



Innovating in Mobile Technology to Serve More Members & Meet More Needs

Board of Governors of The Federal Reserve System "Cash, Check or Cell Phone?"

Victor Pascucci III USAA, Assistant Vice President Office of Enterprise Transformation February 23, 2010



- 1. Introduction to USAA
- 2. View of the Mobile Environment
- 3. How USAA has
 Innovated in the Mobile
 Environment To Serve
 More Members, Meet
 More Needs





WHAT WE DO

OUR MISSION

The mission of the association is to facilitate the financial security of its members, associates, and their families through provision of a full range of highly competitive financial products and services; in so doing, USAA seeks to be the provider of choice for the military community.





"We Know What It Means To Serve®"

- Founded in 1922 by 25 Army Officers to Insure Each Other
- Banking, Insurance & Investments for7.4M of America's Active & FormerMilitary & Their Families
- Fortune® 100 Company assets,
 Fortune® 200 Income
- Forrester Research Inc top-ranked company by consumers for Customer Advocacy
- BusinessWeek top "Customer Service Champs"
- 2009 Retuned \$1.2 Billion to our Members



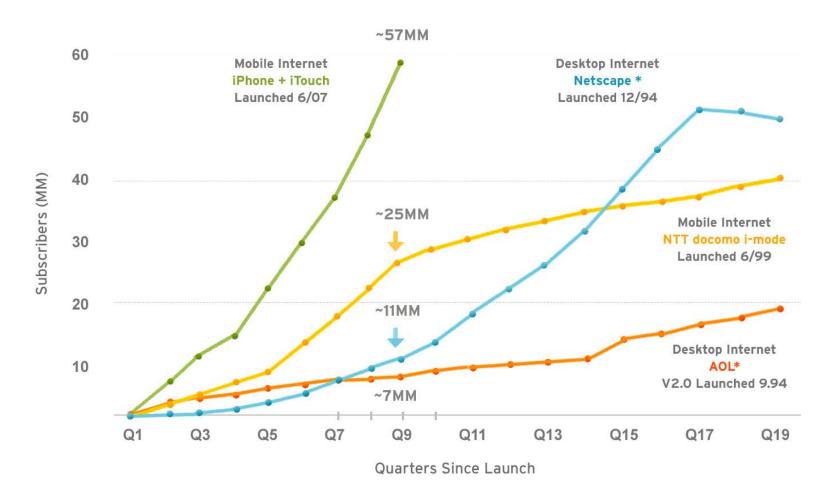


Mobile Internet Outpaces Desktop Internet Adoption



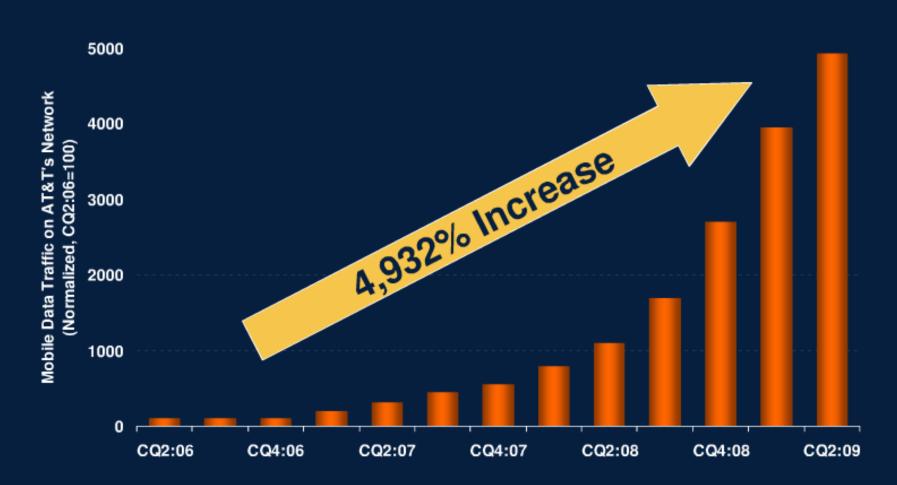
iPhone + iTouch Users = 8x AOL Users 8 Quarters After Launch

iPhone + iTouch vs. NTT docomo i-mode vs. Netscape vs. AOL Users
First 20 Quarters Since Launch



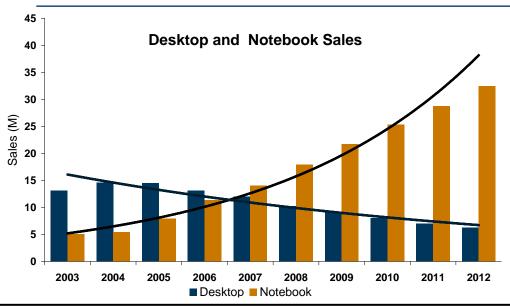
AT&T 50x Mobile Data Traffic Increase in Past 3 Years

AT&T Mobile Data Traffic Growth, CQ2:06 - CQ2:09

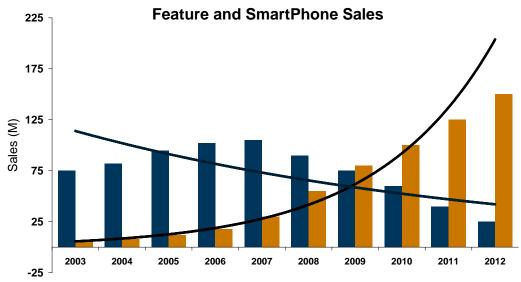


Consumer Demand





 Consumers always want to be mobile



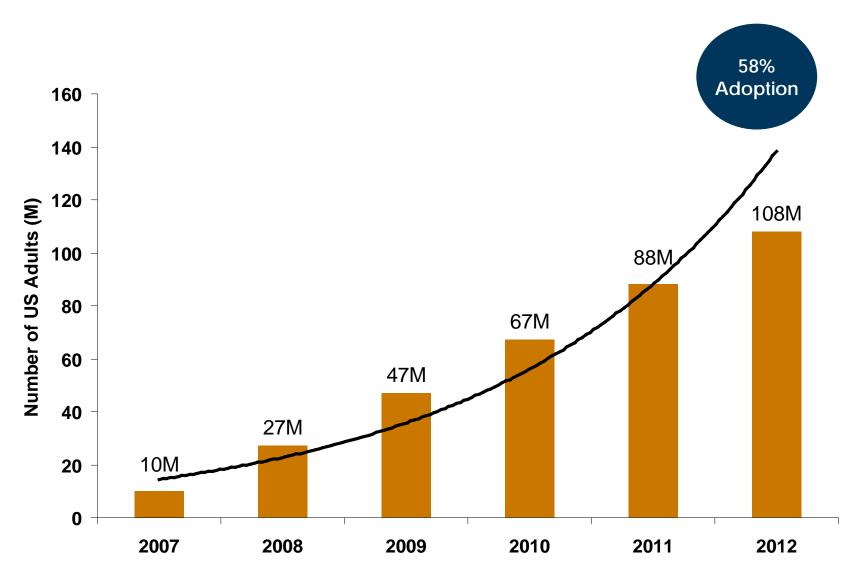
■ Feature Phones ■ SmartPhones

 Consumers always want to be connected

Source: Consumer Electronics Association, Q2-08



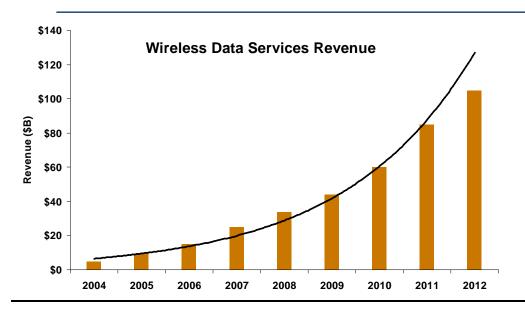




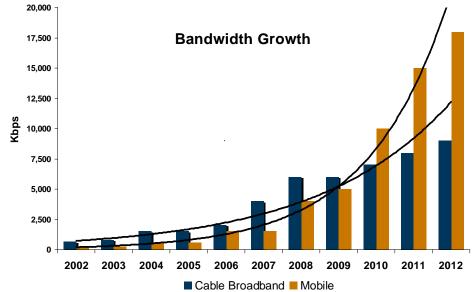
Source: Mobile Channel Usage Forecast, Javelin Study, Jan. 2008

Industry Supply





Increased Carrier Revenue

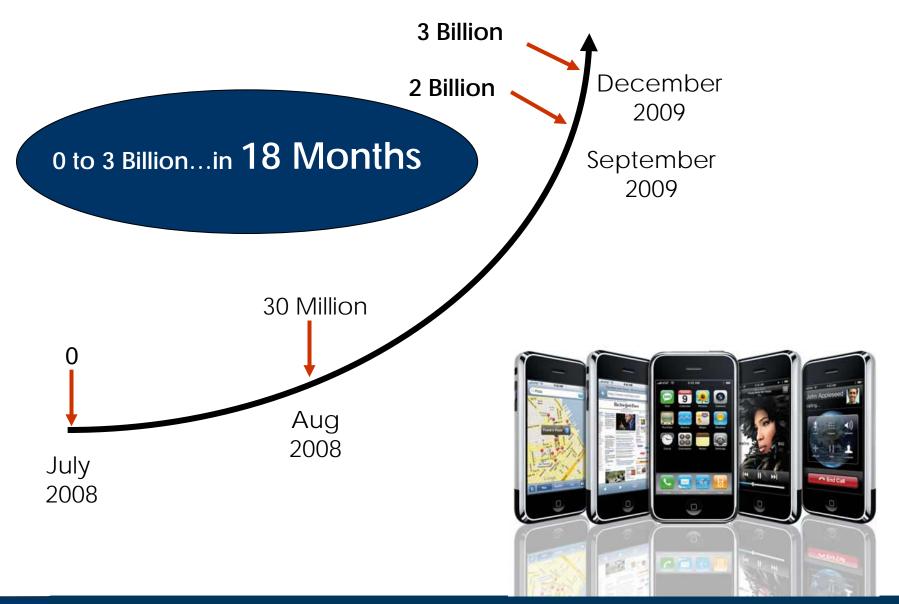


• Increased Data Speeds

Source: Consumer Electronics Association, Q2-08

iPhone App Growth





3G vs. 4G – In Perspective



'74 Corvette vs. Land Speed Record



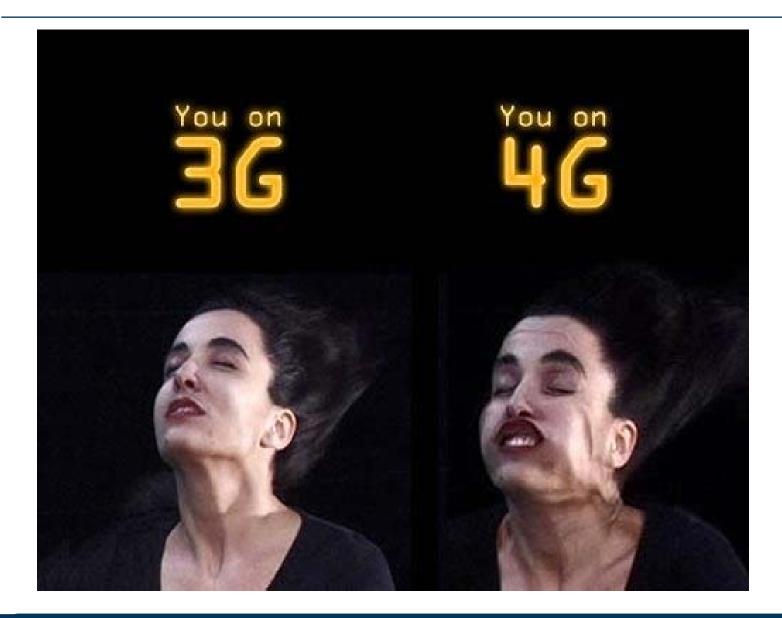
3G speeds: 35 KB/s



4G speeds: 1.5 MB/s



3G vs. 4G - In Your Face



USAA's Challenge



Members want USAA with them, wherever ...





DEPOSIT@HOME®



- Introduced over three years ago
- Uses a scanner, computer, and internet connection

DEPOSIT@MOBILE®

- Introduced August 2009
- Uses a camera enabled smartphone, cellular network or WiFi
- •On Jan 1, 2010 surpassed \$250 million in deposits via the iPhone (144th day in production).





Member Inspired and Market Driven Need

"I really have no need for a local bank. I like being able to do it all online."

— Justin Moran member since 1997

"Don't know how we made it before deposit@home...kinda like cell phones.

Anonymous MemberOctober 29, 2009









USAA Mobile Page 1 of 1



USAA Mobile

Online ID

Password

Log On

Forgot your Online ID or password?

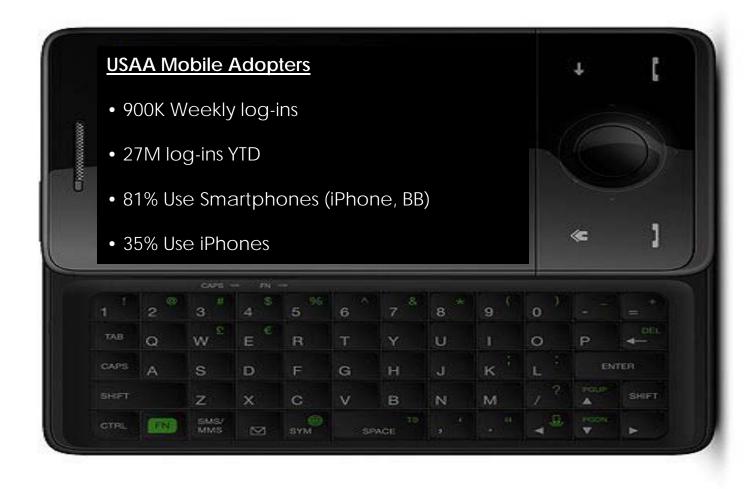
Not a Member? Not registered for usaa.com? Go to usaa.com or call us at 1-800-531-8722.

Contact Us

@ 2010, USAA











- Blackberry
- Android
- Windows Mobile











What's Next - Voice Activated Transactions



Speech & Mobile Integration

"Pay \$100 to my American Express"



USAA's iPhone Application



Statistics:

- Over 390K
 Downloads
- 150K Unique Members Depositing Checks
- Over \$250M
 Deposited via D@M
- Only Financial App with a 4+ Rating
- Apple Staff favorite



"Great app!!

It far exceeded all of my expectations for an iPhone app from a a financial institution! Love it!!"

Number 1 Free Finance App on App Store



