

Customer Sector: Financial

Background: USAA is renowned for pioneering innovative solutions in banking, insurance, investment and retirement services. Founded by members of the military, the company offers a wide range of financial solutions to over 10.7 million military members and their families.

With brick and mortar customer locations in just 11 states, USAA's business model leverages online and mobile applications to support its services to all states and U.S. territories, as well as military members stationed or deployed overseas. This progressive approach aligns well with its fastest-growing customer segment of internet-savvy millennials, who prefer to do their business online and on-the-go.

Challenge: Everyone has seen the security questions when setting up various online or mobile accounts. What's your mother's maiden name? What was your high school mascot? What was the name of your first pet? In many cases, all it takes is a visit to your social media page to find these answers and other personal information, so your accounts may not be as secure as you think.

Thanks to the increasing ubiquity of smartphones, as well as rising rates of identity theft, USAA recognized a pressing need for more secure mobile user authentication for its member base. USAA sought out a multi-modal solution that would offer enhanced security and convenience to their members. The solution had to:

- Offer the mass appeal and convenience of choice to its members
- Enable members to identify themselves in ways that were quicker and easier than PIN/passphrase
- Comprehensively protect customer data accessed through the mobile channel.

Already using a Verisign token for boosted mobile security, USAA wanted risk management options for high-stakes financial transactions, packaged in a high-tech solution designed to retain and nurture 21st century users. USAA considered biometrics.

Solution: Daon's IdentityX® Platform — Facial, Voice, and Fingerprint Recognition for Mobile Biometric Authentication

Biometric verification had not yet gained traction in the financial sector when USAA, holding true to its reputation as an industry innovator, recognized the potential of IdentityX's multimodal biometric authentication solutions. The company piloted IdentityX's **Facial Authentication with Liveness**, and **Voice Recognition** amongst a small internal sampling, with overwhelming success. After several series of increasingly larger pilots, the company deployed a full-scale rollout in January 2015. Adding Touch ID in May of 2015, the number of biometric users continues to climb and exceeded one million members enrolled in multifactor biometric authentication by mid-October 2015. That's one million users in just 10 months!

This triumvirate of Face, Voice and Touch ID options allows members to select their desired means of identity verification based on the circumstance at the moment. Facial Authentication with Liveness quickly captures facial characteristics with a smartphone camera, requiring users to blink to ensure the user is not a photo. Voice Recognition similarly analyzes voice tones using a simple phrase. This multimodal approach to identify verification allows members to choose voice authentication when in a dim room, facial recognition when in a noisy location, or Touch ID at any time.

"USAA is committed to cutting-edge solutions to make our members' financial transactions as secure as possible. The use of multifactor authentication through biometrics is one of the most effective ways to increase security protection as traditional passwords become increasingly obsolete."

GARY MCALUM,
USAA'S CHIEF SECURITY OFFICER

"The recent enhancements to the USAA mobile app highlight our focus on the member experience we deliver."

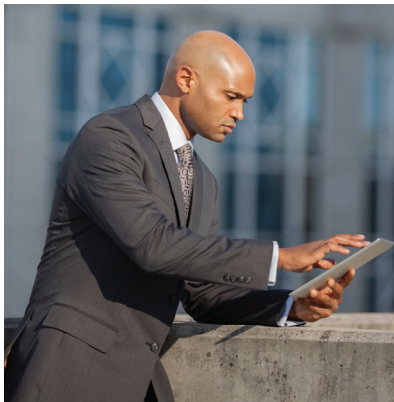
CARL LIEBERT,
USAA'S CHIEF OPERATING OFFICER

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Daon's IdentityX Platform's Mobile Biometric Authentication Solutions:

- **Deliver biometric authentication using existing, ubiquitous technology** — Even older members, a demographic that was once thought to be resistant to new technology, have smartphones, and almost all smartphones have cameras and microphones.
- **Authenticate quickly and intuitively** — Average total time from button press to account access is less than 3 seconds — significantly faster than PIN or passphrase.
- **Enable inclusion of all participants** — All members are able to enroll and use the system due to the multimodal nature of the IdentityX platform.
- **Better security, same mobile convenience** — Biometric multifactor authentication boosts security while preserving the convenience of mobility.



Return on Investment: USAA rolled out the new software to its customer base in early January 2015. The response was overwhelmingly positive, with mass adoption across all member segments. Within three weeks of launch, over 100,000 USAA members were using the biometric options, with an average of 2,000 adopting per day. And it's not just the Millennials who are taking advantage of Biometrics. Members over 50 prefer biometrics over having to remember a password.

USAA enjoys the following benefits from Daon's IdentityX Platform.

- **Enhanced security protection of member data** — Multifactor authentication through biometrics is one of the most effective ways to increase security protection beyond PINS or passwords. Fine-tuning within the application allows for threat levels to be adjusted to accommodate the appropriate security required per transaction.
- **Improved Satisfaction** — Fast, easy and secure accessing of financial accounts improve overall satisfaction within the USAA member community.
- **Reduced identity theft, fraud and associated costs** — Identity theft is consistently the leading complaint filed with the Federal Trade Commission. Since implementing IdentityX, USAA has reported zero evidence of fraud through the mobile channel.
- **Strengthened member affinity to USAA** — USAA's successful adoption of biometric solutions demonstrate the company's willingness to pioneer innovative solutions in order to enhance members' experience.

If you would like to explore how Daon can help you create a better and more secure mobile banking experience, please contact us at sales@daon.com or call us at 703-984-4000.

CASE STUDY

TWEETS

@USAA logs me in to my bank accounts with facial recognition software that takes 3 seconds max. THIS IS THE FUTURE.

@USAA_help just used your new facial recognition software on my iPhone 6 Plus for logging into your app. Two words: freaking awesome!!!

ABOUT DAON

Daon is a leading provider of biometric authentication and identity assurance solutions focused on meeting the needs of enterprise and public sector customers worldwide. Daon has pioneered methods for securely and conveniently combining biometric and identity capabilities in multiple channels. Daon empowers its customers and their users to choose the factor or combination of factors that best meet their situational needs and preferences.

Daon's offerings include rich mobile biometric authentication and biometric identity management solutions with deployments that include payments verification, digital banking, border management, immigration, employee credentialing, national ID, passports, driver's licenses, voter registration, beneficiary verification, and cloud authentication.

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