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

Have questions? Use the questions panel ➡ - we'll field them during Q&A recap at the end of the call.

EMV Conversion Made Simple

Today's Speakers

Greg Kuyava,

Senior Product Manager, Card Services, Harland Clarke

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

Jennifer Werner,

Chief Marketing Officer, EFT Source

Responsible for corporate and product marketing initiatives, including:

- Managing brand awareness
- Executing online and traditional direct marketing initiatives
- Supporting sales with lead generation and lead nurturing

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Agenda

EMV – Trends in the Market

_____

EMV – A Card Overview

_____

Your EMV Conversion Journey Made Easy

_____

Q&A

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EMV – Trends in the Market

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Consumer Data Breaches

Almost two billion accounts compromised in 2014

708 breaches as of 12/3/14
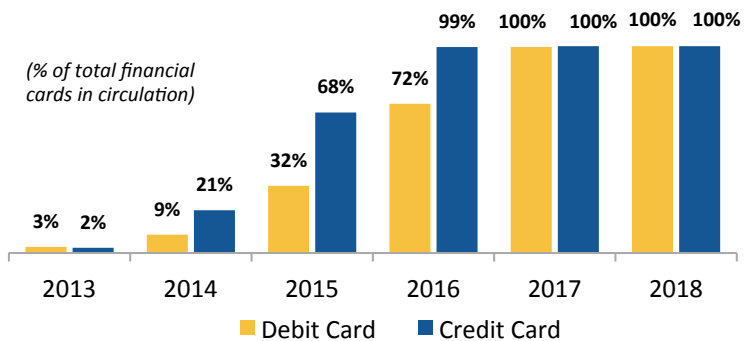
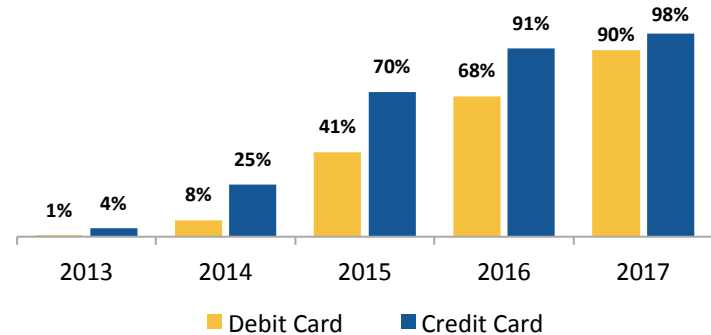**26% higher** than the same period in 2013 (562 breaches)

Poll Question #1

Please respond to the most accurate description of your current EMV migration project:

1. Researching EMV and program migration options including getting cost estimates

2. Have a start date set with our EFT Process but have not reached that date yet

3. Active EMV migration project on going with EFT Processor

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Complexities of U.S. Migration

- Payments Market
  - Largest number of issuers, acquirers, merchants, ATM operators and cardholders
  - Two international and 16 debit networks
  - Transaction routing of debit cards governed by "Durbin Amendment"
    - requires U.S. issuers to participate in at least two unaffiliated debit networks

- Ambiguity
  - Every card will support a different set of features
  - All U.S.-issued EMV chip cards will contain both a chip and a magnetic stripe

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A Game-Changing Plan for EMV

- EMV brings a new dimension to the card issuing process
  - Card manufacturing and personalization are linked
  - Each card needs its "own" personalization setup
  - Chips hold certificates and have expiry dates

- Card implementation projects can take longer
  - Choice of the EMV card product
  - Personalization infrastructure
  - Testing and approval process

- Procurement cycle will change to longer term contracts

- Late decisions could create a bottleneck in the industry

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EMV – A Card Overview

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The EMV Card
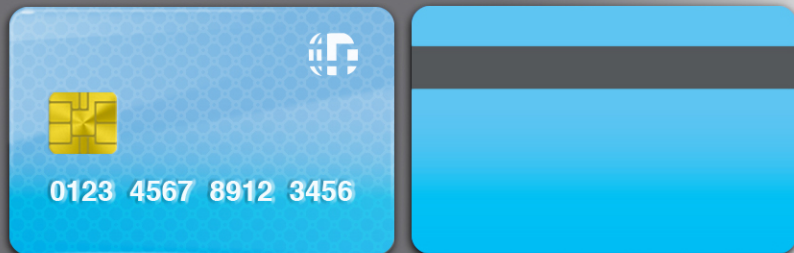
Chip Only Card Construction
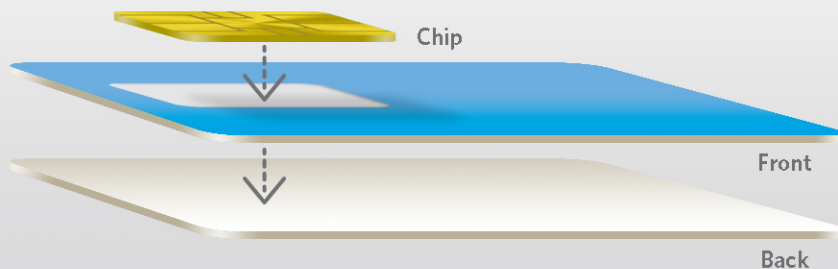
- Chip
- Front
- Back

Dual Interface Card Construction

- Chip
- Front
- Inlay
- Back
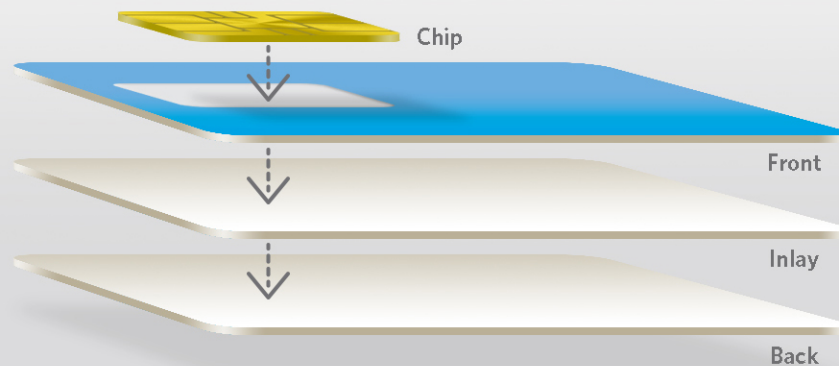
Card Platform		
Native	JAVA	Multos

Card Certification

MasterCard · VISA · AMERICAN EXPRESS · DISCOVER NETWORK

The Chip Holds
- Cardholder Data
- Keys
- Certificate

0123 4567 8912 3456

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How Similar is a Smart Card to a Computer?
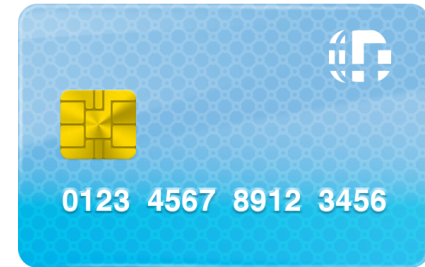
	Computer	Smart Card
Hardware	PC from HP®, Dell®, Apple®, …	Chip from ST, Samsung, NXP, Infineon, …
Operating System	MS DOS, Windows, Mountain Lion	Native, JAVA, Multos
Application	Excel, Safari, Word, Lotus Notes, Outlook	Visa VIS 1.5, PIV, M/Chip Advance, AEIPS, …

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EMV Card Types

Eight Contact

Native | JAVA | Multos*

MasterCard | VISA | AMERICAN EXPRESS | DISCOVER NETWORK
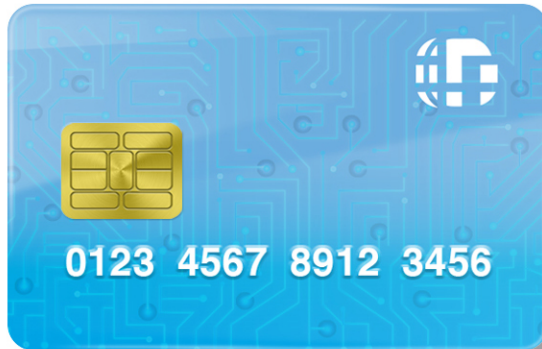
Six Contact

Dual Interface

Native | JAVA | Multos

MasterCard | VISA | Interac
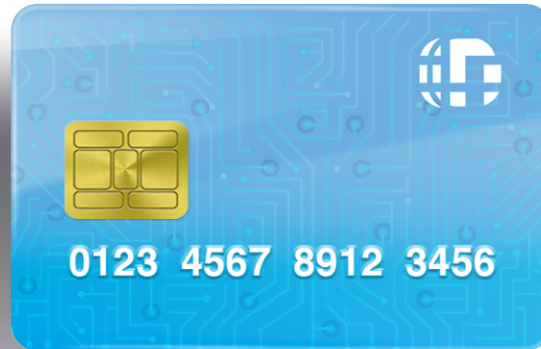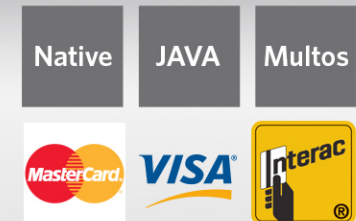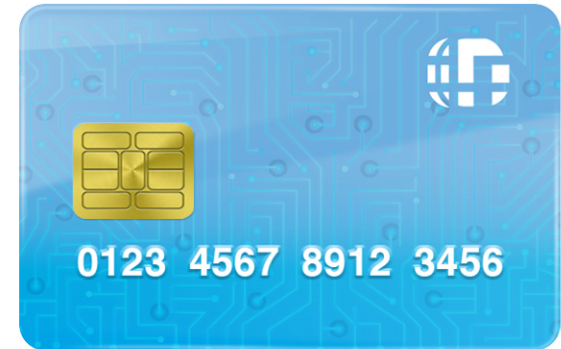
These cards are inserted into a reader. The communication happens through the chip's contact plate.

*Eight contact chip only

Card can function in dual modes, communicating both 'contact' and 'contactless' by means of an antenna (using RFID to communicate).

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Poll Question #2

Please indicate which Operating System will your FI most likely use when migrating to an EMV Card

1. Java

2. Multos

3. Native/other

4. Undecided

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The Security of EMV Transaction

Why are EMV credit/debit card and EMV payments transactions secure?

- Card Authorization – protects against counterfeit cards in card-present transactions

- Cardholder Verification – protects against lost or stolen cards
  - Online PIN
  - Offline PIN
  - Signature
  - No CVM

- Transactional Authorization
  - Online vs. offline

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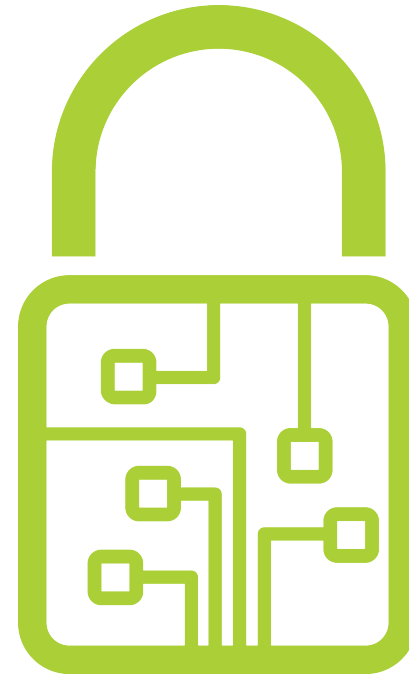
When to Migrate to EMV

Reasons for waiting

- Cost increase to card program
- Availability of internal resources
- Availability of POS EMV operable machines
- Timing of implementation – bottleneck

The cost of waiting

- Fraud finds the weakest points
- Added risk to card portfolio
- Market presence and consumer awareness

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Your EMV Conversion Journey Made Easy

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Chip Complete™

An EMV conversion solution for financial card issuers that is fast, easy to implement, cost-effective and supported by host/processor

Chip Complete provides support and guidance through every step of the conversion journey

Training

Design

Manufacturing

chip complete™

Personalization

Marketing Communication

Issuance

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A CPI Card Group Company

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Chip Complete

Added benefits designed to minimize internal and card user disruption

- Chip and inventory management

- Card design

- Instant issuance solution that is EMV capable

- Account management support

chip complete™

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Training & Support

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EMV 101 Online Training

Harland Clarke Educational Support offers custom online training solutions for your entire team:

- Informational webinars on topics related to the payments market, including EMV and prepaid

- Courses ranging from the basics to technical

- Tailored course selection to suit your needs

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The Road to EMV Has Many Twists and Turns

1 Start — EMV Product Training
2 — EMV Product Definition
3 — EFT Personalization
4 — Design
5 — Key Management
6 — Live Production Cards Production & Personalization
7 Finish — Issuance

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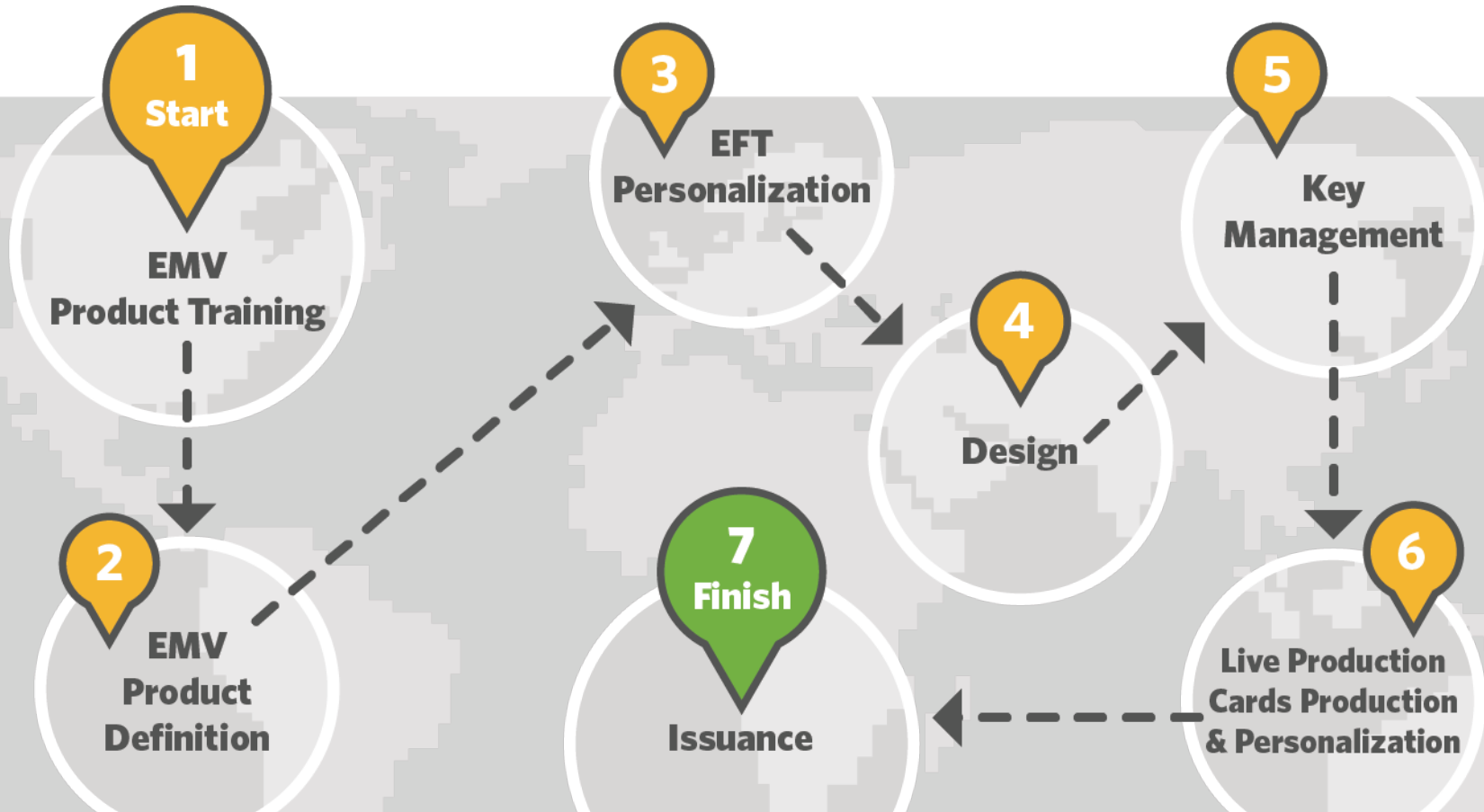
Chip Complete Simplifies Your Journey

1 Start — **EMV Product Training**
- Assemble EMV team
- Define internal communication strategy
- Payment Card Brands registration

2 — **EMV Product Definition**
- Select from preapproved profiles (credit and debit)
- Chip Confirmation
- Assign Project Manager
- Lock down personalization profile

3 — **EFT Personalization**
- Finalize EMV Migration strategy
- Confirm end-to-end readiness through implementation checklist

4 — **Design**
- Consider card and carrier design
- Align Communication Strategy

5 — **Key Management**
- Payment Card Brands certificate requests

6 — **Live Production Cards Production & Personalization**
- Card Configuration & Payment Card Brands / UAT testing
- Cards printed, ordered, fulfilled and inventoried
- Perform field test

7 Finish — **Issuance**
- Launch approved program & card issuance
- Execute external communication plan

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Chip Technology

When it comes to choosing chip technology, two is all you need

Chip Complete offers two easy-to-understand chip options, saving you time without compromising quality

Provides choice and flexibility in memory size, authentication method and operation system to meet your EMV needs
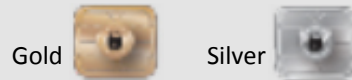
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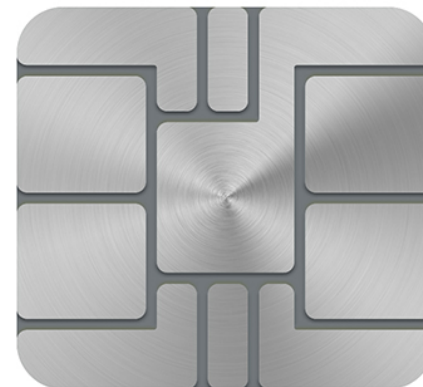
Two EMV Chip Options. Simplified.

Option 1

Chip Interface	Module Packaging
Contact	Gold Silver

Compliant Associations	
Visa | MasterCard	**Operating System**
Authentication Method	Java Version 2.1.1
SDA	

Option 2

Chip Interface	Module Packaging
Contact	Gold Silver
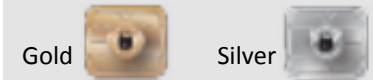
Compliant Associations	
Visa | MasterCard	**Operating System**
Authentication Method	Java Version 2.1.1
DDA	

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EMV Profiles

Common personalization specifications for MasterCard® and Visa® used for greater speed to market

Chip Complete accesses basic U.S. standard profiles to simplify the personalization process without compromising quality

Close relationship with chip card processors supports a streamlined personalization process

Discover® and American Express® available upon request

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Implementation

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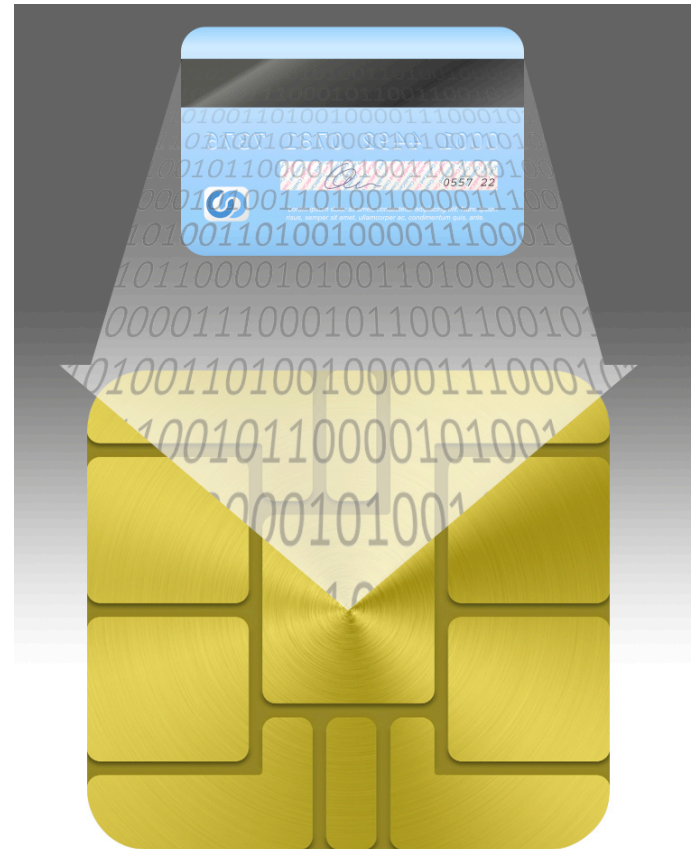
Project Management

EMV is a complex process. We provide one-to-one project management support.

Project manager assigned to you to handle:

- Card manufacturing and personalization

- Payment and processor relationships

- Graphic design

- Key management

- Card configuration analysis

Weekly calls to provide status updates and ensure your project stays on track

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Key Management

Process simplification without compromising quality

- Secure and compliant generation

- Validation

- Storage

- Transfer

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Chip Lifecycle Management

Proprietary technology manages chip lifecycles[1] so you never have obsolete technology

- Alerts card issuer of chips with one year of remaining shelf life

- Timely conversion to new EMV chips

- Efficient inventory management to prevent obsolete stock

CHIPTRAC™

The System Tracks

- Chip Expiration Date
- CPI Job Number
- Job Order Description
- Quantity
- Detailed EMV chip description and the CPI facility in which the order was manufactured

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[1]*Card Issuer is accountable for management of Letter of Authorization*

Cards and Collateral

EMV conversion is an opportunity for a card design makeover — let us help

Our card designers develop a range of cards and carriers to promote your brand and bring your ideas to life

We supply a clear card with an embedded chip so you can determine if you need to redesign your existing card

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

Add Instant card issuance to your EMV conversion plan with Card@Once – it's EMV compatible!

- Requires no software, no fees and minimal training

- Affordable, secure and easy to use

- We provide support and software upgrades needed to print EMV chip cards

Don't wait for EMV — start issuing existing magnetic stripe cards right away

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Card@Once is a registered trademark of EFT Source, Inc. U.S. Patent No. 8,429,075

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Communication Strategy

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Turnkey Marketing Support

We can manage ALL your EMV communications, including:

- Building a multichannel communication plan to educate staff and card holders

- Developing all materials

- Creating design and messaging

- Building schedules

- Implementing the solution

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Contact Center EMV Conversion Support

Cardholder Inquiries and Education - how we can help

- Toll free inbound call support with extended hours

- High touch outbound calling

- Dedicated EMV specialists

- Explain features and benefits

- Encourage activation, utilization

- Weekly call volume reporting

- Monitor cardholders' questions

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Poll Question #3

How comfortable are you with your existing Communication Strategy and Card Holder Messaging?

1. Our FI could write the "How To Manual" on EMV Communication Strategy and Card Holder Messaging

2. Holding internal discussions but nothing is set

3. Wait, there is more to this EMV project beyond getting the cards distributed?

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Q&A Wrap Up

Type your question in the questions panel ➡️

Greg Kuyava
Senior Product Manager, Card Services, Harland Clarke

Jennifer Werner
Chief Marketing Officer, EFT Source

Janet Sthele
Director, Client Strategy and Sales,
Contact Center Solutions, Harland Clarke

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

Visit www.HarlandClarke.com/Webcasts for this and previous events.

www.HarlandClarke.com

in linkedin.com/company/Harland-Clarke

🐦 twitter.com/HarlandClarke

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