Year end December

SOURCE: IBISWORLD

the same period. The company’s underperformance is primarily due to an influx of online currency conversion platforms over the past five years. Travelex’s profitability is expected to decline over the five years through December 2018 due to increased competition from other online platforms, which has forced the company to lower its fees per transaction.

Other Companies

The Foreign Currency Exchange Services industry is characterised by a large number of establishments, including independent foreign exchange kiosks, commercial bank branches and financial service providers that operate foreign exchange services at retail locations. While large financial institutions dominate the industry (in terms of establishment

figures), the revenue generated via their foreign currency exchange service offerings only account for a small proportion of their retail operations. Specialist foreign exchange operators such as Travelex and other operators of foreign exchange kiosks contribute a substantially larger proportion of their revenue to the industry.

Major Companies

Player Performance

American Express
Australia Limited
Market share:
2.0% - 3.0%

American Express Australia Limited is a foreign-owned public company that provides credit card issuance and other financial services. American Express Australia is ultimately owned by American Express Continental LLC, a US-based multinational financial services corporation. American Express Australia

was incorporated in Victoria in 2004. Since then, the company has shifted its headquarters to Sydney and has grown to operate Australia-wide. American Express Australia operates in the industry through its provision of online and kiosk foreign exchange platforms located in all major cities.

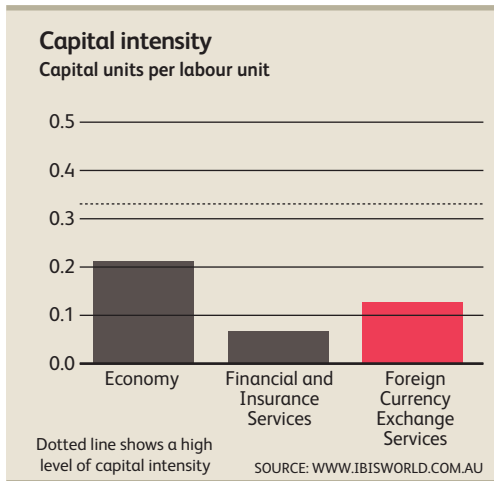
Operating Conditions

Capital Intensity | Technology & Systems | Revenue Volatility
 Regulation & Policy | Industry Assistance

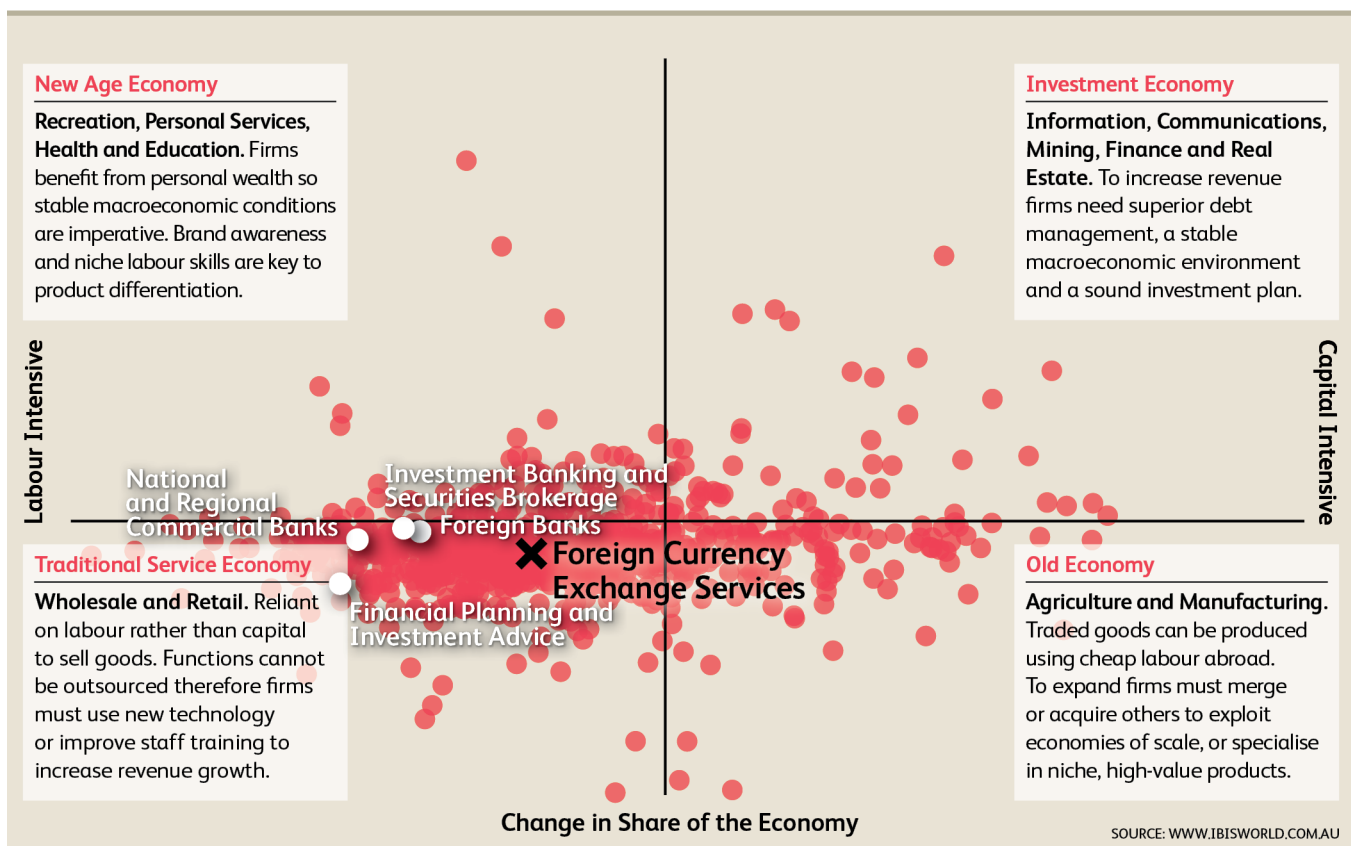
Capital Intensity

Level
 The level of capital intensity is **Medium**

The Foreign Currency Exchange Services industry exhibits a moderate level of capital intensity. For every dollar spent on capital expenses, and estimated \$7.84 is spent on wages. This relatively low level of capital is characteristic of a financial services industry, with lower capital expenditure due to inexpensive requirements of computer systems and storefront fittings. This is especially true for retail foreign exchange operators, which have smaller operating areas. Capital intensity is expected to increase over the next five years due to higher penetration of online players with no physical presence and the ongoing rollout of self-service foreign currency dispensers by the major banks.



Tools of the Trade: Growth Strategies for Success



Operating Conditions

Technology & Systems

Level
The level of Technology Change is **Medium**

The Foreign Currency Exchange Services industry exhibits medium level of technological change. The main technological change affecting the industry is the changing mediums through which customers can exchange currency. The increasing number of providers of foreign exchange trading platforms through computer and internet-aided information delivery has been a plus for smaller players. Smaller players and potential entrants are now able to have a greater choice of trade platforms for live spot rates.

The prevalence of online sales has also

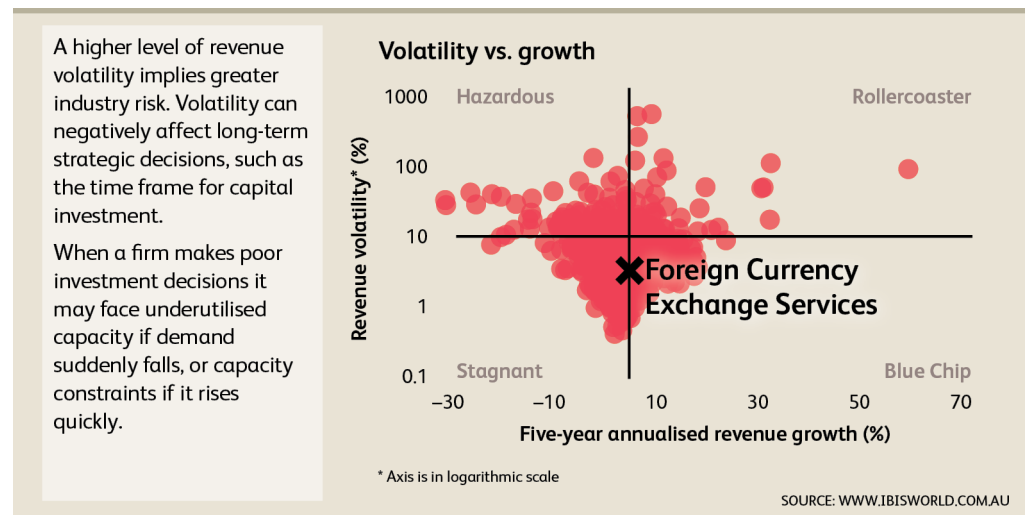
extended into the industry, with online currency purchases and physical delivery possible. An example of this arrangement is Travelex's pre-purchase scheme, where an individual can pre-purchase foreign currency and collect it from an airport kiosk on the day of their overseas trip. This gives travellers assurance of foreign exchange rates ahead of their trips. Smartphones and mobile broadband have also aided the industry, with several industry players offering mobile apps that allow kiosk tracking and currency quotes, providing consumers with greater convenience.

Revenue Volatility

Level
The level of Volatility is **Medium**

The industry displays a moderate degree of revenue volatility. Large movements in revenue are typically associated with sharp rises and falls in the volume of foreign currency traded by the operators. Other factors affecting the revenue are indirectly driven by fluctuations in

exchange rates. Over the next five years, revenue volatility is expected to decrease. This trend is associated with an expected stabilisation in global financial markets, reflected in an anticipated rise in business confidence over the next five-year period.



Regulation & Policy

Level & Trend
The level of Regulation is **Light** and the trend is **Steady**

The industry operates under a light level of regulation and policy. Since the Financial Services Reform Act 2001, the licencing of all financial service providers including retail foreign exchange dealers is the responsibility of the Australian Securities and Investment Commission (ASIC).

Industry participants do not require a financial services licence to operate. However, according to ASIC, industry players are required to have an Australian Financial Services Licence if they wish to deal and give advice in relation to foreign exchange contracts and derivatives. While the exchange of

Operating Conditions

Regulation & Policy continued

foreign currency does not require a licence, quotes, spreads and services fees are subject to fair trade legislation

to prevent abuse of trading conditions and misrepresentation of foreign currency exchanges.

Industry Assistance

Level & Trend

The level of Industry Assistance is **Low** and the trend is **Steady**

The Foreign Currency Exchange Services industry receives little to no direct government assistance. No financial assistance is given to the industry from the government. This is largely in line with the rest of the financial services sector. However, the

industry has received indirect assistance through the continued promotion of Australia as a travel destination, driving up tourism. Retail foreign exchange operators, especially airport establishments have greatly benefited from the influx for tourists.

Key Statistics

Industry Data

	Revenue (\$m)	Industry Value Added (\$m)	Establishments	Enterprises	Employment	Exports	Imports	Wages (\$m)	Domestic Demand
2009-10	1,367.1	452.5	7,193	348	6,597	--	--	233.5	N/A
2010-11	1,305.2	446.4	7,207	360	6,578	--	--	237.4	N/A
2011-12	1,295.6	449.6	7,226	364	6,563	--	--	242.6	N/A
2012-13	1,350.3	455.1	7,284	356	6,318	--	--	238.1	N/A
2013-14	1,438.6	433.0	7,311	354	6,192	--	--	234.4	N/A
2014-15	1,532.1	456.6	7,479	362	6,188	--	--	244.4	N/A
2015-16	1,632.2	483.1	7,636	374	6,426	--	--	257.5	N/A
2016-17	1,634.5	483.8	7,911	389	6,490	--	--	258.6	N/A
2017-18	1,726.1	494.9	8,109	398	6,296	--	--	261.2	N/A
2018-19	1,746.4	499.8	8,182	395	6,170	--	--	259.8	N/A
2019-20	1,843.6	507.0	7,994	392	6,108	--	--	259.1	N/A
2020-21	1,873.1	516.5	8,048	387	6,077	--	--	264.4	N/A
2021-22	1,966.6	525.6	8,064	382	5,956	--	--	267.2	N/A
2022-23	2,059.9	531.7	8,123	376	5,938	--	--	267.3	N/A
2023-24	2,070.2	540.6	8,126	372	5,869	--	--	269.2	N/A

Annual Change

	Revenue (%)	Industry Value Added (%)	Establishments (%)	Enterprises (%)	Employment (%)	Exports (%)	Imports (%)	Wages (%)	Domestic Demand (%)
2010-11	-4.5	-1.3	0.2	3.4	-0.3	N/A	N/A	1.7	N/A
2011-12	-0.7	0.7	0.3	1.1	-0.2	N/A	N/A	2.2	N/A
2012-13	4.2	1.2	0.8	-2.2	-3.7	N/A	N/A	-1.9	N/A
2013-14	6.5	-4.9	0.4	-0.6	-2.0	N/A	N/A	-1.6	N/A
2014-15	6.5	5.5	2.3	2.3	-0.1	N/A	N/A	4.3	N/A
2015-16	6.5	5.8	2.1	3.3	3.8	N/A	N/A	5.4	N/A
2016-17	0.1	0.1	3.6	4.0	1.0	N/A	N/A	0.4	N/A
2017-18	5.6	2.3	2.5	2.3	-3.0	N/A	N/A	1.0	N/A
2018-19	1.2	1.0	0.9	-0.8	-2.0	N/A	N/A	-0.5	N/A
2019-20	5.6	1.4	-2.3	-0.8	-1.0	N/A	N/A	-0.3	N/A
2020-21	1.6	1.9	0.7	-1.3	-0.5	N/A	N/A	2.0	N/A
2021-22	5.0	1.8	0.2	-1.3	-2.0	N/A	N/A	1.1	N/A
2022-23	4.7	1.2	0.7	-1.6	-0.3	N/A	N/A	0.0	N/A
2023-24	0.5	1.7	0.0	-1.1	-1.2	N/A	N/A	0.7	N/A

Key Ratios

	IVA/Revenue (%)	Imports/Demand (%)	Exports/Revenue (%)	Revenue per Employee (\$'000)	Wages/Revenue (%)	Employees per Est.	Average Wage (\$)	Share of the Economy (%)
2009-10	33.10	N/A	N/A	207.23	17.08	0.92	35,394.88	0.03
2010-11	34.20	N/A	N/A	198.42	18.19	0.91	36,090.00	0.03
2011-12	34.70	N/A	N/A	197.41	18.72	0.91	36,964.80	0.03
2012-13	33.70	N/A	N/A	213.72	17.63	0.87	37,685.98	0.03
2013-14	30.10	N/A	N/A	232.33	16.29	0.85	37,855.30	0.03
2014-15	29.80	N/A	N/A	247.59	15.95	0.83	39,495.80	0.03
2015-16	29.60	N/A	N/A	254.00	15.78	0.84	40,071.58	0.03
2016-17	29.60	N/A	N/A	251.85	15.82	0.82	39,845.92	0.03
2017-18	28.67	N/A	N/A	274.16	15.13	0.78	41,486.66	0.03
2018-19	28.62	N/A	N/A	283.05	14.88	0.75	42,106.97	0.03
2019-20	27.50	N/A	N/A	301.83	14.05	0.76	42,419.78	0.03
2020-21	27.57	N/A	N/A	308.23	14.12	0.76	43,508.31	0.03
2021-22	26.73	N/A	N/A	330.19	13.59	0.74	44,862.32	0.03
2022-23	25.81	N/A	N/A	346.90	12.98	0.73	45,015.16	0.03
2023-24	26.11	N/A	N/A	352.73	13.00	0.72	45,868.12	0.03

Figures are in inflation-adjusted 2019 dollars.

SOURCE: WWW.IBISWORLD.COM.AU

Jargon & Glossary

Industry Jargon

BID-ASK SPREAD The difference between the buying and selling price of a currency.

HEDGING An investment position that aims to offset any risk posed by a companion investment.

SPOT RATE The immediate market price for a foreign currency.

IBISWorld Glossary

BARRIERS TO ENTRY High barriers to entry mean that new companies struggle to enter an industry, while low barriers mean it is easy for new companies to enter an industry.

CAPITAL INTENSITY Compares the amount of money spent on capital (plant, machinery and equipment) with that spent on labour. IBISWorld uses the ratio of depreciation to wages as a proxy for capital intensity. High capital intensity is more than \$0.333 of capital to \$1 of labour; medium is \$0.125 to \$0.333 of capital to \$1 of labour; low is less than \$0.125 of capital for every \$1 of labour.

CONSTANT PRICES The dollar figures in the Key Statistics table, including forecasts, are adjusted for inflation using the current year (i.e. year published) as the base year. This removes the impact of changes in the purchasing power of the dollar, leaving only the 'real' growth or decline in industry metrics. The inflation adjustments in IBISWorld's reports are made using the Australian Bureau of Statistics' implicit GDP price deflator.

DOMESTIC DEMAND Spending on industry goods and services within Australia, regardless of their country of origin. It is derived by adding imports to industry revenue, and then subtracting exports.

EMPLOYMENT The number of permanent, part-time, temporary and casual employees, working proprietors, partners, managers and executives within the industry.

ENTERPRISE A division that is separately managed and keeps management accounts. Each enterprise consists of one or more establishments that are under common ownership or control.

ESTABLISHMENT The smallest type of accounting unit within an enterprise, an establishment is a single physical location where business is conducted or where services or industrial operations are performed. Multiple establishments under common control make up an enterprise.

EXPORTS Total value of industry goods and services sold by Australian companies to customers abroad.

IMPORTS Total value of industry goods and services brought in from foreign countries to be sold in Australia.

INDUSTRY CONCENTRATION An indicator of the dominance of the top four players in an industry. Concentration is considered high if the top players account for more than 70% of industry revenue. Medium is 40% to 70% of industry revenue. Low is less than 40%.

INDUSTRY REVENUE The total sales of industry goods and services (exclusive of excise and sales tax); subsidies on production; all other operating income from outside the firm (such as commission income, repair and service income, and rent, leasing and hiring income); and capital work done by rental or lease. Receipts from interest royalties, dividends and the sale of fixed tangible assets are excluded.

INDUSTRY VALUE ADDED (IVA) The market value of goods and services produced by the industry minus the cost of goods and services used in production. IVA is also described as the industry's contribution to GDP, or profit plus wages and depreciation.

INTERNATIONAL TRADE The level of international trade is determined by ratios of exports to revenue and imports to domestic demand. For exports/revenue: low is less than 5%; medium is 5% to 20%; and high is more than 20%. Imports/domestic demand: low is less than 5%; medium is 5% to 35%; and high is more than 35%.

LIFE CYCLE All industries go through periods of growth, maturity and decline. IBISWorld determines an industry's life cycle by considering its growth rate (measured by IVA) compared with GDP; the growth rate of the number of establishments; the amount of change the industry's products are undergoing; the rate of technological change; and the level of customer acceptance of industry products and services.

NONEMPLOYING ESTABLISHMENT Businesses with no paid employment or payroll, also known as nonemployers. These are mostly set up by self-employed individuals.

PROFIT IBISWorld uses earnings before interest and tax (EBIT) as an indicator of a company's profitability. It is calculated as revenue minus expenses, excluding interest and tax.

VOLATILITY The level of volatility is determined by averaging the absolute change in revenue in each of the past five years. Volatility levels: very high is more than $\pm 20\%$; high volatility is $\pm 10\%$ to $\pm 20\%$; moderate volatility is $\pm 3\%$ to $\pm 10\%$; and low volatility is less than $\pm 3\%$.

WAGES The gross total wages and salaries of all employees in the industry. Benefits and on-costs are included in this figure.

At IBISWorld we know that industry intelligence is more than assembling facts

It is combining data with analysis to answer the questions that successful businesses ask

Identify high growth, emerging & shrinking markets

Arm yourself with the latest industry intelligence

Assess competitive threats from existing & new entrants

Benchmark your performance against the competition

Make speedy market-ready, profit-maximising decisions



Who is IBISWorld?

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Travelex

Buying Foreign Currency? AUD \$100=



Euro

58.60 EUR



United States

69.11 USD



New Zealand

102.07 NZD



United Kingdom

51.02 GBP



Japan

7,522 JPY



Indonesia

923,878 IDR



Need cash

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