

27 June 2018

Revolutionising Australian Payments: Arrival of the New Payments Platform

The Point 2018, New Zealand

**New
Payments
Platform**

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New Payments Platform key capabilities



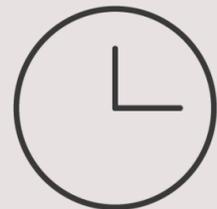
- Real time movement of money, account to account with real time central bank settlement



- Simpler addressing



- Data rich capability with ability for data to be carried with the payment



- Always available, 24x7, 365 days

How does the New Payments Platform work?

Distributed architecture via NPP Payment Gateways (PAGs)

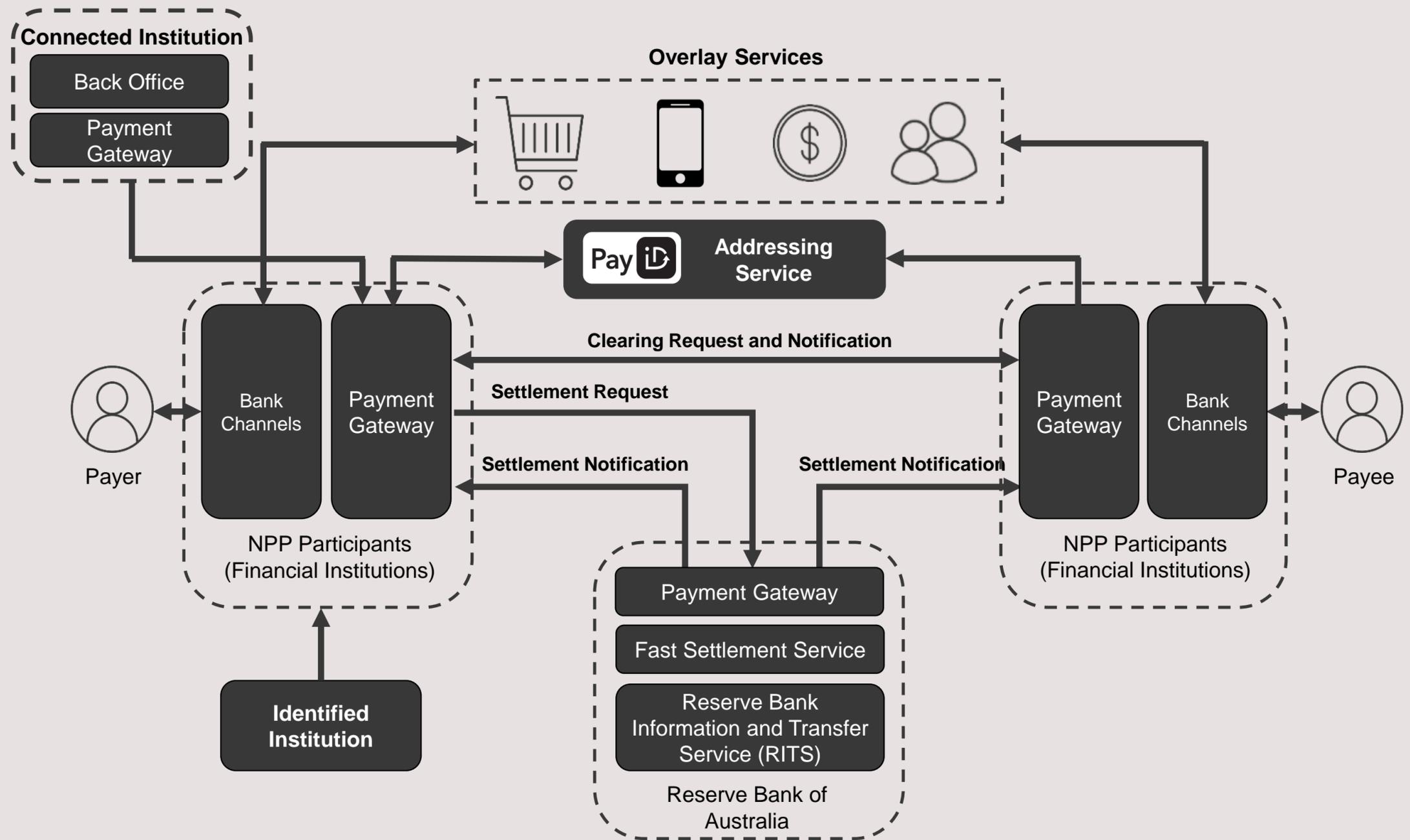
Uses ISO 2022, global standard for electronic data interchange

Processing and routing of transactions between the PAGs and the RBA's Fast Settlement Service – using either PayID or BSB/account details

Connected Institutions can inject Payment Initiation messages or non-value messages

Identified Institutions can gain access indirectly

Overlay Services sit on top of the Basic Infrastructure offering different customer value propositions



PayID – making payments simple



- Enables payments to be directed using an easy to remember alias (a PayID) linked to an underlying bank account
- Four alias types available
- Access controlled, secure repository of proxies and encrypted account details
- Customers register their PayID and their 'display name' in the Addressing Service via their financial institution
- Registering financial institution responsible for effective, correct, authenticated registration
- PayIDs can be moved between accounts and financial institutions



Visit www.payid.com.au for further information

First Overlay Service – Osko



A simple, convenient and accessible service to request, send and receive payments



Fast moving money



More ways to address a bank account



Easier messaging, text, characters, emojis

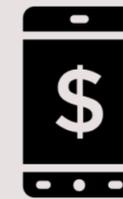
Ability to request payment



Confidence in Delivery



Confidence in who you're paying



Through your Financial Institution

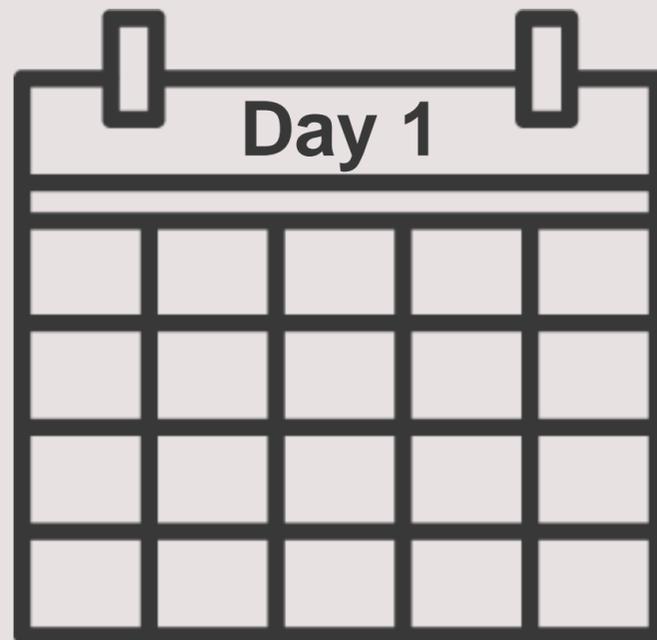


Include documents with payments or requests

Launched - 13 February 2018

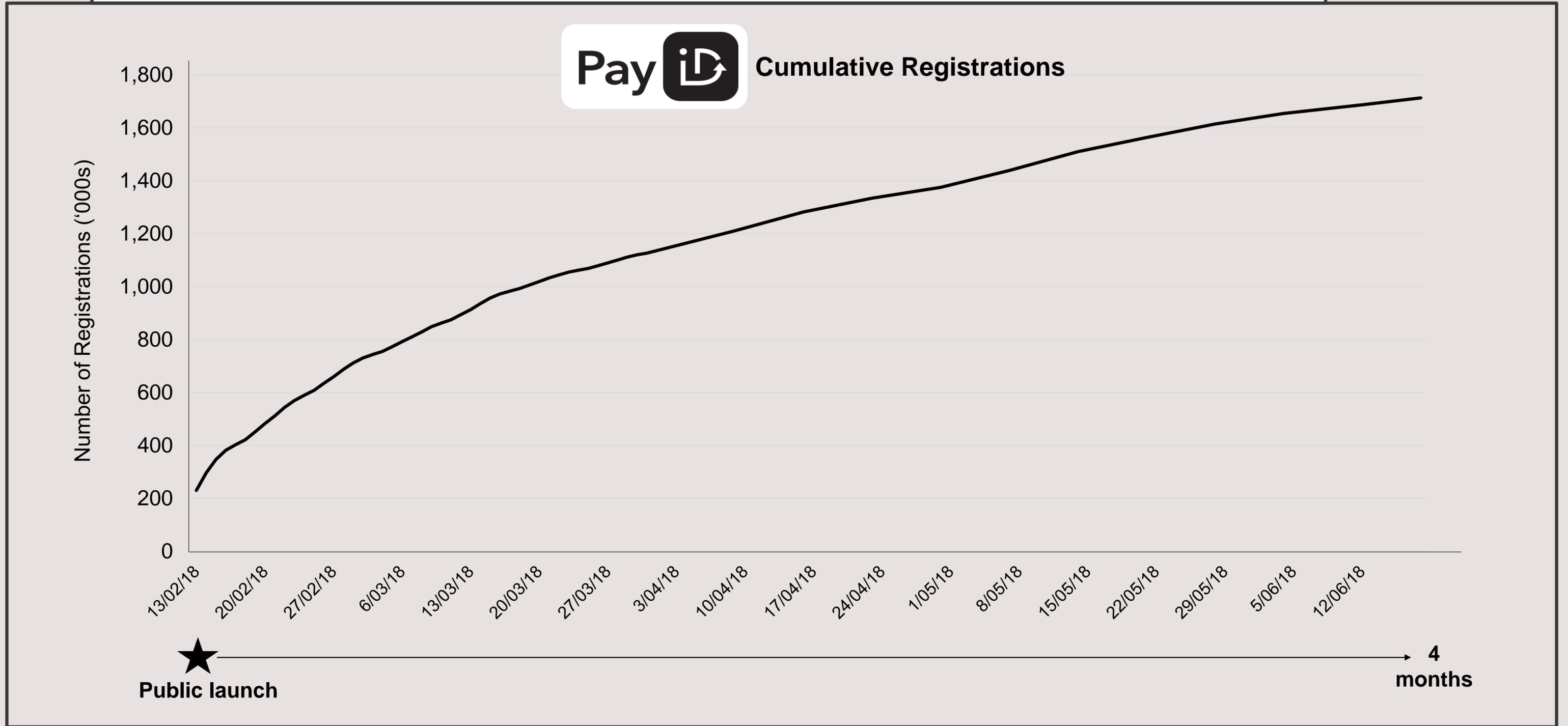
Coming Soon...

Public launch – February 2018



- ✓ More than 60 participating Financial Institutions (either directly or indirectly)
- ✓ Critical mass in terms of account reach, with an initial focus on retail customer accounts
- ✓ PayID available for registration by customers
- ✓ Osko product available via participating financial institutions
- ✓ Financial institutions' proprietary product and service offerings being progressively rolled out to consumer and business customers

PayID registrations



Customer feedback

“Just did my first payment using PayID. The recipient received the funds in less than a minute. Hello convenience! And how fun including emojis”

“Had dinner with a friend and sent him some money towards our dinner using PayID. It was so easy”

“Having already used PayID now. I am blown away. Almost instant no-fuss payments as they should have been all along”

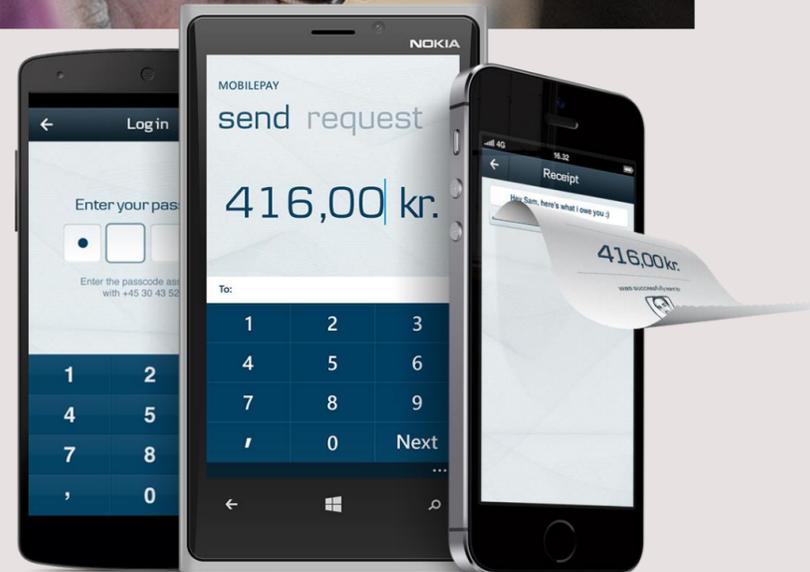
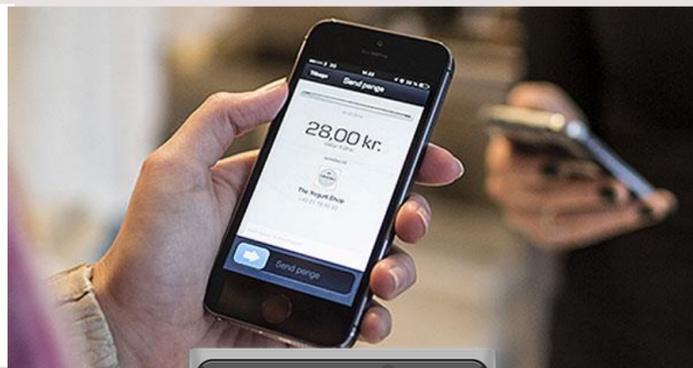
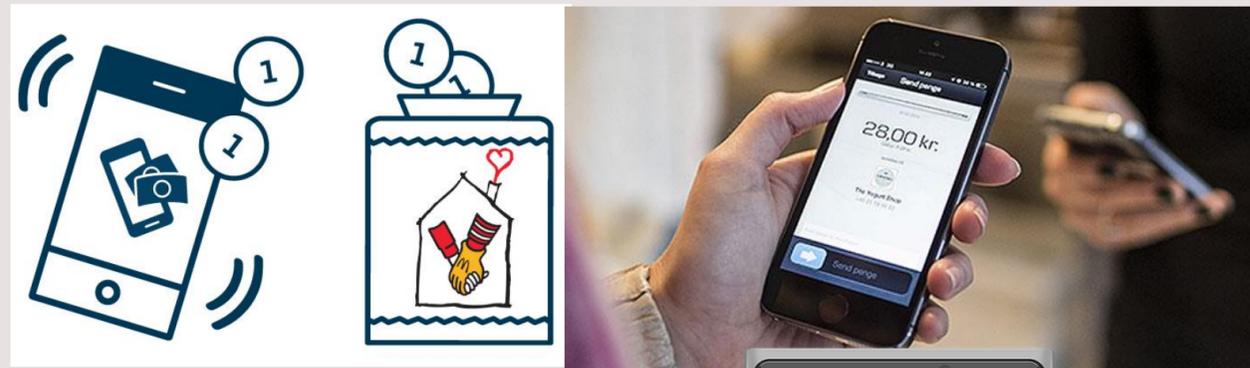
“I get paid via Osko at work, less than 2 minutes after my pay slip I got money in the bank”

“My brother messages me, he needs some money for weekend to take his son on outing. PayID to the rescue....this is why love PayID useful for family

Beyond P2P – MobilePay case study



Typical Faster Payments Product Evolution



MobilePay Product Offerings

- P2P payments
- Online and AppSwitch (payments within apps)
- Point of Sale (POS terminal integration and mobile POS)
- Invoicing
- Payouts (B2C payments)
- Subscriptions (recurring payments)

Key Facts About MobilePay

- 4.3 million users (~80%)
- 75,000+ stores receive payment via MobilePay
- Online payments in more than 8,000 Danish online stores
- Over 200 million transactions

Possible future Overlay Services (Products)



E-Invoicing

- Combine complex structured data with payment
- Solutions could range from simple, mobile based solution to more complex ones using accounting software or ERP systems



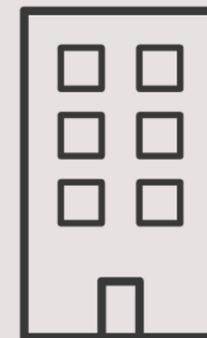
Stock Markets

- Faster payment of dividend payments, 24x7
- Streamlined and efficient corporate actions with electronic data capture, request for payment and no batch cut-off times



Compliance

- Deployment of new technology and capabilities to enhance and supplement current compliance processes
- Could be in areas such as KYC, AML and cybersecurity



Payroll

- Specific payroll product could incorporate data fields explicitly tailored to the industry's needs
- Payroll payments could be made real-time, 24x7 together with disbursements for tax or superannuation

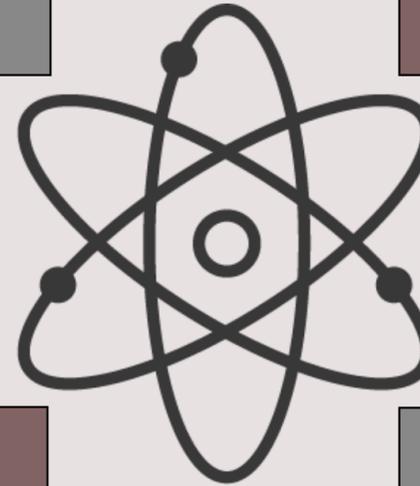
Cultivating the Ecosystem

Continued market education and information

- Information around access and use cases
- Webinars and workshops

Development of an NPP API framework

- Promote standardisation and interoperability



Provision of a testing environment

- Opportunity for third parties to better understand how the NPP works
- Test and learn

Collaboration opportunities with banks

- Facilitate collaborative discussions and co-creation opportunities (e.g. #COLLABNPP initiative)

What the NPP means for Australian payments

Yesterday

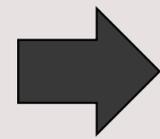
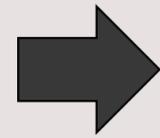
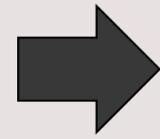
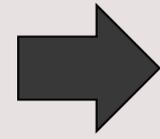
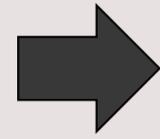
Settlement cut off times;
weekdays only

Batch

Limited data with payment

BSB and Account #s

Cash



Today

24 / 7 / 365

Individual line by line settlement

Data-rich capability (ISO fields)

Smart Addressing



Instant electronic transfers

Early indicators are encouraging



- ✓ Broad participation by financial institutions
- ✓ Positive customer reaction and adoption
- ✓ Considerable interest from corporates and fintechs
- ✓ Flexibility of platform supports extensive range of use cases as well as potential future products



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