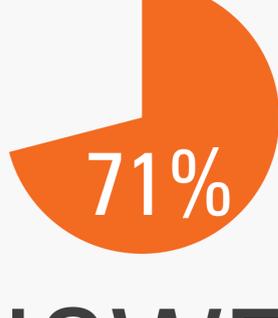


Digital banking is an integral part of a successful overall strategy for financial institutions (FIs). But, just how valuable are mobile banking users? And, how would that value increase if FIs increased mobile adoption?

HERE'S WHAT YOUR COMPETITION THINKS

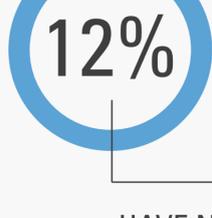


OF FIs BELIEVE FIs SHOULD PROVIDE BRANDING PAYMENT TOOLS ("DIGITAL WALLET")

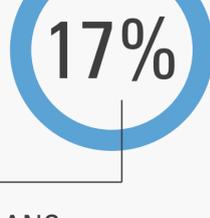
HOWEVER, ONLY



of FIs surveyed have NO PLANS to participate in Apple Pay



HAVE NO PLANS to participate in Google Pay™



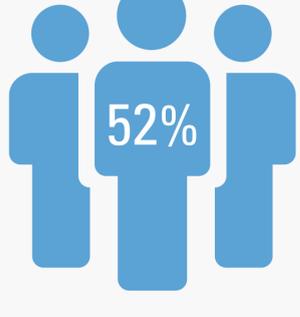
& Samsung Pay, respectively

THAT SAYS MOST BELIEVE MOBILE PAYMENTS WILL QUICKLY BECOME A NORMAL PAYMENT CHANNEL. IN FACT:

Over 40% of surveyed FIs believe > 20% of in-store TRANSACTIONS WILL BE MOBILE WITHIN FIVE YEARS

Source: Celent, "U.S. Financial Institutions and Digital Payments: Digital Research Panel Series Part 3," January 2016
Google Pay is a trademark of Google LLC. Android, Google Pay, and the Google Logo are trademarks of Google LLC.

HERE'S WHAT CONSUMERS THINK



OF CONSUMERS REPORT THAT THEY ARE EXTREMELY AWARE OF MOBILE PAYMENTS

BUT MOBILE PAYMENTS are still looking for broader adoption among consumers



ONLY 18% OF NORTH AMERICAN CONSUMERS MAKE MOBILE PAYMENTS REGULARLY

75% of users say it's easier to pay with cash or card

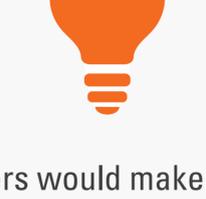
59% are concerned about the security of mobile payments

59% don't see any benefit to using mobile payments

Source: Accenture, "2015 North America Consumer Digital Payments Survey," May 2015

HERE'S WHAT IS PREDICTED IN THE MARKET

So, what will it take to get more consumers engaged with MOBILE PAYMENTS?



79% of current users would make more MOBILE PAYMENTS if offered discount pricing and/or coupons based on past PURCHASING BEHAVIORS

Source: Accenture, "2015 North America Consumer Digital Payments Survey," May 2015

WHY THE PUSH FOR MOBILE BANKING USERS?

INCREASED PRODUCT HOLDINGS

The average number of product holdings, including loans, certificates of deposit, credit cards and mortgages, immediately increased after consumers' adoption of mobile banking.

AMONG BANKS in the study the average number of different products held by a customer

INCREASED BY 12% IN THE THREE MONTHS AFTER ADOPTION OF MOBILE BANKING AND INCREASED 11% POST-ADOPTION

DEEPENING THE RELATIONSHIP

Consumers who use mobile are likely more engaged with their financial institutions. As the relationship between consumers and financial institutions deepens, it enables other types of engagement.



1.3 Product Holdings
Branch-Only Consumers

2.3 Product Holdings
Mobile Banking Consumers

INCREASED TRANSACTION FREQUENCY

Consumers with a high number of point-of-sale (POS) transactions are more inclined to use mobile banking, and of course, increased debit and credit card usage means more incremental interchange revenue for FIs.

Debit and Credit Card (POS) Transactions

19% increase in the number of average monthly POS transactions for credit union members
46% increase in the number of POS card transactions for bank customers; average transaction value also increased 46% - from \$550 to \$801 per month

ATM Transactions Including Withdrawals and Deposits

25% increase in number of ATM transactions for credit union members
26% increase in the number of ATM transactions for bank customers; 27% increase in the average value of withdrawals



Assumption is that high frequency ATM transactors check their balance before and after the ATM transaction

ACH Transactions

32% increase in total transactions for bank customers
13% increase in the number of bill pay transactions for credit union members on one core platform

In an analysis of credit unions on a different core, members who used Mobiliti had 70% higher number of bill pay transactions than members who only used online banking



DECREASED BRANCH TRANSACTIONS DRIVE POTENTIAL COST SAVINGS

Javelin Strategy & Research found the average cost per mobile transaction to be just 10 CENTS, while an in-person transaction at a physical branch is \$4.25.

Of course, these figures do not mean every mobile transaction saves \$4.15, but much of the overhead in retail banking could potentially migrate to the mobile and digital channels, which would result in cost savings for FIs.

LOWERED ATTRITION

Mobile banking provides an extra point of engagement and satisfaction for consumers. The message is clear: drive consumers to mobile banking if you want to better retain them. Lost customers and members equate to a potentially significant drop in revenue for FIs.



CREDIT UNIONS

4.9% Attrition Rate for members who used mobile banking from large credit unions, compared to 13.4% for members who weren't enrolled in mobile or online channels.

Among medium and small credit unions in the study, attrition rates were even lower at 2.8% for mobile bankers.

BANKS

Bank branch-only customers are more than two times more likely to attrite than mobile banking users.

HIGHER AVERAGE REVENUE

For MOBILE USERS at the CREDIT UNIONS in the study, revenue was 36% HIGHER THAN BRANCH-ONLY USERS

FOR THE BANKS IN THE STUDY, MOBILE BANKERS GENERATED \$209 IN INTERCHANGE, ACCOUNT & SERVICE FEES WHILE OFFLINE BANKERS GENERATED \$59

IN 12 MONTHS

72% HIGHER REVENUE THAN BRANCH-ONLY CUSTOMERS AT THE BANKS STUDIED



MOBILE BANKERS GENERATED 72% HIGHER REVENUE THAN BRANCH-ONLY CUSTOMERS AT THE BANKS STUDIED