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Presentation and video replay will be provided within one week.

Have questions? Use the chat panel ➡️
 - we'll field them as we go and during the Q&A recap

EMV® Distribution Strategies Simplified

Today's Speakers

Greg Kuyava

Key Account Executive

Senior Product Manager, Card Services - 10 years
Experienced speaker on a variety of card services topics, including:

- Creating an efficient, cost-effective program

- Marketing and brand awareness

- Instant card issuance

- Obtaining primary financial status with cardholders

- Enhancing cardholder engagement

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Agenda

- EMV® – Distribution Trends

- Card Issuance Overview

- Instant Issuance Overview

- Card@Once® – Things that Matter

- Q&A

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EMV – Trends in the Market > > >

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EMV Numbers to Know

40%

60%

70%

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40% → **Debit cards in market**

60% → **EMV-ready merchant locations**

70% → **EMV credit cards in market**

Source: EMV Migration Forum

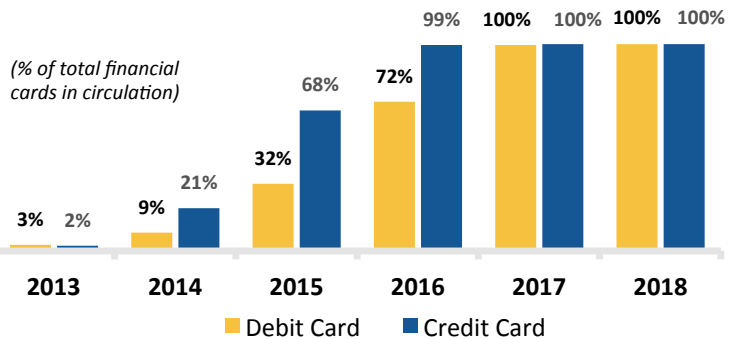**HARLAND CLARKE®**

U.S. EMV Conversion

The U.S. will be quickly migrating to chip cards over the next three years

First Annapolis Industry Research[1]

(% of total financial cards in circulation)

	2013	2014	2015	2016	2017	2018
Debit Card	3%	9%	32%	72%	100%	100%
Credit Card	2%	21%	68%	99%	100%	100%

Aite Group Industry Research[2]

	2013	2014	2015	2016	2017
Debit Card	1%	8%	41%	68%	90%
Credit Card	4%	25%	70%	91%	98%
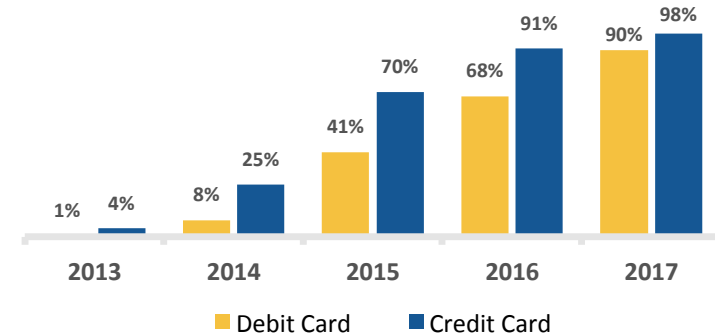
Javelin Industry Research[3]

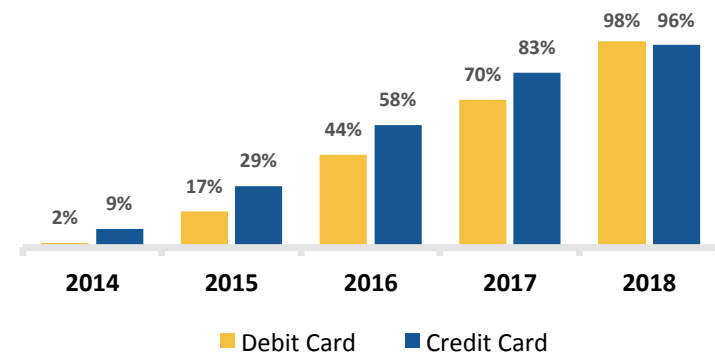|	2014	2015	2016	2017	2018
Debit Card	2%	17%	44%	70%	98%
Credit Card	9%	29%	58%	83%	96%

(1) First Annapolis Industry Research (April 2014).
(2) Aite, EMV: Lessons Learned and the U.S. Outlook (June 2014).
(3) Javelin Strategy & Research, EMV in USA: Assessment of Merchant and Card Issuer Readiness (April 2014); debit cards include prepaid.

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Card Issuance Trends

Today's consumers want services that align with their lifestyle

- Service

- Options

- Convenience

Meeting the demand of data breaches

- More than 600 publically reported card data breaches in 2013*

- Proactive vs. reactive strategies

- Print new cards on-demand to meet individual demand

Key advances in instant issue

- MasterCard® and VISA® allowed for non-embossed cards

- Laser print technology now available in the instant issue printer market

- Flat print technology reduces the size of printers to a small desktop printer

CNBC article January 2014

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EMV Card Issuing Trends

Mass Reissue vs. Expiration Date Reissue

- Early 2015 – Mass reissue

- Late 2016 – Upon expiration dates

- Now – 50/50 mass reissue and expiration dates

Instant Issue as Part of the Reissuing Strategy

- Instant issue meets immediate demands and needs for cardholders

- Balancing cardholder convenience and security

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EMV Card Issuance Solution > > >

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Instant EMV Card Issuance

Issue EMV cards in your branch in just minutes with Card@Once®

card@once®

- Requires no software, no fees and minimal training
- Affordable, secure and easy to use
- We provide support

Powered by
EFTSOURCE | cpi
A CPI Card Group Company

cpi card group

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Delivering a Comprehensive Cardholder Experience

Harland Clarke delivers an end-to-end solution driving cardholder satisfaction and profitability
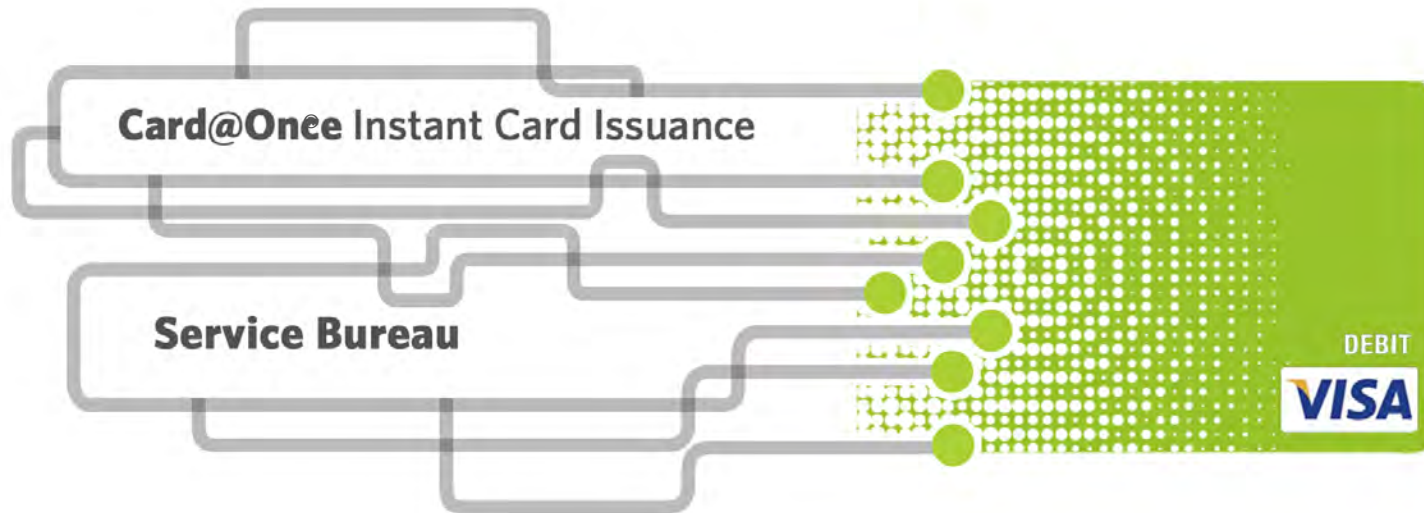
New & Emergency Replacement Card Issuance, Ongoing Card Issuance, Cardholder Engagement

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Customer Satisfaction Is Our No.1 Goal

97% of our customers say they are satisfied or very satisfied

93% of our customers would recommend us

Key Performance Indicators supplied by existing CPI Card Group customers through third-party independent study

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Poll Question > > >

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A   B

10

25

2

Estimates only. Not actual timeframes.

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More Numbers to Know

	A	B
10	Number of **days** for delivery of mailing a card	Number of data **breaches** in past month
25	**Percentage** increase inactive card users	Number of **cards** that can print per hour
2	**Minutes** it takes to issue a card with Card@Once	Average number of **lost/stolen cards** printed per day per FI with Card@Once

Estimates only. Not actual timeframes.

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A

B

10

25

2

Number of **days** for delivery of mailing a card

Percentage increase in active card users

Minutes it takes to issue a card with Card@Once

Number of data **breaches** in past month

Number of **cards** that can print per hour

Average number of **lost/stolen cards** printed per day per FI with Card@Once

 Estimates only. Not actual timeframes.

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Instant Issuance Overview > > >

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Instant Issue Solution Comparison

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Software as a Service (SaaS)

No software to purchase; hardware includes printers and PIN pads

Communication managed by provider through secure web service calls

Program setup handled by provider, including loading secure keys

All system maintenance and upgrades managed by provider

Minimal IT and Operational resource needed

Other Solutions

Software for Purchase

Must purchase software, printers and PIN Pads

Dedicated server and network implementation required by the FI

FI responsible for setting up all components and loading secure keys for PIN and CVV/CVC

Financial institution must install and maintain software upgrades

Requires internal FI resources (IT, Operations)

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Card@Once® Instant Issue Process

1 Enter

2 Encrypt

3 Print

4 Finish

Account holder's Information

Card order is submitted via web screen

Data is encrypted and securely transmitted for processing

Encrypted data is securely sent to the Card@Once® printer, where it is programmed and printed in seconds

Account holder leaves the branch with a fully personalized card

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Select Printer

Enter Card Information

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Select a Card Image

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Select PIN or Enter Offset and Print Card

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Why Card@Once®   > > >

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Card@Once® and EMV

- Setting up Magnetic Stripe first and then EMV

- Card@Once® equipment able to support EMV via EMV encoder installed in the unit

  - Evolis, manufacturer of the Card@Once® printer, is a market leader in Europe with vast experience in supporting EMV-enabled cards

- EMV chip cards will be a collaborative effort between HC/CPI Card Group, EFT processor and your payment card association

  - Recommended first step is to declare interest in issuing EMV compliant cards to card association

  - PIN Considerations - EMV

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Card@Once® Monitoring and Network Map

All Card@Once® printers are monitored for connectivity and activity by Network Engineers during open banking hours.

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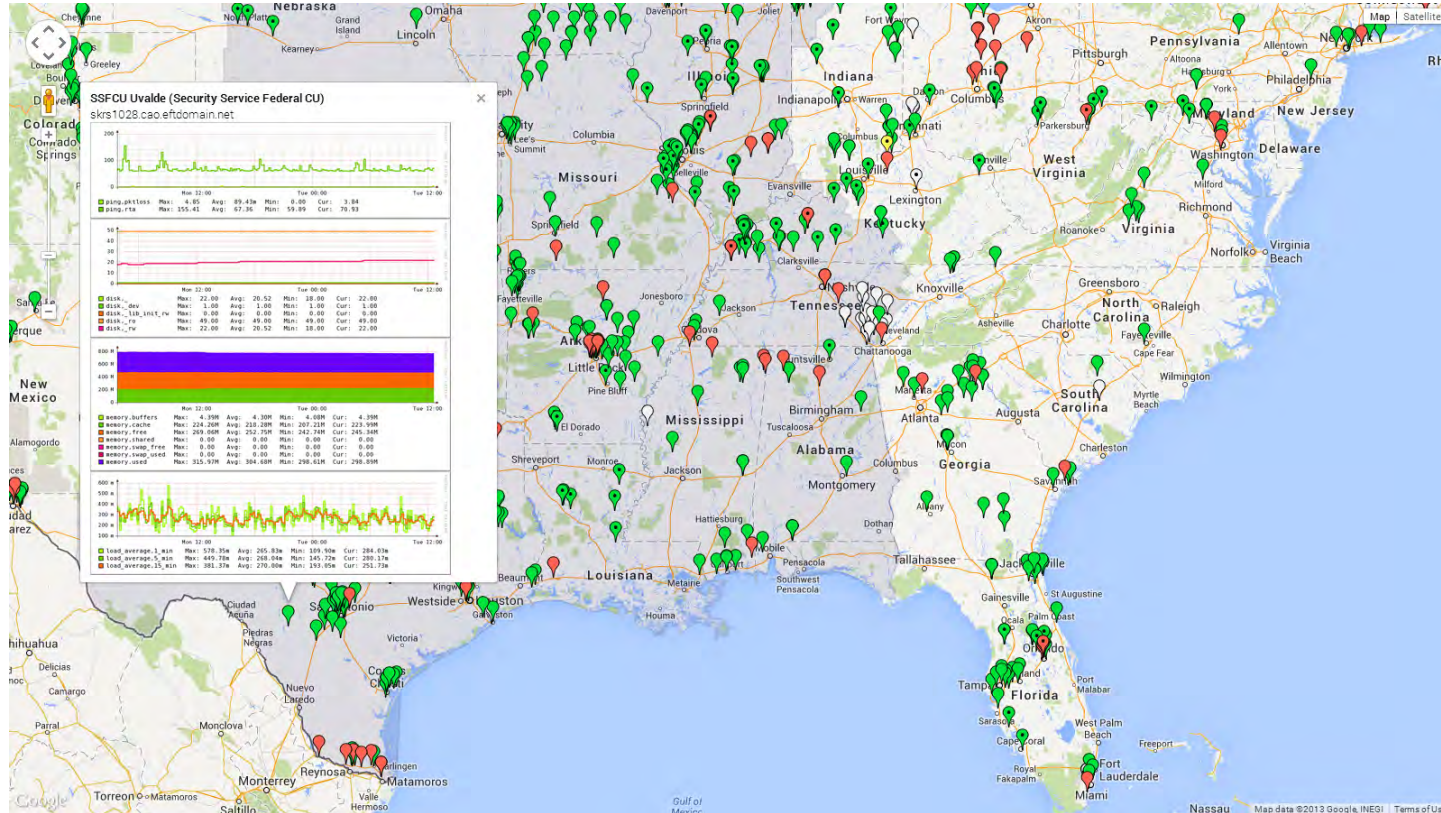
Branch Requirements and Settings

Branch requirements

- Printers - Evolis Dualys3

- PIN pads - MagTek IPAD

- Does not require branch employees to load/unload media

- Visa/MasterCard instant issue security requirements

Power source and DHCP internet connection

- Secured web-based platform; the printer is self-contained and driven remotely by EFT Source

IT Systems Efficiency	Monthly Target	YTD (Actual)
Unplanned Downtime	0.7% (30 Minutes)	0.2%

Branch Settings

- Multiple users can submit print requests

- Various types of cards (ATM, Debit, Credit) with multiple designs

- PIN generation: select a PIN during the card print process of upload a PIN offset

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Card@Once® Card Printing

- All cards are thermal printed with variable data (name, PAN, expiration)

  - Flat card printing

  - Thermal printing prohibits any chance of peeling

- Magnetic stripe is encoded in required format

- Three-digit CVV/CVC is printed on card back

- Front and back receive a protective overlay during printing

	Standard Black Print	Edge-to-Edge Color Print
Card Stock	Pre-printed	White
Cards Printed/Ribbon	250	100
Time to Print	< 1 minute	< 2 minutes

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Security and Risk Control

- Access rights assigned to an administrator(s)

  - Financial Institution administrator sets up users based on roles

  - Single sign-on capabilities available in our integrated solution

- Individual user credentials to access the Card@Once® web application

  - PCI-Certified
  - Meets Visa/MC security requirements

- No financial institution keys are loaded into Card@Once® unit

  - Security USB dongle

- The Card@Once® solution was developed in accordance with PCI DSS regulations and maintains annual PCI certification

- Complete business continuity plan available

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Card@Once® Instant Issue Integration Overview

Card@Once® integration environment uses a Service Oriented Architecture

All communications between client and the Card@Once® environment are via **web services** hosted by Harland/CPI Card Group

Service endpoints can be combined to allow for a rich integration solution that meets client's specific needs

Integration Versions	Add-On Services	Communication Methods
• Card Print with Submitted PIN Offset • Card Print with Integrated PIN Selection using Magtek® IPAD	• Edge-to-Edge Image Gallery • Single Sign-on	• SSL (Secure Socket Layer)

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Card@Once® Integration

- Experience integrating with EFT processors, cores and financial institutions

- Integration environments designed for use with Service Oriented Architecture

  - Applications/features not required for use if not needed or wanted

- Communications between client and Card@Once® environment via web services by CPI Card Group

- Costs of Integration vs. Non – integration

  - Software update

  - Internal resource

- Integrations offer:

  - Single sign-on

  - PIN selection

  - Edge-to-Edge Image Gallery options

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Card@Once® Instant Issue Client Support Overview

Training

- Conduct training of administrators and users during installation

- Training and installation available via remote or on-site personnel

- Training on card ordering and customer service procedures

Ongoing Card@Once® Help Desk support available

- Monday thru Friday, 6:00 a.m. – 6:00 p.m. CST

- Saturday from 8:30 a.m. – 1:30 p.m. CST

- On call support available 24/7

- All inquiries answered within one hour of receipt

Rapid Replacement Program

- New printer shipped next-day delivery if a resolution cannot be provided over the phone within one hour

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Word Association

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Word Association

- All three were the **premier** way of accomplishing a certain task

- All three are **still available** today

- All three have been **replaced** by a better, more convenient solution

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Card@Once® Instant Issue Solution Highlights

Innovative
- The SaaS model differentiates this instant issue solution from all others
- Patented solution (patent granted May 2013)

Simple
- We provide implementation, setup, training and support
- Requires only a power and internet connection
- Easy to operate – no systems to manage

Reliable
- Uses proven print technology
- Low maintenance

Convenient
- Small footprint 9"x16"
- Quiet operation

Secure
- PCI Certified
- Meets Visa/MC security requirements
- No financial institution keys are loaded in the Card@Once® unit

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Card@Once® Case Study

Background

- A $2.23 billion financial institution headquartered in Indiana

- An initial test pilot was conducted in four branch locations during a three month period

- The client implemented Card@Once® in 43 of its 45 branches

Results*

- Activation rates increased from 74% to 89%

- 47% of cards were used within eight hours

- Average usage time = 93 minutes (compared to 10 days for non-instant issue cards)

- Reduced card costs by 20%, by simply lowering annual shipping costs

Source: Harland Clarke Testimonial Video

Many variables impact campaign success. The information on earnings or percentage increases that is contained within this case study is provided for demonstrative purposes only. Harland Clarke does not guarantee or warrant earnings or a particular level of success with a campaign.

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Q&A Wrap Up

Type your question in the chat panel ➡️

Greg Kuyava
Key Account Executive

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Presentation materials and video replay will be provided within one week.

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Thank You

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