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

Have questions? Use the questions panel ⟶ we'll field them as we go and during the Q&A recap at the end of the call.

EMV® Turns 1 — What's Ahead?

October 25, 2016

Today's Speakers

Renee Jones
Cards Product Manager, Harland Clarke

Troy Bernard
Director, Strategic Marketing & Products, CPI Card Group

Tony McGee
Director, Customer Care and Personalized Solutions, CPI Card Group

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Agenda

- Year in Review

- Chip Card Migration Performance

- What's Ahead?

- EMV Card Issuance

- Q & A

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EMV Migration – The Year in Review

October 2015 >> Liability shift deadline — *Chip card transition strategies begins!*

September 2016 >> The United States is the world's largest chip market

Chip Card Issuance	Fraud Protection	Merchant Readiness & Acceptance	Chip Payment Volume
700M chip enabled cards in circulation[1]	Counterfeit card fraud has decreased by 47%[2]	Nearly 1.5M merchants are chip-enabled[2]	$34.7B for Visa®[1]

[1] Credit Card Forum, http://creditcardforum.com/blog/credit-card-statistics/

[2] Visa U.S. Chip Update: August 2016
https://usa.visa.com/dam/VCOM/global/visa-everywhere/documents/August%202016%20Chip%20Update.pdf

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Poll Question   > > >

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Chip Card Migration Performance > > >

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Challenges & Success

Challenges

- Chip and signature, chip and PIN, or both?

- Fraud potential on a chip-enabled cards

- Dual interface considerations

- Consumer experience at POS

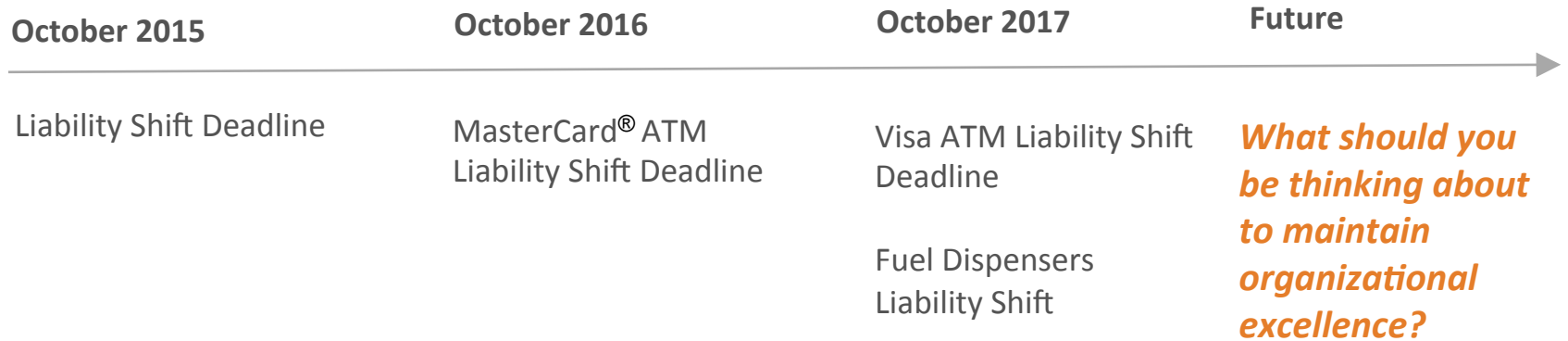- Merchants' ability to get certified

Successes

- Collaboration among ecosystem participants (i.e., financial institutions, payment networks, EFT, merchants)

- Effective distribution strategy

- Better consumer education from financial institutions and merchants

- Timing at point of sale

- Improved payment experience abroad

- Cap on fraudulent transactions

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Poll Question > > >

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What's Ahead for EMV? > > >

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The Next Wave of EMV Deliverables

October 2015	October 2016	October 2017	Future
Liability Shift Deadline	MasterCard® ATM Liability Shift Deadline	Visa ATM Liability Shift Deadline Fuel Dispensers Liability Shift	*What should you be thinking about to maintain organizational excellence?*

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Trends in Payments

Financial institutions should begin planning for these trends in the payment environment:

- Contactless payments using dual interface chip cards

- Smartphone usage and mobile payment technology

- Instant issuance

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Trends in Instant Issuance

Today's consumers want services that align with their lifestyle

- Service
- Options
- Convenience

Meeting the demand of data breaches

- Proactive vs. reactive strategies
- Print new cards on demand

Key advances in instant issuance

- 2009 MasterCard and Visa allowed for non-embossed cards
- Laser print technology now available in the instant issuance printer market
- Flat print technology reduces the size of printers to a small desktop printer

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Card@Once® 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/MasterCard security requirements
- No financial institution keys are loaded in the Card@Once® unit

card@once® *The next generation of instant issue solutions*

Card@Once is a registered trademark of CPI Card Group, Inc.
US Patent No.: 8429075.

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Instant Issuance Solutions Comparison

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Other Solutions

Software as a Service (SaaS)	Software for Purchase
No software to purchase; hardware includes printers and PIN pads	Must purchase software, printers and PIN Pads
Communication managed by provider through secure web service calls	Dedicated server and network implementation required by the FI
Program setup handled by provider, including loading secure keys	FI responsible for setting up all components and loading secure keys for PIN and CVV/CVC
All system maintenance and upgrades managed by provider	FI must install and maintain software upgrades
Minimal IT and Operational resource needed	Requires internal FI resources (IT, Operations)

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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® Client Support

- 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

  - All inquiries answered within one hour of receipt

  - 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

- 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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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 cost reduction or percentage increases that is contained within this case study is provided for demonstrative purposes only. Harland Clarke does not guarantee or warrant a particular level of success with a campaign.

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Q&A

Type your question in the chat panel

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Thank You