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**Mobile Banking's 6+ million users win 40% of all
Digital logons BUT banking \$
values represent 9% and now growing**

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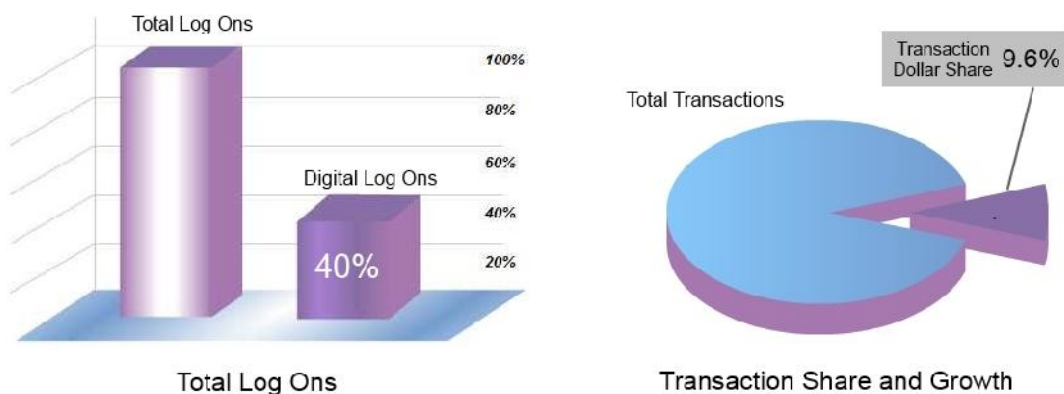
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Mobile Banking’s 6+ million users win 40% of all Digital logons BUT banking \$values represent 9% and now growing

Smaller banking transactions are the new “Cinderella” of the digital banking world, i.e. on the verge of awakening, says Market Intelligence Strategy Centre Global (MISC.). While the 6 million + mobile bankers (see earlier MISC. release “*Mobile banking breaks through 6 million user milestone*) now account for 40% of all digital banking logons, their financial banking activity has now reached 9.6% of all Digital banking \$ value transactions in a quarter. These banking, industry wide estimates for the latest March Quarter 2013, emanate from the Market Intelligence Strategy Centre Global (MISC.), second release of its, white paper titled “*Remote Banking Futures*”, which has now begun to profile mobile bankers, who are driving the next banking phenomena. This paper analyses, for the first time, the fast emerging, previously unqualified, Mobile. Earlier this year MISC. released the first quantification across all banks of the Mobile banker universe, showing that, by the September Quarter last year, a 6+ million-user milestone had been reached. This number of bankers had left their PC and branch /telephone to mobile bank instead. In the first profile estimates to extend its research, MISC. now reports that the current Mobile bankers are emerging as an intrusive force. MISC. says, this is indicated by their growing number and also their Log on activity share of all digital channels. On the other hand, their obviously smaller transaction values have made potentially less impact, on the total value of quarterly Digital financial commitments via such things as bill payments, person-to-person payments, transfers, payrolls and even new account activity. Hence, the low, but now apparent growing value transaction shares of 9.6%.

6+ million mobile users win 9.6% of dollar transaction and growing



Source: MISC. (Market Intelligence Strategy Centre Global)
White Paper: Remote Banking Futures 2013

SME's (Small /medium enterprises i.e. Small business) drive transaction values:

Commenting on its white paper and now released "mobile banker highlights", Market Intelligence Strategy Centre Global (MISC.) says, that even though the typically smaller transactions size have constricted greater immediate banking value inroads, these transactions are now growing rapidly in size each quarter, and promise to match the lag in share eventually. MISC. research shows that this recent growth is entirely due to Small business activity, which by definition generates significantly higher transaction values than that occasioned by smaller consumer payments on bills and transfers or person to person's payments. MISC. says it's tracing of selected Mobile activity and industry estimates, show that :1: more small businesses have been attracted to Mobile banking in the last 15 months, bringing with them, (by definition) larger transaction size, eg larger transfers, payroll payments (now with token protection) as well as larger regular payments eg Payg, tax commitments etc.

2: MISC. says that the resulting larger transaction, are the indirect result of increased receivable activity, that evolves and expands the channels use overall. This has occurred as several banks have introduced new mobile banking receivable technology in which some even turn the SME Mobile into a portable EFTPOS machine.

3: dedicated SME focused tablet technology innovations sometimes associated with new security advances.

SME MOBILE BANKING BANK INITIATIVES INCLUDE:
(for the period Jan 2012 to March 2013)

- *March 2013: Westpac mobile enhancement for SME application including new payment authorities through I Pad tablets new technology.*
- *Jan 2013: Com Biz SME mobile affords dedicated I Pad tablet and I phone apps extended with Net Lock security and all payment authorization.*
- *Dec 2012: St George bank SME business banking tablet technology plus extension to Android and Windows smart phones.*
- *Nov 2012: Westpac I Pad new tablet technology application suite with drag and drop for transfers and payments.*
- *Oct 2012: NAB Veriphone - NAB merchant access to payments via mobiles, tablets through sleeve, which turns device into payment terminal.*
- *July 2012: CBA launch of Leo for mobile businesses via I pad Touch I pad 4 and I pad 4S, which accepts all forms of payments eg EMV Chip and Pin, mag strip, and contact less.*
- *July 2012: Westpac and St George I phone stand-alone SME application- Pay Way affords real time processing of Master Card and Visa receivables.*
- *March 2012 NAB Transact - mobile and other merchant service for online credit card payments at any time.*



Source: MISC (Market Intelligence Strategy Centre Global)
White Paper: Remote Banking Futures 2013

MISC classified Mobile banking as encompassing all mobile devices including Tablets even though in the latter case access is often via the web, direct to the Internet Banking service and often not app based.

The Westpac and St George Pay Way facility introduced in July 2012 is one such example, as is the Commonwealth bank's launch of Leo at the same time. These facilities have attracted greater business use of Mobile via enhanced receivables, which in turn directly create greater payment activity. A further development that has impacted on greater SME use via the expansion of dedicated tablet based mobile technologies, which have been introduced by several banks in the last 6 months. Some have focused on ease of use applications eg drag and drop, while others have added extra security layers e.g. CBA Net Lock. Finally, says MISC., the SME has been the focus of many banks mobile platform extension strategies. Not coincidentally in the period of SME transaction growth some 8 SME focused developments have been introduced by the majors and regional banks which MISC research shows has directly impacted on increased SME adoptions and banking activity.

Background to the Development of a forthcoming Industry Collection

Note this standalone white paper will however be considerably augmented by the imminent development of the first regular co-operative industry measurement, (coordinated by MISC) of mobile business activity and customer transaction behaviour. This industry collection, promises to establish true market share and bank-by-bank performance metrics. It is hoped that this co-operative statistical measure will dispel any inconsistent market share and growth claims so that true industry's benchmarks can be established.

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