



# Inflation, Supply Chain & Volatility: Food & Drink sector countering global economic pressures

July 19<sup>th</sup>, 2022

**fdf** food & drink  
federation  
passionate about food & drink

WesternUnion **WU**

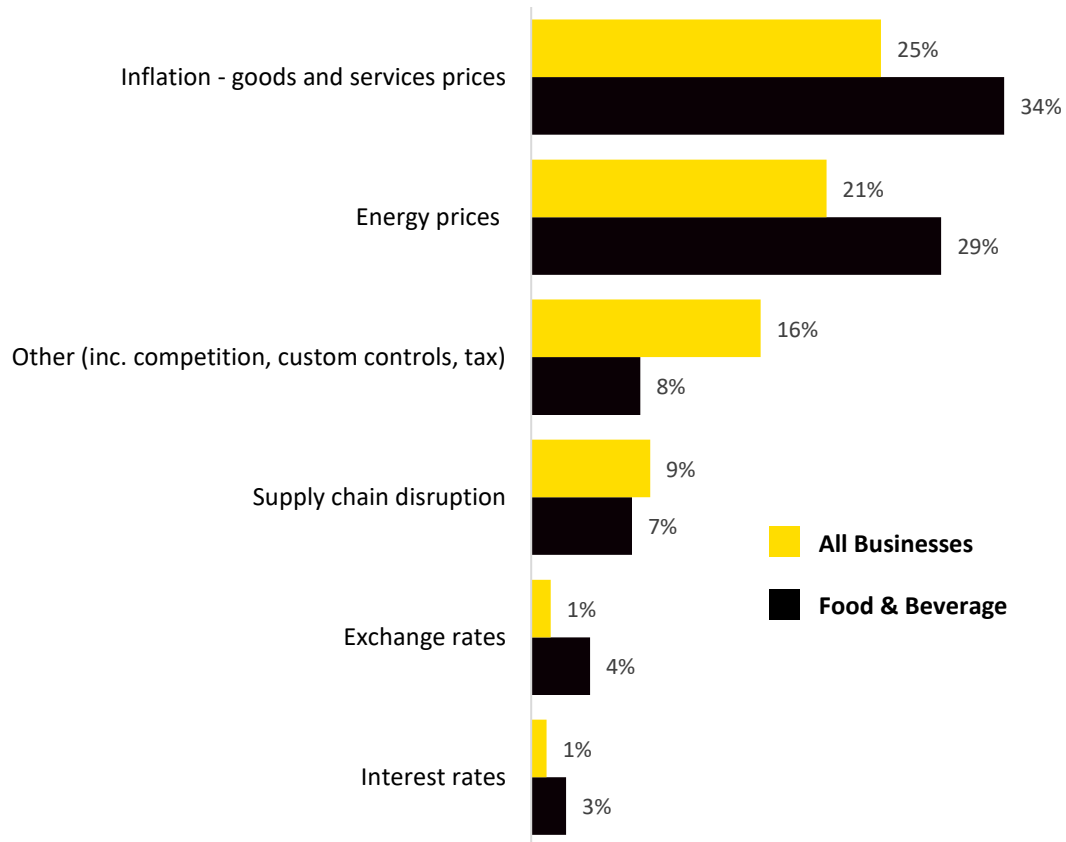
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# Biggest issues facing Food & Drink sector currently



## Inflation, energy top issues for business leaders

Chart: UK business survey in Q1 of 'biggest concerns'



*"We have experienced significant price increases across the supply chain. These have been anything up to and including 100% increases."*

**Food manufacturing business**

*"Imports are taking longer to reach us. They cost more, and we are having to consider other suppliers' goods whose prices are greater than what we bought before."*

**Animal feed manufacturer**

*"60% of businesses across the Food & Beverage sector have been negatively hit by higher energy prices - twice as high compared to other sectors like Transportation."*

**Office for National Statistics**

Source: ONS March 2022 survey, Western Union Business Solutions – July 2022

Note: survey includes businesses with 10 or more employees not permanently stopped trading, broken down by industry, weighted by count, UK, survey ended 6 March 2022. Responses not included in chart are "Not sure" and "No concerns for my business".

# Agenda and speakers



**Nawaz Ali**  
Head of Market Insights

- Moderator
- International strategy



**Boris Kovacevic**  
FX & Macro Strategist - EU

- Trade outlook and forecasts



**George Vessey**  
FX & Macro Strategist - UK

- Currency outlook and forecasts



**Questions?**

- Q&A



## Trade outlook and forecasts

### **Boris Kovacevic**

FX & Macro Strategist, EU  
Western Union Business Solutions

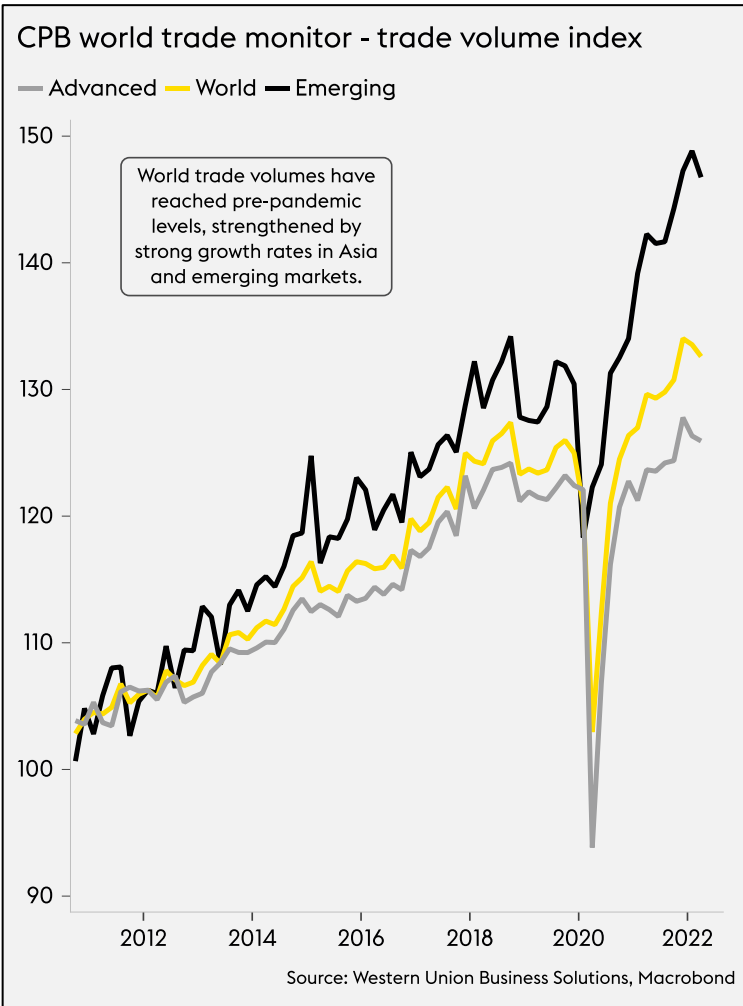
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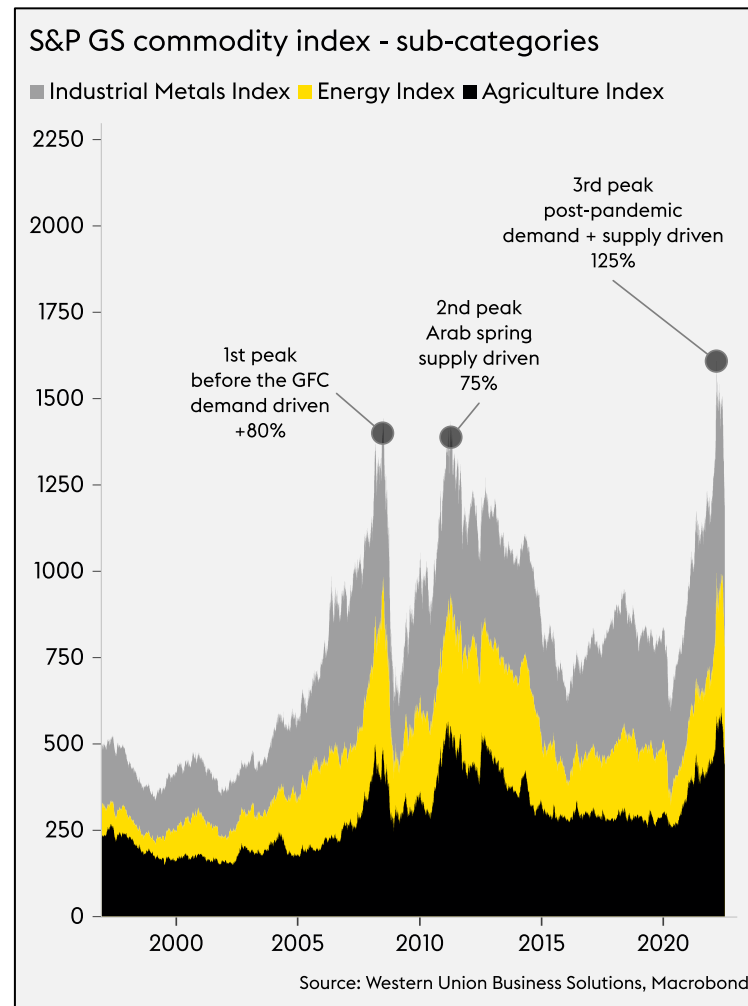
# Global intro; trade, inflation and supply chains



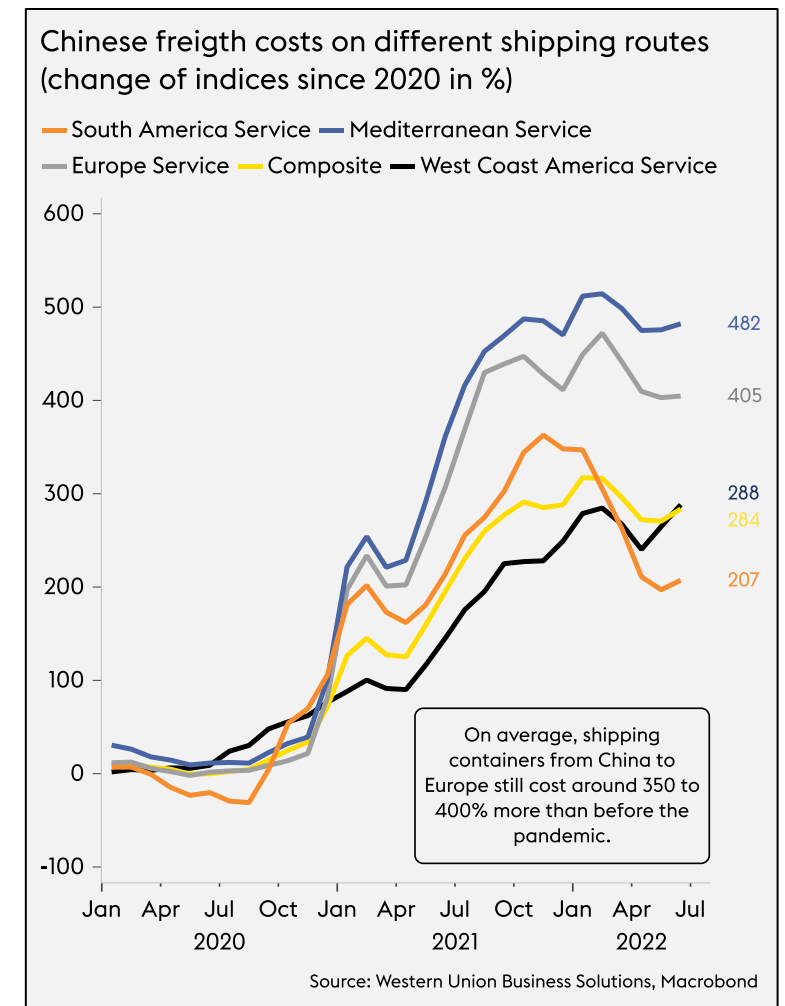
## Trade levels; surpassed pre-pandemic levels



## Commodity prices; have surged 125%



## Freight costs; still remain 350-400% higher

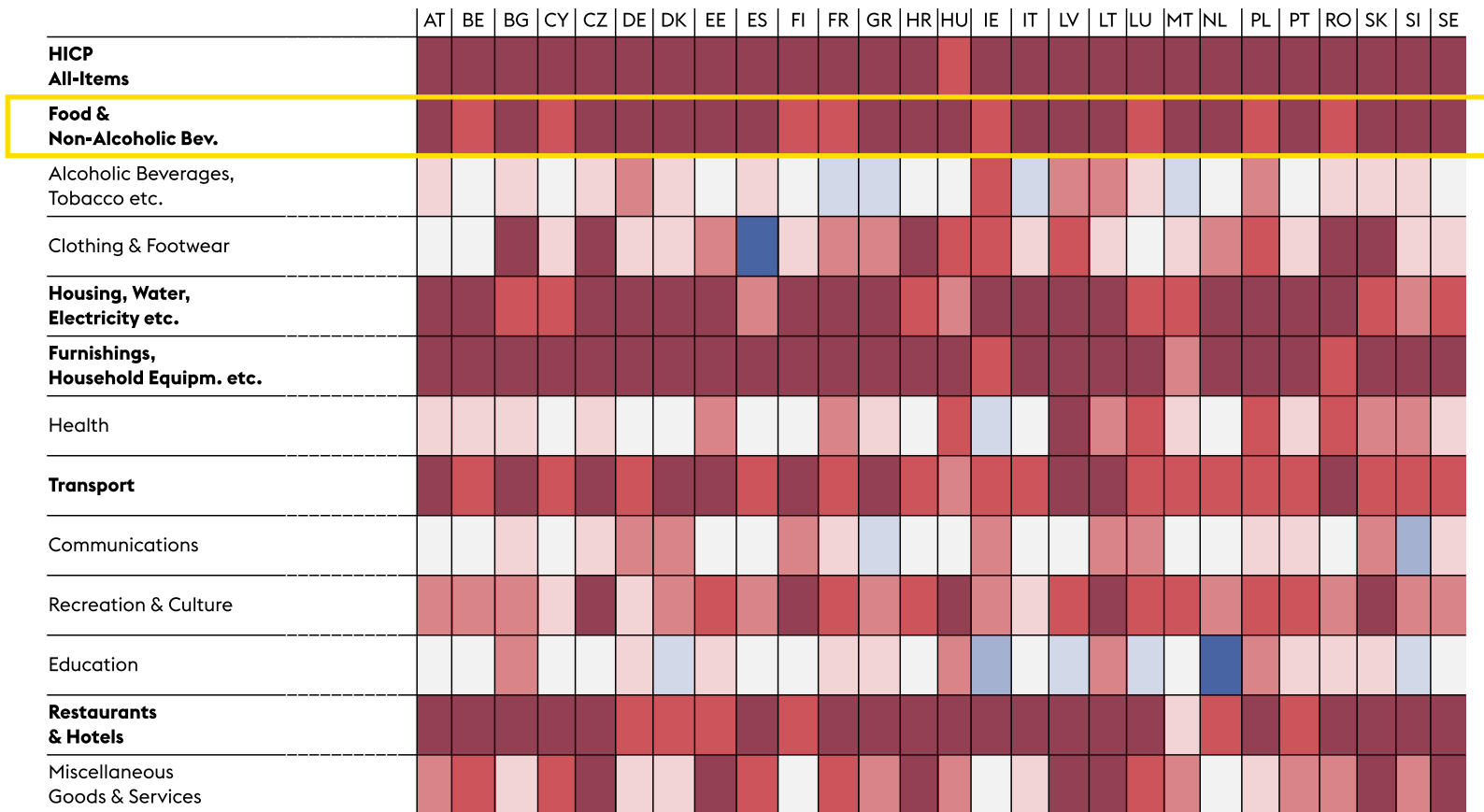


# Inflation surge has been broad based and global



Back to the 1980s; companies face the largest global inflation shock in four decades

Global inflation heatmap - Latest change – 10-year Z score



Source: Western Union Business Solutions, Eurostat, Macrobond

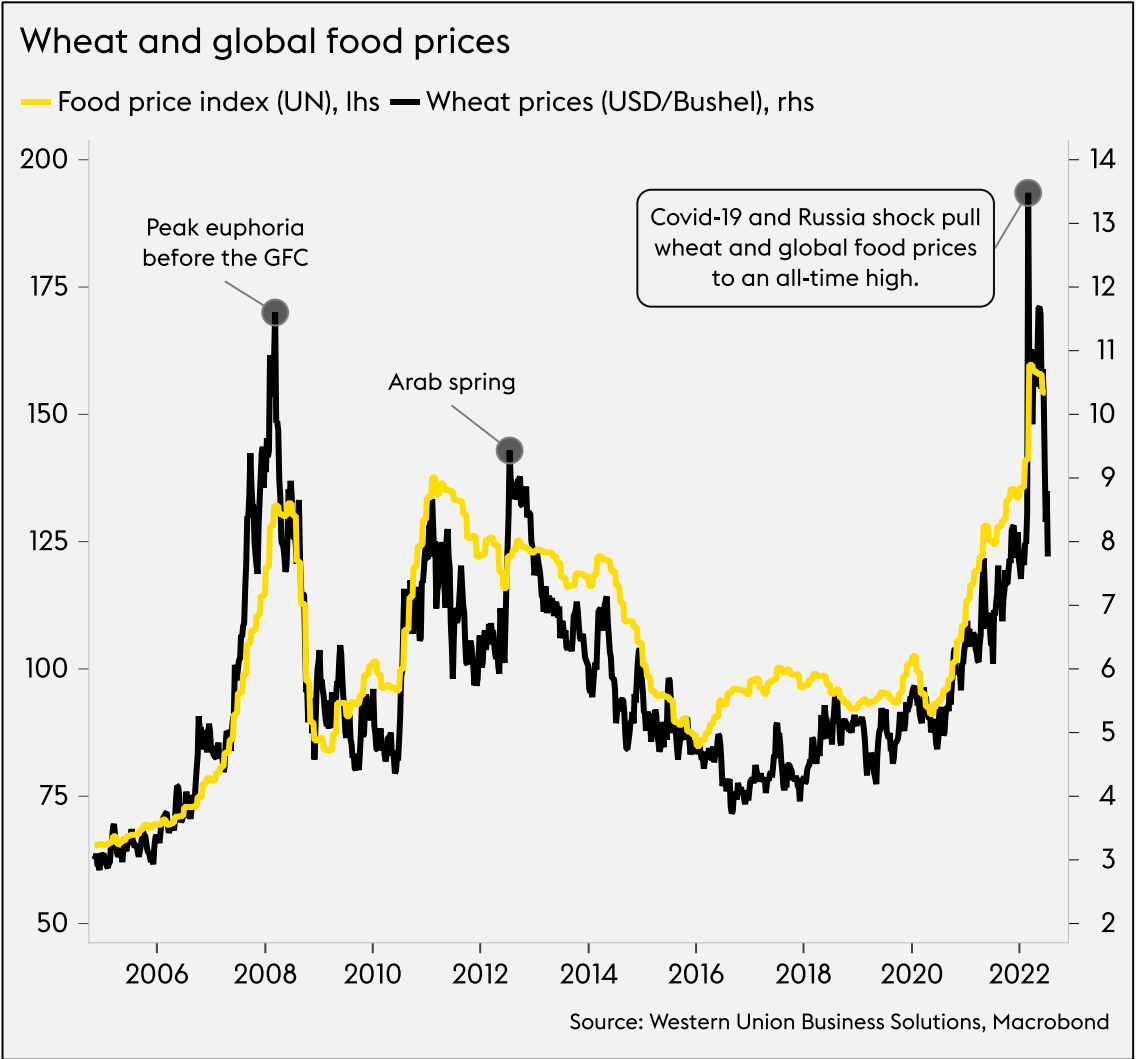
■ 3,5 Std. dev. above  
 ■ 2,5 Std. dev. above  
 ■ 1,5 Std. dev. above  
 ■ 0,5 Std. dev. above  
 ■ Between 0,5 Std. dev. from mean  
■ 3,5 Std. dev. below  
 ■ 2,5 Std. dev. below  
 ■ 1,5 Std. dev. below  
 ■ 0,5 Std. dev. below

- The annual **inflation rate** in the UK increased to 9.1% in May, the **highest since 1982**.
- Inflation **rates have doubled** in **37 of 44 advanced economies** over the past two years, according to Pew Research Center analysis.
- The World Bank's **Food Commodity Price Index** is more than **80% higher** than two years ago.
- Input prices have been a key reason for the surge in food prices. **Natural gas** in Europe has surged by around **800%** from pre-pandemic levels.

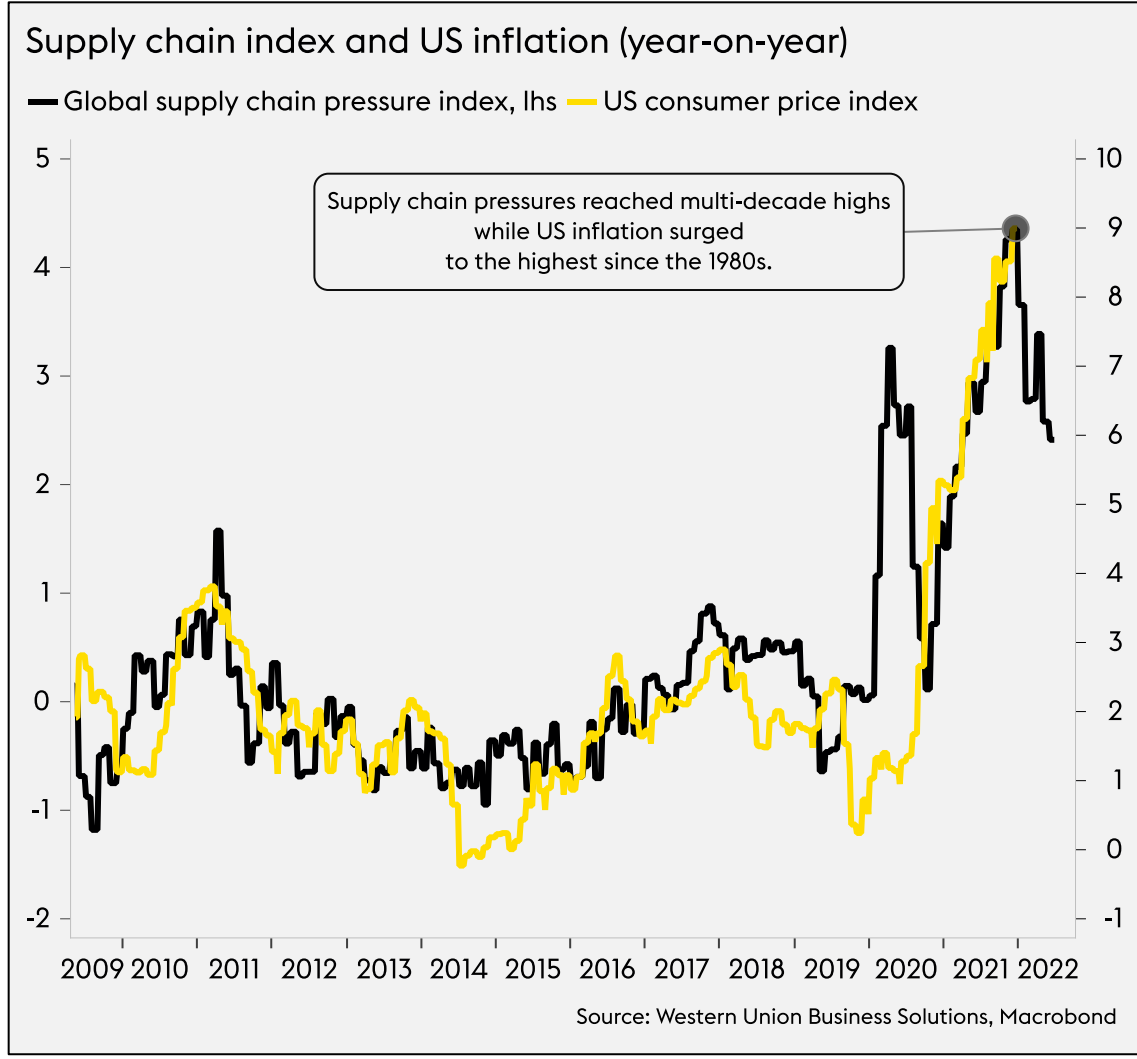
# Forward guidance; inflationary peak might be near



## Commodity prices signal a near peak in food price growth



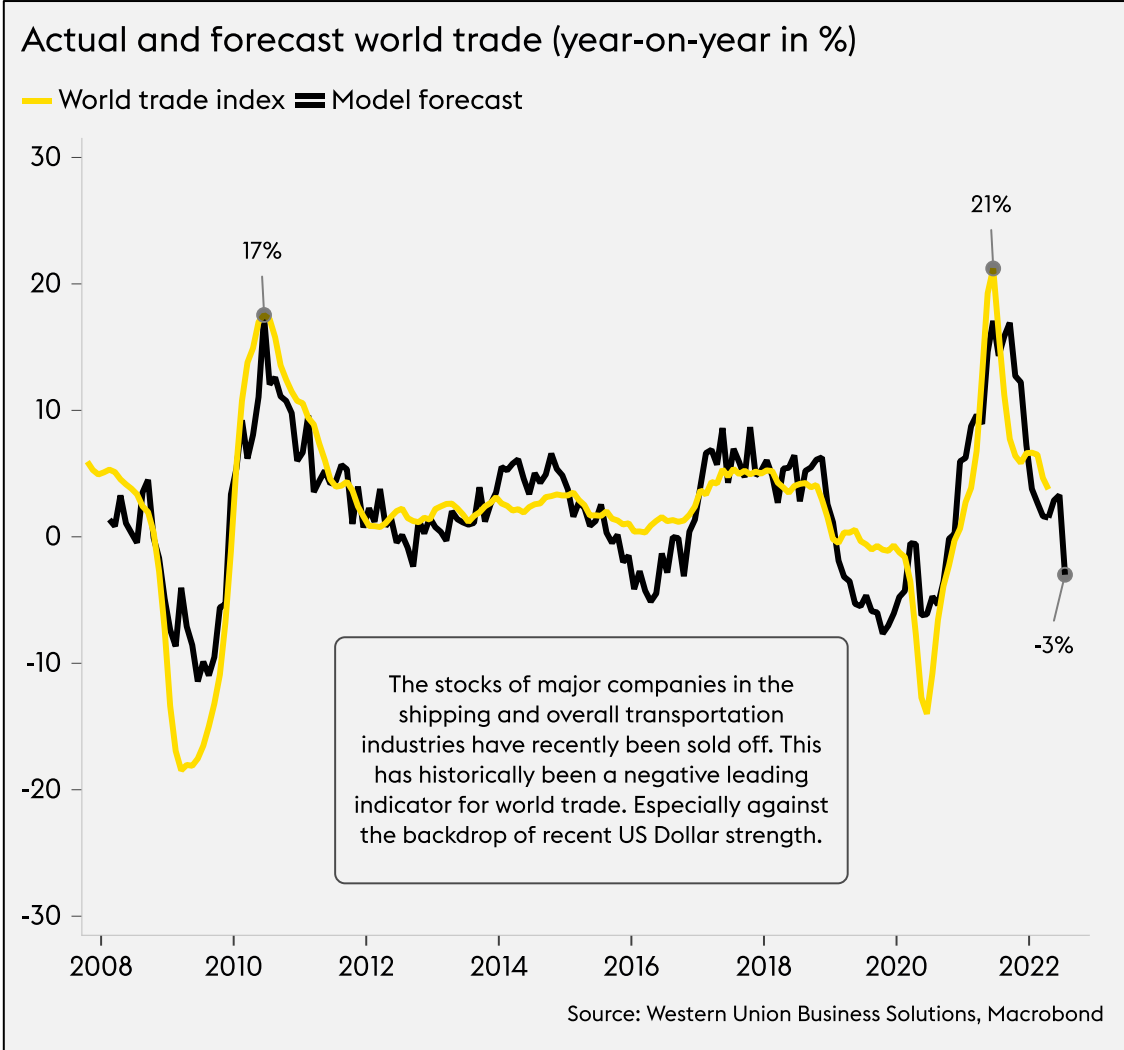
## Supply chain disruptions have eased from historic levels



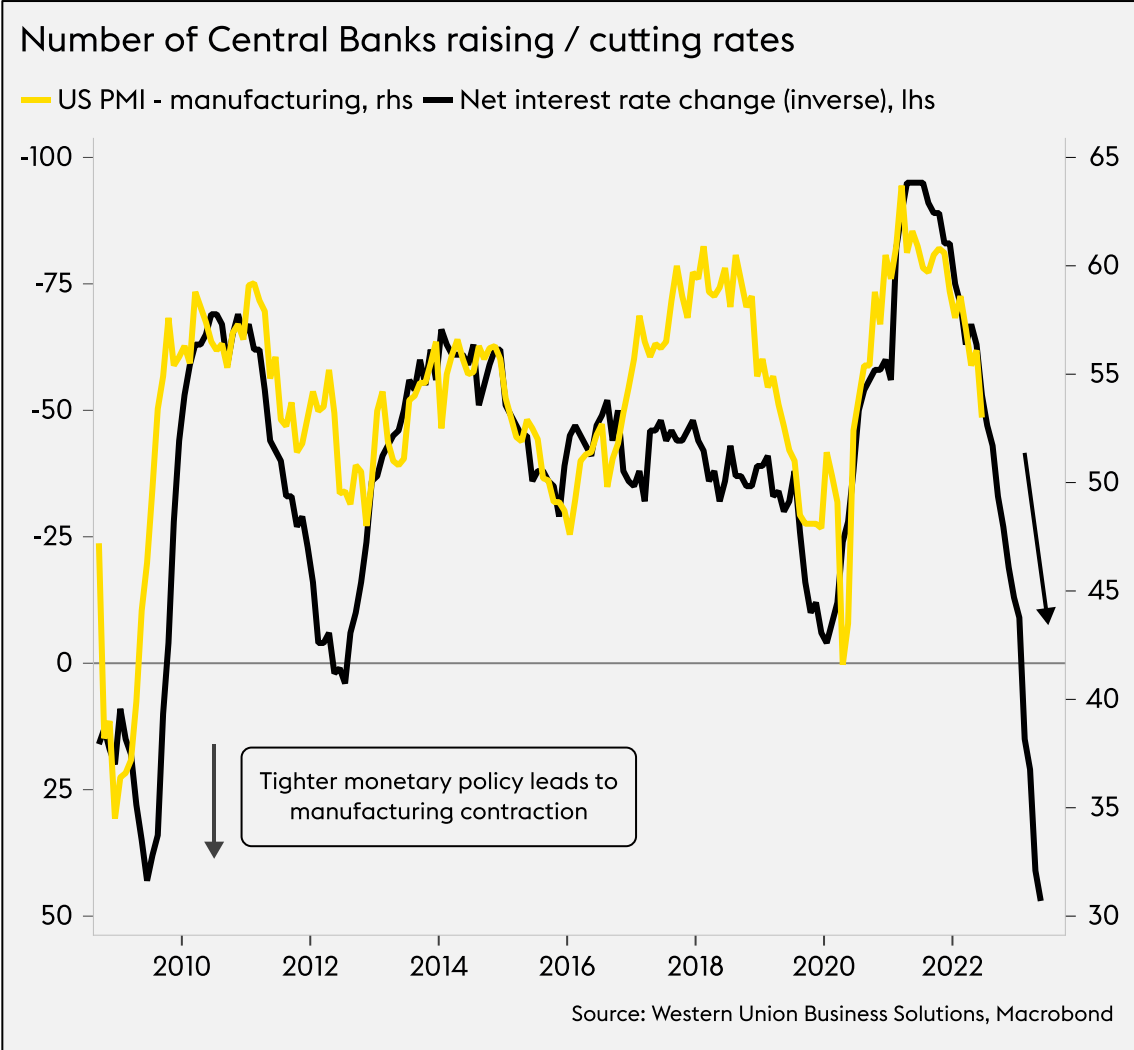
# Higher interest rates are negatively impacting economy



## Trade momentum could contract slightly in coming quarters



## US manufacturing sector is weakening as rates rise

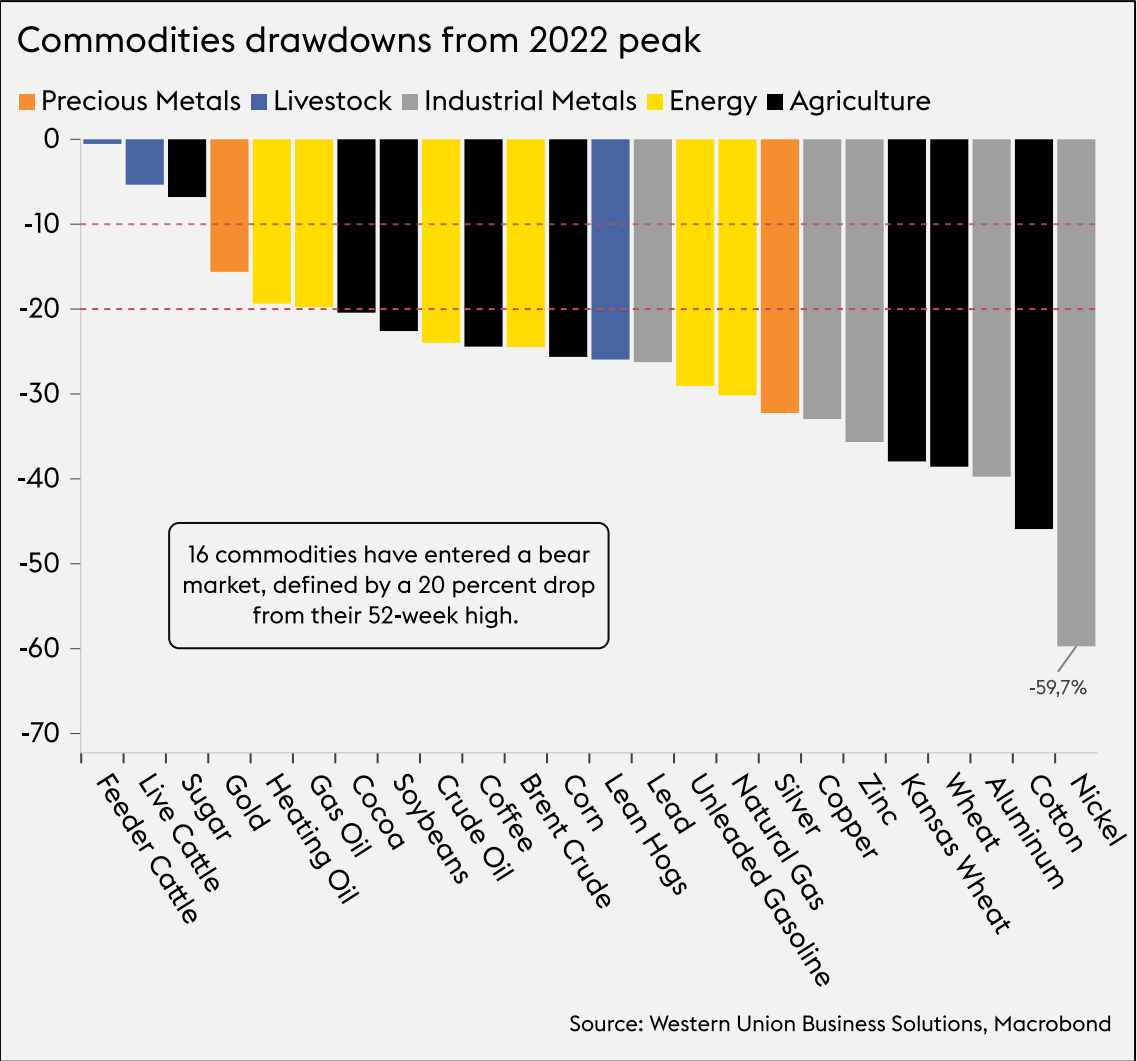




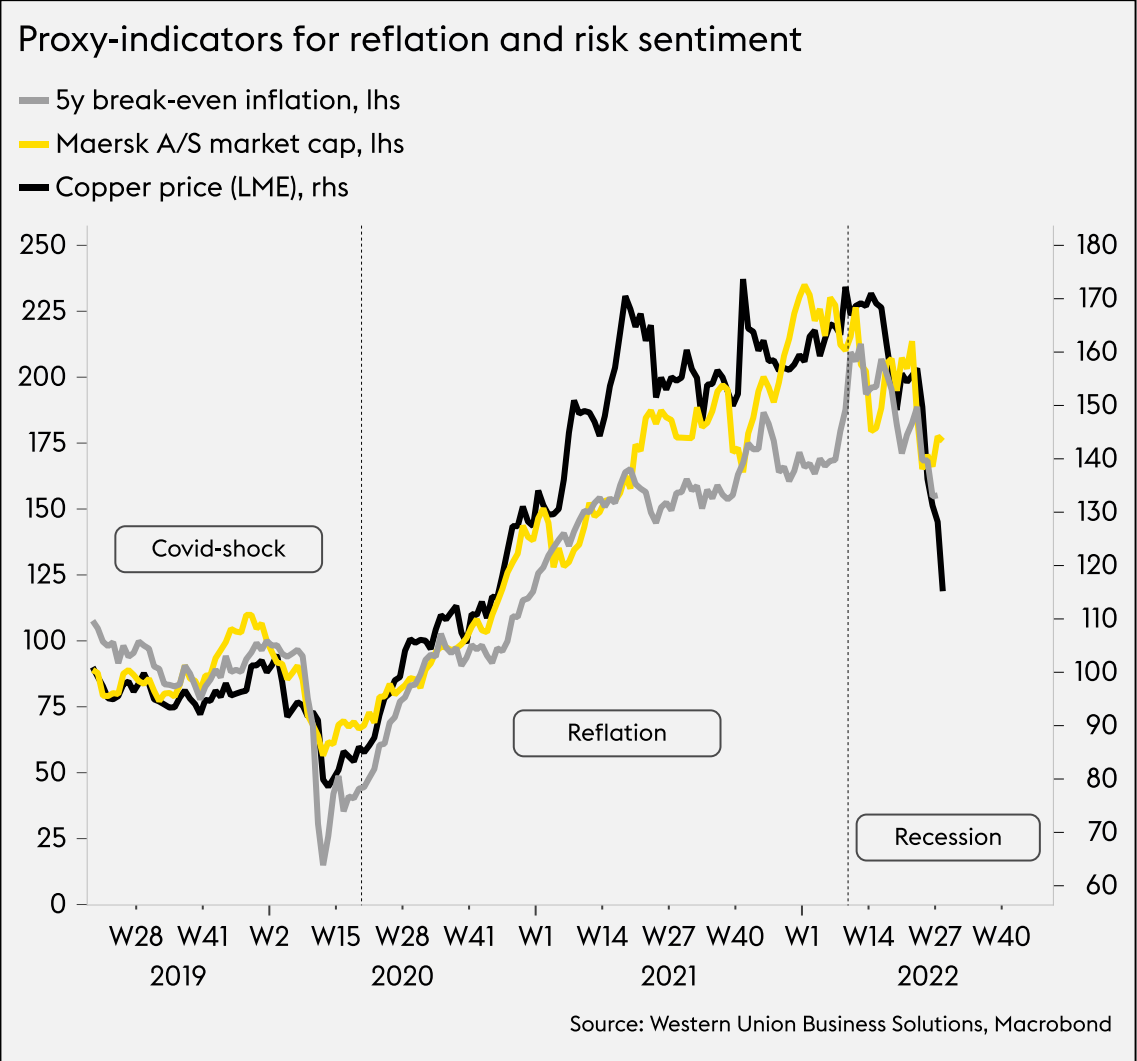
# Economic regime shift; from inflation to recession fears



## Most commodity prices are declining amid new expectations



## Leading indicators are currently pointing to a recession

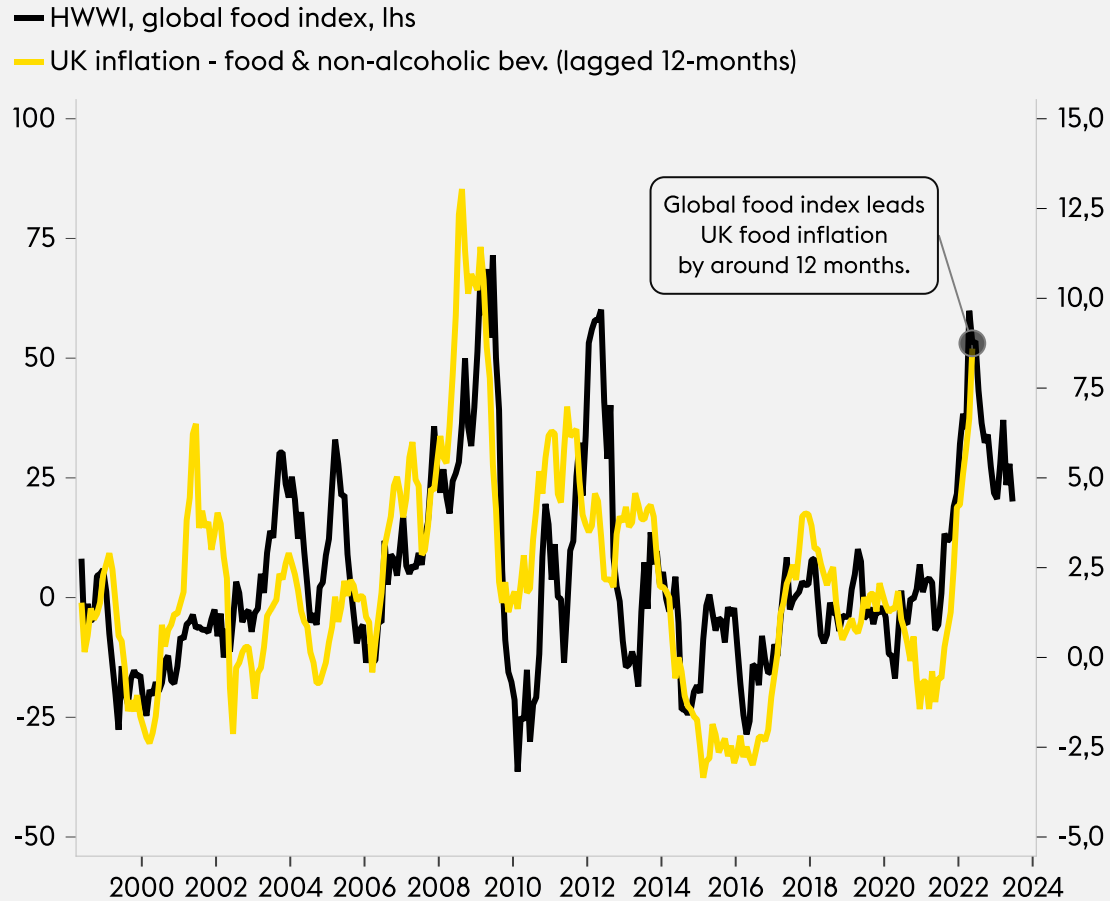


# Should companies expect margin pressure for longer?



## Food index suggests slowdown in prices may take ~12 months

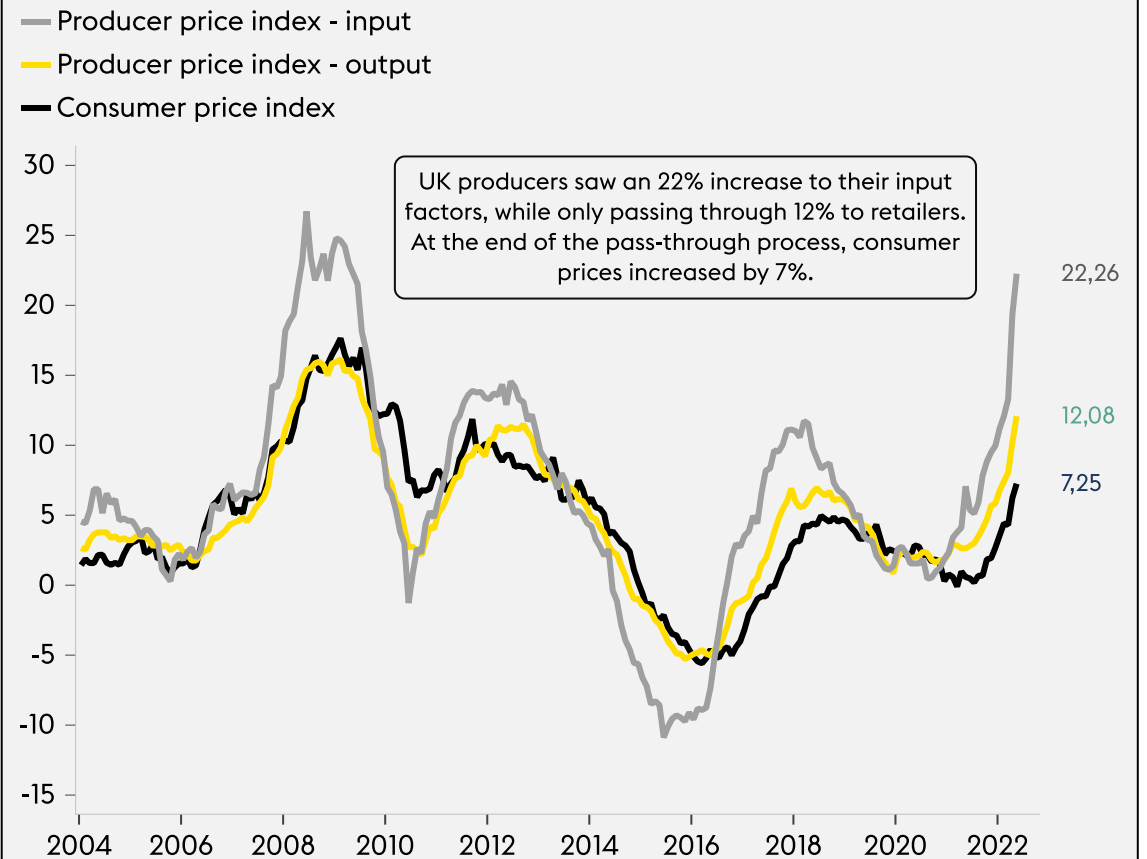
Global and UK food prices (year-on-year in %)



Source: Western Union Business Solutions, Macrobond

## UK producers have reported a 22% rise in input costs

United Kingdom - Inflation indices 2y-change)  
Food, Beverages & Tobacco producers

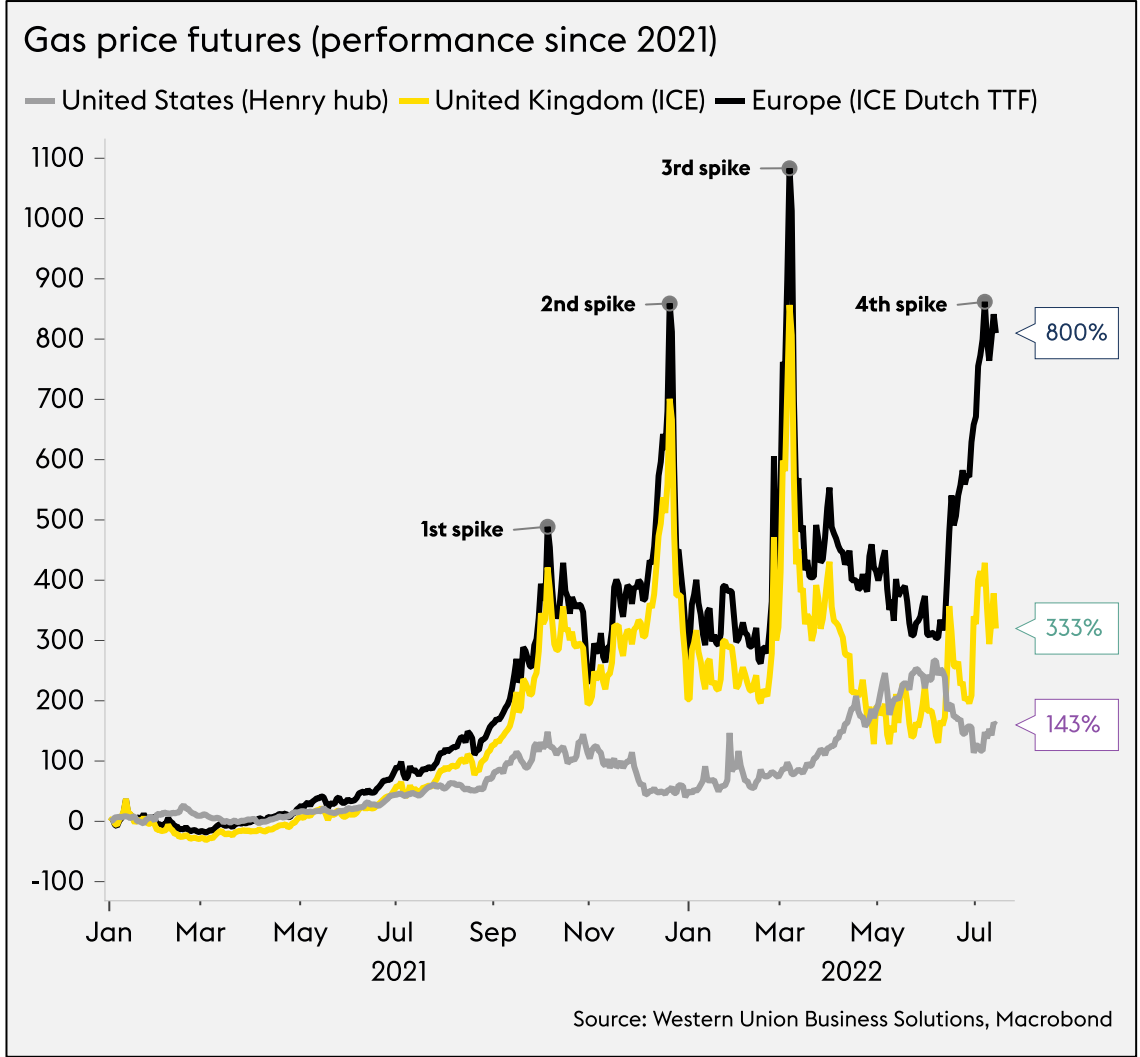


Source: Western Union Business Solutions, Macrobond

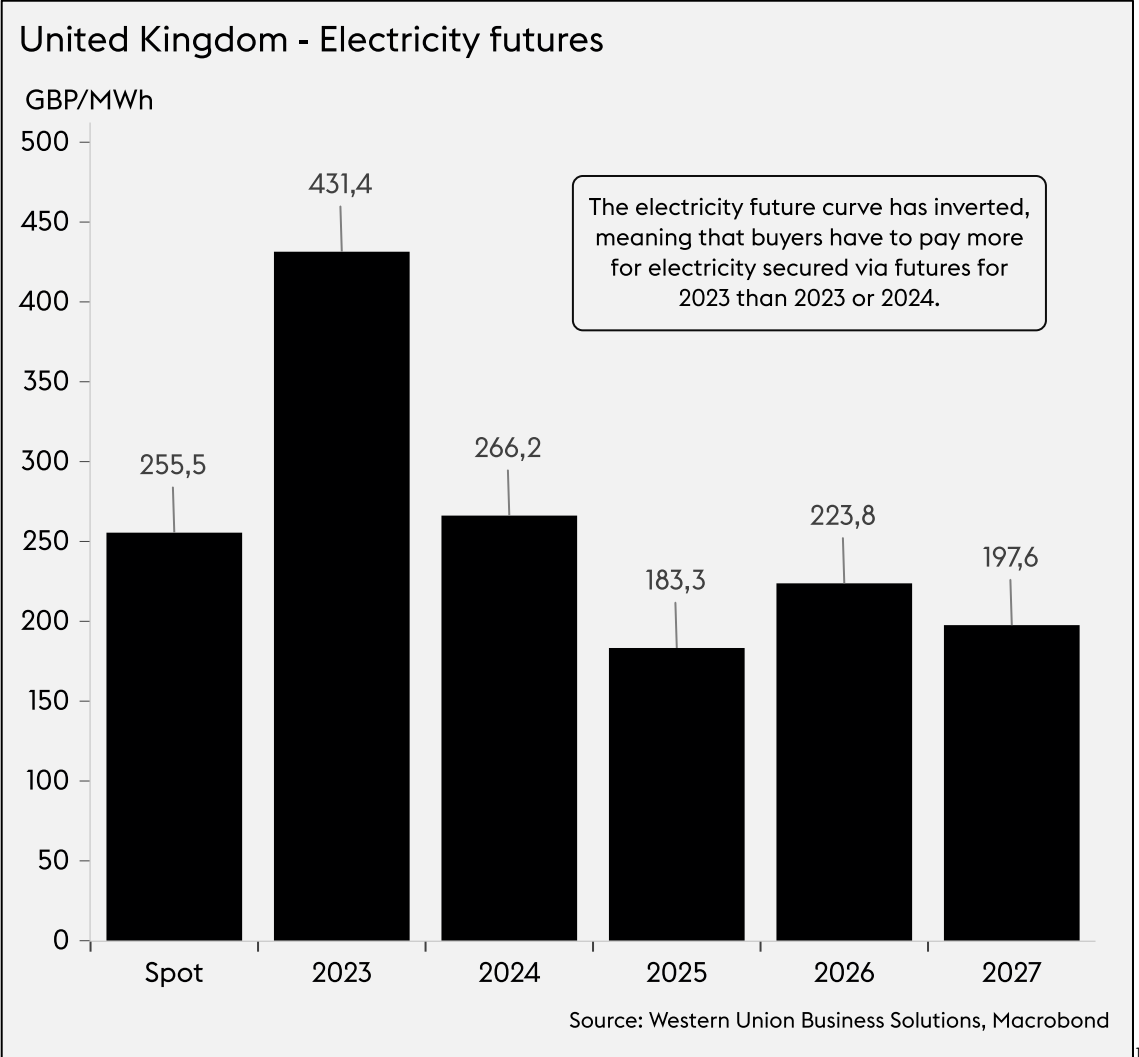
# Gas crisis; most important threat to business environment



## UK gas prices have risen 333% since 2021



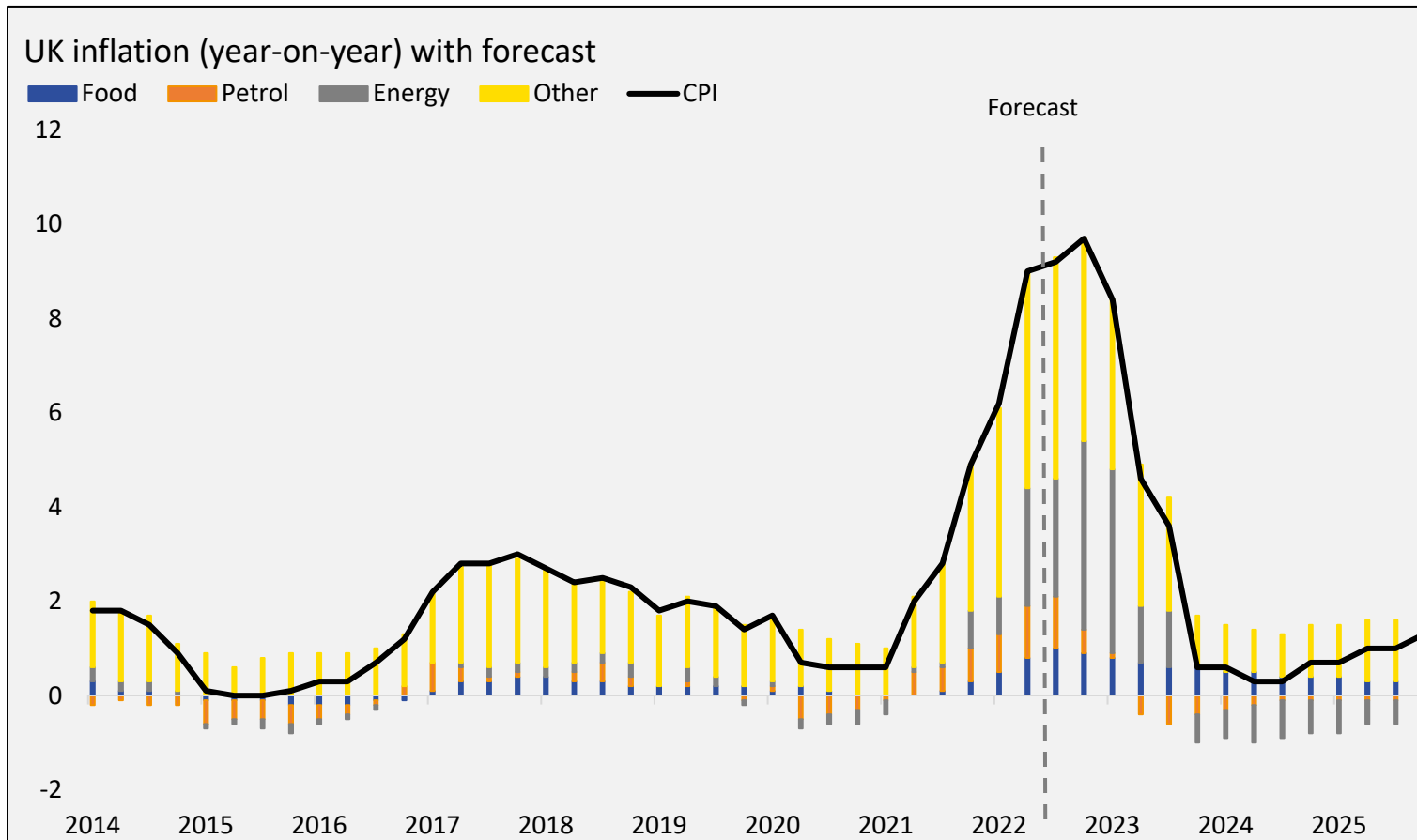
## Cost of electricity could remain more expensive until 2024-25



# Forward guidance; inflation may rise until Q4 2022



Back to the 1980s; recovering from the largest global inflation shock in four decades



Source: Oxford Economics, Assosia research

- Our partner Oxford Economics expects **inflation to peak above 10%** on the CPI measure in **October**.
- The combination of very high inflation and tighter policy means **real household incomes** are forecast to fall by 2.2% in 2022, the **largest drop since records began** in 1955.
- Some **22,000 products** offered by Britain's four **biggest grocers** became costlier since last June, data from retail research firm Assosia shows.
- Every major UK supermarket had a **drop in sales** over the 12 weeks to June 12, aside from discounters Aldi and Lidl, according to Kantar data.



## Currency outlook and forecasts

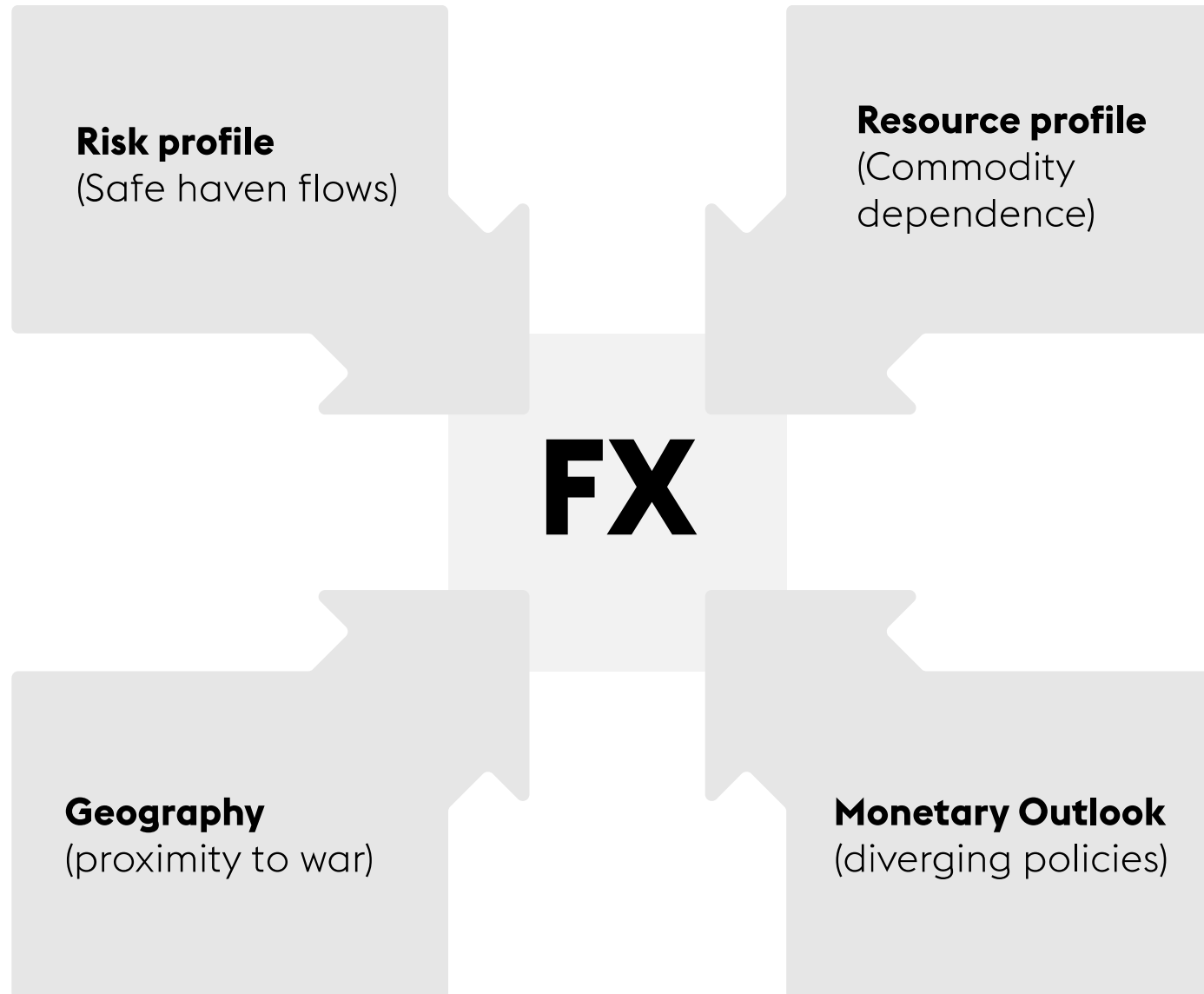
**George Vessey**

FX & Macro Strategist, UK  
Western Union Business Solutions

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# Multiple factors drive FX volatility



# GBP/USD rate has fluctuated 25% in two years



Sterling has underperformed most peers since pre-pandemic levels

	Spot	Spot vs Jan 2020	Spot vs 2Y average	Trading range since Jan 2020	Position within range
GBP/TRY	20.646	161.79%	52.29%	226.92%	79%
GBP/BRL	6.407	20.23%	-9.89%	55.46%	40%
GBP/JPY	164.130	14.02%	9.24%	35.95%	90%
GBP/PLN	5.639	13.33%	7.02%	28.31%	68%
GBP/ZAR	20.331	9.41%	-0.59%	29.03%	37%
GBP/NOK	12.089	3.80%	2.05%	24.73%	31%
GBP/SEK	12.464	0.35%	4.94%	20.43%	65%
GBP/INR	94.520	-0.09%	-5.26%	23.52%	46%
GBP/EUR	1.176	-0.52%	1.77%	15.80%	75%
GBP/MXN	24.621	-1.88%	-10.17%	31.45%	9%
GBP/NZD	1.927	-2.22%	-1.03%	13.84%	29%
GBP/CZK	28.886	-3.82%	-2.17%	11.43%	17%
GBP/AUD	1.752	-7.25%	-3.66%	21.46%	9%
GBP/CHF	1.159	-9.74%	-5.96%	17.72%	24%
GBP/CAD	1.547	-10.18%	-9.14%	17.42%	4%
EUR/USD	1.006	-10.24%	-13.10%	24.11%	5%
GBP/USD	1.184	-10.72%	-11.53%	24.94%	15%
GBP/CNY	7.996	-13.17%	-8.44%	16.40%	4%

- The British pound is a **risk-sensitive currency**, often sold in times of heightened risk aversion.
- Pandemic-induced market turmoil, the war in Ukraine and **tighter monetary policy** have triggered risk aversion.
- Safe haven currencies (namely CHF USD & even CNY) have been in high demand, **but energy-dependent JPY is less attractive**.
- Circa **25% trading range** in GBP/USD and EUR/USD over the last 2 years.
- EUR/USD has recently fallen below parity – a **fresh 20-year low** – as the energy crisis worsens.

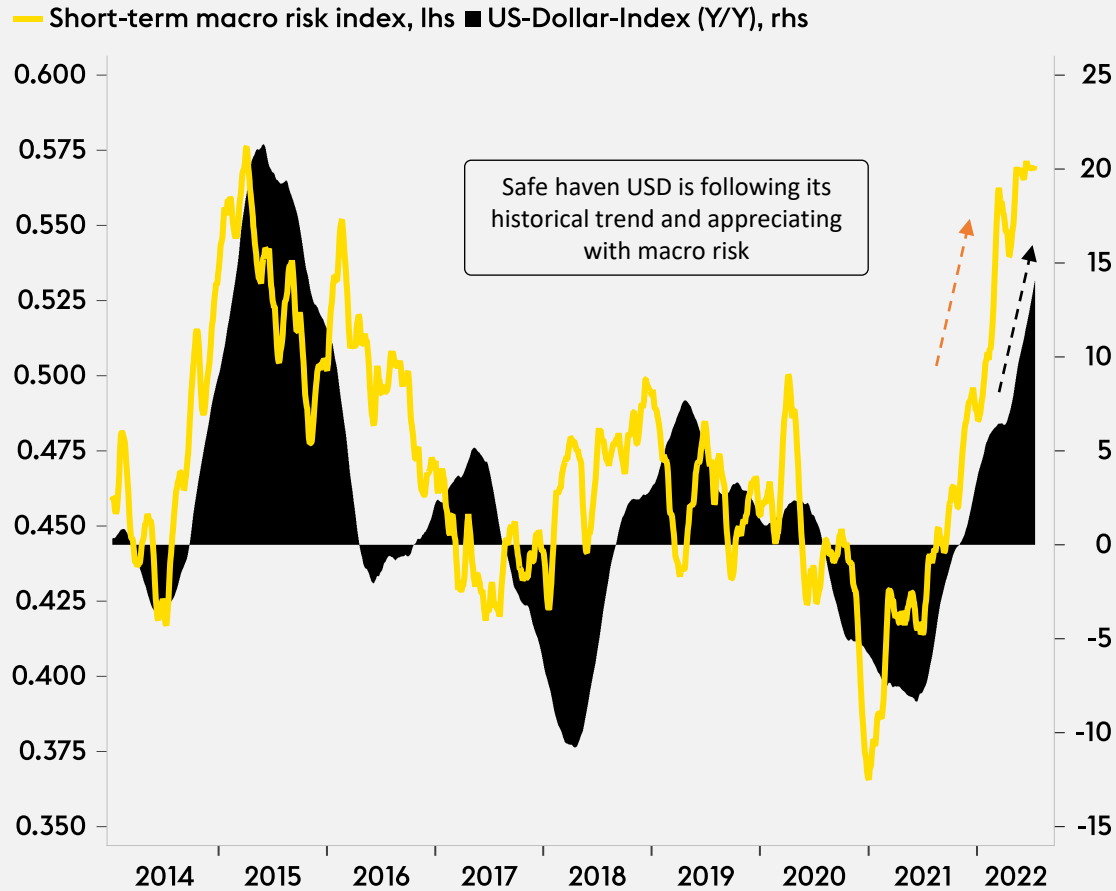
Source: WUBS, Refinitiv – July 19, 2022

# US Dollar benefits when geopolitical & economic risks rise



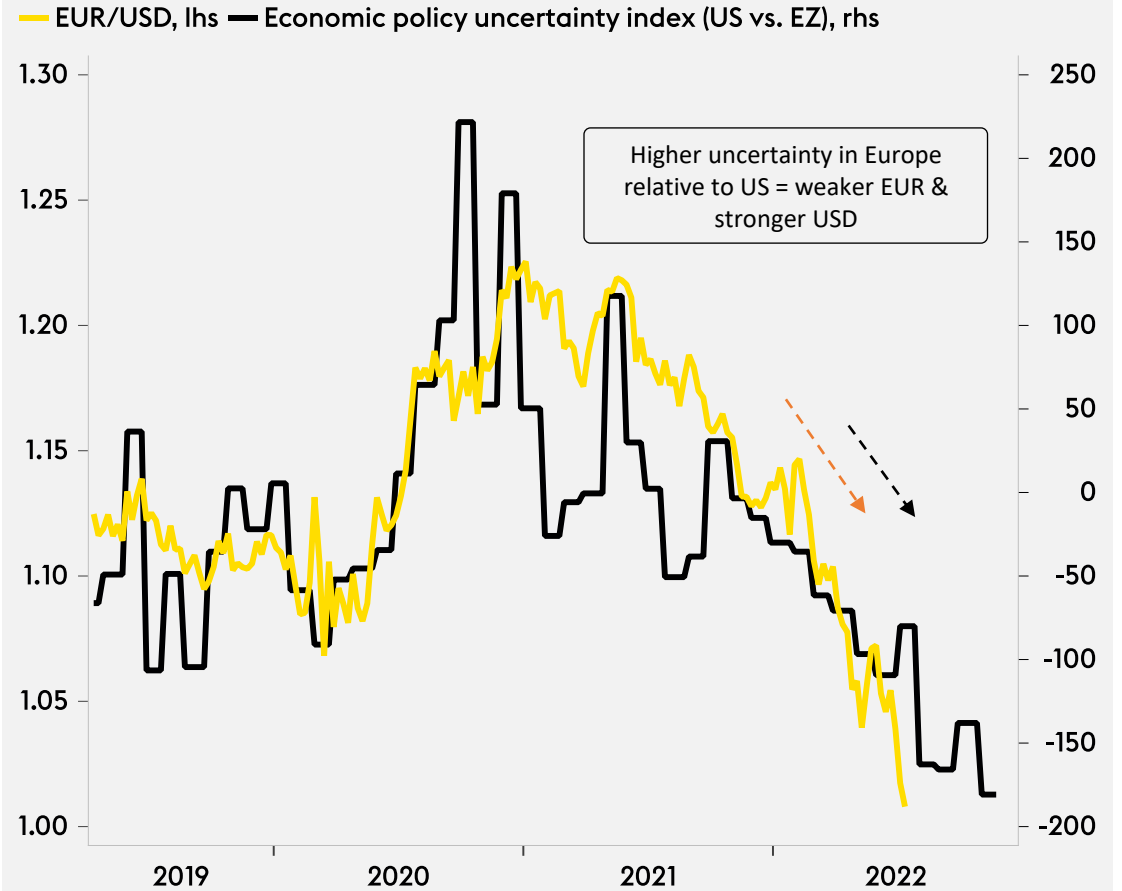
## Heightened risk aversion has been a tailwind for USD

### Macro risk and the US-Dollar (9 & 3-month moving averages)



## Uncertainty differential; the 2nd highest on record

### Difference in policy uncertainty and the exchange rate

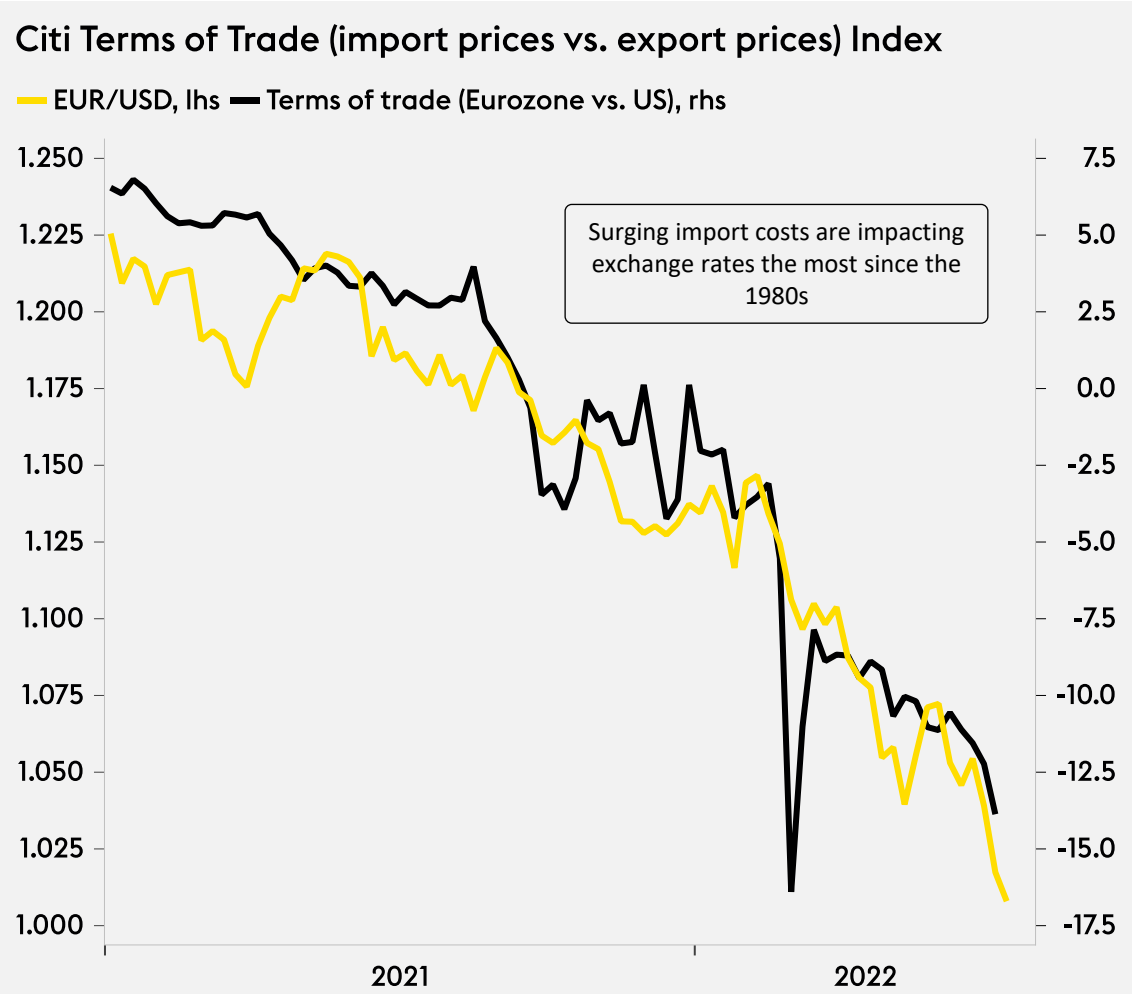




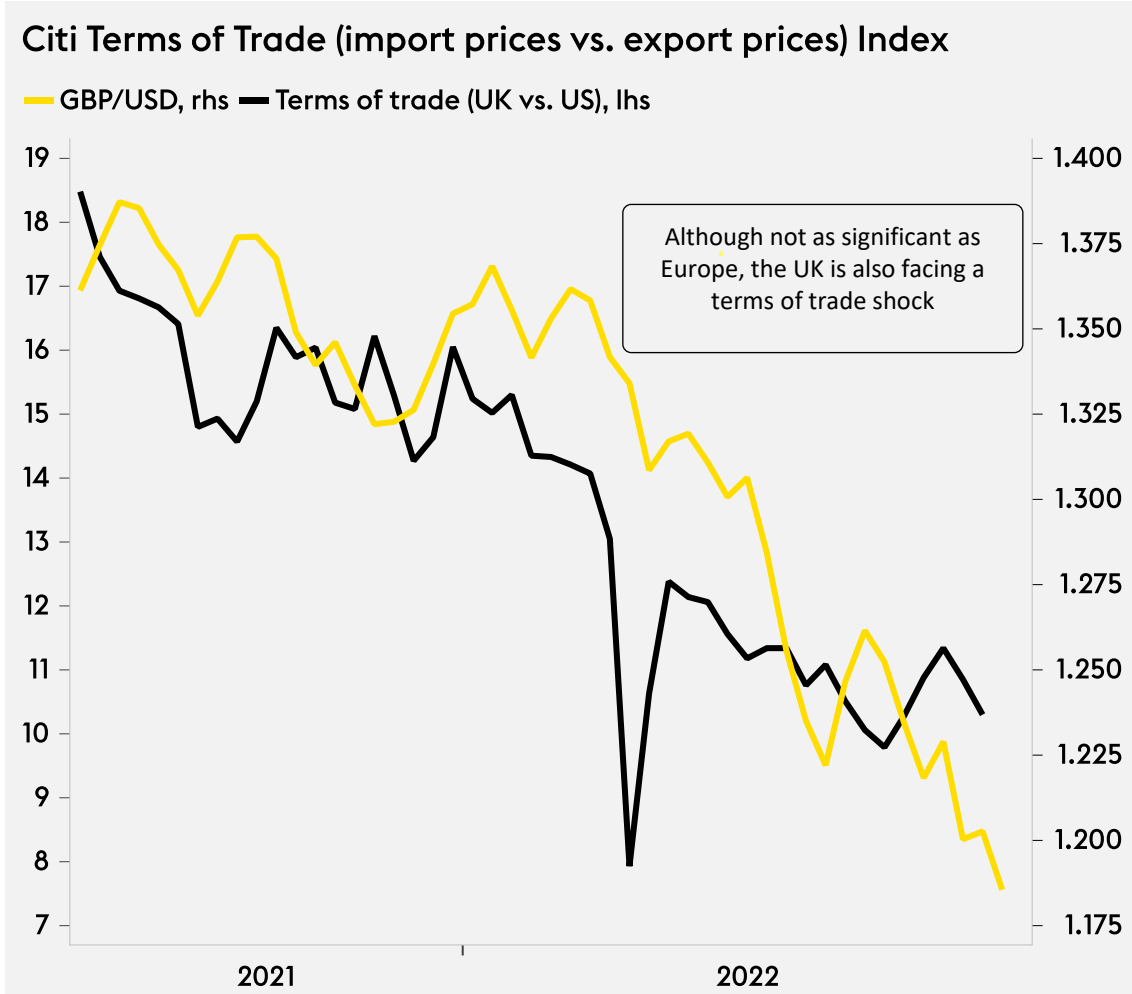
# Europe & UK face major terms of trade shock



## Europe's surging import costs is devaluing EUR/USD



## UK's waning terms of trade is also hitting GBP/USD



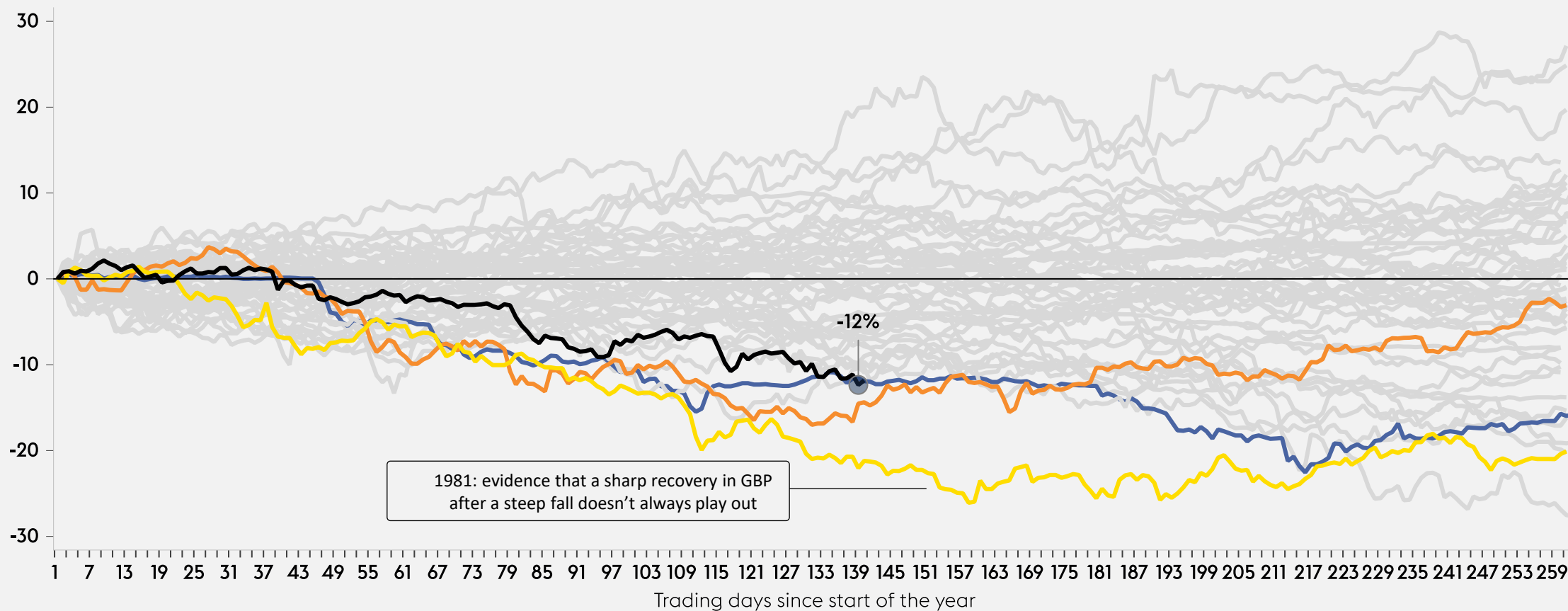
# What if we see a repeat of 1981?



2022; GBP/USD's 4th weakest start to a year on record

GBP year-to-date performance (all years since 1967)

— 2022 — 1981 — 1991 — 1976



Source: WUBS, Macrobond

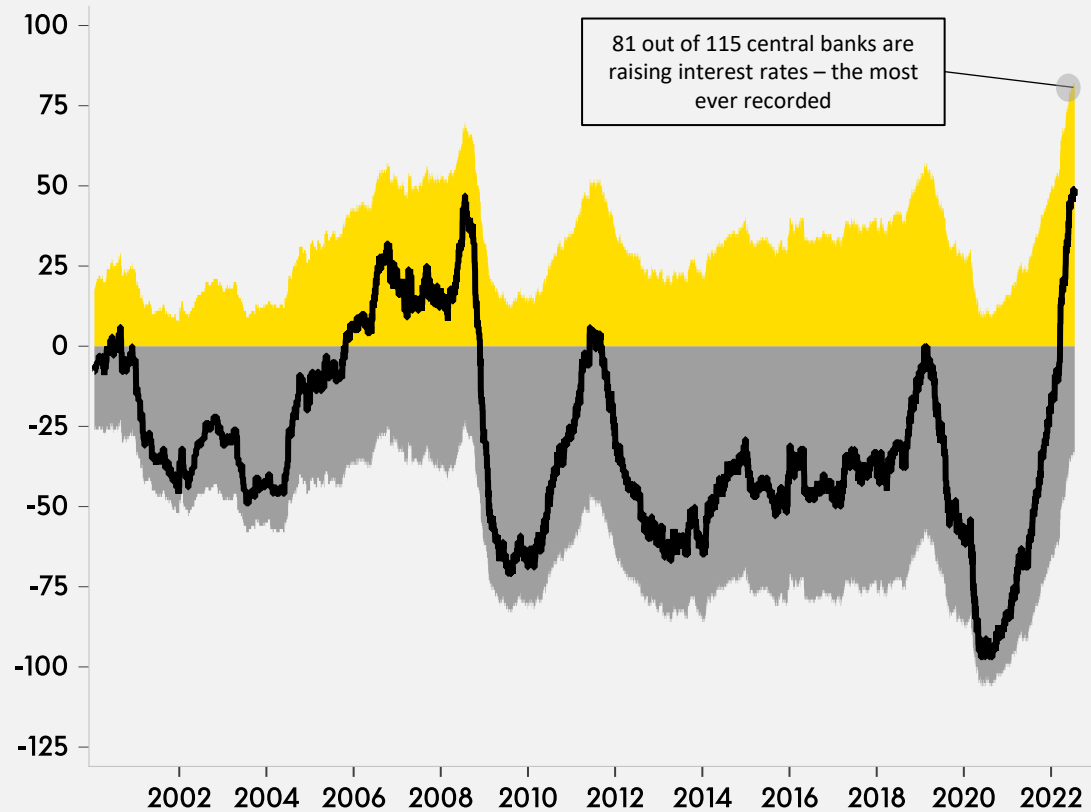
# Interest rates are rising at their sharpest pace on record



## Companies face most aggressive tightening cycle on record

### Hikes vs cuts as most recent move Inputs from 115 Central Banks

— Net ■ Cuts ■ Hikes



Source: WUBS, Macrobond

## US' Fed has been more aggressive than the ECB and BoE

### Global benchmark interest rates and year-to-date changes (%)

	Jan 2021	Current	YTD change													
			-1	0	1	2	3	4	5	6	7	8	9	10	11	12
Brazil	2	13.3	[Bar chart showing 11 units]													
Hungary	0.6	9.75	[Bar chart showing 9 units]													
Czech Republic	0.25	7	[Bar chart showing 7 units]													
Poland	0.1	6.5	[Bar chart showing 6 units]													
Russia	4.25	9.5	[Bar chart showing 5 units]													
Canada	0.25	2.5	[Bar chart showing 2 units]													
New Zealand	0.25	2.5	[Bar chart showing 2 units]													
Hong Kong	0.5	2	[Bar chart showing 1 unit]													
US	0.25	1.75	[Bar chart showing 1 unit]													
Australia	0.1	1.35	[Bar chart showing 1 unit]													
Norway	0	1.25	[Bar chart showing 1 unit]													
South Africa	3.5	4.75	[Bar chart showing 1 unit]													
UK	0.1	1.25	[Bar chart showing 1 unit]													
India	4	4.9	[Bar chart showing 0 units]													
Switzerland	-0.75	-0.25	[Bar chart showing 0 units]													
Euro Area	0	0	[Bar chart showing 0 units]													
Japan	-0.1	-0.1	[Bar chart showing 0 units]													
China	3.85	3.7	[Bar chart showing 0 units]													

Source: WUBS Global Central Bank Table, Macrobond

# Forward guidance; interest rate cuts expected in 2023

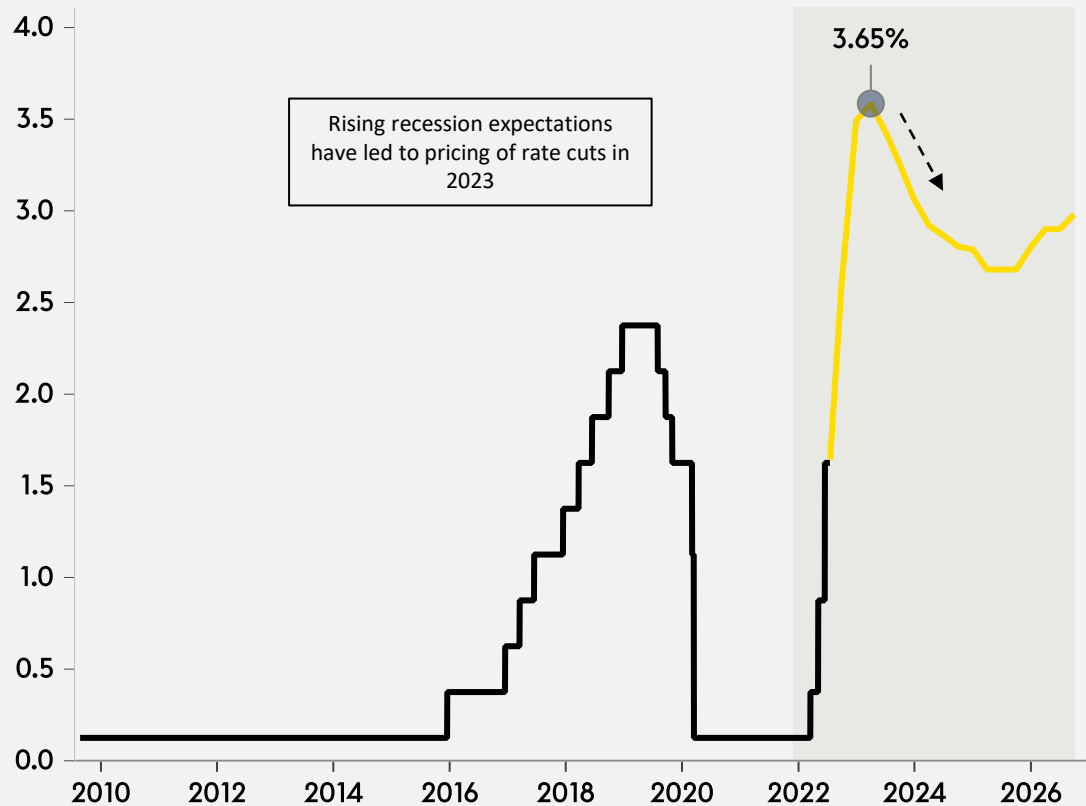


## Front-loading rate hikes increase probability of recession

### Markets now see 100bp in July, but cuts in 2023

Expected interest rate path of the US Fed

— Expected rate path — US Federal Reserve Rate

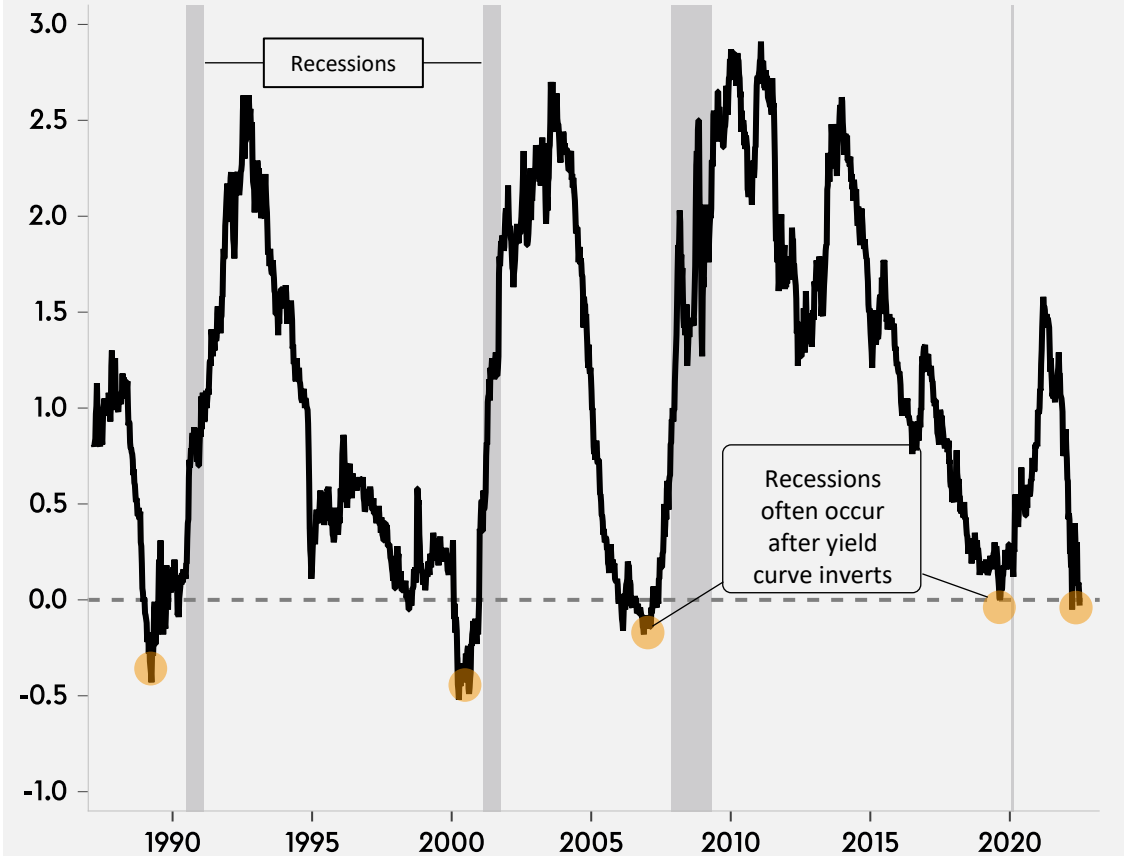


Source: WUBS, Macrobond

## Alarm bells are ringing across government bond markets

### US yield curve is approaching inversion

— US yield curve (2Y10Y)



Source: Western Union Business Solutions, Macrobond

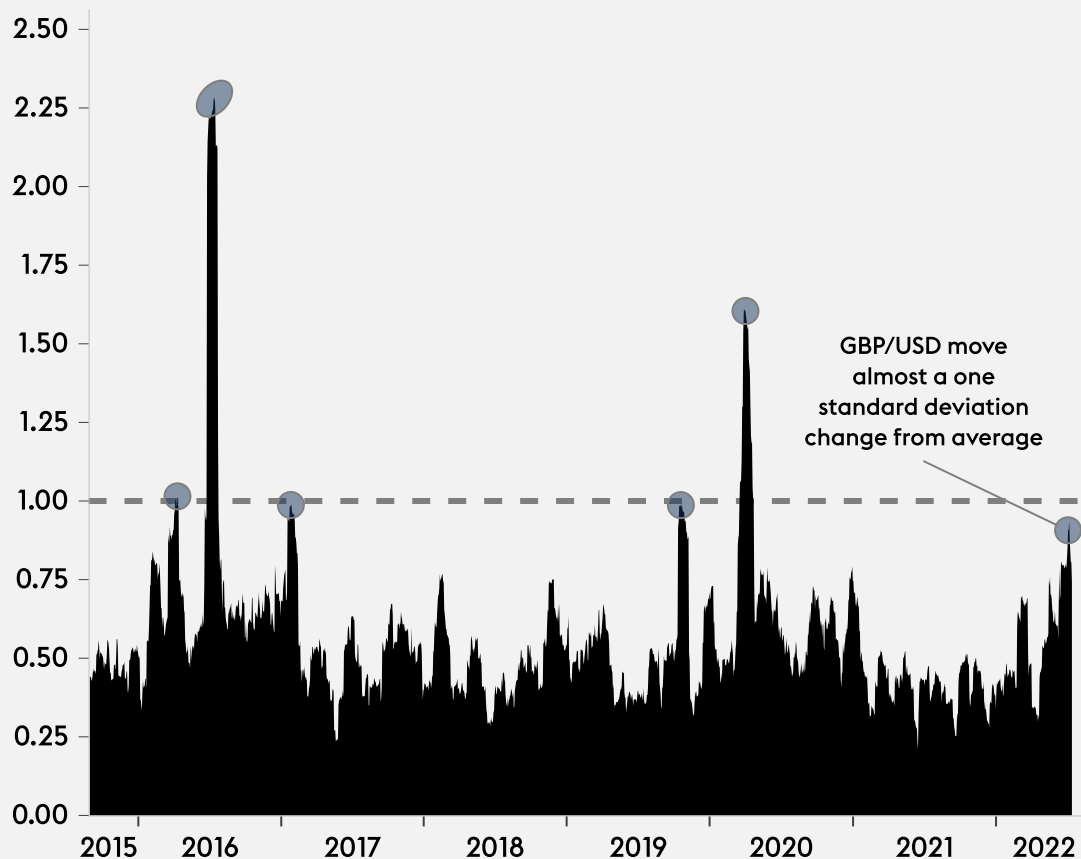
# FX volatility; major currencies near pivotal price points



## Pound trading; more volatile again for companies

### Realised FX volatility - WUBS calculation

■ GBP/USD realised volatility (via 20-day standard deviation)

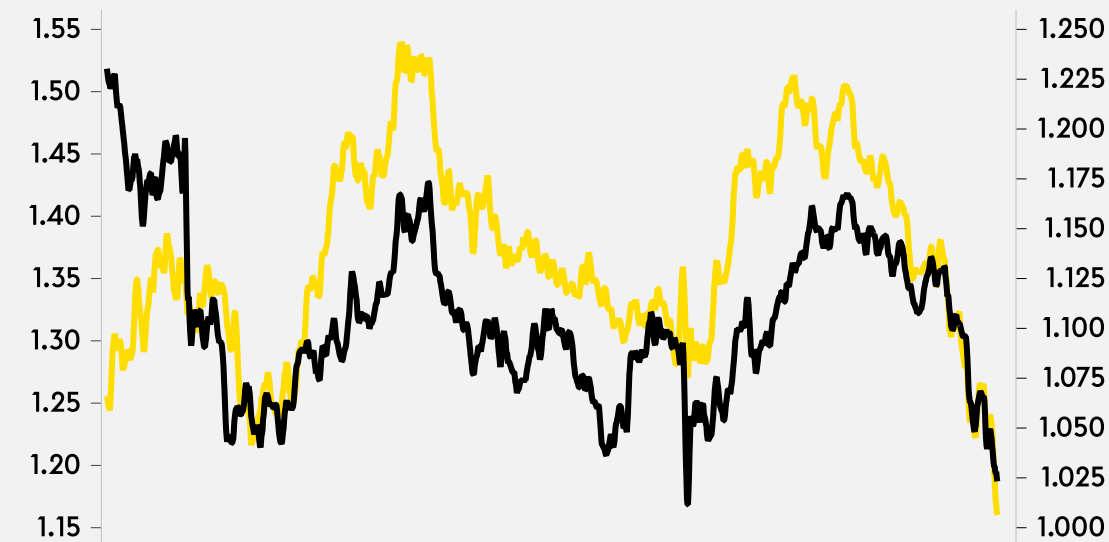


Source: Western Union Business Solutions, Macrobond

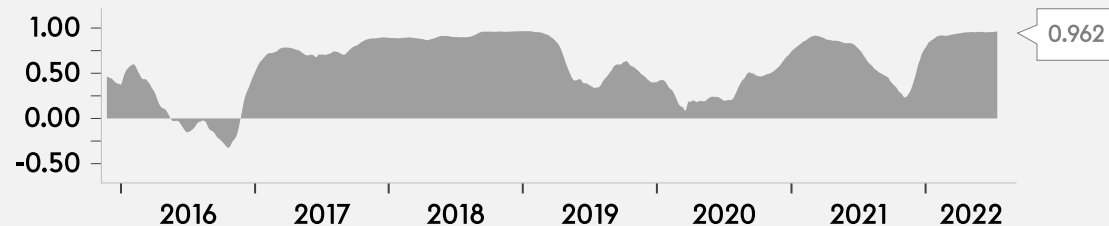
## How low will GBP/USD go if EUR/USD falls below parity?

### King dollar dominates demand

— GBP/USD rate, lhs — EUR/USD rate, rhs ■ 1-year correlation



### Mostly strong positive correlation

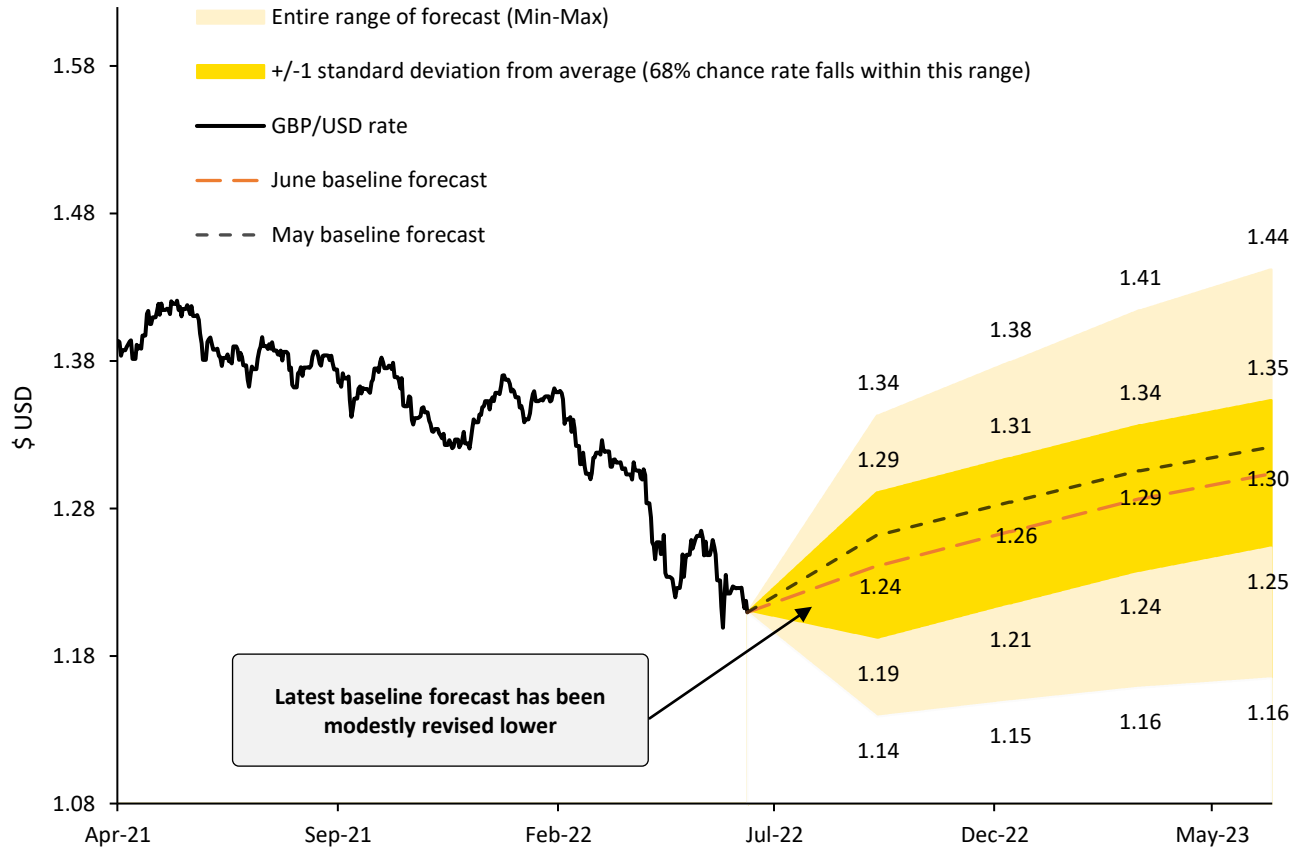


Source: Western Union Business Solutions, Macrobond

# Possible future scenarios: Sterling/US Dollar rate



## GBP/USD forecast tool – potential exchange rate outcomes



Source: Western Union Business Solutions, Oxford Economics – July 2022

## Forecast scenarios – upside/downside risks

### Scenario 1 – High: Russia conflict eases

- **BoE tightens policy faster** than expected as inflation pressures persist, but economic growth remains resilient, whilst Fed fails to deliver on rate hike expectations.
- **Russia conflict eases** and supply and economic worries dissipate, supporting demand for riskier assets, whilst hurting safe havens like the dollar.

### Scenario 2 – Average: BoE catches Fed

- Cost-of living crisis continues, but BoE remains on track to tighten with **UK rates closing in on US rates** into 2023.
- **Supply chain pressures** remain a concern but start to reduce as China comes out of lockdown. Global risk sentiment improves helping the risk-sensitive pound.

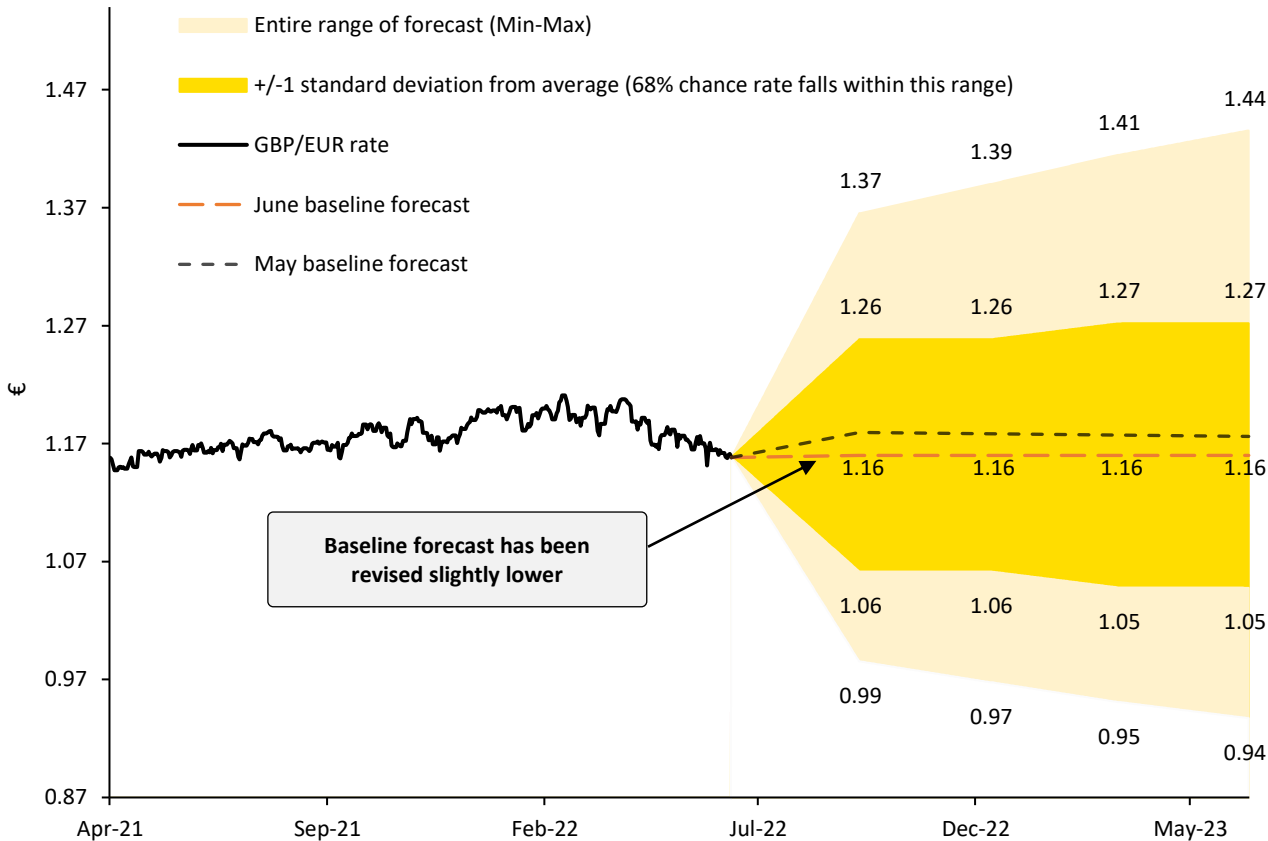
### Scenario 3 – Low: Aggressive Fed, global recession

- Russia-Ukraine war sees more sanctions, **Russia cutting energy supplies off** to the West, fuelling demand for safe haven assets and sending economies into recession
- **Fed raises interest rates faster** and higher than the BoE, increasing the real yield spread in favour of the US dollar.

# Possible future scenarios: Sterling/Euro rate



## GBP/EUR forecast tool – potential exchange rate outcomes



Source: Western Union Business Solutions, Oxford Economics – July 2022

## Forecast scenarios – upside/downside risks

### Scenario 1 – High: Russia conflict eases

- **Bank of England tighten policy** faster than expected as inflation pressures persist as well as stronger growth prospects - leading to wider UK-EU yield spread.
- **Russia-Ukraine conflict eases** benefiting both the euro and pound, but ECB delays tightening policy as a result of easing inflation woes and weak economic growth.

### Scenario 2 – Average: Inflation persists

- **Inflation pressures** keep central banks on their tightening paths but UK rates still much higher than EZ into 2023, supporting GBP demand over EUR.
- **Delayed pandemic recovery** as new Covid restrictions in China lead to supply chain disruptions and **swings in risk sentiment**.

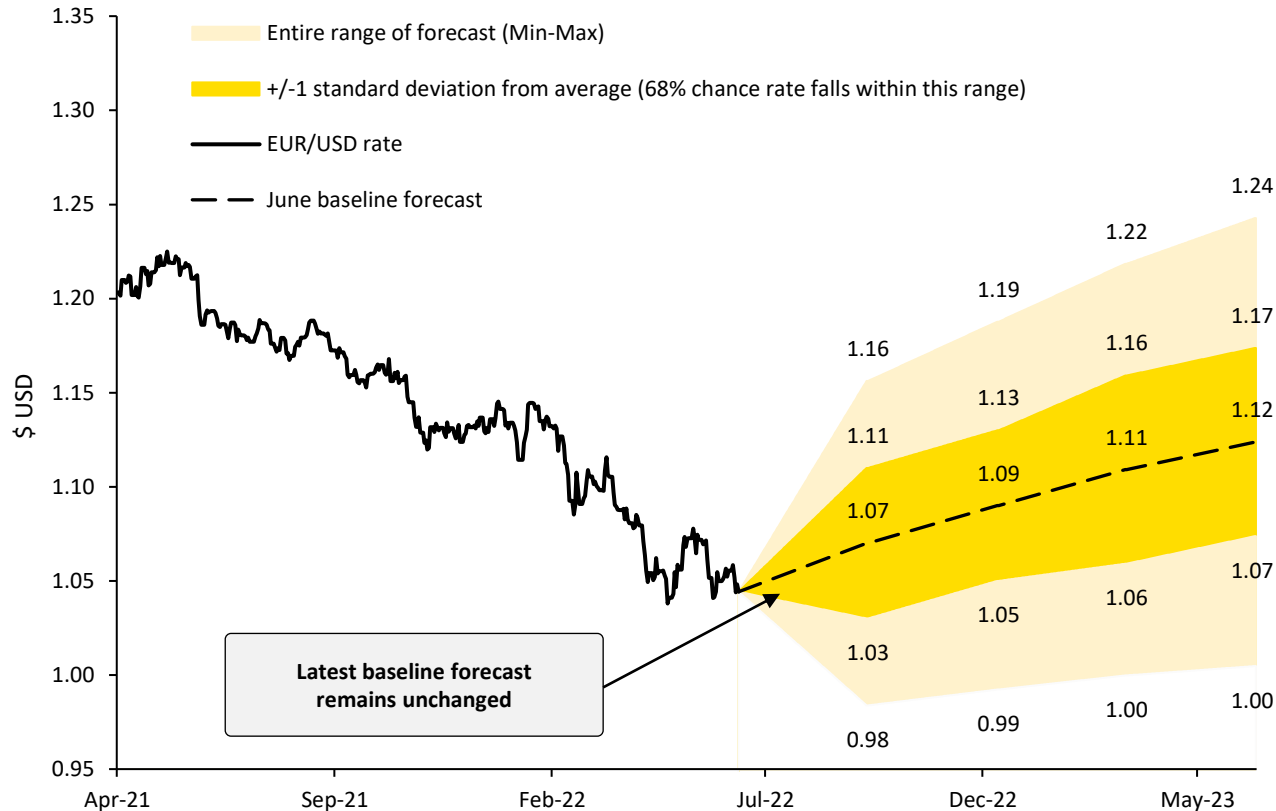
### Scenario 3 – Low: BoE disappoints, Brexit bites

- **UK rate expectations plunge** as economic outlook dims due to protracted war in Ukraine & rising cost-of-living crisis hurting consumer spending and business climate.
- Pound could fall further if **EU-UK unable to resolve protocol issues amicably** – further reducing trade flows and hurting the UK economy.

# Possible future scenarios: Euro/US dollar rate



## EUR/USD forecast tool – potential exchange rate outcomes



Source: Western Union Business Solutions, Oxford Economics – July 2022

## Forecast scenarios – upside/downside risks

### Scenario 1 – High: US Fed disappoints

- Russia conflict eases, **risk appetite rebounds and energy supply concerns dissipate** which benefits the Eurozone economy and supports euro demand.
- Fed disappoints markets** with a less aggressive rate hike schedule - narrowing US-EZ yield spreads and **reducing the US dollar's interest rate advantage**

### Scenario 2 – Average: Energy crisis averted

- Amidst the expected **new era of higher interest rates**, the rotation out of growth and into value stocks benefits European assets and the euro.
- Political uncertainties ease** as a unified EU overcomes negative external shocks, like the possible energy crisis caused by the war in Ukraine.

### Scenario 3 – Low: Aggressive Fed, global recession

- Energy crisis intensifies** as Russian energy imports blocked completely or Russia turns taps off – sending Europe into a deep recession.
- Rising commodity prices benefit exporters like the US, helping the dollar. Europe's **terms of trade shock intensifies**, weighing heavily on the euro.





# International strategy

**Nawaz Ali**

Head of Market Insights  
Western Union Business Solutions

WesternUnion **WU**

Business  
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# Considerations for international business



## Currency volatility

What if we continue to see interest rate hikes, or geopolitics cause material 5-10% shifts in your key exchange rates?

## Risk management

Talk to us about our full range of trade solutions, hedging products like FX Options, and Forward Contracts.

We help organisations track and mitigate FX risks, protect profits, and optimise international cash flow.



## Climate change

Sustainability is now a key strategic priority amid pledges to cut carbon emissions in half by 2030, and hit net zero by 2050.

## Sustainability

Talk to us about our partnership with Gold Standard and new products like Green hedging.

We offer the opportunity to earn and report globally recognized carbon offset credits/certification.

# Considerations for international business



## Global payments

What if factors like sanctions and regulations escalate, and your international payment complexities increase?

## Security and efficiency

Talk to us about our global payment solutions, compliance controls and fraud prevention measures.

We invest \$200m annually\* in managing compliance and regulations globally.



## Import export trade

What if your particular industry, or specific country of interest remains highly exposed to global market pressures?

## Diversification

Talk to us about our global reach and how we help organisations into alternative markets and supply chain diversification.

We support 140 currencies, and operate across 200 countries and territories.

\*2018 data sourced from the Western Union compliance team in 2020.

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**WesternUnion** **WU** | Business Solutions

**\$170bn**  
turnover in 2021

**30,000+**  
customers

**140+**  
currencies

**200+**  
countries/territories

**WU® EDGE**

- Connect with partners
- Real time, fee free\*
- Visibility into exposures

**International Payments**

- Incoming
- Outgoing
- Mass payments

**Risk Management**

- Hedge specialists
- Improve cash flow
- Help protect profits

Bank account

Cash

Card

Mobile

**Bulk payment processing**

**140+ currencies**

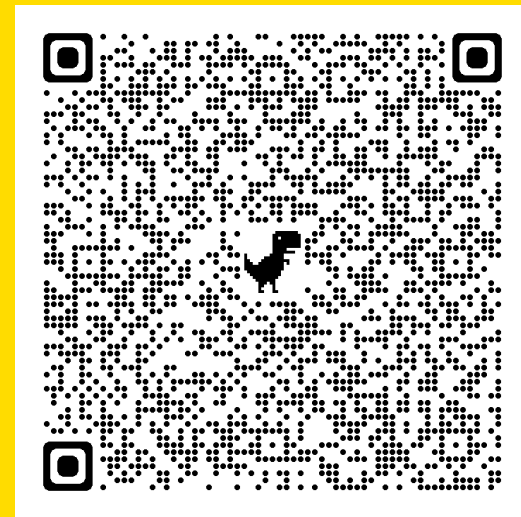
**200+ countries and territories**

\*Transaction fee-free EDGE Network Payment services are available between fully accredited customers that have registered to use the WU® EDGE platform and are authorised by a WUBS affiliate to access services in Australia, Austria, Canada, Czech Republic, France, Germany, Hong Kong, Italy, Malta, New Zealand, Poland, Singapore, Switzerland, United Kingdom, and USA WUBS will apply a foreign currency exchange rate, which includes a margin set by WUBS, whenever a transaction includes a currency conversion Transaction fees may also apply to transactions other than EDGE Network Payment services.

# Questions?



Scan to request a call back  
from an expert



Or email us  
[AskMarketInsights@Convera.com](mailto:AskMarketInsights@Convera.com)



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1. The risk of loss in leveraged foreign exchange trading can be substantial. You may sustain losses in excess of your initial margin funds. Placing contingent orders, such as "stop loss" or "stop limit" orders will not necessarily limit losses to the intended amounts. Market conditions may make it impossible to execute such orders. You may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, your position may be liquidated. You will remain liable for any resulting deficit in your account. You should therefore carefully consider whether such trading is suitable in light of your own financial position and investment objectives.

2. Client assets received or held by WUBS or a WUBS group company outside Hong Kong are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from the Securities and Futures Ordinance (Cap. 571) and the rules made thereunder. Consequently, such client assets may not enjoy the same protection as that conferred on client assets received or held in Hong Kong.

### New Zealand

Western Union Business Solutions is a division of The Western Union Company. In New Zealand, Western Union Business Solutions (Australia) Pty Ltd, NZ branch (company number 3527631 and FSP 168204) ("WUBS") is the issuer of the financial products (if any) referred to in this communication. A Product Disclosure Statement is available for each of the financial products that WUBS issues and can be obtained by visiting <http://business.westernunion.co.nz/about/compliance/>. This communication is not intended to provide advice and does not take account of your financial situation, objectives and/or needs. Because of this, before you act on it (including making any decisions and/or trading) you should consider its appropriateness having regard to your own objectives, financial situation and/or needs. WUBS recommends that you seek personalised (personal) financial advice from an authorised financial adviser.

### Singapore

In Singapore, Western Union Business Solutions is a division of The Western Union Company. Depending on the nature and scope of the services, services in Singapore are provided by Western Union Business Solutions (Singapore) Pte Ltd (Licence No. PS20200438) ("WUBS Singapore") and/or WUBS Financial Services (Singapore) Pte Ltd (Licence No. CMS 100116) ("WUBS FS Singapore") (collectively referred to as "WUBS").

## NORTH AMERICA

### Canada

In Canada, Western Union Business Solutions is a division of The Western Union Company. Services in Canada are provided by Custom House ULC, a company within the Western Union Business Solutions division.

### USA

In USA, Western Union Business Solutions is a business unit of The Western Union Company. Services in the US are provided by Western Union Business Solutions (USA), LLC (NMLS ID: 907333; MA MT license #: FT0041) (referred to as "WUBS" or "Western Union Business Solutions"). For a complete listing of US state licensing,

visit <http://business.westernunion.com/about/notices/>. For additional information about Western Union Business Solutions USA, LLC visit <http://business.westernunion.com/About/Compliance-Legal>.

## EUROPE

### Austria

In Austria Western Union Business Solutions is a business unit of the Western Union Company and provides services in Austria through Western Union's wholly-owned subsidiary, Western Union International Bank GmbH (referred to as "Western Union Business Solutions"). Western Union International Bank GmbH is registered in Austria (Vienna Commercial Court, Commercial Registry number FN256184t, Sales Tax Identification Number: ATU 61347377). The Icon Vienna (Turm 24), Wiedner Gürtel 13, 1100 Vienna, Austria and is licensed by the Austrian Financial Markets Authority (Finanzmarktaufsicht). This document has been prepared solely for informational purposes and does not in any way create any binding obligations on either party. Relations between you and Western Union Business Solutions shall be governed by the applicable terms and conditions. No representations, warranties or conditions of any kind, express or implied, are made in this document.

### Czech Republic

In the Czech Republic, Western Union Business Solutions is a division of The Western Union Company and provides services in the Czech Republic through Western Union International Bank GmbH, organizační složka (referred to as "WUBS" or "Western Union Business Solutions"). Western Union International Bank GmbH, organizační složka is registered in the Czech Commercial Register held by the Municipal Court in Prague, identification number 015 55 332, has a registered place of business at Václavské náměstí 62, 110 00 Prague 1, Czech Republic, and is a branch of Western Union International Bank GmbH (registration number 256184t) Schuberting 11, 1010 Vienna, Austria.

Western Union International Bank GmbH is a bank registered on a list of banks maintained by the Austrian Financial Market Authority (Finanzmarktaufsicht). Western Union International Bank GmbH, organizační složka is registered on a list of banks and branches of foreign banks maintained by the Czech National Bank.

### France

In France, Western Union Business Solutions is a division of The Western Union Company and provides services in France through its wholly-owned subsidiary Western Union International Bank GmbH, French branch, (referred to as "WUBS" or "Western Union Business Solutions"). Western Union International Bank GmbH, French branch (RCS Nanterre 750 938 094) has a registered place of business at Tour Manhattan, 5-6 place de l'Iris, 92095 Paris La Défense Cedex, France and is a branch of Western Union International Bank GmbH (Registration Number 256184t), an Austrian company whose registered office is at Schuberting 11, 1010 Vienna, Austria.

### Germany

In Germany, Western Union Business Solutions is a division of the Western Union Company and provides services in Germany through Western Union's wholly-owned

subsidiary Western Union International Bank GmbH, Germany branch (referred to as "WUBS" or "Western Union Business Solutions"). Western Union International Bank GmbH, Germany branch, has a registered place of business at Solmsstrasse 18, 60486 Frankfurt am Main, Germany and is a branch of Western Union International Bank GmbH (registered in Austria, Registration Number 256184t, Registered Office address: Schuberting 11, 1010 Vienna, Austria).

### Ireland

In Ireland, Western Union Business Solutions is a business unit of The Western Union Company. Services in Ireland are provided by Western Union International Bank GmbH. Western Union International Bank GmbH is registered in Austria (Vienna Commercial Court, Commercial Registry Number: FN256184t, Sales Tax Identification Number: ATU 61347377), has its registered office at Schuberting 11, 1010 Vienna, Austria and is licensed by the Austrian Financial Market Authority (Finanzmarktaufsicht). Western Union International Bank GmbH is regulated by the Central Bank of Ireland for conduct of business rules.

### Italy

In Italy, Western Union Business Solutions is a business unit of the Western Union Company and provides services in Italy through Western Union's wholly-owned subsidiary, Western Union International Bank GmbH, Italy Branch (referred to as "Western Union Business Solutions"). Western Union International Bank GmbH, Italy Branch (Registered Office in Rome: via Virgilio Maroso 50, 00142 Italy; Fiscal Code and Companies House Registration number: 13068651002; Enrolled in the Bank Register held by Bank of Italy (no. 3446)), is a branch of Western Union International Bank GmbH, a company organised under Austrian Law (Registered at the Vienna Commercial Court, Commercial Registry Number: FN256184t; Sales Tax Identification Number: ATU 61347377; Registered Office: The Icon Vienna (Turm 24), Wiedner Gürtel 13, 1100 Vienna, Austria; Corporate Capital: €12,000,000; Sole Shareholder (and therefore subject to the direction and coordination activity of): Western Union Overseas Limited) and which is a bank registered on a list of banks maintained by the Austrian Financial Market Authority (Finanzmarktaufsicht).

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### Malta

Western Union Business Solutions is a business unit of The Western Union Company. Services in Malta are provided by Western Union Business Solutions (Malta) Limited, a limited company registered in Malta (Company Number C22339) with its registered office at W Business Centre, Level 5, Triq Dun Karm, Birkirkara By-Pass, Birkirkara, BKR 9033, Malta and which is licensed and regulated by the Malta Financial Services Authority to undertake the business of financial services in terms of the Financial Institutions Act.

### Poland

In Poland, Western Union Business Solutions is a division of The Western Union Company and provides services in Poland through Western Union International Bank GmbH, Polish Branch (referred to as "WUBS" or "Western Union Business Solutions"). Western Union International Bank GmbH, Polish Branch (KRS No: 0000458059, NIP No: 1080015316), has a registered place of business at Al. Jana Pawła II 29, 00-867 Warsaw, Poland, and is a branch of Western Union International Bank GmbH (registration number 256184t) Schuberting 11, 1010 Vienna, Austria.

### Switzerland

In Switzerland, Western Union Business Solutions is a division of The Western Union Company. Services in Switzerland are provided by Rüesch International, LLC (Swiss branch), with a registered place of business at Werdstrasse 2, P.O. Box 2063, 8021 Zurich, Switzerland (referred to as "WUBS" or "Western Union Business Solutions").

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### United Kingdom

Western Union Business Solutions is a business unit of the Western Union Company and provides services in the UK through Western Union's wholly-owned subsidiary, Western Union International Bank GmbH, UK Branch (WUIB). WUIB (Branch Address: 200 Hammersmith Road, LONDON W6 7DL) is a branch of Western Union International Bank GmbH (registered in Austria, company number FN256184t, VAT Number ATU61347377, with its registered office at The Icon Vienna (Turm 24), Wiedner Gürtel 13, 1100 Vienna, Austria), which is licensed by the Austrian Financial Market Authority (Finanzmarktaufsicht). WUIB is subject to limited regulation by the UK Financial Conduct Authority and Prudential Regulation Authority. Details about the extent of WUIB's regulation by the Financial Conduct Authority and Prudential Regulation Authority are available from WUIB on request.

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