Good afternoon everyone. We are about to get started. Welcome to ‘Corporate Mobile Banking: Separating Hype from Reality.’ I want to thank you for joining us for today’s session. However, before we get started, I have a few announcements to make. We ask that anyone who has a cell phone on please set it to vibrate or turn it off, and please make sure that you give your completed evaluation to the room monitor at the end of the session, and just as a reminder, all conference attendees will have free access to Payments 2008 conference proceedings. Attendees that registered on site will receive details via email about when the conference proceedings are available within ten days, and if you want to purchase a CD Rom you can do so at a special conference rate that is offered to all conference attendees, and you can stop past the Conference Archives desk in the Premier Ballroom pre-function area for a demo and additional details. Also, please join us tonight at six o’clock at Pure Night Club for a Payments 2008 celebration sponsored by CheckFree, which is now a part of Fiserv. Buses will load at the main entrance of the MGM beginning at five forty-five, and for those of you who want to walk or take other ways, Pure is in Caesar’s Palace. Our concurrent sessions will reconvene tomorrow morning at eight thirty. Today, for our last session of the day, our speakers are Mr. Jacob Jegher, who is a Senior Analyst at Celent, and Ms. Amy Johnson, Vice President at Wells Fargo. Thank you very much Joe. So, our session today is called ‘Corporate Mobile Banking: Separating Hype from Reality,’ and the reason we picked this title for this session, ‘Separating Hype from Reality,’ is because there is a lot of hype surrounding this subject of mobile banking. We have seen all kinds of announcements, discussions, and the question is, ‘Well, what really is the need of mobile banking in the corporate side?’ So, the goal of our session today is really to go through the material that I have collected, that Amy is going to talk about, and present to you what we think is really a division of corporate mobile banking.

So, first and foremost, I think it’s important to take a step back and say, ‘Well, what’s going on with cash management?’ If we look at cash management as a whole, it is very mature. It has been around for a long time. The features and functions that are contained within it; they are extremely mature. We are used to them. It is time for a transformation. Things have to change, from an efficiency perspective, from a usability perspective, and we are starting to see banks make strides in the online world, and they are asking, ‘Well, what can we do to improve the user experience,’ and part of this comes with the extension of cash management or corporate banking to other channels. One of the things that we know at Celent, when it comes to a particularly innovative endeavor such as mobile banking, banks are a little bit slow out of the gates. They tend to take their time. They move slowly, and things don’t always go as quickly as they should, and corporate mobile banking, I think, is an interesting example of this, and we can – we’ll get into some details of why as we go through the presentation. On the consumer side, we have already seen mobile banking make quite a stir. Numerous banks across the country have said, ‘You know, we’ve got mobile banking solutions. You can access them’ We’ve seen the commercials on TV, the billboards, and what have you for mobile banking, but there has been almost no mention of mobile banking on the corporate side or on the business side, and the question is, ‘Why?’

So, this is really the only consumer slide that I have in this deck, and the reason that I’m showing you this is really just to give you a feel of what my colleagues here at Celent tend to think about where the market is going. So, if we look at some of these statistics, and we can use 2008 as an example, forty-two percent of households bank online, which represents approximately fifty million people. Ten percent is our prediction that will use mobile banking in some way, shape, or form this year, and that could be something as simple as requesting a balance by text or accessing a mobile banking site, but on the consumer side, we are expecting adoption to move forward rather rapidly, as you can see by the increasing figures; up to thirty percent in 2010. So, just to leave you with that thought in the back of your minds, on the consumer side, as we talk about things on the
[SLIDE 4] On the business side, before we dive into the nitty gritty, I think it's important to look at a few demographics about how businesses and business users tend to work with mobile devices. So, this statistic says that eighty-one percent of executives around the world are connected to their office through mobile devices. They are already out there. Everyone has got them. How many of you use some sort of cell phone or BlackBerry? I'm willing to bet a hundred percent. Pretty much. The question is, "What do you do with them" and we are going to go through what folks are doing with their devices and where that can be improved.

[SLIDE 5] And it's not just executives. As we can see by some of the different functions out there, the prime users of mobile devices are senior management, as we just discussed, sales force, IT staff, but there is going to be significant growth in other areas, other job functions, such as you can see with customer support staff, which is going to jump to just about seventy percent within the next three years. So, it's quite high. So, basically, corporations are looking at mobile, and they are saying, "Well, what can we do with this? What are the different roles, functions within our organization that can benefit from mobile services, and what is their applicability?"

[SLIDE 6] "And why are they looking at" - "Where will mobile technology be most useful," and I like to focus really on the bottom portion; let's say the bottom three items on this chart. How many of you think that you use your mobile devices to increase your productivity? Does it increase your productivity? I'm surprised by the show of hands. I guess the rest of you think it just makes your wives or husbands mad, when you use them excessively, but really, what this chart shows is that increasing workforce productivity and the whole idea of supporting remote working. So, many of us who are on the road regularly are saying, "You know, we need to be in touch. We are used to being in touch," and right now we are doing it perhaps just with email, but there are other functions that we do that we could take advantage of while we are on the road, and that would be the figure for supporting remote working, which is at forty and a half percent for the U.S. The other one, which has strong applicability to corporate cash management, is enabling more effective collaboration between groups. So, we are going to talk about some of the features and functions as we go through this slide. If you think about positive pay or payment approvals, there are different people involved within an organization that need to collaborate on certain functions that come out of corporate banking, and collaboration is extremely important.

[SLIDE 7] Now, of course, there are all kinds of questions as to, "What types of devices are we using?" Are we using our personal devices? Are we using devices that have been issued to us by our employer," and that, of course, especially in the banking world, raises some security questions as to how we are accessing services. So, in the U.S., approximately forty percent of us are using our personal mobile devices to do something work related. That's a problem especially when you think about things from a security perspective. Now, the question is, this all falls into the hands of the employers, and it's important to have all kinds of different security policies and procedures and to make sure you have some sort of policy set up as to issuing mobile devices and making sure employees are trained as to working with them. They have to know that, "We are giving you this device, and if you are going to access mobile banking or your business account, you have to make sure you do it from here." It's almost the same as a work-issued laptop, right? I'm sure many of us have received the information passing through all kinds of internal ..., "Never take a file off of your PC and use it on a personal computer," etc., etc. This is what it applies to.

[SLIDE 8] So, what are some of the behavior-altering factors that are going to drive the adoption of corporate mobile banking? We saw the different job functions that it's important to, and we talked about some of the trends, but really, the first is device evolution. The devices that we hold today that we have in our hands are very different than the first generation of cell phones. They are slim. They have larger screens, especially on the side. Most of us have full keyboards where we can
type in all kinds of information rapidly, and that, of course, is to my second bullet point which is BlackBerry mania. So many of us have BlackBerries, and with these devices already in our hands, surely, they are great for email, absolutely, but what else can you do with them and for corporates, I think that's a very interesting question that they should be asking themselves. The other thing is faster networks. I mean, we are not looking at the first generation of mobile banking service here. The first generation of mobile banking services actually came out in the late '90s, and several banks tried it on the consumer side, and they were met with failure simply because the devices were too cumbersome. We didn't have full keyboards. The screens were small, and the networks were too slow to carry the data. So, it was a frustrating experience. Today, especially with the advent of 3G networks, data can be transmitted extremely rapidly, and the user experience is far more palatable. The other thing is, if you talk about consumer versus corporate, there is a lot of hype about consumer mobile banking, but most consumers don't have a data plan, and if they do, they are paying for them out of their own pockets; whereas, corporators, corporate users, we have the data plan, as they are paid for by the employer so that you can do your email and what have you, but it can also be applied to other functions. So, the fact that the data plan is already paid for is an extremely important behavior altering factor.

[SLIDE 9] So, we talked to banks, and we asked them “Well, what’s going on? Why aren’t you doing corporate mobile banking? Things seem to be a little bit slow.” So, the first thing is that banks are gradually charting the waters. Now, what does that mean? Banks aren't necessarily, as I mentioned earlier, the quickest decision makers, and we find, from the banks that we spoke to, that the corporate mobile banking certainly falls into that space; taking their time, and I think part of that falls under the second bullet point, which is they are testing the waters with consumer solutions. So, a lot of banks have come out and have said, “We’ve got this consumer solution. We are going to start off, see how it goes, and if consumer goes well, maybe we’ll extend to small business or to corporate.” So, that’s a reason why things have perhaps gone a bit slowly. The other reason is, you know, conditions are favorable. As I mentioned, we are not in the first generation of mobile banking services. The devices have evolved. The networks are faster, and the applications themselves are much easier to use. So, that’s one of the reasons that things could move faster, but for some reason, banks are still saying, “You know, we are going to take it a step back.” From a technology perspective, the solutions are also very immature. Although it’s “the second generation of mobile banking services,” there is a choice between text messaging and mobile browser and downloadable application, and I am going to get into some detail on these slides soon - on these different options soon, but banks are saying, “Well, which one do I pick? Do I pick one? Do I pick more than one type of technology? How do I deploy it?” So, they are kind of waiting to see how things play out from a technology perspective, and then, of course, there is the whole aspect of security concerns, which is particularly relevant on the business side where larger - the value of funds that can be transferred, potentially, is much larger. So, there is the whole issue of security and how does the FFIEC guidance apply to mobile banking, and the answer is it applies to mobile banking, because it is another form of electronic banking. So, there is a lot of exploration and saying, “You know, if we are going to do mobile, we have to make sure that we do this properly, that the regulators are happy, and that security concerns are met.” The vendors who have come out with solutions for mobile banking have come out with - and I'm talking about the solution vendors here - they have come out with consumer solutions. There has been almost no mention - you know I’ve seen little dots on the map here and there over the last couple of months of saying, “We now have a corporate solution, a corporate banking solution,” but the vendors have primarily consumer solutions. So, for banks that don’t necessarily want to develop this type of solution in-house, they don’t necessarily have a vendor to turn to to provide them with mobile banking services, and I think banks are quite used to the idea that this is going to be a supply push, and what I mean by that is that this isn’t something that corporate or even small business banking customers are going to come knocking on the door and say, “Hey. We want this,” and it’s not going to be mass that is saying, “Get this out the door by the end of the year.” At the beginning, this is going to be more of banks positioning this to their customers and saying, “This is something you can do more...
with. This can improve your productivity. We'd like to get you onboard with this type of service," and eventually, adoption will progress from there.

So, we believe, at Celent, that there is going to be two fundamental shifts that are going to change the market for mobile corporate banking. The first is that the cash management vendors are either going to acquire or partner with a mobile banking solution vendor, and this is from a report that I published at the end of last year, and this has already happened. We have already seen different partnerships come to fruition. We have seen even an acquisition. So, this has already started, and we can start to see that the gears are in motion towards the next step, and the other is that the retail solution is going to announce corporate or business banking offerings, and that as well has started to creep up but less so. It is still quite immature.

So, if we look at the different types of technology, banks are - and here, I'm talking about the difference between text messaging, the mobile browser, and a downloadable application. Pretty much, there is quite a bit of discussion as to which one banks should pick. There are multiple methods available, and banks are scratching their heads and saying, "Well, I'm not sure which one to pick," and for the most part, what we are seeing is an investment in more than one technology to make sure that you kind of get your feet into each bucket to make sure that you don't miss the boat on one of them but of course, each of them have their pros and cons.

So, the easiest choice for banks to make in the short term if they want to get into mobile banking on the corporate side, is to use the mobile browser, and I think it's important to note, and I've spoken on this subject before, and I had a question that said, "Well, you want to take that whole cash management application and stuff it into a mobile browser on a two point four inch screen," and absolutely not. It's important to cherry pick. Pick and choose the features and functions, and we are going to talk about, a little bit later on, which features and functions are most important to pick so that you basically lay things out neatly in and applicably for the corporate and business space, but as far as the mobile browser goes, it's simple. It's quick. The time to market is relatively rapid, and of course, given that multi-factor authentication already exists for online banking, whether you are on the small business side or on the corporate side, that can be leveraged on the mobile channel, if you are using the browser. Text messaging; it can be an effective way to communicate. It doesn't have much applicability, in my opinion. It's good for simple things like balance requests, particularly on the consumer side, but there are also some security concerns associated with it. So, it will play a more muted role in the mobile banking environment. It is definitely not for the transmission of confidential data, and on the transactional side, it's not necessarily the most - it is not an easy to use thing.

At Celent, we believe that the method of choice will probably end up being the downloadable application. So, although we are starting off now with mobile browsers, we are looking at perhaps some sort of downloadable application, and this isn't the type of downloadable application, you know, the thick client cash management that you had sitting on your desktop in years gone by. This is a downloadable application that would sit on your phone that could be updated on the fly, and the benefit is that it would also act as a token. The application itself would - it would basically communicate with the network, and your phone credentials or device credentials would help authenticate - would authenticate you in fact, and that would be your second factor of authentication. The problem with it is that it is device specific. So, right now, banks that are choosing to go the route of downloadable applications have to develop their mobile banking for each make and model of phone, which basically turns banks into a development shop, not a place that a financial institution would like to be. It is not their core business. So, a lot will depend on how things pan out with standards and what have you, but for the moment, this is not for the faint of heart, from a development perspective.

Now, this slide just basically repeats the whole point of security, and basically, mobile banking requires multi-factor authentication, and I think,
regardless of what method you choose, banks have to make sure that they make sure to keep this in mind.

[SLIDE 15] So, what about a forecast? Well, when I wrote the report in 2007, towards the end of 2007...

[SLIDE 16] ...we predicted that two banks would come out with corporate mobile banking solutions by the end of the year, and in fact, that number ended up being only one, and that bank is here today to talk to you, but through our conversations with financial institutions, large financial institutions, and through some of the conversations I've had and prototypes that I've seen, we believe that approximately eight banks will come out with solutions by the end of this year on the corporate side.

[SLIDE 17] What about the percentage of actual users, customers, that are going to engage in mobile banking, and this slide represents - I'm sorry - not the number of users but the percentage of customers. Obviously, the figures for the beginning will be quite low, but we do expect that, by the end of 2009, approximately twenty-five percent of customers will have one or more users. So, it's important to note that it's not all users. It is one or more users at each of their - within their organization that will take advantage of corporate mobile banking. So, the question is, there is always going to be that power user who is on the road and basically travels and says, "I've got to approve that payment, or take care of that exemption item" or what have you, and we have already started to see examples like that.

[SLIDE 18] So, that is a great background in terms of demographics and what we believe will be the future, but what are really the applicable functions that should be ... cherry picked, over to the mobile side for corporate mobile banking, and we have divided this chart into four different areas designated by the different colored bubbles. The first is informational, as you can see by the - I guess it looks black on your screen; managerial, yellow; transactional in light blue; and service related in the darker blue, and as you can see there, this is a grid moving from static information to interactive execution of the Y Axis and present to future on the X Axis. So, in the present, it's easier to take care of more static functions, and that will be the beginning where you are looking at alerts, which many banks are doing already. Obviously, mobile banking is far more than just alerts. Our definition of mobile banking almost doesn't even include alerts. Alerts are part of it, but alerts are something that has been around for some time. But really, things like account balances and details of specific payments; it's easy to do. It's informational. As we move kind of from bottom left to top right, that's where we start entering more interesting waters, more managerial functions like positive-pay decisioning or payment approvals, and there is also applicability for things like customer service. You are maybe using mobile banking on your device to say, "Well, you know I've got to talk to my rep about this," and just click a button, and you will be connected to that person via voice; different types of administration functions, and it's really the transactional items that are a bit further out; although, it wouldn't surprise me to start seeing some basic things. We are not talking about - this isn't relevant to everybody's world, but I think it's important to note, for the person that enters - goes into the office and spends his or her day entering wires from nine to five, multiple banking isn't going to be interesting to them but it might be applicable - interesting for a small business owner who may have to send a payment or approve a payment.

[SLIDE 19] So, I would like to turn over the floor to Amy Johnson from Wells Fargo. As I mentioned, they are the first financial institution in the U.S. to announce a solution for their commercial banking customers. They also have personal and small business solutions, and from Celent's point of view, they are a great example as far as a bank that has succeeded with corporate mobile banking.

[SLIDE 20] Can everyone hear me? Great, because I don't like to stand at the podium because my voice - I walk this way, and I walk away from that microphone, and I always forget that. First, let me just ask a question. How many of you are
banks? Okay. I'll try not to divulge too much of our future - that's not true, and how many of you are practitioners that might use corporate mobile banking? Great. I love you guys.

[SLIDE 21] I don't need to talk too much about Wells Fargo. This you can actually pull right off of our website. We are big. We do a lot of great things, and we are terrifically rated.

[SLIDE 22] I am going to talk a little bit about Wells Fargo just in general, and what I'm focusing on is the mobile - or the wholesale and corporate part of this in a second, and it's nice to say that that grid that Jacob just showed, most of those upper right bubbles, many of them we have live today for our customers. So, that's really kind of terrific, but on the retail and the consumer side, like many other banks, as Jacob just mentioned, we do a lot of things with the mobile browser space. We do balance lookup, some transaction history, transfers. We are working on more things in the future, just like many of the other banks are doing. We also have text banking. We have SMS text messaging and additional research and development in pilots and in different ways. On the wholesale corporate side, we do the mobile browser function. We use that capability as well as text messaging. We are not doing downloadable apps yet. We may in the future, but I don't know yet. Even though Jacob says that is the future, we are holding off for right now. In the payment space, I really can't say much about what we are doing. We have a lot of things in development, and we are assessing a lot of things, and then, of course, as any large enterprise, we look at mobility for our own employees. We have BlackBerries. We look at a lot of other different things. We are looking at the iPhone coming up and what they can do with MS Exchange. Like most large companies. That's what we work on, and then, we see mobility as very much inevitable in the future. So, this may sound a little arrogant, but we intend to lead in that space, if we can, and our customers are asking for it. We have a nice long roadmap. Once they have seen a few things, they want this, and they want that. We have to keep with them now because of what they are demanding from us.

[SLIDE 23] So, a little bit - I love money coming out of a phone. That's my favorite picture, and I put it in every slide I can. I like that it's coming out of the phone and not in, but I'll try to cover the Ws, but I couldn't quite get them all in there, but a little bit of the approach that we took and why we did it and why now.

[SLIDE 24] And I'm going to go backwards. Even though I was advised not to go backwards, I am going to anyway. I mean, I have to be a little bit of a maverick. I work with Steve Ellis's organization. So, I have to be a little bit of a maverick, but I'm not wearing blue jeans. So, he's going to give me a hard time later. First of all, look at the future. If you look at some of the age statistics for mobile usage, it's not just teenagers. How many of you are unashamedly over forty-five and you text message? That's great. We do a lot of things. It's not just the youngsters, but these - if you look at what people are doing on their cell phones, especially in the demographic from eighteen even up to thirty, they are doing text messaging. They are doing internet access. They are playing games. They are doing all kinds of stuff. That's not only our employees of the future those are our customers today and in the future. So, that's one large reason for getting into this space. It's fundamentally changing people's behavior, and a lot of that is due to the device itself. If you are not just checking your company email, well, you've got all of these other little buttons. I'm sure that you've pushed them. You've tested the little icons. You can see what you can do. It's like there are a lot of things these devices can do, and we are just taking advantage of that. There are a lot of things that I don't think we can even predict what people are going to be doing, but until we get it out there and then we see how it's actually getting used then the light bulbs go off, and the default - well, whether we like it or not, the default is online and connected and reachable. I know I set my out-of-office reply, and I'm sure most of you probably did too, but I bet you are cherry picking your emails, and you are replying anyway. Even though you said you are not available, you are doing it anyway, and people are going to expect the same thing from their bank. Vendors are going to expect the same thing.
Customers are going to expect the same thing. In work life and in personal life, there is a lot more crossover than we have had before, and a lot of it is because you can. There is also something that I have kind of coined as the community snowball effect. If you know that your friends or your family are going to text message, you are more likely to do that too. If you know that a coworker is going to be on instant messenger like AOL’s instant messenger or some of the others, you are going to get on it too. There is kind of a - so, you can extend that to a workgroup mentality. If you are in a payables group or a receivables group or some workgroup like that, it makes a lot of sense that the more people that get on it the bigger the snowball gets, and the expectation is going to be there. That’s - I don’t think anybody would argue with some of the direction for that. You are going to have some people that are going to stay paper based, and bless their hearts.

That’s good. The other thing too in the future, and this is present and future, the more need for dual approval or multiple levels of approval and fraud prevention means that it is likely - if you are going to have three people that have to sign off on a very large payment, one of those three people is probably not going to be at their desk. They may be at a conference like this. They may just be away from their desk and stuck in a meeting all day, but they have to approve it before a certain time. They need access to that mobility, and then, of course, from the present, we know these devices. The technology has just changed so much from several years ago that we can do just so many more things, and it’s faster. It’s much more ubiquitous. Almost every cell phone - unless you have turned off the text messaging capability, you can text message on just about every cell phone there is. More and more cell phones or Smartphones especially have the browser, and you can just do so much more with that. It’s becoming more ubiquitous, and I won’t get into the past. We have been a technology leader. So, we will keep up.

[SLIDE 25] Yes. This is a phone coming out of a bathtub. That’s also another fun one, but don’t drop it in the bathtub. If it gets wet, it doesn’t work anymore. You can pull the SIM card out, and you can preserve your contacts, but the water doesn’t do so good. I once dumped an entire martini on my cell phone, and so, that was the end of that. So, anyway - sorry. So, where might you want to do this? Obviously, traveling away from the office; some place like this, in transit, at the airports, or just being away. We do have a couple of customers that no longer carry their laptops on one and two-day trips. They don’t have to. They like us for that. You could be in meetings. I mean, you could be at the office. You could be there. You just - you get stuck all day, and also, before, during, and after commute hours. I say during if you are, of course, riding mass transit as opposed to driving, but a number of people talk about the flexibility this affords them because you have a choice. So, have a day in the life type scenario. You might want to check, over your morning coffee, what payments are due today, and you might have a calendar in your system that helps you see that. You might want to initiate that payment, and you might get into the office, and maybe you are in one of those stuck in a meeting all day type of scenarios, and you get a text alert saying you have maybe an ACH fraud filter type of exception. You need to decision, and then, maybe you click on something and you go decision that item, and you don’t have to leave that meeting. Then, maybe later on, you are either at home, you are on your commute home, you have some after-hour function or something like that, and maybe you want to get some news that the month end has closed or something like that. There are a number of different scenarios you can really picture. That it is your flexibility and how you manage your own day, and there are some business continuity type situations as well. You can envision using mobile banking, depending on what function it is. Now, obviously, a cell phone network is not going to be one hundred percent reliable in a major catastrophe, but it can be a tool, and it can come in handy in certain situations; in a snow storm or something where you can’t get to the normal functions at your desk.

[SLIDE 26] So, now we get into the wet part. This is the snack size function. This phrase I actually took from the Gartner Group - sorry Jacob - not Celent - an excellent speaker with the Gartner Group talking about snack-size functions. So, you think about what do you want to do - picture yourself not wanting to boot up a laptop. You have five minutes between meetings. You are in an airport check-in line, or you are waiting to board. You are not going to boot it up. You are not
going to try to tunnel in or do all of that kind of stuff, but you are going to pick up your BlackBerry and cherry pick your emails. I mean, that’s - so, what we’ve tried to approach is what are the kinds of functions you can do with about five minutes of time, give or take? We are not going to get into long workflow applications, and we are not going to put an entire plan analysis statement on this two inch screen, but we are going to try to figure out those things that you can do very quickly and give you just enough information to do that. We also focused on time-sensitive actions. So, there may be a deadline looming for some sort of decision. There may be a cutoff in a payment or a processing time. There could be some expiring rates that you need to decision and check and select a new rate and term, and there may also be payments that you want to make to a certain vendor or a certain beneficiary at a certain time. We also looked at dual control type functionality where a lot of our customers have processes in place where they have to approve something that someone else has initiated or be a secondary approver for something someone already has approved and take a look at those items, and then also, just fraud detection and prevention. What are those things where we can give you an alert or give you something and then give you enough information on a browser screen that you are able to decision that item or at least, at the very minimum call back and find out from someone else?

[SLIDE 27] We’ve also, from an approach standpoint and how we are rolling some of this out, we are very much in this incremental mode. We have introduced something from November through now. Actually, we just had another release over the weekend; a little something every quarter, and we try to add to that. So, it’s really trying to bring new features, new functionality, not create the big bang and roll it all out at once as one big glob, and we get some feedback. We roll something out, get some feedback, try to get in to make some changes, and keep it up quickly, and that kind of goes with the whole mobile theme as well. I mean, you see it a lot with cell phones, and we share our roadmap with our customers. They take part in our design. We are very open with our customers, not necessarily with all of you other banks, but certainly with our customers on everything we are doing, and then, we roll out a pilot first, and so, we have pilot customers that give us feedback before we go live. We have a slim browser. We keep it very simple. We try to get the biggest device bang for the buck, and that’s one reason we don’t go into the downloadable application space, because we don’t want to develop all of these different permutations of all of the devices that are out there. That is really way too much for us to keep up with. If we did that, we would be spending all of our development dollars on device testing and all of that kind of stuff and not delivering functionality, which we can via the browser, and we are focusing on, obviously, the corporate user and what devices they carry. So, we know, from a percentage standpoint, how many people come in with iPhones, how many come in with BlackBerries. So, we know who we are going for in that, and also, we understand, from the services we provide and the products that we provide, we understand a lot of their processes and where their pain points are, and that’s what gets us back to those snack-size dual control type of functions, and we have a pretty good understanding of some of the workflows that they follow. So, we know where we can try to provide service from a mobile standpoint.

[SLIDE 28] A little bit of the how, this is - again, it’s a mobile browser. It's HTTPS, one hundred and twenty-eight bit encryption. It is very streamlined. We have one image, and that’s our logo. Very simple links; we don’t have a lot of java script. We really try to - we got a lot of feedback from our customers: “Just give me the links. Don’t give me advertising. Don’t give me color. Just give me the links,” because you are busy. You’ve got your five minutes at the airport. You’ve got something to do. You don’t care about seeing something flashing and green or something. We do, of course, require token entry for strong authentication items. We are looking at alternatives to that, of course, but customers, if they have to carry a laptop and their token, it’s a lot easier to carry their BlackBerry and a token; two small things as opposed to one big thing and a small thing, and we do support most Smartphones, and then, for text messaging and email, we have all of our what we call event messaging available via email and text messaging, and as I said before, most cell phones already support text messaging.
I heard this question asked at a conference that I went to last year on mobile commerce. It was mostly related to retail, but somebody from the audience asked a panel, I was just kind of watching all of this, "Why should we invest in all of this mobile technology stuff if it is just going to change in a few years?"

It's really hard to keep up with a moving target. Isn't it really just throwaway? You've got newer devices all of the time with different competing standards with the carriers. When are the open standards coming, and if they are coming, why shouldn't we just target to that? We have widgets. People have downloaded widgets to their phones and their Vista desktops, and they are talking in the labs to some of these vendors, and there are voice-controlled browsers that instead of punching 'Submit,' you say, "Submit," and it carries on with that command. So, that's a lot to keep up with. So, our answer to that or at least our approach to that is that we know that the underlying technology is going to change, but we are going to invest in the use case. So, we are going to invest in what the customer needs to do. So, what you need to do as a customer isn't going to change much. How you go about doing it probably will. So, if you need to approve a wire or look up a balance, if you have entered activity, that is something that you just need to do. If we understand that in five minute bite-size chunks, we can deliver that, no matter how the technology changes, as we invest in that overtime.

So, a few of our lessons learned; make sure that your customer service department knows how to handle that phone call, when somebody calls up and says, "This doesn't work on my BlackBerry Model eight blah blah blah blah." So, you have to find the right balance between device support and the mobile banking support, which is something that we had to work through. We invited them to be part of our testing. They didn't take us up on that, but we did invite them to be part of that. So, they couldn't say they didn't have an opportunity. Don't expect high usage rates early on. Not everybody is going to want to do this. We have a lot of people that use their Blackberry like they are going out of style, but they just don't want to do mobile corporate banking, and that's okay, and then, the adopters are going to range from - there are some people that we have that are in there everyday, and there are some people that are in there just once a month or when they have to, and that's fine, because that's kind of the nature of the mobile device. They don't have to use it everyday, and we don't expect them to. If you are getting text messaging, get those short codes lined up early. There is a Short Code Industry Association. I'm not a text message person, but there is a Short Code Industry Association that has to approve all of these. So, if you want to use a certain one, there is a lead time to get that to work, and then, we just have to be prepared to be nimble. We were four months or three months away from a launch, when the iPhone came out, and we were like, "Okay." First of all, we had to stand in line and get our hands on one like everybody else. We didn't have any special favors, and then, we had to bring it into the lab and figure out how to start it, which is pretty easy, and go into our test site and make sure everything worked. So, that was fine, but we just have to be very nimble with all of that.

So, just specifically what is it? We call it the CEO Mobile service. Wells Fargo has their online site, CEO Portal, and we call this CEO Mobile. The service mark is in the wrong place. It should be after the word "Mobile," but nonetheless, we launched it in April 2007 in pilot. It went to production in November 2007, and we are very pleased with our adoption numbers and our rate of growth. We have added incrementally to it four or five different products, and we just put three more into pilot this past weekend. So, we are pretty happy with all of that. So, it is a continuous rollout of new features and functionality, and again, we are going after transactional approval decision-making. We are focused a bit more on the disbursement side, because that is where the risk is. So, we are focused on those items, and that's also where the approval steps often are. We have a lot of informational balances, transaction details that are available, and we have a few nice little gimmies in there where if you see someone's phone number, you can just click on it, and you can dial it. So, an example is that if you are initiating a wire and you have a question about it, well, the person who initiated it, you have their phone number there. You can click on it and just talk to them during that session, hang up, and go back to the approval. So, there is some interesting stuff
like that. I'm probably giving too much away. Oh well, and we really have designed it for fewer clicks, and we have a predictive path type model that we use as well.

[SLIDE 32] And then, our text messaging browser, like I said, all of our existing event notifications are available via the text message. Some customers see that as - they get flooded with so many emails in the course of the day, by the time they get a break from a place like this - I know you are probably checking while I'm talking, but that's okay. I do the same thing. It's a mobile session. So, you are totally good with that, but by the time that they get to that, it may have gone below the fold and some alert that they really need to see. So, some customers will sign up for the text messaging, because it comes in, and it looks slightly different, and it makes you open a different folder, or they might get a different, depending on their phone, they might get a different kind of icon or something on their screen. So, there are a number of reasons, or they might want to have text messaging for their phone that they use after hours when they don't carry - maybe they don't carry their whole Smartphone with them when they go out to dinner with their family or something. So, there are a number of reasons they might want to have email and/or text, and then, some text message notifications will include something that actually requires approval. It's not just information. It is something that they have to go do, and then, they might then go to CEO Mobile, service mark in the wrong spot, and take action on it.

[SLIDE 33] So, that's it. You should have questions for either one of us. Questions and answers.