



State of Europay[®], MasterCard[®], Visa[®] (EMV): Countdown to 2015

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Presenters



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Agenda

- EMV Overview
- Harland Clarke Survey Results
- Preparing for EMV
 - What You Need to Know
 - Questions to Ask
 - Preparing Your Financial Institution
 - How We Can Help
 - Questions



Why Migrate to EMV?

- Increased Security
- Fight Migrating Fraud
- Global Interoperability
- Risk Management and Transaction Control
- Payment Innovation



Key Dates in EMV Migration

- 2011 – Visa® and MasterCard® announce plans for EMV and Liability Shift in the U.S.
- 2013 – Processors support EMV transactions
- 2014 – Merchant Acquiring Processors; POS align on EMV compliance date
- 2015 – EMV Liability Shift
- 2016 – ATM Liability Shift
- 2017 – Automated Fuel Dispensers (AFD) Liability Shift for EMV transactions

2013 Target breach brought EMV awareness to the consumer



EMV Cards in Global and U.S. Markets

	EMV Cards	Adoption Rate	EMV Terminals	Adoption Rate
Canada, Latin America and the Caribbean	471M	54.2%	71M	84.70%
Asia Pacific	942M	17.4%	15.6M	71.70%
Africa and Middle East	77M	38.90%	699K	86.30%
Europe Zone 1	794M	81.60%	12.2M	99.90%
Europe Zone 2	84M	24.40%	1.4M	91.20%
EMV Migration Forum * Figures reported in Q4 2013 represent the latest statistics from AMEX®, Discover®, JCB, MasterCard, Union Pay and Visa, as reported by their member institutions globally				
United States Estimates	~20M	~1-2%	~2M	~20%

Source: Estimates stated from The Smart Card Alliance/EMV Migration Forum, May 2014





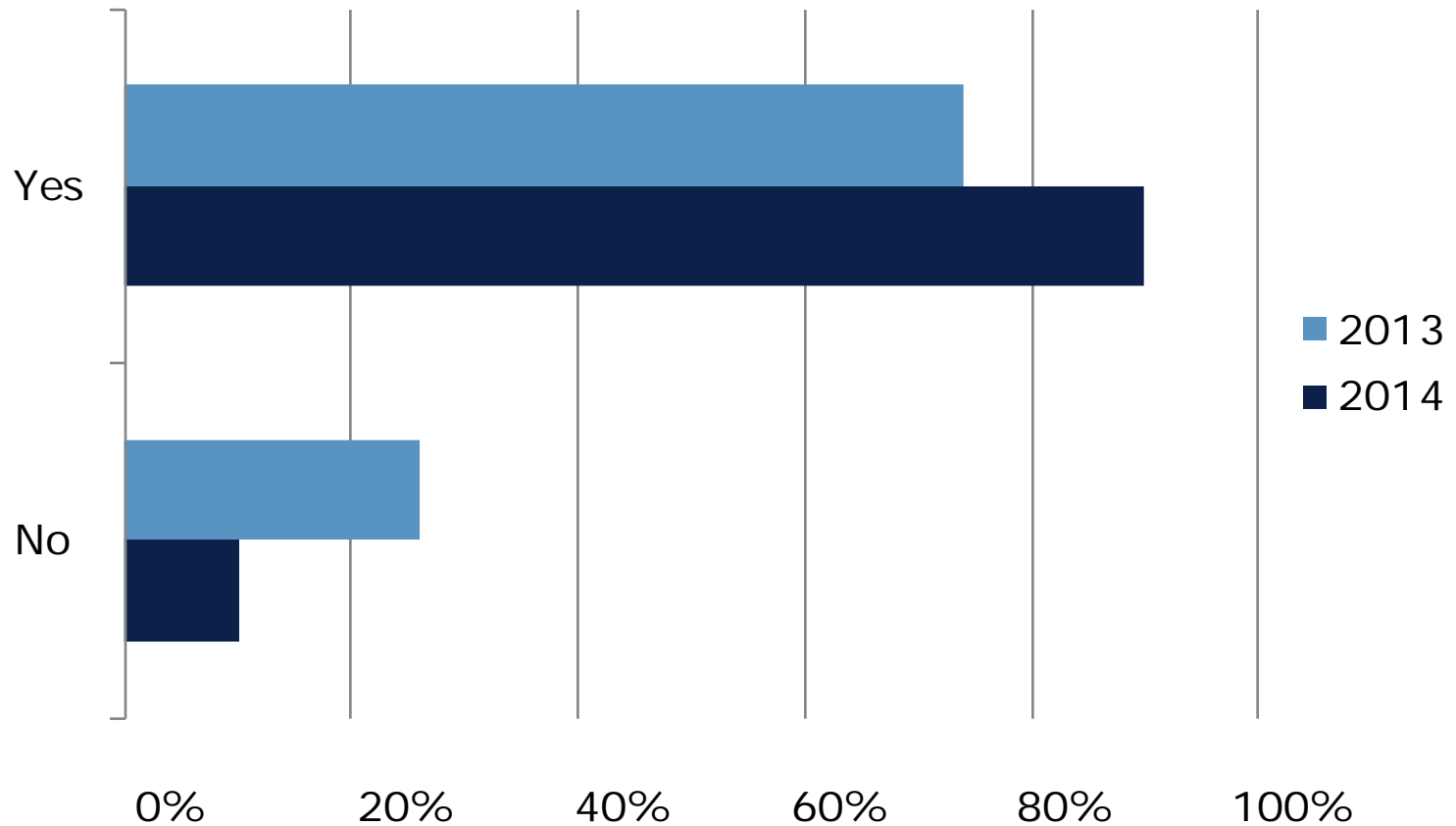
State of EMV: Countdown to 2015
Harland Clarke 2014 EMV Survey Results

2014 EMV Survey Results

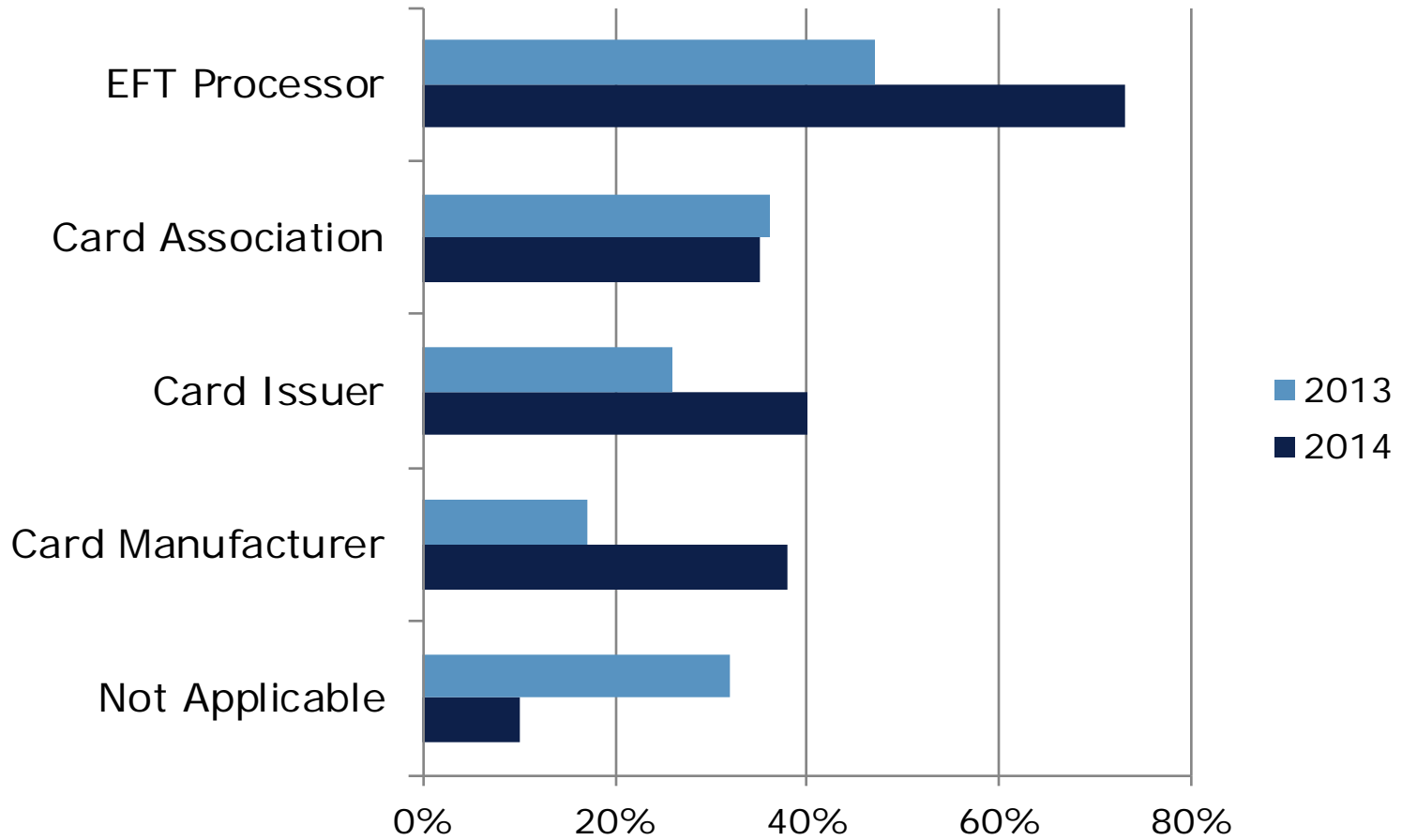
- Financial Institutions Surveyed
 - \$50 million to more than \$1 billion in assets
 - 2,500 to 100,000+ cards



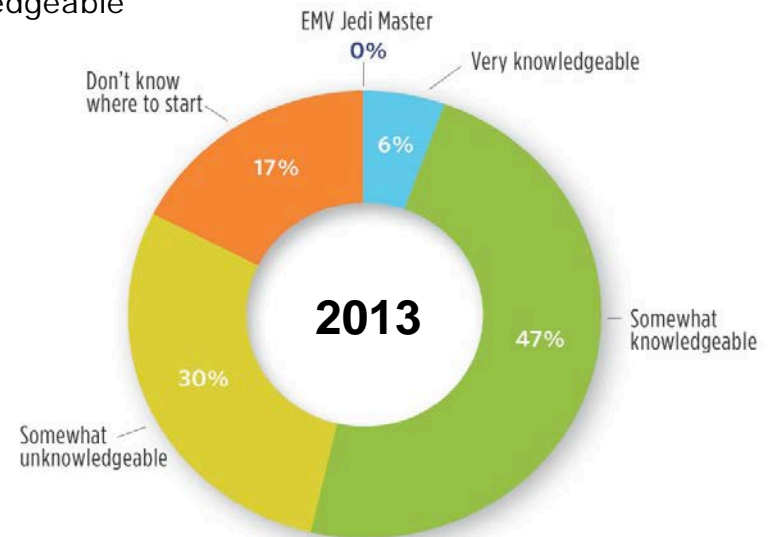
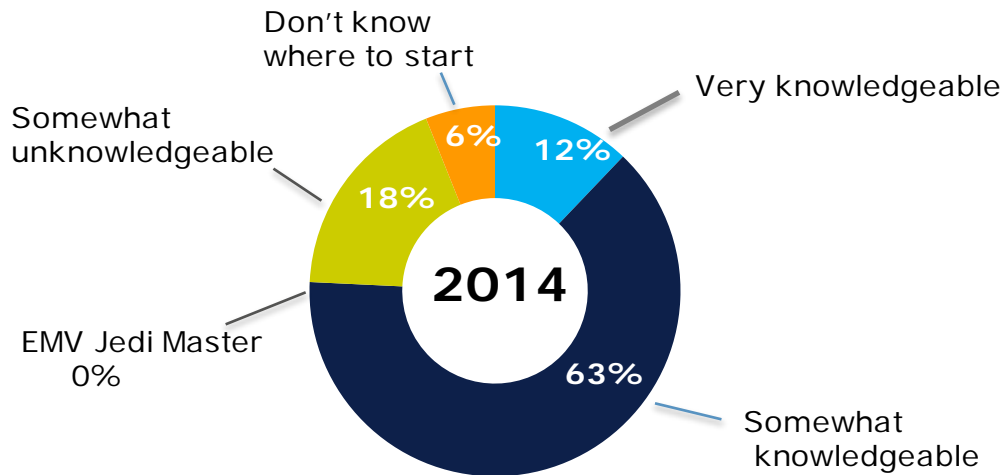
Has Your Financial Institution Started Researching EMV?



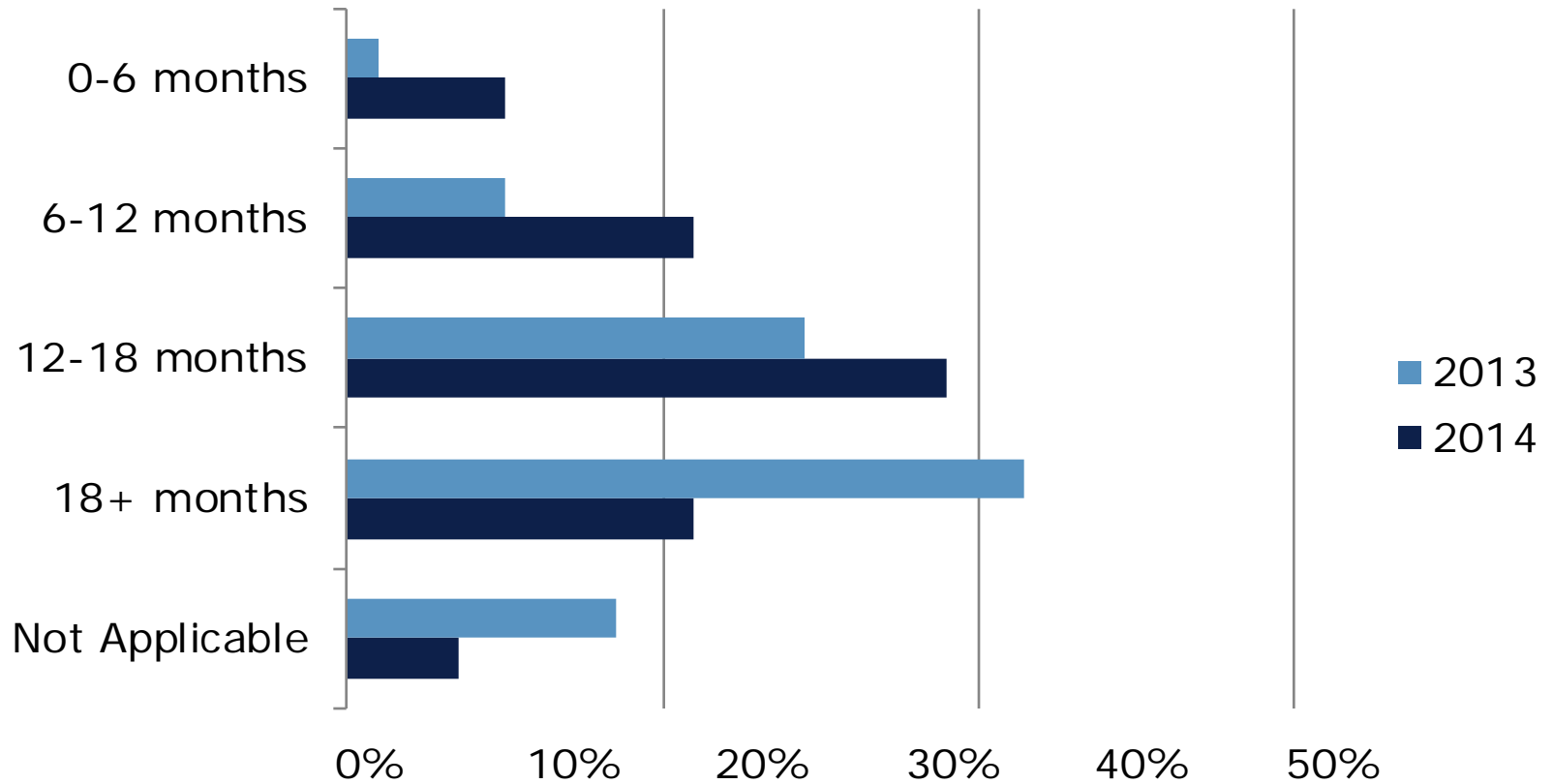
Who Have You Engaged in Your Process/Research?



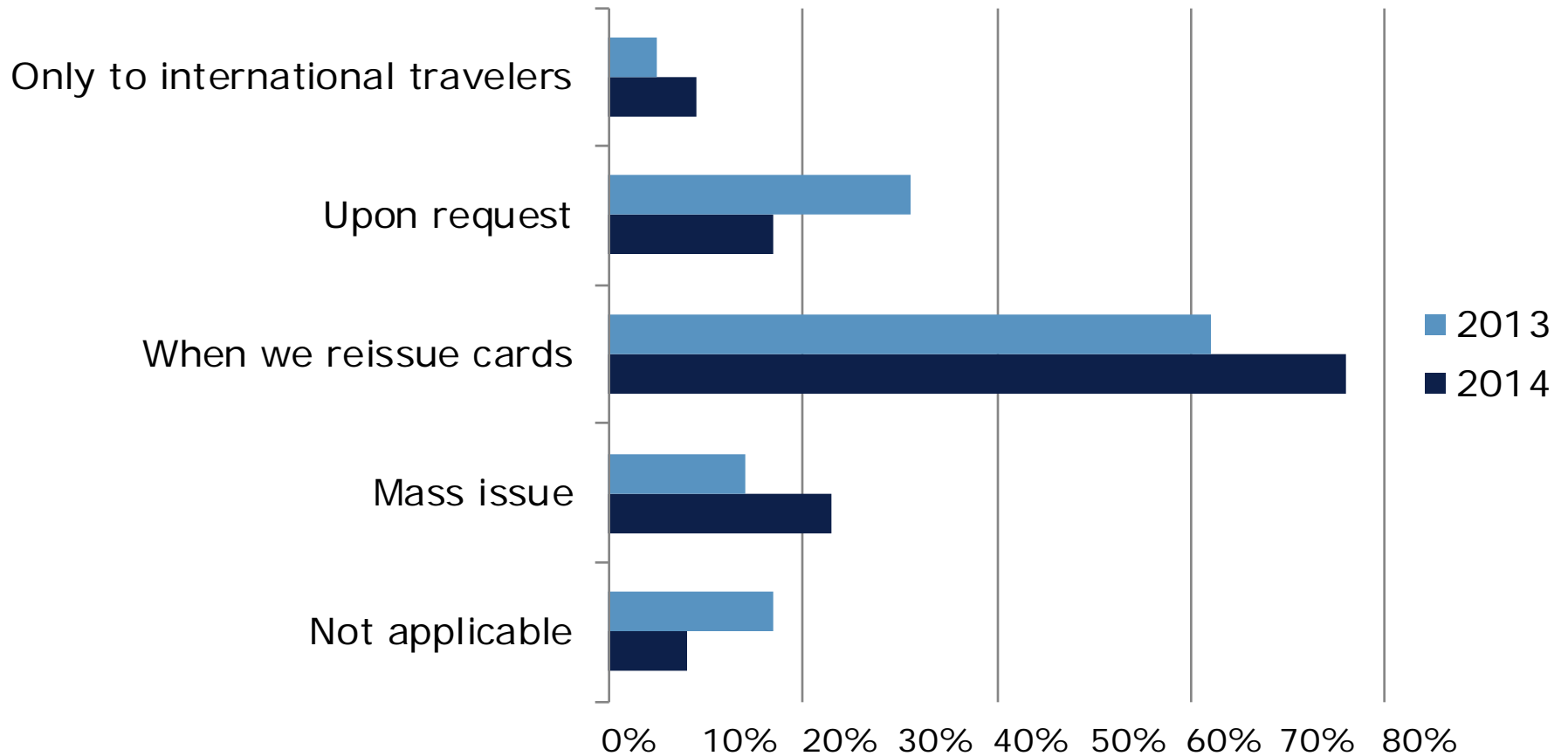
How Knowledgeable Are You About Implementing an EMV Program?



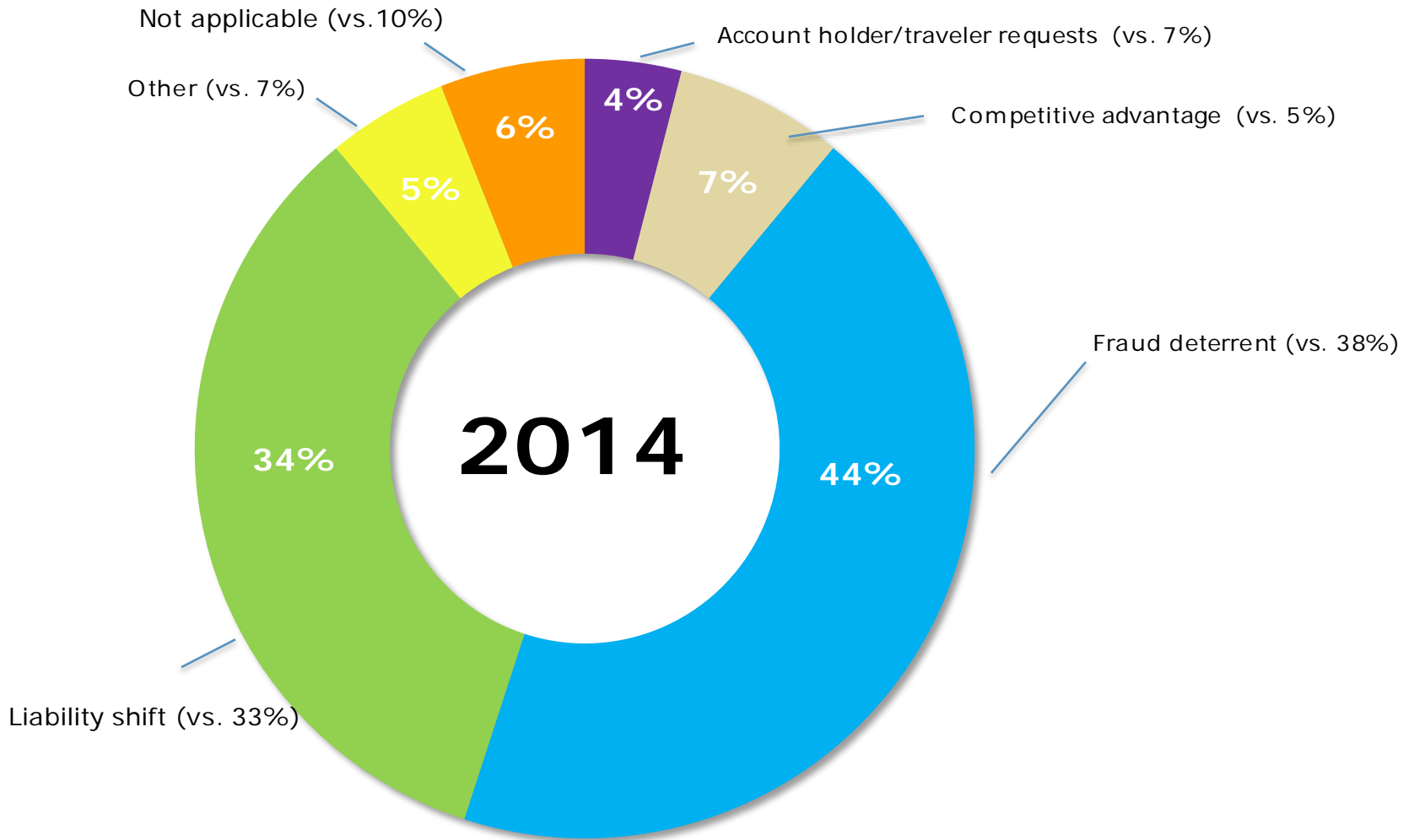
What Is Your Time Frame for Implementation?



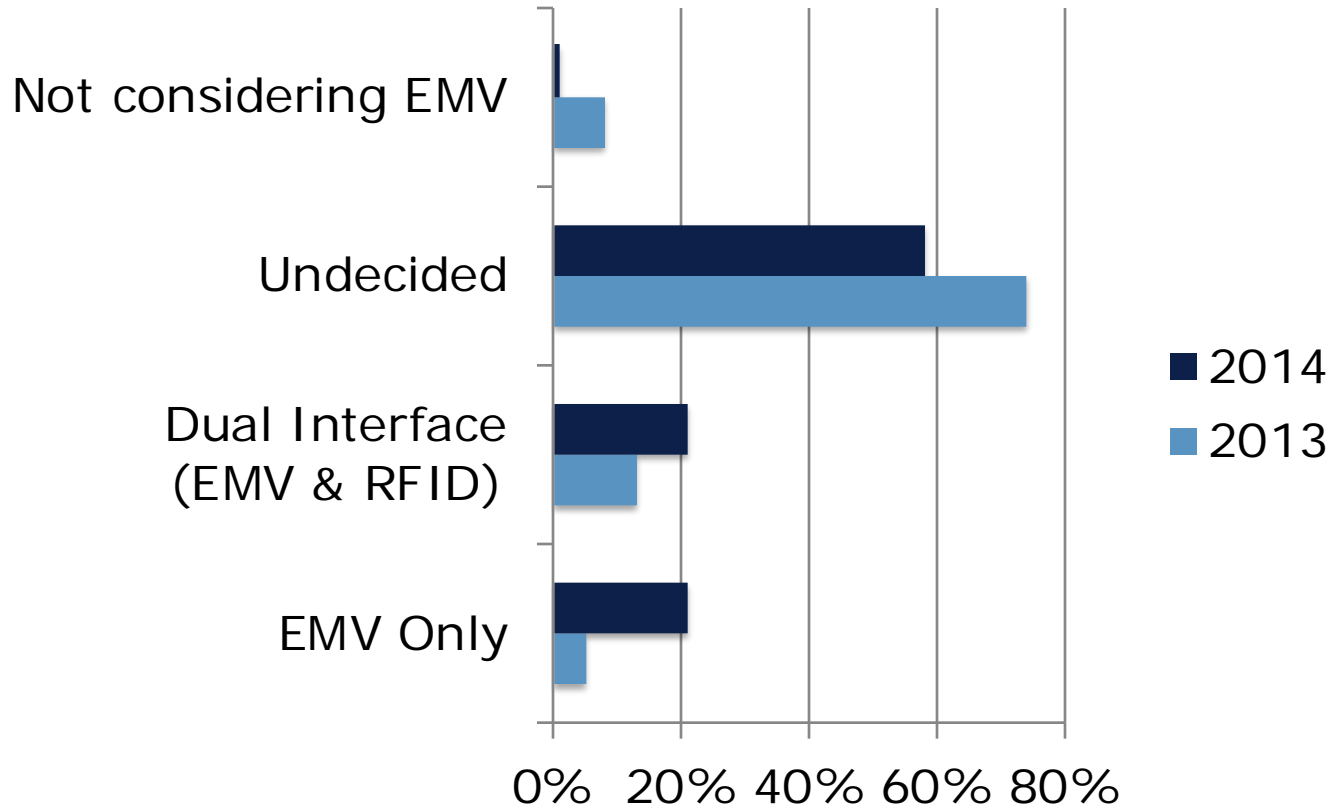
How/To Whom Do You Plan On Rolling Out Your Program?



What Is Your Main Reason for Migrating to EMV?




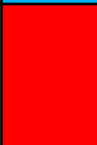
What Type of EMV Program Are You Considering?



Has the Target® Breach Changed Your Financial Institution's Priority of EMV?

Response	Chart	Percentage
More important		34%
Less important		1%
No change in priority		65%

Has the Target Breach Increased Your Card Holders' Awareness of EMV Cards?

Response	Chart	Percentage
Yes, their awareness has increased	 A horizontal bar chart with a blue segment representing 45% of the total width.	45%
No, their awareness has not changed	 A horizontal bar chart with a red segment representing 26% of the total width.	26%
I do not know	 A horizontal bar chart with a green segment representing 29% of the total width.	29%

What Is Your Financial Institution's Biggest Concern or Challenge with EMV?

2014

1. Cost of implementation
2. Card reissuing and production
3. Merchant readiness and cooperation
4. Customer experience
5. Processor and card association coordination

2013

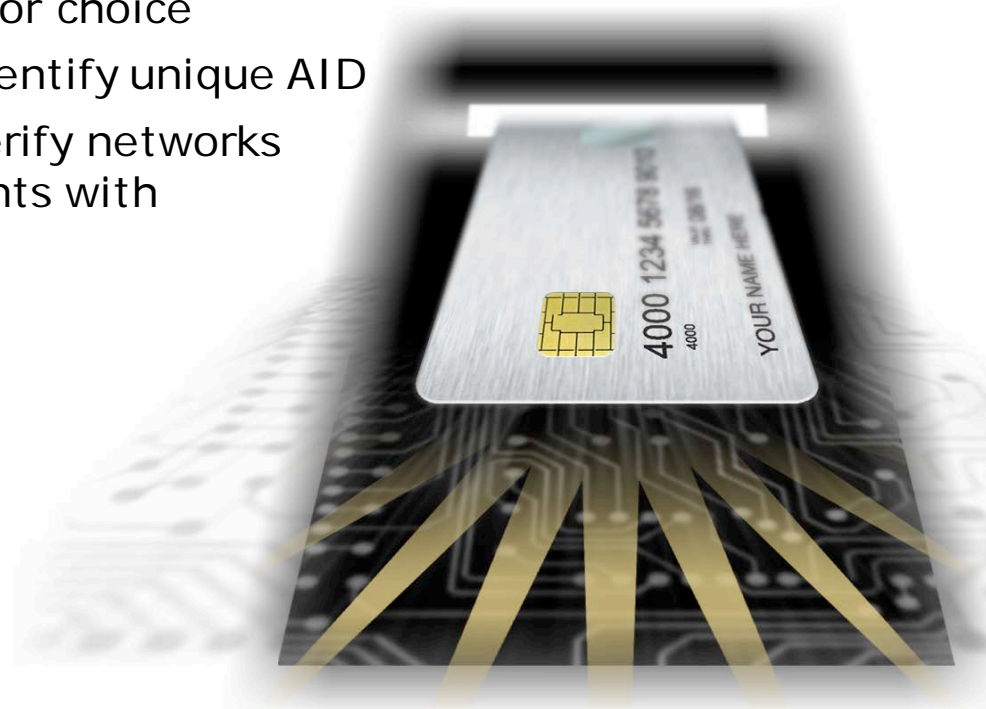
1. Cost of implementation
2. Cost of reissuing and card production
3. Acceptance in the U.S. and being able to use the magnetic stripe
4. Knowing where to start



EMV and the Financial Institution

What You Need to Know About EMV Debit Cards – a Starting Point

- Durbin Amendment requires all debit cards to support at least two debit networks and enable merchant routing choices[†]
- EMV card interfaces with the terminal to select the appropriate application on the card for routing
- Each card has one unique application identifier (AID), e.g. Visa, MasterCard, AMEX, per processor choice
- Financial institution needs to identify unique AID
- Financial institution needs to verify networks have signed licensing agreements with card associations



Questions to Ask When Getting Started with EMV

- Type of Card
 - Contact, Contactless or Dual Interface
- Card Holder Verification Method (CVM)
 - Online or offline
- Applications (AID)
 - Visa, MasterCard, AMEX, Star[®], Shazam[®]
 - Transit, Campus Access, State ID
- Memory Needed
 - Chip size to allow additional card features; rewards programs



Preparing Your Financial Institution for EMV

- Understand card holders' needs
 - Travel needs versus domestic usage
- Understand financial institution's fraud risk, costs and trends to determine EMV urgency
- Engage card partners
 - Contact card associations, processors, networks and card producers
 - Outline program parameters
 - Begin identifying conversion costs
- Educate employees and card holders about EMV



Harland Clarke Can Help

- EMV Solution
 - One-stop provider – manufacturing, personalization, service bureau and instant issue
 - Visa-, MasterCard- and AMEX-certified production facility
- We're part of your team
 - Implementation manager collaborates with processor and card association to set up program
 - Manages conversion process



Q&A

**Press *1
on your phone**

or use the chat window
and send your question
to "All Panelists"

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Thank You