



Corporate Mobile Banking: Cash Management

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Together we'll go far



Why Mobile?

- *In June of 2008, the state of Iowa experienced major flooding...*

“Iowa’s Katrina” started on June 8 and lasted almost until the July 4th weekend, causing \$7B in damages.
- *December 2006, Denver was paralyzed by 25 inches of snow; air and ground travel were halted*
- *Traffic on any given day could keep you from your office*
 - or perhaps it’s a school holiday and you are home

But you still have cash to manage, payments to make, accounts to fund...



Intro and Today's Topics

- Mobile – The Landscape
- Cash Management and Mobility
- Trends
- Questions Anytime



*But first...
What is your mobile profile?*

"I have teenagers, therefore I text."

Why should we care about mobile?

Technology is changing the way we live our lives, *very quickly*

- The iPhone didn't exist 2 years ago, and now they have an online counter of downloaded apps (as of April 16, 2009)

962,396,798

We're about to hit a billion.

- Device speeds, network coverage, device capabilities
 - Far beyond what was available 2-3 years ago
 - BlackBerry used to be just for email
- This is mostly a technology driven behavior shift
 - Vendors are 'putting stuff out there' and then finding out what takes off
 - e.g. cell phones as flashlights
 - Thanks to consumers for many of the advances helping business
 - business mobile users are beneficiaries of technology improvements

Don't just take our word for it...

Behavioral studies from various perspectives

- 81% of global executives stay connected to work through mobile devices. *(source: Korn Ferry International, 2007)*
 - *perhaps not "always on", but "always reachable"*



- For people under age 30, one third only have a cell phone (no landline). Overall, 3 in 10 households only take calls on cell phones. *(source: CDC National Health Interview Survey, 2007)*
 - *CDC – how to reach people in an emergency, and how to identify their location when they call 911*
 - *Defense Department also looking at mobile phones as early warning sensors*



- Five of ten best selling novels in Japan in 2007 were written on cell phones. *(source: The Economist 4/12/08)*



Consumers vs. Corporates – on Mobile

Consumers	Corporate Users
<p>What they use: text, games, email, photos, social networks, music</p> <p>Why they do it: stay in touch with family and friends stay informed, tune in quick transactions: find a restaurant or ATM, have fun, tweet</p>	<p>What we use: email, speakerphone, text, some browser, calendar</p> <p>Why we do it: stay in touch with coworkers stay informed quick transactions? yes, if we can</p>

- Difference for Corporate Users?
 - corporate users carry work devices, either issued or managed by the company
 - corporate users have security concerns

Mobile Browsing Habits – By Age

	Gen Y (18-28)	Gen X (29-42)	Younger Boomers (43-52)	Older Boomers (53-63)	Seniors (64+)
Search	74%	81%	73%	69%	52%
Media	63%	71%	61%	62%	47%
Retail	53%	51%	51%	51%	30%
Social networking	69%	51%	32%	34%	18%
Travel	41%	50%	51%	45%	23%
Banking	42%	44%	39%	39%	18%

Base: US consumers who browse the Internet from their cell/mobile phones at least monthly

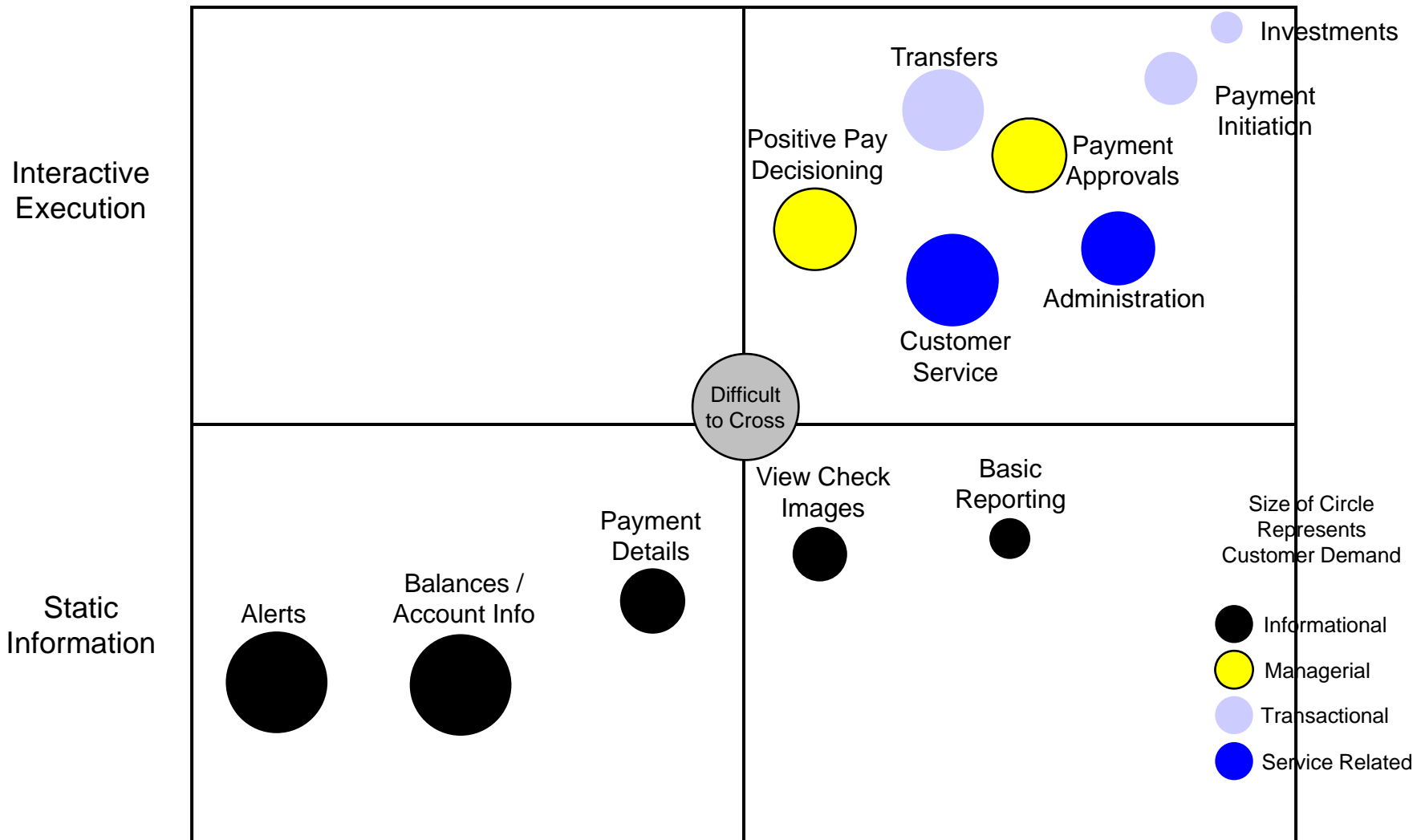
Source: North American Technographics* Marketing and Mobile Internet Online Survey, Q3 2008

- Consumer banking relatively high across the board
 - Younger generations are:
 - tomorrow's customers
 - tomorrow's vendors
 - tomorrow's employees
- } They will expect to use their mobile phone for day to day activities. Difference between consumer and corporate is blurred.
- And then there's Social Networking....

Before we get to Cash Management... a quick primer on mobile ...

- *Text Messaging*
 - 160 character limit, unencrypted (nothing confidential!)
 - not 100% reliable; inconsistent out-of-country experience
 - especially good for alerts, some two-way texting
 - poster child is Google 46645
- *Mobile Browser*
 - growing number of web sites tailored to mobile phones
 - most phones equipped with browser
 - can be simple sites, or elaborate with graphics
- *Application*
 - can be "on-deck" (like the camera), or downloaded (from iPhone AppStore or other sites)
 - can take advantage of phone hardware, like GPS to find nearest ATM
 - more robust user interface than mobile browser
- *Voice*
 - phone, speakerphone, voice mail, autodialing, etc
 - coming: voice authentication, voice controlled browser

What Have Finance Professionals Asked For?



Source: Celent 2008

Present

Present and Future

Cash Management and Mobility – What is the profile?

- Text and/or email alerts
 - Something for you to do (approve a wire)
 - Something to know (statement is ready)
 - Potential fraud detection notification
- Snack sized functions
 - You have 5 minutes – what are you likely to do?
 - **No time to boot up a laptop**
- Ideal for dual approval processes
 - Managers and approvers with mobile phones are reachable
 - Even better if they can take action via their phone
- Monitor cash positions and intraday transaction activity
 - Has that payment come in?
- Make timely account transfers
 - support controlled disbursements
 - fund money market accounts
- Business continuity situations
 - Iowa flood, Denver snowstorm
 - Be able to perform basic cash management functions using only your phone



Day in the Life – All Via Mobile – Snack Sized

Morning Commute or Morning Coffee

- check your cash positions
- view calendar of upcoming payments
 - initiate a wire payment to take advantage of early pay discounts or to avoid late fees
- view and fund controlled disbursement accounts
 - transfer right amount to cover check clearing; eliminate overdrafts and idle balances

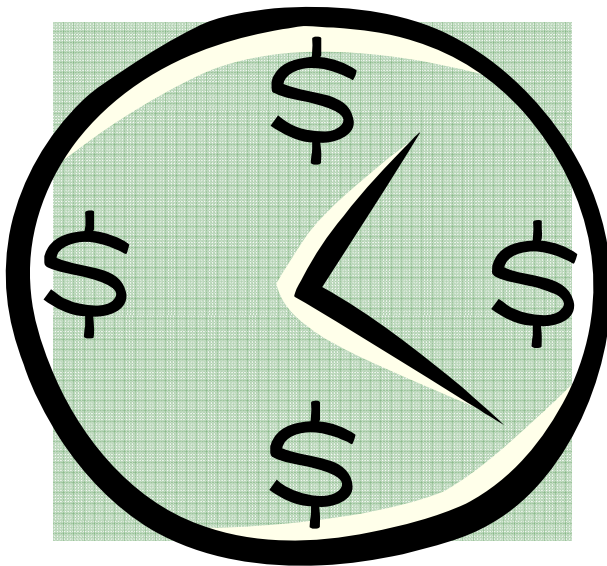
At the Office, But in a Meeting

- receive text message alert of potential fraud item (e.g. over ACH pre-set limit)
 - view the exception and decision the item
- receive an email of wire payment awaiting approval
 - review the amount, beneficiary, account, value date, etc,
 - approve the payment
- check on an expected incoming payment

End of Day or After Hours

- view end of day balances and sweep amounts
- approve a temporary wire limit increase for staff member
- get confirmation of month end close
- review and release payroll ACH batch

Time is Money



Combination of text message, email, calendar, mobile browser

Financial Industry Mobile Services – Is it here yet?

- Alerts are the easiest to mobilize for financial institutions
 - need your phone number or email address
 - set up a trigger on transactional or account systems
 - customer controls what they want alerts on, threshold amounts, etc
- Mobile browser based inquiry next most likely to be available
 - key account balances
 - view intraday transactions
 - easiest if already available online
 - doesn't require 2nd factor authentication
- Transactional takes more time to develop
 - May require 2nd factor authentication
 - More development and testing time
 - More complex transactional systems interfaces
- Browser based, or application on the phone?
 - One of the bigger decision points for a bank
 - Very different cost structure
- Look ahead to 3rd parties, payment software
 - Vendors of payment systems also offering or beginning to offer mobile services
 - Just payments?
 - Who provides customer service to you?

Easier




Harder

Other Considerations

- Will there be a charge for it?
 - TBD, but unlikely. Right now it's no charge, some are analyzing the cost/benefit.
- How much demand is there?
 - Not everyone is mobile after all, or even carries a cell phone.
 - Look at dollar volume versus number of users.
- Banks are getting more RFPs asking about mobile services.
 - Initially coming from a business continuity standpoint
- Important to ask exactly how it's delivered!
 - browser, 3rd party, use token, etc
 - which functions? inquiry only?
 - only text messaging?
 - only on certain phones?

Security

- Messaging
 - Text messages sent in the clear; must not contain confidential info
 - Message remains on the device unless you delete it
- Mobile Browser
 - Session should not cache data on the device
 - Session should time out after period of time
 - Log in and transaction credentials required
 - 2nd factor where necessary
 - Session should be encrypted throughout the network
 - Look for the 'little padlock' 
- Applications
 - Potential for greater security (unlike phishing (faking) a website)
 - Application and data are on the device if it's lost or stolen
 - must have mechanism to wipe the device or protect the data
 - Log in and transaction credentials required
 - 2nd factor where necessary



Trends Related to Mobility

- Technology:
 - App Store as a distribution model
 - iPhone, BlackBerry, Google Android
 - Devices today vs. just 2 years ago
 - More iPhone and BlackBerry, less Treo
 - Smart phones gaining more ground
 - Nokia is huge worldwide
 - Net books? What is Apple working on? 8" screen delivered...
- Business:
 - Dual control processes and fraud prevention
 - Business continuity planning
 - More crossover of professional life and personal life: 'prosumer'
 - Younger workers expect more of mobility
- Some favorite financial apps:
 - iPhone – Bloomberg, Wall Street Journal reader
 - BlackBerry – WSJ Mobile reader <http://wsjmobilereader.com>

Questions?

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Thank you!