




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.

# The Future of Instant Card Issuance

February 13, 2018

Proprietary / Confidential

# Presenters



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# What We'll Discuss Today

- “Amazon Effect” and the changing consumer landscape
- Payment solutions and branch banking trends
- Optimizing (and monetizing) the branch experience
- Instant issuance — impact from meeting consumer demands
- Introducing Card@Once®
- Instant issuance solutions and comparisons

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

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# A Study in Changing Behavior

## The Effect

Super Saver Shipping

 Shopping Cart

subtotal = **\$10.39** [Update](#)

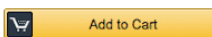
Make any changes below?

**READY TO ORDER?**

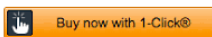
Wait! Add **\$14.61** of eligible items to your order to qualify for **FREE Super Saver Shipping**. [See details](#)

 Order Size

1-click Ordering


 Add to Cart

or 1-Click Checkout

 Buy now with 1-Click®

Order within **8hr 5min** to get it:

Tue	Wed
+3.99	Free

 Frequency

Prime


 


Enjoy instant videos, free Kindle books and FREE Two-Day Shipping

[> Get started](#)

**2x Spending**

Prime Pantry

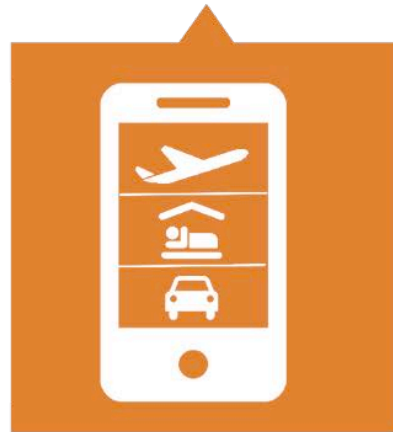
 **75%** [Fill your box](#)

 Spend



# Technology and Instant Gratification

And it's not just for online shopping anymore



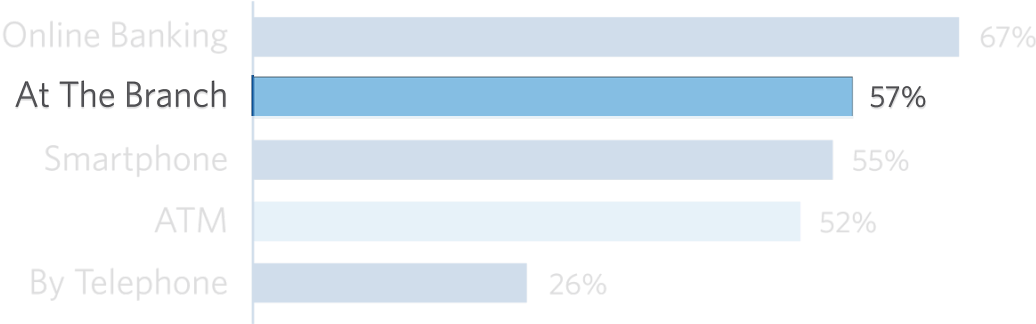
# More Payment Options Than Ever Before

- More solutions = more competition
- Financial institutions are competing with mobile payment disruptors
- Loyalty is the differentiator



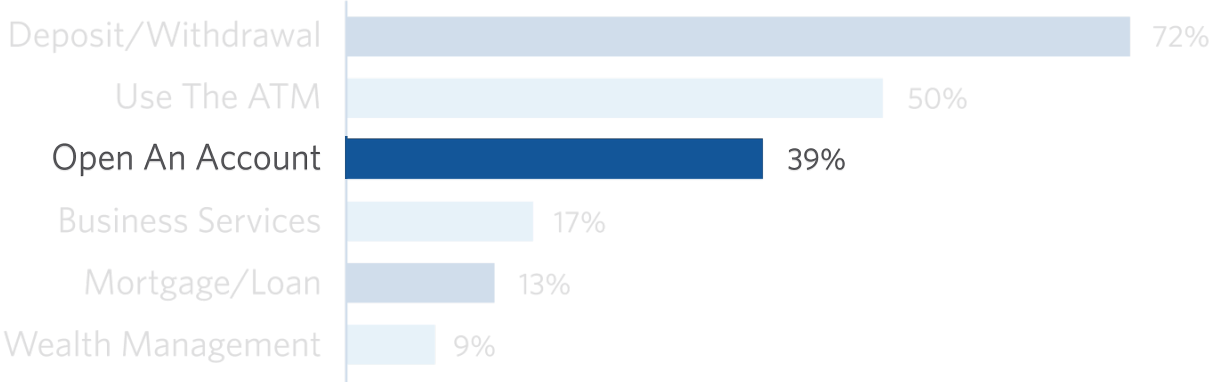
# Shift Toward Non-traditional Banking

## How do you like to interact with your financial institution?



Source: *The State of Retail Banking – 2016 – Time Trade*

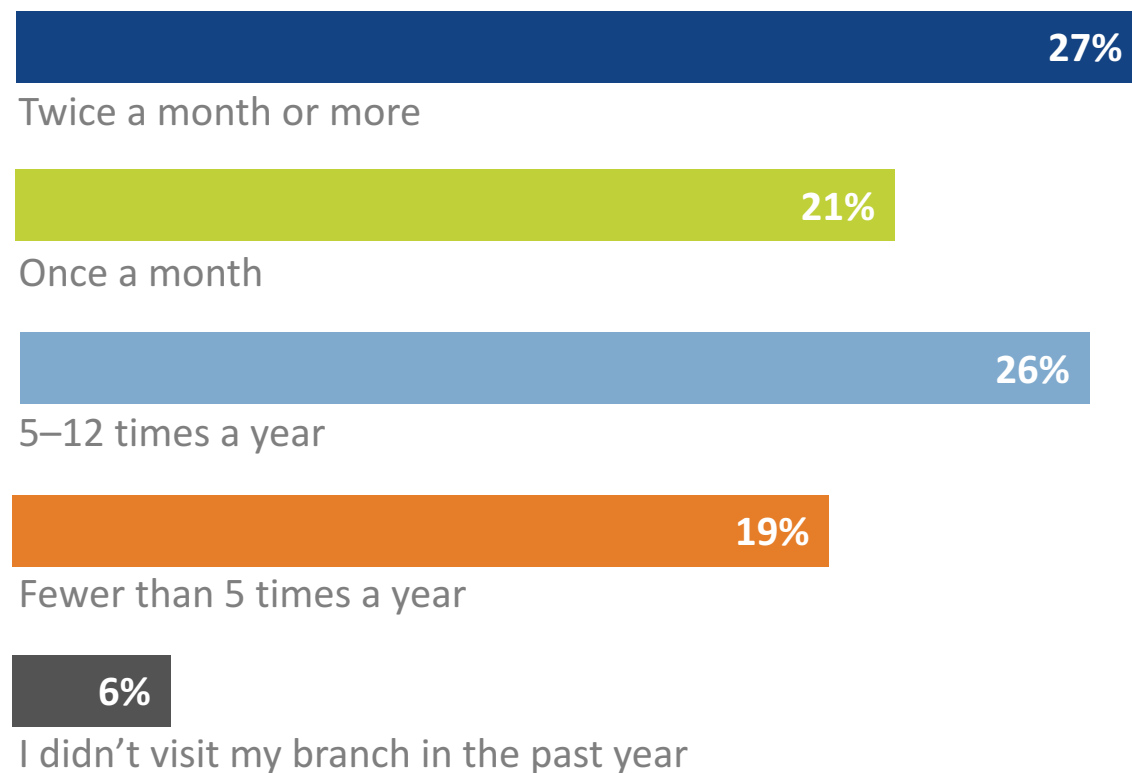
## What are the reasons you visit your financial institution?



Source: *The State of Retail Banking – 2016 – Time Trade*

## ... But Branches Are Still Important

### How many times do you visit your branch per year?



Source: The State of Retail Banking , 2017 – Time Trade



# Improving the In-branch Experience

- Promote high value-add interaction opportunities in branches
- Educate and cross-sell account holders about self-service tools and other revenue generating products
- Offer revenue-generating in-branch services



# How Instant Issue Helps ...

**Increases opportunities** for meaningful account holder engagement

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Helps keep cards **top of wallet**

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Migrates low value-added transactions to self-service channels, freeing up branch employees for more **strategic (and profitable) interactions**

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Positions financial institutions to **control cardholder activation** at account opening or in a card lost/stolen replacement scenario

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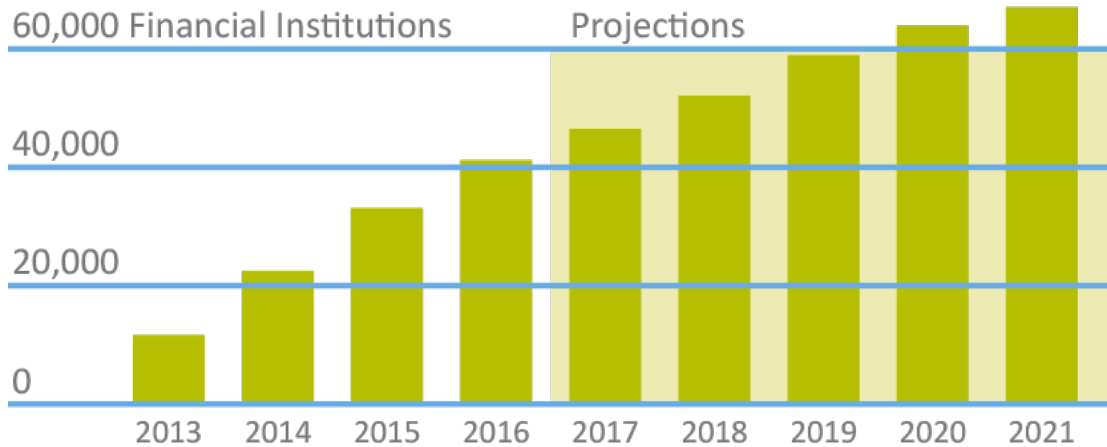
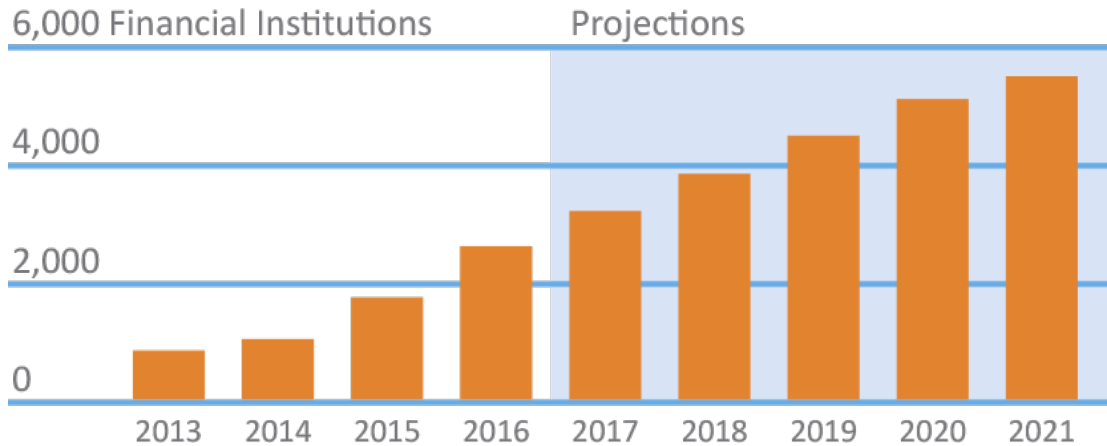
Its become a differentiator for accountholders when choosing a financial institution especially among millenials<sup>1</sup>

Source: Javelin, "Instant-Issuance Payment Cards: Fulfilling Consumer Expectations for Immediacy," October 2015

<sup>1</sup> Chronis, Chris, "In an Instant: The Increasing Impact of Instant Card Issuance," fiserv, April 5, 2017

# U.S. Projections- Instant Issuance

## U.S. financial firms and branches offering instant debit cards



Source: Aite Group

# Benefits of Instant Issuance



# Benefits of Instant Issuance

- Improved cardholder experience
- Incremental lift in revenue
- Increased activation and utilization
- Enhanced security
- Reduced operational and fulfillment expenses



# Instant Issuance Makes a Big Impact

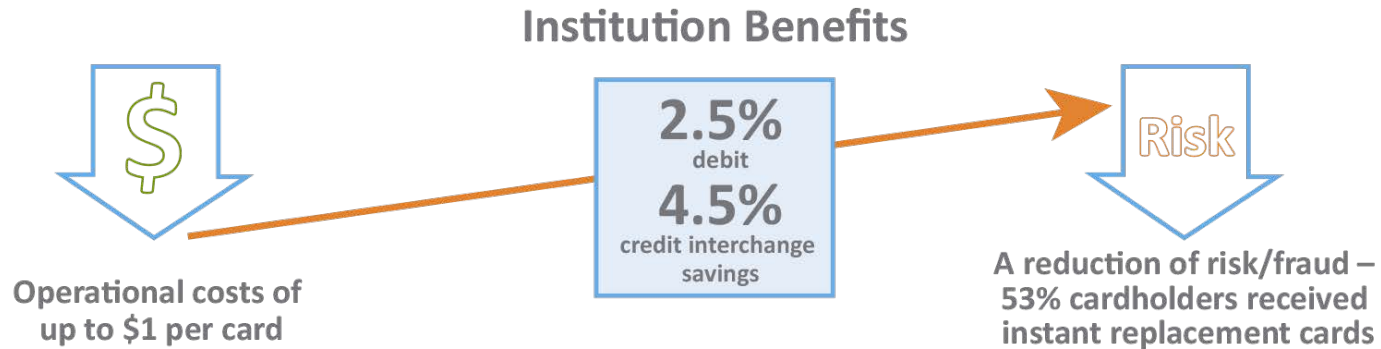


Source: CPI Card Group

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# Instant Issuance Makes a Big Impact

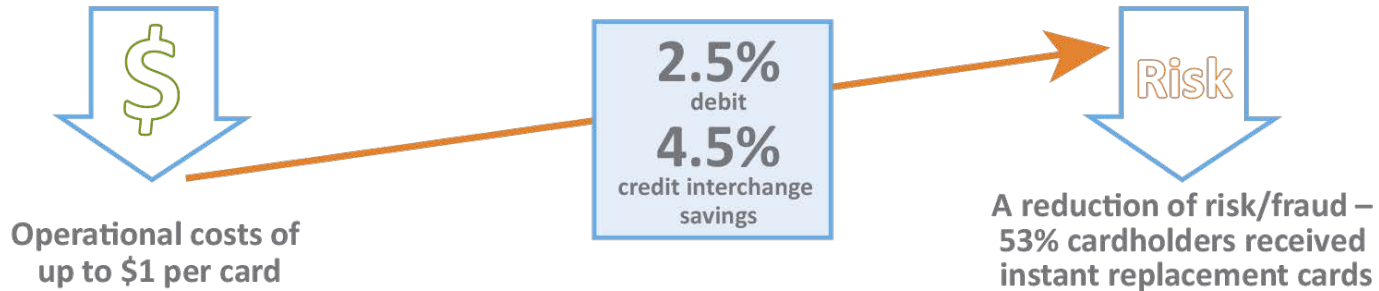


Source: CPI Card Group

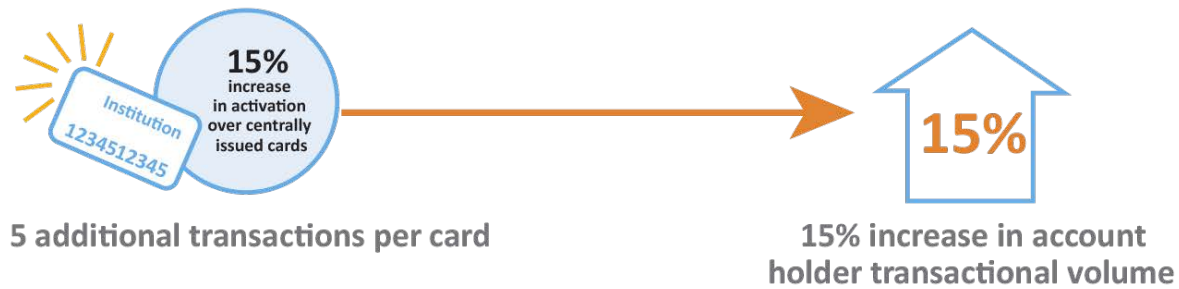
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# Instant Issuance Makes a Big Impact

## Institution Benefits



## Account Holder Experience



Source: CPI Card Group

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# Introducing Card@Once®



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# Cloud or Purchase?

## 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 systems maintenance and upgrades managed by provider

Minimal IT and Operational resources needed

## 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

FI must install and maintain software upgrades

Requires internal FI resources (IT, Operations)

# Card@Once® Instant Issue Solution Highlights

## Innovative

- SaaS model
- Patented

## Simple

- Includes implementation, setup, training and support
- Requires only a power and internet connection
- Easy to operate – no systems to manage
- Operable in a non-integrated or integrated environment

## Reliable

- Uses proven print technology
- Low maintenance



## Convenient

- Quiet operation

## Secure

- EMV capabilities
- PCI Certified
- Meets VISA®/MasterCard® security requirements
- No financial institution keys are loaded in the Card@Once® unit

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US Patent No.: 8429075.

# Card@Once® Instant Issue Process

1

Enter

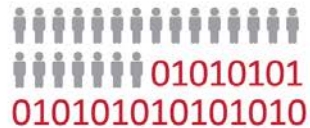
The Customer's Information



Card order is submitted via web screen

2

Encrypt



Data is encrypted and securely transmitted for processing

3

Print



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

4

Finish



Account holder leaves the branch with a fully personalized card



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# What About Security Risk and Control?

- Access rights assigned to an administrator(s)
  - Financial institution administrator sets up users based on roles
- Single sign-on capabilities available
- No financial institution keys are loaded into Card@Once® unit
- The Card@Once® solution was developed in accordance with PCI DSS regulations and maintains annual PCI certification



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# Instant Issuance Considerations

## Costs to Consider

- Start up costs
- Varies depending on the solution
- Equipment
  - Printers and PIN pads
- Software and licensing fees
- Maintenance fees
- Consumables (i.e., ribbons, etc.)

## Revenue and Benefit Drivers

- Debit cards issued per month
  - New account and lost/stolen
- Card activation rate differential
- Incremental debit usage

# What You Should Look for in a Solution Provider

- PCI DSS certified
- Visa®/MasterCard®/Discover® compliant
- Physical and mechanical locking system to secure printer to workstation and prevent unauthorized access to print and blank cardstock
- User access controls
- Enhanced reporting, monitoring and audit capabilities
- Ongoing support
- Fast and affordable implementation

# Key Takeaways

## Act Now

- Instant issuance is a competitive differentiator — account holders have begun to expect it.

## Plan Deliberately

- Instant issuance is a proven and effective strategy in helping to shape the branch transformation process and improve customer satisfaction.
- Closely evaluate SaaS versus software for purchase solutions.

## Maximize Value

- Employ marketing tactics that generate awareness and combine with initiatives that encourage cardholders to make an immediate purchase.

## Experience the Benefits

- Instant issuance increases card usage and keeps cards top of wallet.
- Instant issuance lets you engage with account holders in a personal and meaningful way.



# Q&A Wrap Up

Type your question in the questions panel 

## **Stephen Nikitas**

Senior Market Strategist  
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## **Geoffrey Thomas**

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Thank You

