



# Financial Institutions

Securing payment diversity



# The tech age of banking

In the not so distant past, forgetting your wallet meant a U-turn straight back home. Today, with a few taps or clicks on your smartphone, you can transfer money, sign a banking contract, order a ride, go shopping and dine out with friends. The trust of consumers is the basis for any form of transaction. However, how can we ensure this effortless tapping does not fall into the wrong hands?

The financial services market has undergone more evolutions in the past five to six years than in previous decades: new ways and new means of payment and banking, new consumer behaviors, and fierce competition from new entrants disrupting the ecosystem and playing their own game. In this context, today's financial institutions are undergoing a massive transformation in digitizing retail banking. Traditional banks as well as Fin-Tech are seeking out multichannel strategies to position themselves in the transforming ecosystem and address a new generation of customers, with a keen focus on digital natives.

While the threats of disintermediation and commoditization are lurking around, we at IDEMIA believe that trust remains the strongest and most precious asset that financial institutions have in hand. Ask yourself: who do you really trust with your money, if not your bank? At IDEMIA, we are conscious that our management of secret keys has become mission critical for financial companies around the world. Together we have worked year after year to reduce payment fraud — both online and in-store.

To help financial institutions shape future banking and payment experiences, we have created offers that help them take on mobility and digitalization, while maintaining that trust. By leveraging biometrics for instance, we have advanced in a way that guarantees an enhanced and seamless customer experience while still providing trust in store, in branch, online and over the phone. After all, convenience and fluidity are nothing if not accompanied by peace of mind.

## Our clients



Financial Institutions



Payment schemes



Transaction processors



Transport operators

# Reinventing financial services for the 21<sup>st</sup> century

Digital innovations have created new services, new ways of paying, managing money and communicating with customers. While this total disruption of the industry has introduced many pressing challenges for our clients — financial institutions — it has also ushered in many exciting opportunities.

## Key Figures

# 71%

of millennials believe it is very important to have a banking app and 27% of them have used their phone to make a payment in store

# 72%

of Swedes prefer banks to be the provider of the payment method they choose

**D**igital natives expect their banking to be like everything else in their lives — instant, seamless and effortless. They want to be able to pay their bills while riding the metro on their way to work, grab a drink at a concert without the hassle of pulling out their wallet or sign a loan contract from their couch. Meanwhile, on the other end of the spectrum, are the traditional customers. Most of them still prefer to go into their local bank branch to make a deposit and sit across the table from their banker to sign documents, or they simply want to keep this relation with a human counsellor for more sophisticated services. It is up to financial institutions to maintain continuity between the traditional and digital realms and to offer the same level of service throughout all channels.

All these customers can benefit from digital processes, be it in branch, online, over the phone or at the doorstep. And while the needs and expectations of these different types of customers may vary, their primary concerns are the same: security and reliability. Whether it is in the bank branch, on their mobile phone, via a wearable device or by tapping their banking card — customers need to be assured of the highest level of security possible for all types of transactions, at all time.

Let's break it down. Today you may order an Uber, book an Airbnb for your next vacation, pay your rent and grab a cup of coffee — all the while without using your banking card, or simply without realizing it. Numerous actors (device manufacturers, Fin-Techs, retailers) are integrating payment means into their own apps, putting the banks at risk of losing contact with their customers. We call this disintermediation, and it is likely one of the biggest challenges financial institutions face in our modern times. Why? Because technology has made it possible to pay through channels other than the bank-branded payment card. But at the end of the day, after making numerous purchases through various apps, people always come back to the same place to verify their balance and spending: their bank — the only safe financial repository they can entrust with their assets.

At IDEMIA we believe that a customer's trust is the one key advantage that financial institutions have today — and banks have to do everything they can to maintain it.

# What drives us

Around the world, more than 1,800 financial institutions — including some of the world's largest, most prestigious banks — turn to us. In an ever-changing and complex banking ecosystem, we help them attract and retain customers. It is our job to give them the tools to innovate and succeed.

## Key Figures

# 1,800

financial institutions (including most of the world's largest banks) trust us

# 850M+

payment cards produced in 2017

# 2M

cards digitized per month on the major mobile wallets

**W**ith AUGMENTED IDENTITY as the cornerstone of all our offers, we have developed disruptive solutions that address mobility and DIGITALIZATION and enable financial institutions to ensure CONTINUITY across multiple channels — in branch, online and on your mobile phone. We thus help them secure payment diversity, improve the cardholder experience and provide users with personalized, faster, and, as always, highly secure products and services.

At IDEMIA, we believe that banks can deliver much more than just the ability to pay. Leveraging the existing payment infrastructure, banks can simplify life in urban transportation systems — replacing tickets and city-specific card systems with everyday payment cards. In a seamless way, biometric payment cards can also help governments obtain proof-of-life — a huge challenge in numerous countries — with which they can maintain pension payments. Together with our financial institution clients we leverage cards, terminals and ATMs that are already in the field for usages beyond payment, and we are shaping the future of a true human need.



## THEY TRUST US

*“We are happy to partner with IDEMIA in order to provide customers with F.Code technology. We tirelessly work on offering the most recent and secure technologies to payment card users in Japan and abroad. Introducing them to this new biometric opportunity to secure daily payments will add a major milestone to our business.”*

ICHIRO HAMAKAWA, JCB's CEO

*“Making things simple for our customers (in particular online subscription and new secured digital services) is key to their satisfaction”*

YVES TYRODE, CHIEF DIGITAL OFFICER AT GROUP BPCE



# Our promise to you

At IDEMIA, we tirelessly innovate to introduce solutions that meet user needs in the rapidly changing financial services industry landscape. As a leading player in the payment business, we offer financial institutions a complete and innovative portfolio of solutions ranging from classic EMV card technologies to cutting-edge mobile payment, digital services and innovative online payment security.



## Biometrics for authentication and identification

We all agree that security is what matters most when it comes to payment means and banking accounts, but sometimes it only adds stress. We have all been there before — forgetting a PIN code, struggling with cumbersome logins and passwords to check banking account balances on smartphones, or failing to make a transaction abroad or online even though you are the rightful cardholder. At IDEMIA, we believe security must not be at the expense of convenience. Our biometric solutions enable financial institutions to rely on a trusted identity, based on biometrics — whether a quick smartphone selfie or a fingerprint scan on a bank card — we allow banks to offer a secure and convenient experience at all times, be it in the physical or digital world.



## Payment for today and tomorrow

From wearable cards to completely digitized wallets, there are more and more ways to pay. But did you know that most non-cash retail purchases are still done with a physical payment card? At IDEMIA, we obviously invest in the payment future with digital wallet and mobile shopping solutions, but we also continue to promote and lead innovation in the payment card business — with contact and dual interface EMV payment cards, because we know that the most difficult aspect of new technology adoption is changing user habits. This is why we keep enhancing the payment card that the vast majority of customers have already adopted, adding additional security measures such as dynamic CVV codes or fingerprint sensors that replace PIN numbers. We also observed that cardholders now want a sense of uniqueness. With our solutions, they can customize their card with a photo or they can earn flashy, exclusive members-only metal cards.



## Banking anywhere, anytime

A lost bank card is always a nightmare — calling to cancel it then waiting for a replacement. And imagine if this happens while traveling in some remote corner of the Earth, the problem becomes exponentially more difficult... until now. With IDEMIA's innovations, banks can instantly issue a replacement card, in branch or on a smartphone, ensuring that users are never cut off from their resources. Subscribing to a new contract — credit loan, new payment card... — can be done remotely as well, with the same legal value as an in-person signature. Waiting several days, or even weeks, to finally receive a card is outdated. Today's connected customers want quicker, more efficient processes and so do banks. At IDEMIA we ensure that any cardholder can get physical and digital cards in hand faster than ever.



**55%**

growth in number of card payments (expected WW between 2015 and 2021)



Introducing one-factor authentication based on SMS technology reduces revenue conversion for eCommerce sites by up to

**25%**



**15M**

e-PINs sent to date by our Smart PIN service (via SMS, WEB, in App or IVR)



# Augmented Identity

With Augmented Identity - an identity that ensures privacy and trust and guarantees secure, authenticated and verifiable transactions - we bring greater security for payments in all their forms so that financial institutions and their customers can stop worrying.

# Our innovations



## Dynamic security code

With MOTION CODE™, a card's CCV code changes every hour on a mini e-paper screen on the back of the card, reducing CNP fraud by 80%. The best and most innovative aspect of this invention? It requires zero changes in user habit. It is also a great tool to attract new customers: 8 % of MOTION CODE™ cards issued by our customer Société Générale are for new customers.



Shop online worldwide



Enter card details as usual to pay



Pay as you always did

## Biometric card

With F.Code, PIN codes become a thing of the past. Users need only to press the fingerprint sensor on the card to authorize payment. Authentication of the cardholder has never been so easy. This is an efficient and secure way to unleash contactless payments beyond the current transaction limit. Currently more than 10 banks, among the most prestigious worldwide, are already testing this new technology in order to offer these top of wallet cards to their customers in 2018.



Enroll fingerprints via mobile app



Pay high value contactless



Use your fingerprint to pay



Ensure convenient proof of life



## Mobile onboarding

With our mobile onboarding solution, users can open a bank account in a few minutes from the comfort of their homes. It's now very easy to prove a user's identity — by scanning an ID document with their smartphone — and be granted immediate access to a new bank account. This solution enables Carrefour Banque & Assurance to enroll customers in less than 10 minutes.



Capture identification data via mobile



Verify identity



Open bank account

## Mobile payment

Smartphones have already replaced watches — so why not wallets? Whether through a bank's own app or a third party wallet, we help banks deliver digital cards to customer phones with maximum security. We already digitize up to 1 million cards per month for our customers in Europe, the US, Latin America and Asia.



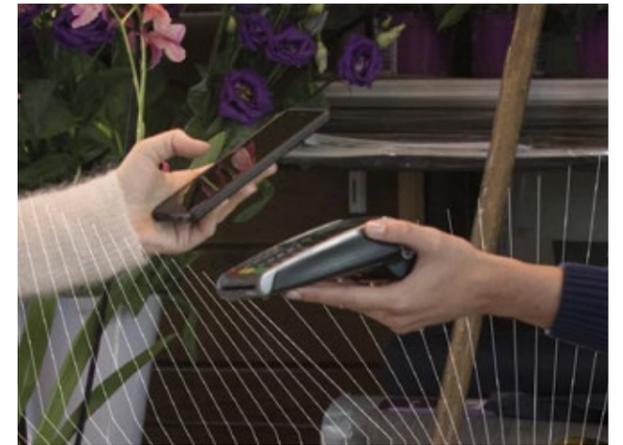
Enroll card after ID verification



Tokenize & provision cards into mobile



Pay with mobile in store, in app, in browser



## Smart Services

What if bank customers could walk out of a branch with a new payment card in hand, just after signing a contract? What if they could receive their new PIN code instantly via the banking app? What if they could turn their favorite photo into a personalized backdrop on their card? All this is possible thanks to IDEMIA's Smart Services, serving millions of customers every year, in more than 40 countries.



Manage your programs via a dedicated web portal



Issue payment cards where & when consumers need them



Digitalize all card related services

## Transport

For those who live in large cities, daily commutes on urban transportation systems have likely already been streamlined by contactless media. At IDEMIA, facilitating daily life is in our DNA. In the US, in Europe and in Asia, transport operators trust us to offer complete solutions for travel cards and services. We help them offer their service without media limitation (contactless cards, phones and even wearable products).



Use urban transport network whatever the media



Let transport operators focus on their core business



Enable transport authorities to improve their services to citizens





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