

DYNAMIC CURRENCY CONVERSION (DCC)

Generating Substantial Revenue for CR2 Customers

CR2

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A PARTNERSHIP
FOR SUCCESS



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Introducing Absa

- One of the biggest banking groups in Africa. The largest in South Africa.
- We are a tier 1 bank that operates across 9 Africa markets / 10 Banks.
- Our ambition is to sustainably create shared value and play an integral role in our customers and clients life journey, empowering them to achieve more and to recommend us to family, friends and business associates.
- We have a key strategic focus on Digital and VAS products for 2023
- CR2 and Monex have provided us DCC coverage across 65% of our ATM network across Africa to date with a view to provide full DCC coverage by the end of 2023
- Our current DCC hit rates is around 40% with a view increase this to 55% in 2023
- ABSA has Long standing solid relationship with CR2





Project Background and Objectives



*Vinolan/ABSA please add input as to your objectives .
You may wish to refer to...*

- CR2-Monex analysed some historic transaction data for us and identified a lot of potential revenue.
- We realised that we were missing revenue every day and wanted to move quickly to address that
- From a customer service perspective, we wanted the simplicity that DCC gives to foreign cardholder using our ATMs. Some of our base currencies have very complex FX rates versus the tourists' home currencies.

From Implementation to Revenue



- Implemented in 20 weeks
- No onsite implementation days
- 618 of our ATMs now operate DCC
- 607 ATMs have had DCC-eligible transactions
- Currently offering DCC on 63 card currencies
- Monthly revenue is very satisfactory and growing monthly
- Visa and Mastercard compliant
- No cardholder queries

CR2's reasons for selecting Monex

25 years

25 years
in operation



DCC live in 60 countries
on 5 continents



Over \$63bn
transactions annually



Irish HQ



More than 80,000 ATMs
around the world



Over 600,000
POS Terminals



Working with some of the
world's biggest
eCommerce operations

Some Monex clients:



CR2 Platform - DCC Revenue Ready!

- Realtime integrations
- Clearing and settlement of DCC transactions
- End of day clearing and reporting development
- BankWorld Studio – Visa and Mastercard compliant screens & receipts customised quickly and easily. Ease of distribution of new DCC screens through BW Distributor tool
- Daily and monthly performance reports down to performance of individual card currencies at individual ATMs and countries
- All deployments to date have been certified compliant quickly by both Visa and Mastercard

DCC Revenue - Customer Examples

100 ATMs
in a Eurozone Country



€150,000
per annum

100 ATMs in the USA or
non-Eurozone Europe



€300,000
per annum

100 ATMS
in MEA Region:



€600,000
per annum

One client bank in MEA generates **€780,000** per year from its 10 top performing ATMs 100 ATMs

DCC Revenue - One Prime Location



A client has 9 ATMs in
one international
airport



Completing 3,700
DCC transactions per
month



Averaging €43,000
per month in DCC
revenue



Over half a million
Euros per year from 9
ATMs running our
service

DCC - Fundamentals

- In every credit card payment transaction, involving a foreign card, someone (usually on the issuing side) is making money from the foreign exchange/interchange elements of the transaction.
- The objective of the DCC initiative is to make the client the beneficiary of the interchange/foreign exchange element of the transaction.

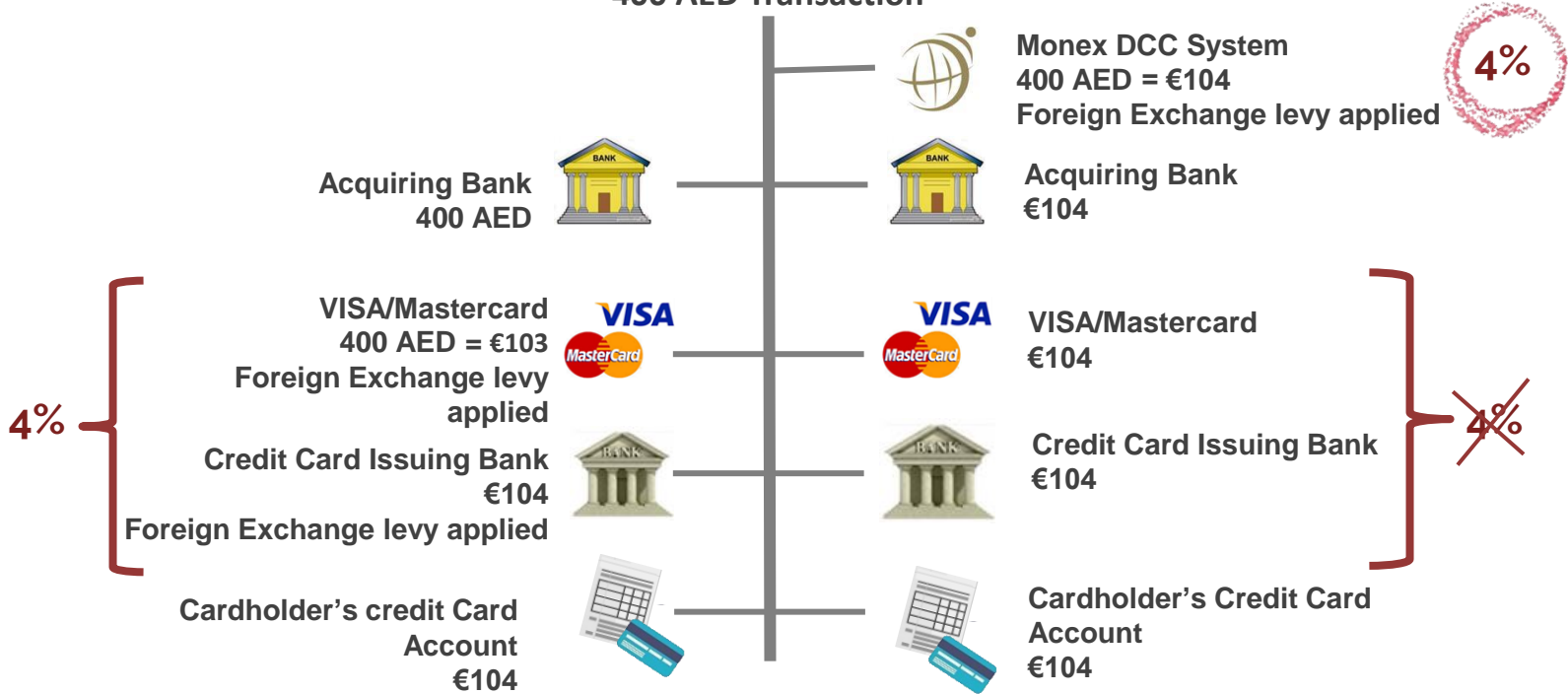
KEY REVENUE POSITIVE POINT

- Approximately \$3m in additional revenue can be generated on each US\$100m in DCC-eligible foreign card transactions processed.

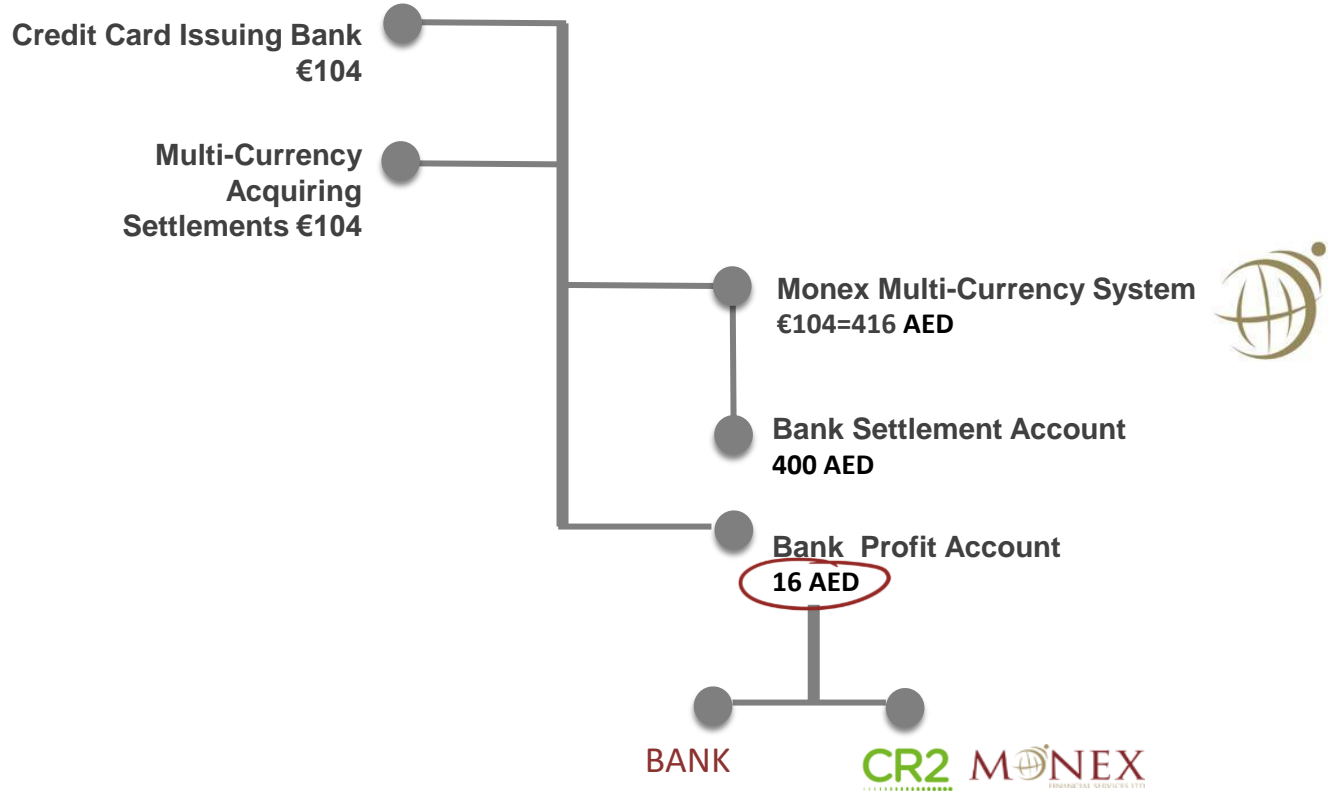
Non-DCC vs DCC transaction



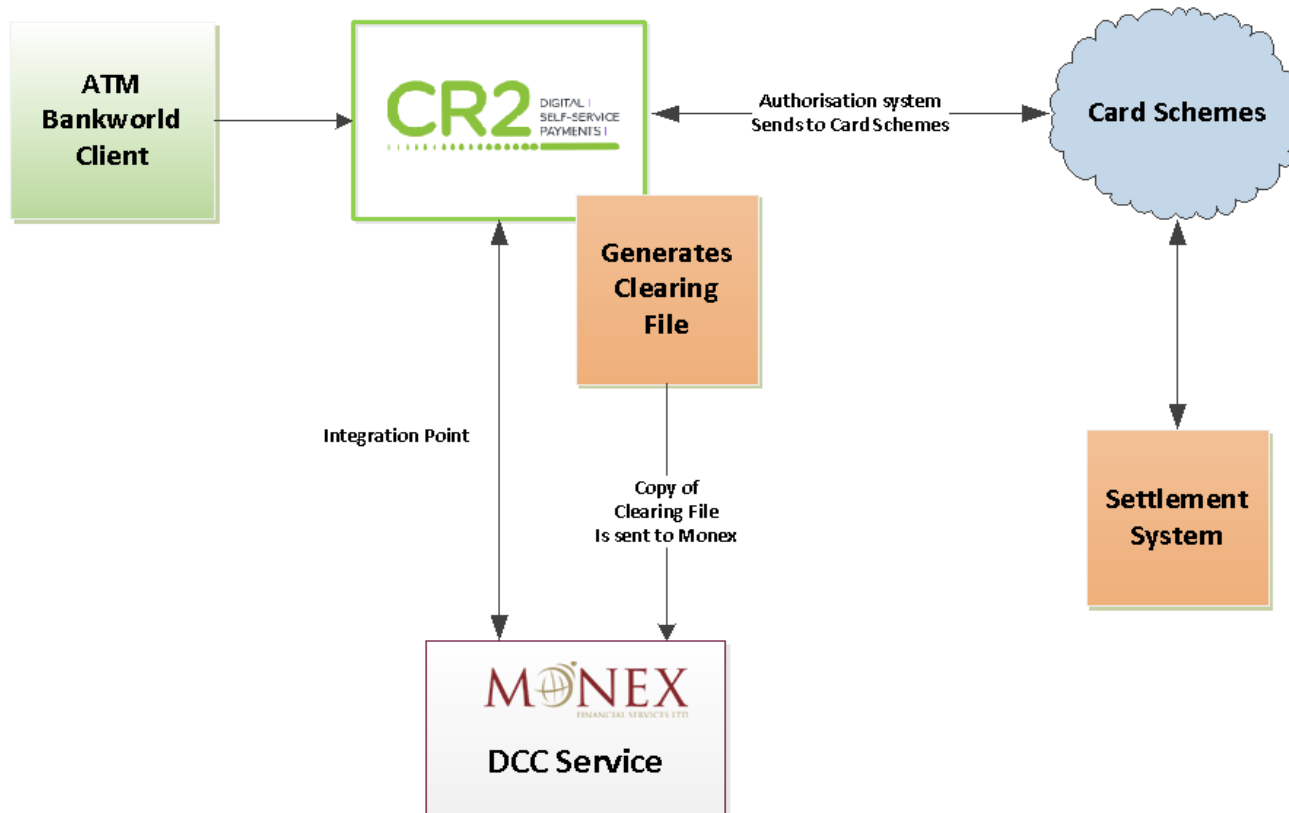
400 AED Transaction



Monex Settlement System



How it Works



BankWorld Studio - DCC Offer Screens

Visa and Mastercard Compliant DCC Screens and Receipts were quickly and easily created using BankWorld Studio

Sample DCC screen

absa Choose currency to be debited to your account	
Cash Withdrawal	FJD \$50.00
Access fee	FJD \$4.0
Exchange rate	FJD1=VND 11,156.03
Markup	3.5%
Transaction amount	VND 602425.00
Declaration	
MAKE SURE YOU UNDERSTAND THE COSTS OF CURRENCY CONVERSION AS THEY MAY BE DIFFERENT DEPENDING ON WHETHER YOU SELECT YOUR HOME CURRENCY OR THE TRANSACTION CURRENCY.	
< Charge my account FJD 54.00	Charge my account > VND 602425.00

Sample Receipt

Dublin Bank
9 Beckett Way Branch
Ireland
21.05.2012 12:20 1235 00035A

Fast Cash

Card serial No: *****890
Account no: *****12345

Amount withdrawn: 70.00
Commission amount: EUR 4
Amount debited: EUR 52.00
Terminal exchange rate: FJD1=VND 11,156.03
Transaction Currency: 0.00 EUR

Dynamic currency conversion was used in this transaction

Declaration
MAKE SURE YOU UNDERSTAND THE COSTS OF CURRENCY CONVERSION AS THEY MAY BE DIFFERENT DEPENDING ON WHETHER YOU SELECT YOUR HOME CURRENCY OR THE TRANSACTION CURRENCY.

For enquiries please call +254722130120



How it works - Commercial

CR2 and Monex have created a simple and easy commercial model:

- No capital expenditure for the client
- No initial or recurring licence fees
- No implementation fees or onsite implementation days
- Profit sharing – model this guarantees quick implementation and quick revenue
- Can be contracted as an additional schedule to your existing CR2 agreement

Summary

- No CapEx
- A revenue line where no revenue existed before
- CR2 systems are fully DCC-ready
- Simple contract mechanism
- Profit is being missed on your ATM networks today!
- ATM operation cost is continuing to rise, they are necessary for the business and is important for the Bank to leverage these assets to generate revenue

DCC is revenue generation in action

Many of you have missed revenue during this presentation!

Talk to your CR2 account manager

**Thank you for
your attention**

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