

eftpos Interchange & Innovation

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The Journey So Far

- eftpos renovation underway with foundations laid in 2009
- The 4 strategic pillars were agreed in 2010:
 - Funding: Scheme Fees from 1 January 2011
 - Marketing: Brand campaign and merchant POS update
 - Product: EMV and contactless implementation
 - Economics: Multi-lateral interchange rates from 1 October 2011
- eftpos now moving to implementation – the heavy lifting is about to commence !



Business Update

- eftpos continues to be the way Australians prefer to pay
- Strong performance over July 2010 – March 2011 period:

	Transactions pa	Value pa
Purchase	1.3 billion	\$75 billion
Purchase/Cash	175 million	\$17 billion

- However, the card landscape is changing dramatically:

	Card Numbers	Change
EFTPOS	20 million	No change
Combo Credit	5 million	+ 1.5m since July
Combo Debit	12 million	+ 1.5m since July



eftpos
The way Australia pays.

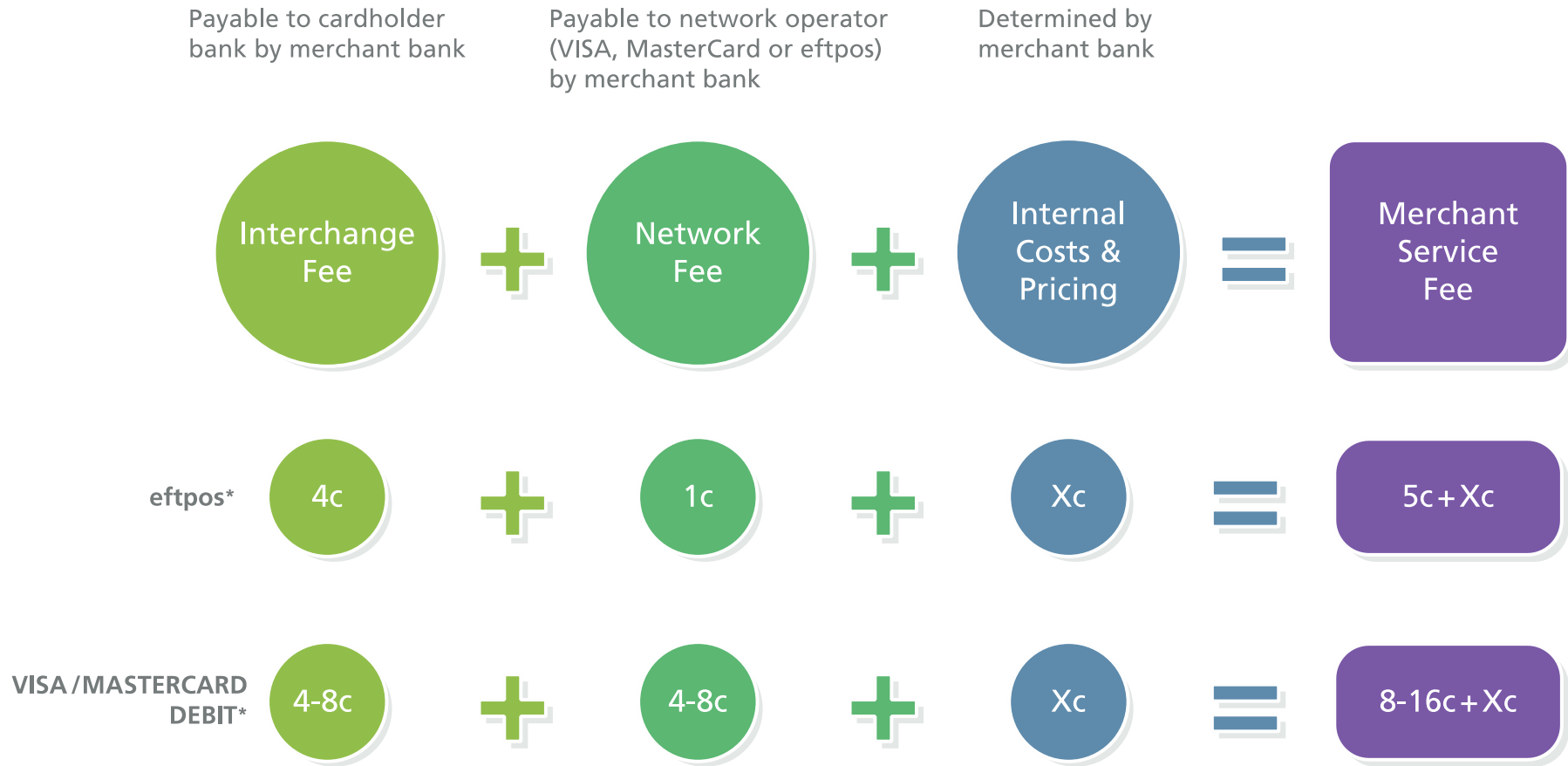
Interchange Fees



Transaction Types		IFR
Purchase	Charity	\$0.00
	Low Value (< \$15)	\$0.00
	Medicare Easyclaim	\$0.00
	Electronic - POS	\$0.05
Cash Out	Cash Out/Combined	-\$0.15

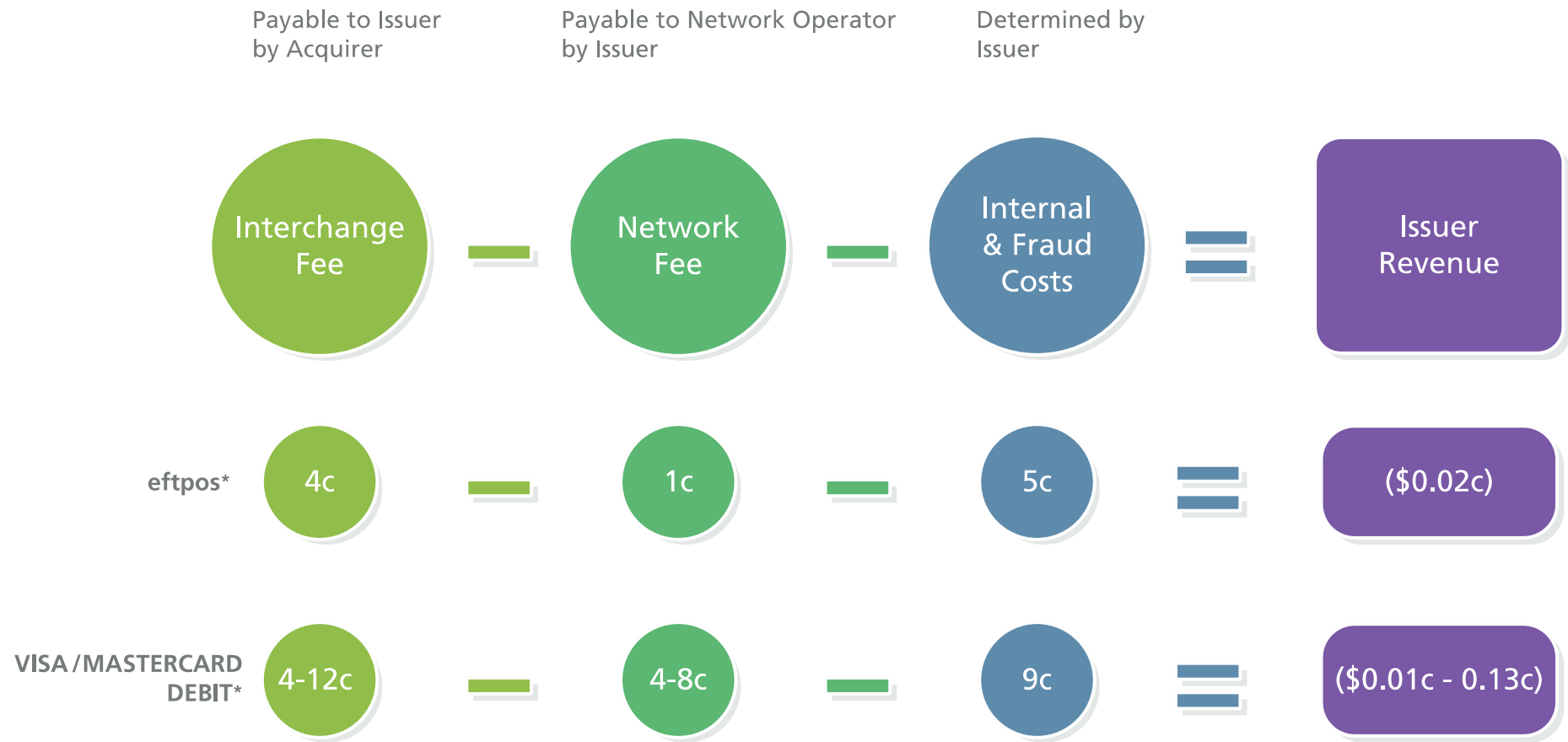
- Multi-lateral interchange rates effective 1 October 2011
- Significantly cheaper for merchants than Scheme Debit
- Encourages cash displacement and channel substitution

Merchant Landscape



*hypothetical scenario based on ePAL estimates and public domain information

Issuer Landscape

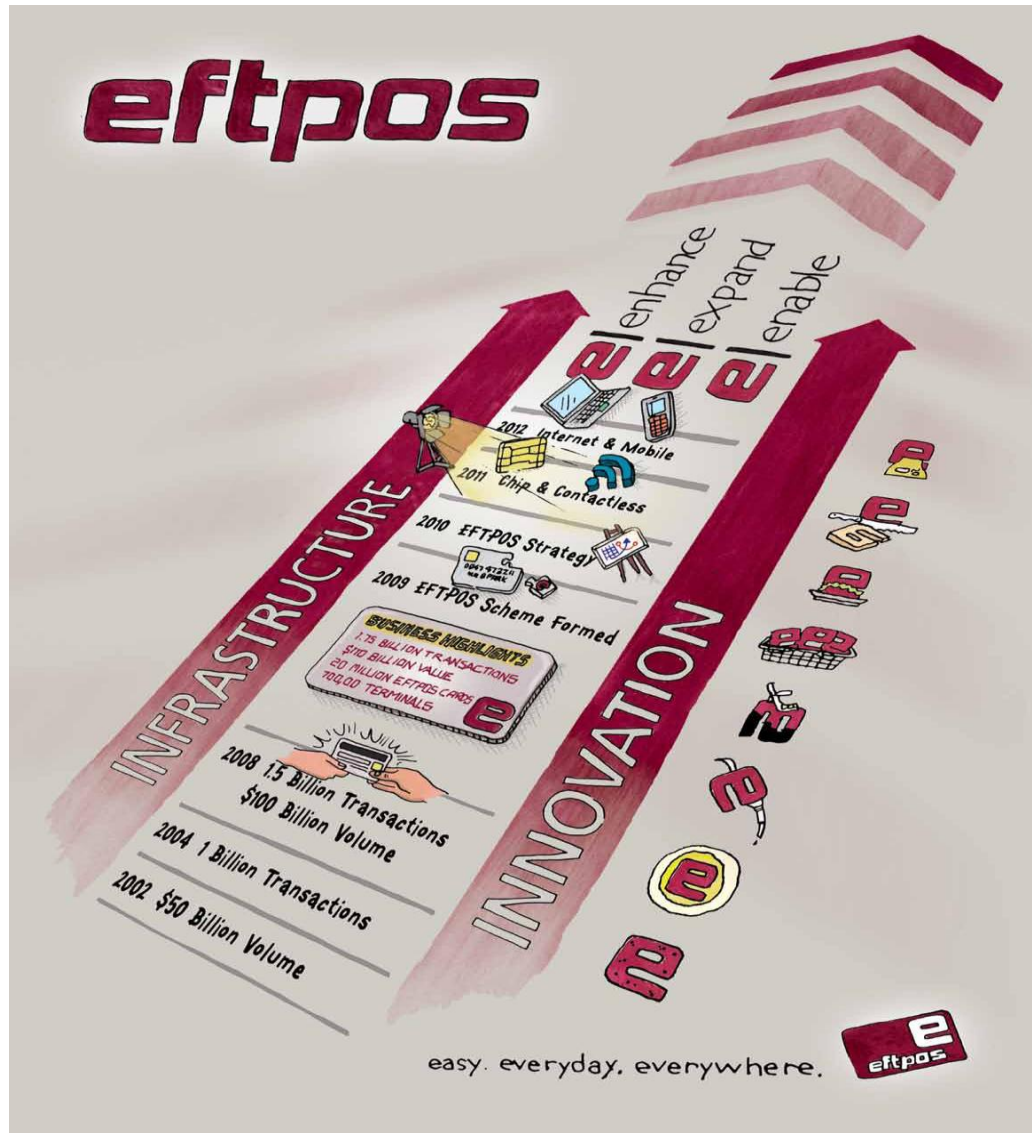


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Product Renovation

- EMV chip is essential to eftpos' future
 - ePAL Board has mandated migration to EMV chip
 - Member Roadshows commencing May 2011
 - Pilot in the second half of 2011, member rollout expected in 2012
- eDAN infrastructure being developed to support innovation
 - eftpos Distributed Appliance Network
 - Supports eftpos reporting, interchange calculation and EMV processing
- Contactless is the next major priority, followed by Card Not Present
- All of the above is necessary to prepare for Mobile Platform

The Future



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