

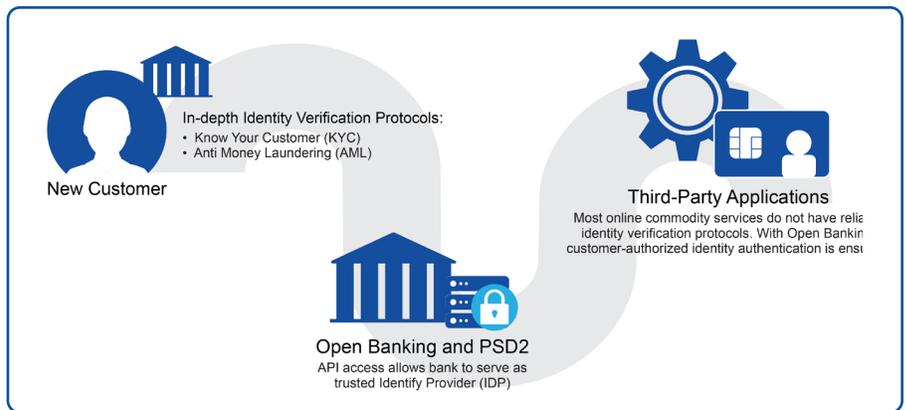
HID® Identity Verification Service

THE HID® IDENTITY VERIFICATION SERVICE IS AN OFF-THE-SHELF, END-TO-END SOLUTION FOR DIGITAL ONBOARDING AND KYC COMPLIANCE

The HID Identity Verification Service is a complete end-to-end identity solution for banks and financial services providers that need to support digital onboarding aligned with Know Your Customer (KYC) principles. HID Identity Verification integrates with the HID Authentication Platform and HID Risk Management Solution for threat and fraud detection, allowing financial institutions to deploy intelligent multi-factor authentication methods and optimize the user experience while ensuring that identities are thoroughly verified. Your business is protected from fraudulent identities that may have been tampered with or forged, even as you offer customers a more user-friendly onboarding experience.

How Open Banking & KYC Are Reshaping the Banking Experience

Today's increasingly complex digital ecosystem of mobile devices, app-based services and public and private networks has both introduced novel challenges for banks and opened up opportunities for innovation. The new, evolving business ecosystem shaped by the Revised Payment Service Directive (PSD2) and open banking is empowering organizations ready to embrace new technologies and approaches. Coming into alignment with open banking standards will require financial institutions to put the customer at the



heart of the value chain by building tools that respond to their needs and enable them to make informed financial decisions. As customers are increasingly demanding fully digital user experiences across the full range of devices, automating and streamlining the identity verification process are high priorities within the industry.

In addition, anti-money laundering (AML) directives are becoming more stringent, requiring regulated firms to verify the identities of their clients prior to engaging in any commercial activities. This verification process is referred to as Know Your Customer (KYC), which is part of the industry's overall AML initiatives. While KYC/AML is necessary to prevent against fraud and other illegal activities, it is often a source of inconvenience and frustration for both the business and the customer. The challenge is that most onboarding processes deployed in the past are manual and cumbersome, both for the firms administering them and the customers getting onboarded. This confluence of factors can lead to gaps in compliance practices, significant cost increases when acquiring new customers and customer drop off—all of which result in lost business.

The HID Identity Verification Service—Designed for Today's Business Environment

The HID Identity Verification Service is designed specifically to enable banks and financial institutions to optimize their digital onboarding processes for this demanding new business environment. The HID Identity Verification Service runs a suite of advanced technical checks against every customer submission or interaction to ensure that identities are thoroughly authenticated and verified. By establishing and verifying an individual's digital identity at the outset, trust informs all aspects of the account relationship. Ultimately, your business is protected from fraudulent identities that may have been tampered with or forged, while your customers enjoy the kind of frictionless mobile experiences that lock in customer loyalty in the digital age.

How It Works—Mobile App Convenience

With the HID Identity Verification Service, you will become KYC compliant just by asking your customers to go through a few simple steps on a highly secure, user-friendly mobile application—either remotely or in person. New customers would simply be provided the app at the initiation of a new account. Existing customers could be brought into the new system by downloading the app and then walking through the exact same process.

	<p>Capture</p> <ul style="list-style-type: none"> • Once the app is installed, the user would access their device’s camera to scan one or a selection of identifying documents • Passports, officially issued ID cards, or other document providing proof of address and adhering to KYC provisions can be used • The initial capture documentation must include an image of the customer’s face
	<p>Analyze</p> <ul style="list-style-type: none"> • The app instructs the user to take a selfie photo for biometric analysis • Facial scanning technology performs a comparison of the selfie to the photograph in the identifying document • Through the video setting on the user’s device, the app establishes liveness through motion detection like blinking
	<p>Verify</p> <ul style="list-style-type: none"> • Applying risk management and threat detection techniques, the app compares and contrasts the analyzed personal, biometric and documentary data against well-established datapoints. For example, the username must match the known address and the document expiration data must be correct. • The risk assessment process is initiated by harvesting data points such as type of device, geolocation, configuration (language set, version of the OS, etc.) and also behavioral biometrics, which over time build out a rich individual profile • Similarly, threat detection uses device fingerprinting and analyzing for irregularities in device settings, geo location and other data points • Checks are performed for Politically Exposed Persons
	<p>Complete</p> <ul style="list-style-type: none"> • The identity documentation, analysis and verification data is uploaded and stored securely • Bank administrators perform a review to complete the verification process • The bank generates a comprehensive Customer Due Diligence (CDD) report that will be used to inform and complete the KYC process • This report forms the basis for continuous monitoring in risk assessment and threat detection

Customizable Mobile Solution

Organizations can white label, configure and integrate the app-based HID Identity Verification Service with minimal or no development effort. You can choose from three platforms for deployment, or integrate all three into your KYC operations:

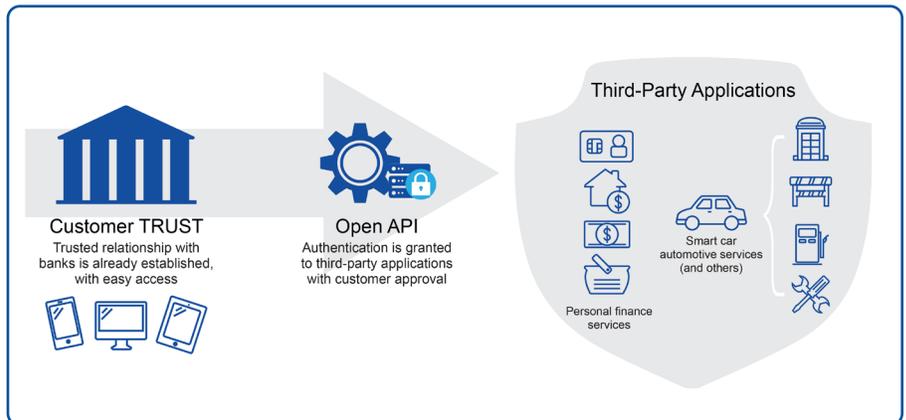
- Customer App—Customer downloads and installs app on their own device; identity information is submitted to the organization remotely
- Business App—Organization installs app to its own devices, captures customer information in-person within bank branch locations
- Web Portal—Robust, multi-layered online verification of submission

Onboarding Sets the Stage for Ongoing KYC Compliance

HID Identity Verification Service’s rich reporting provides a solid foundation not only for risk assessment and threat detection, but also for full compliance with KYC provisions. The particular requirements for KYC vary from country to country, but there is a shared set of five common processes and objectives for onboarding customers and gauging their adherence to suitability criteria on an ongoing basis.

Comprehensive Authentication & Risk Management

By integrating with HID Global’s authentication and risk management solutions, the HID Identity Verification Service sets the stage for ongoing compliance with today’s KYC guidelines. You can ensure frictionless yet highly-secure customer interactions by putting in place threat detection and risk management measures that flag truly suspicious transactions while simultaneously minimizing false positives that can frustrate your customers and increase costs. These measures provide intelligence into behaviors, anomalies and suspicious activities outlined under KYC by identifying:



What makes your user unique?

- Monitors user interaction with foreign fields, buttons, and other page elements
- Tracks and compares navigation and application usage habits
- Enables behavioral biometrics for mouse, keyboard and swipe interactions

What’s normal for your user?

- Machine learning identifies anomalous transactions in sessions
- Multifaceted analysis pinpoints irregularities in geolocation, device settings and capabilities, full context, typical transaction values and more

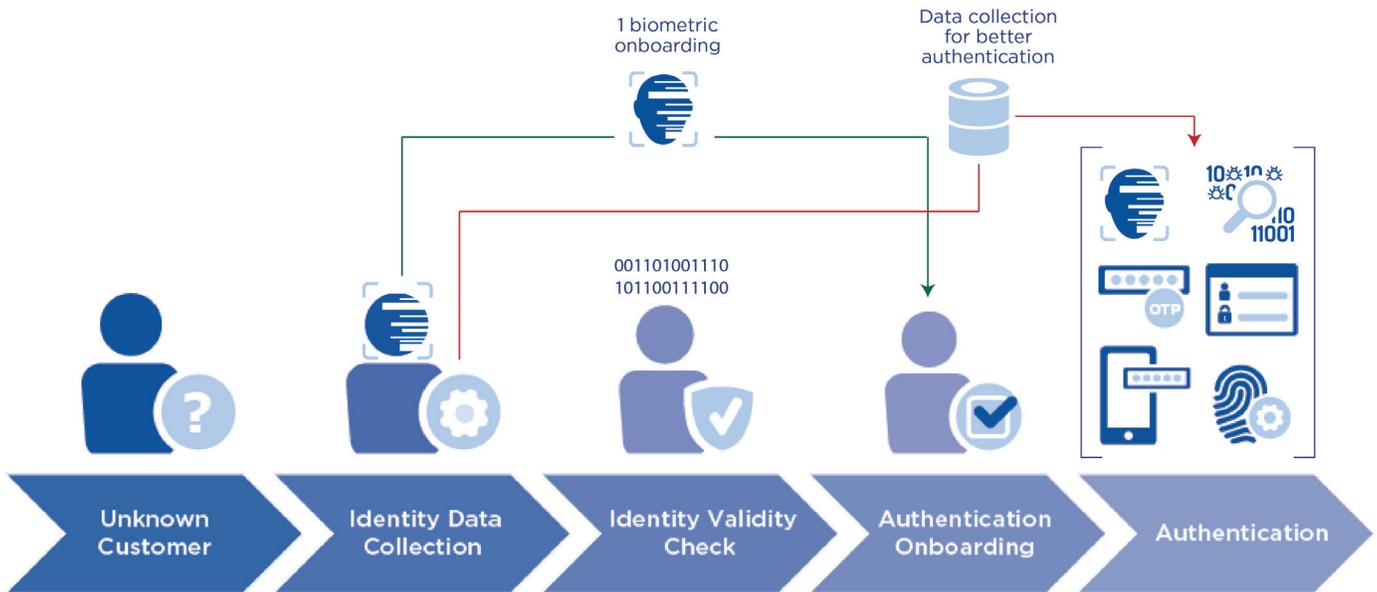
When is your user not your user?

- Analyze device and networks used to access financial information
- Monitors for malware in application integrity tampering
- Recognizes high velocity or artificial access patterns

Linking Identity Verification with Authentication to Improve User Experience & Security

By optimizing the identity verification process through intelligent multi-factor authentication, the HID Identity Verification Service enables organizations to create richer, more convenient and more secure experiences for customers. The positive outcomes from the synergies between ID verification, authentication and risk management manifest in a multitude of ways:

- A consistent user experience across the full digital identity lifecycle
- Greater convenience through leveraging facial recognition from the ID verification process to execute ongoing authentication
- Faster risk evaluation—immediate user data harvesting (details on device, OS, location, etc.) enables risk assessment from the outset of the onboarding process
- Improved security, as successful identity verification informs authentication credential issuance



By establishing and verifying an individual’s digital identity at the outset of an account relationship, trust informs all aspects and interactions between company and customer.

KEY FEATURES

- Deployed either through SDK integration or standalone application
- Supports 6000+ documents across 200+ countries
- Politically exposed person (PEP) checks and sanction screening for 200+ countries
- Database checks verify proof of identity and proof of address
- Comprehensive Customer Due Diligence (CDD) report generated
- Customer’s personal information auto-populated in app
- Liveness detection and gesture recognition prevents identity fraud; liveness test includes gesture analysis and eye blink tracking to detect a live person
- Facial comparison with 50-point biometric facial match
- Document verification offers a full suite of validations, including tampering and check forgery
- Additional checks via video analysis of identity documents
- GDPR-compliant cloud solution
- Possibility for white labeling on back-office application and mobile application

For more information, visit hidglobal.com/id-verification

HID Identity Verification Service

The onboarding, identity and authentication process that enhances the entire user experience.

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