

Newsletter

December 2009 - Financial services & retail



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Edito



IIIIII Philippe Cambriel
EVP Secure Transactions, Gemalto

Cards personalization: Gemalto is your trusted partner to deliver your brand's values when issuing payment cards to your customers.

The world of Payment cards is changing fast, at the pace of the Digital World where innovation and new services constantly enrich the customer's experience. EMV is now actively deployed in new markets where magnetic stripes cards are phased out. Dual interface cards Contact & Contactless are also gaining momentum in all continents. Banks are consolidating their operations, re-branding when completing mergers, segmenting their customer base and promoting loyalty programs: the impact on cards personalization is tremendous. Getting the right card in the customer's hands requires speed, security in handling the data, multiple data sources integration and the ability to run small batches while maintaining cost efficiency.

Gemalto as the market leader is capable to offer the right mix between a large, global operation and a network of local personalization centers, close to its customers with local Sales and Services personnel ready to tune its operations to the Customer needs. Major Banks stream personalization data from tens of data centers in multiple geographies where the Bank has branches or partners. Gemalto is capable to manage those data streams and perform a cost efficient, reliable and truly optimized process for card issuance. That's a true global approach that allows a fine tuned local touch.

Most of all, Banks need to work with a Trusted partner for such a critical mission like personalization. Gemalto has a good track record in faultless data management in the upmost secure environment. And we continue to grow our data processing infrastructure to support our customer base: our recent opening of a personalization center in Jakarta demonstrates that commitment.

Gemalto has also pioneered the process for card instant issuance to support the Banks efforts to capture new customers and securing the card activation yields. Placing a debit or credit card immediately in the hands of your customers in-branch will delight them, while reducing cost of shipping cards in distant geographies or emergency situations.

You can expect to see more and more solutions to continue to make the card personalization and issuance process more flexible. With the Serverside partnership, Gemalto is entering into a new era of Web Services. The bank pilots its entire personalization and issuance process as a Marketing tool to better support its customer segmentation but also attract and manage affinity partners thanks to on demand printing solution.

To conclude this edito, I would also like to take the opportunity to thank you, our customers, for giving us the opportunity to serve you and I wish you all and your families a merry Christmas and an happy new year 2010.

Philippe Cambriel

Gemalto's bio sourced bank card

"Sowing the future with Gemalto's first generation bio sourced banking card."

For years the banking world sought a truly bio origin banking card, yet actually producing one remained maddeningly elusive due to the precise technological know how and feasibility of materials required. That is, until Gemalto made a resounding breakthrough with the industry's first compostable bank card made from naturally renewable sources. Bio origin cards had already made an appearance in the retail sector but they were still conspicuously absent from the banking industry.

If adopted by the Banks, the impact of such new cards on the environment can be very significant: more than 830 millions of microprocessor payment cards will be issued in 2009 according to Eurosmart. By introducing an eco-friendly card body, Gemalto sends a clear signal to the Banks that says now is the time to embrace this new and responsible wave.

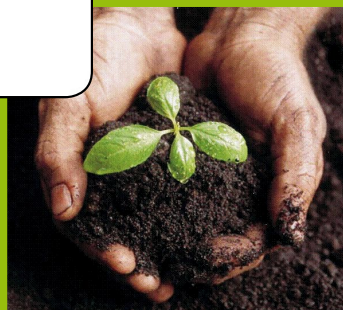
The company has been showcasing the fruit of its Research and development at this year's "Cartes" Exposition in Paris.

In order to fully grasp the significance of this technological leap, it is best to put things into perspective. Not long ago, PETg bank cards were the closest the banking sector had come to possessing an environmentally friendly bank card. Although the cards are chlorine free, they are neither compostable or bio degradable. Gemalto new card is:

- > Sourced from 100% yearly renewable raw material
- > Compostable in industrial compost (ie. Controlled conditions of temperature, bacterial environment, humidity)
- > Recyclable through dedicated processes handling both cards collection and their compostage
- > And of course chlorine free



[Learn more about the product](#)



Gemalto secures Amazon Web Services (AWS) users' accounts

Gemalto's Ezio Time Token provides AWS users with a convenient and secure way to access their account. This is a significant reference for Gemalto's strong authentication solutions since AWS is the leading cloud computing service provider. Hundreds of companies use AWS technology to provide Web Services such as online storage, CPU virtualization services and Web developers' tools such as Payment and Search.

[Securing Cloud Computing: Gemalto Protects Amazon Web Services Access with Ezio Multi-Factor Authentication Device](#)



Two factor Authentication is on the path to become a best practice for both Online Banking and Corporate IT. AWS adoption of Ezio Time Token is a key success for Gemalto, given the exposure of AWS toward hundreds of key developers.

The screenshot shows the Gemalto website interface. At the top, there is a navigation bar with links for HOME, VIEW CART, MY ACCOUNT, and ORDER STATUS, along with a search box. The main banner features a woman working on a laptop with the text "Welcome to Gemalto Webstore". Below the banner, the product "Ezio Time Token for use with Amazon Web Services*" is displayed with a price of \$12.99 and an "ADD TO CART" button. A list of features includes: Simple OTP generation, 1 button, display; Zero footprint. No software on end-user PCs; Easy to use. Easy to carry; and Compliant to OATH open standard (time based). A "NOTE*" section provides additional details about the device's security and compatibility with AWS services. The footer contains links for FAQ, Disclaimer, Terms & Conditions, About Us, and Contact Us, along with a copyright notice for 2009 and the Amazon WebStore logo.

Gemalto invests in Serverside Group, the world leader in customizing bank cards with digital images generated by end users.

Gemalto has subscribed to a capital increase in Serverside Group and has entered into a worldwide distribution agreement with the world leader in payment card customized issuance solutions. Serverside Group was founded in 2003 and employs approximately 45 people in offices in the UK, USA and New Zealand.

Serverside is best known for its payment card design technology, AllAboutMe™, which enables personal images and photos to be uploaded onto payment cards via a web interface and then be processed by the participating banks' supply chain. Customized cards deliver robust ROI to card issuers by creating a personal bond between the consumer and the card. This bond translates into increased usage, with both the number of transactions and average overall spend increasing.

A video case study of an issuer that generated an additional US\$45 per card per year through increased transactions resulting from a card customization program can be found at www.ssgl.com.



serversidegroup 

Serverside has also created technology that enables small associations, groups or companies to compose and manage their own co-brand and affinity cards. Banks use the web interface to externalize many of the tasks associated with running a program, such as designing cards and receiving approvals. This enables the partner to create cards that are tied to events, or images that matter to the partner. Since the cards are printed on-demand, it is possible to offer continually changing designs without any associated cost to the issuer. For example, a football team that just qualified for a final could issue its own branded card with a specific design related to the big game.

Beyond payment card design, Serverside offers a full card marketing platform, which is focused on reducing risk, shortening the issuance cycle time and opening opportunities to design cards to match hot events or key milestones. Who said banking cards always have to look the same?

Serverside Group's **Virtual Portfolio** is a highly efficient card marketing and partner management platform for card issuers looking to cut the cost of managing multiple card partner programs. It consists of a hosted Software as a Service (SaaS) platform that can be customized for each stakeholder with simple, self-service interfaces. The service is designed around financial institutions' need to evaluate and approve potential partners, then to administer and promote the program to cardholders. Virtual Portfolio enables issuers to service and monetise previously underserved groups by enormously reducing the risk of launching and marketing card programs. This product has been showcased at Cartes Paris, November 2009.

Contactless personalization is now a mature business for Gemalto

Contactless technology keeps deploying very aggressively on all continents and Gemalto leads the market with **22 millions EMV contactless payment cards** delivered. In order to make sure contactless technology and its related benefits reach the consumer, issuers need to rely on a trustworthy partner for cards personalization.

Allynis Personalization Services have always been an integral part of Gemalto's activities - a key competitive advantage, in the eyes of many of our customers. Regarding Contactless and Dual Interface Cards, Gemalto provides the same high standards personalization services in the same bureaus, targeting mass transit and contactless payment. In addition to secure and efficient card issuance, Gemalto offers consulting services, turn-key project management, data management (including multiple sites data consolidation), and a wide range of added-value services such as change requests handling, online card tracking, fulfillment and packaging...

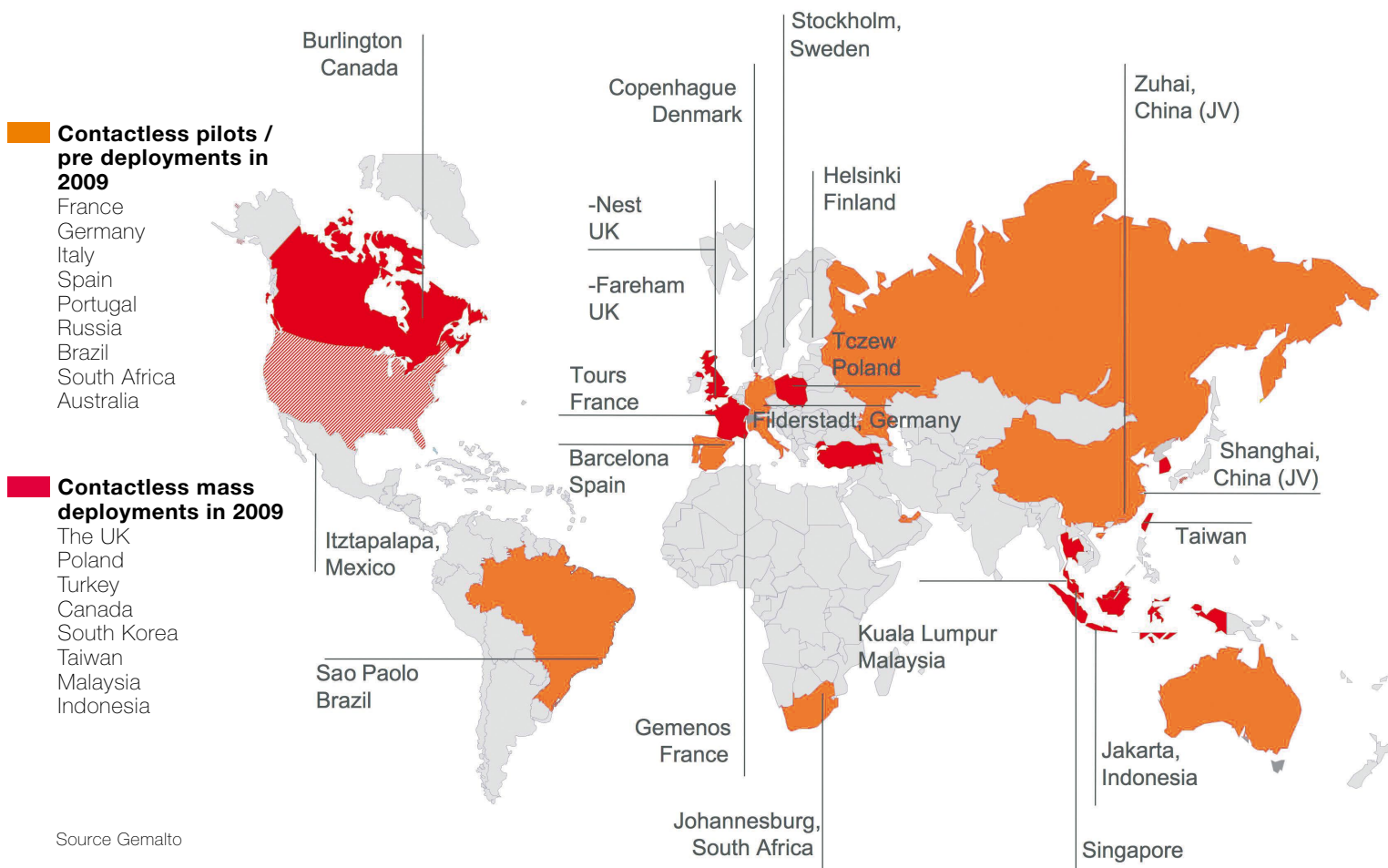
www.gemalto.com/financial/solutions/contactless_payment.html

EMV dual interface cards can be personalized in a contact mode or in contactless mode. In addition, this new technology requires additional parameters, keys and certificates to be managed. Quality controls performed at all steps of the personalization process must also be enriched to ensure the right activation of applications in a contactless mode.

Gemalto as the world leader has a unique network of **20 certified personalization centers ready for EMV, contact and contactless** (and CQM certified - Card Quality Management). Whatever the technology used (dual-interface or pure contactless, Native or Java, Multos...), Gemalto can provide the upmost level of service, anywhere in the world, close to the Banks and Transport Operators and with dedicated local resources.

Since first deployments in Asia (2005), **Gemalto has personalized over 15 Mu** of contactless cards over the world. Personalization volumes grow every year, following new contactless payment deployments like recently in Canada or Poland.

20 personalization centers contactless ready to accompany market deployments



Improve your efficiency with Gemalto's tips in card personalization

You can benefit from our custom built cost effective services, as shown in the few examples below. All these services are available upon request at each of our personalization bureaus.

TIP 1

Managing cards and stationaries (such as envelopes, packaging etc...) requires dedicated personnel to monitor stock levels and place new orders when required. The cost of holding large volumes of cards can be high, not only because of the inventory cost itself, but also because of storage costs and management of large volumes with hundreds of references

With Gemalto's stock management services, there is the opportunity to significantly decrease your inventory management costs, relieving you from stock management activities. You can benefit from our secure facilities and dedicated personnel who will manage the stock for you. By integrating this role into Gemalto's existing planning function, costs are minimized and products flows are optimized. Customers are now widely using such services in France, Poland, the UK.

TIP 2

In some areas in the world, delivering payment cards to the end-user using traditional mail runs at risk at being intercepted, therefore extra precautions need to be taken. Until now, the only solution was to use the services of specialist secure mailing organizations where, inevitably, additional processes and logistics were impacting the overall lead time and processing costs. Many issuers were obliged to trade lead time for security.

Gemalto can improve that secure delivery for you without trade offs on lead time: Gemalto's disguised mail service handles the secure dispatch to the end users, internally within our secure locations and without any time delay experienced for additional transportation to a third party. This is a service which is currently being used by major UK banks

Completing the disguised mail pack is an ink jet process, simulating a handwritten name and address on the envelope.

Hard times for fraudsters!

TIP 3

Did you know that on average, banks that have already started using Allynis Issuance Manager (AIM) have reported a 50% increase in employee efficiency? As an example, using AIM, a card purge can be triggered with only a click, within the web interface. AIM brings the benefits of reducing paperwork and time-consuming processes, where phone calls and faxes are traditionally used. Today the Bank can virtually control all steps of the card personalization process. And minimize its costs and resources in that area.

Additionally Gemalto's AIM web interface allows global issuers to monitor their business activities in one or many different personalization centers at the same time.

This was made possible because Gemalto delivers a consistent service all over the world through our dedicated data centers, through tailored R&D teams and a shared personalization platform. With this performant data processing infrastructure materialized by AIM and its web interface, you can take advantage of a quick deployment of new products and services. Securely accessible remotely for anyone with an account and with just an access to a web browser, AIM provides a wide range of services from online Purge for urgent card shipment, delivery address change or card destruction, online card tracking to reporting (production reports and statistics).

About Gemalto

Gemalto (Euronext NL 0000400653 GTO) is the world leader in digital security with 2008 annual revenues of €1.68 billion, and 10,000 employees operating out of 75 offices, research and service centers in 40 countries.

Gemalto is at the heart of our evolving digital society. The freedom to communicate, travel, shop, bank, entertain, and work—anytime, anywhere—has become an integral part of what people want and expect, in ways that are convenient, enjoyable and secure.

Gemalto delivers on the growing demands of billions of people worldwide for mobile connectivity, identity and data protection, credit card safety, health and transportation services, e-government and national security. We do this by supplying to governments, wireless operators, banks and enterprises a wide range of secure personal devices, such as subscriber identification modules (SIM) in mobile phones, smart banking cards, electronic passports, and USB tokens for online identity protection.

To complete the solution we also provide software, systems and services to help our customers achieve their goals.

As the use of Gemalto's software and secure devices increases with the number of people interacting in the digital and wireless world, the company is poised to thrive over the coming years.

For more information please visit www.gemalto.com.

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Editorial Committee : Xavier Larduinat & Nathalie Murat

Writer : Xavier Larduinat

Production : Vincent Gregoire

Marcom : Anne Bobin

Credit photos : Laurent Mauger - Jupiterimages

Any other topics or issues you'd like to read about?

contact anne.bobin@gemalto.com

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