

KEY INSIGHTS FOR FINANCIAL ISSUANCE:

What U.S. Decision-Makers Want in Cards and Payments



ENTRUST

SECURING A WORLD IN MOTION



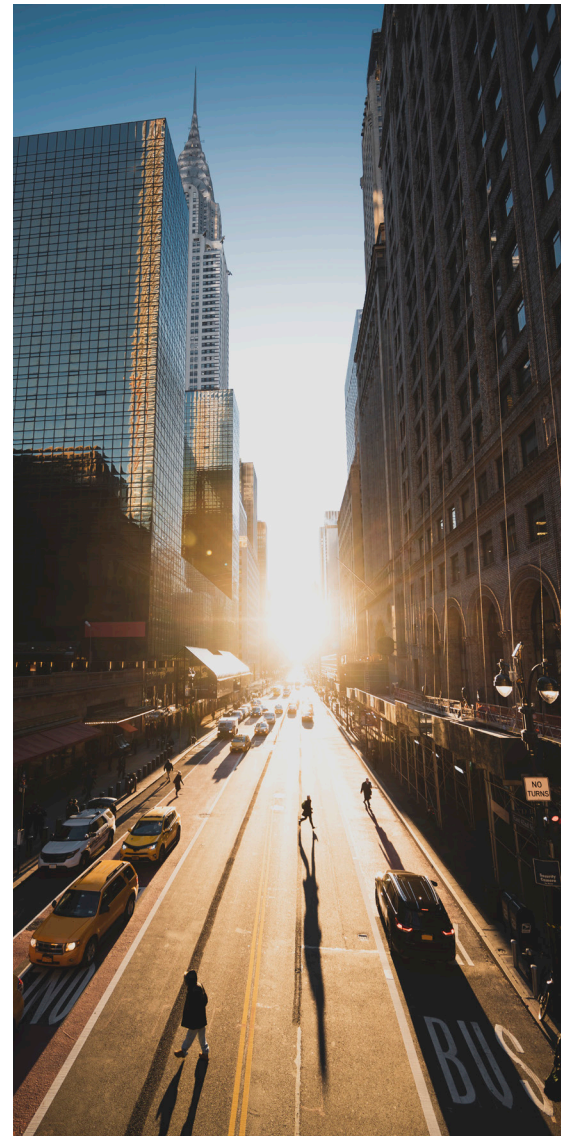
EXECUTIVE SUMMARY

U.S. financial institutions (FIs) are navigating a unique turning point in card issuance and payment experiences. Digital offerings are becoming default, drastically helping organizations speed up processes and strengthen their security standards. But physical issuance continues to stay in demand.

In a recent survey, 73% of larger U.S. financial institutions stated they offer some component of digital card issuance. This creates a clear opportunity to use AI to reduce friction, improve compliance and KYC, simplify onboarding, fight fraud, and accelerate time-to-activation. But new and improved technology alone isn't enough. Success for these institutions hinges on elevating customer experiences, integrating both digital and physical services that deliver speed, convenience, and choice back to their cardholders. This begs the question: **How can banks and credit unions simultaneously improve customer satisfaction, security, and card utilization rates?**

Let the Data Shape Your Strategy:

- ✔ **Omnichannel opportunity:** Only 37% of institutions offer both instant physical and digital issuance – leaving a clear opportunity to stand out in a concentrated market
- ✔ **Frictionless onboarding:** Financial institutions are seeking instant card issuance solutions to promote immediate spending and streamline onboarding
- ✔ **End-to-end experiences:** 1 in 3 banks and credit unions surveyed say delivering a seamless end-to-end journey is a top priority
- ✔ **Physical issuance hasn't passed:** 89% of financial institutions still rely on central issuance methods, which indicates that additive strategies, not replacement, are key during digital transformations
- ✔ **Unified issuance boosts results:** Combining digital and physical card issuance drives higher activation and customer satisfaction
- ✔ **AI-powered priorities:** There's a clear shift toward AI-powered Know Your Customer (KYC) solutions, with 21% of FIs stating it as their No. 1 priority, and many more listing it within their top 3 priorities
- ✔ **Top pain points:** Technology limitations, data security and privacy, and lack of integration with existing systems are the biggest blockers to delivering both instant physical and digital issuance



About the Survey: This research is part of Entrust's ongoing voice-of-customer initiatives to help issuers anticipate consumer needs and adapt strategies accordingly. This study is based on a survey conducted in August 2025 of 105 senior decision-makers from Tier 1 and Tier 2 financial institutions across the United States. The survey was conducted online by a third-party agency, with the Entrust name not disclosed to participants.

KEY INSIGHTS

Unlock the Omnichannel Opportunity

Just 37% of U.S. financial institutions offer both digital and physical instant card issuance, leaving a huge opportunity for banks and credit unions to lead the market in unified instant issuance. Here's why some institutions haven't unlocked omnichannel banking yet:



Digital and physical remain siloed: If 73% of institutions offer digital issuance and 50% offer instant physical card issuance, why not offer both? The gap in services is not for lack of interest or acknowledgement of the customer experience. Many institutions cite integration and infrastructure challenges as their biggest hurdle to offering omnichannel issuance.



Legacy foundations: Nearly 90% of FIs still use traditional mail delivery for physical issuance. As digital transformations and AI-driven solutions expand, institutions are exploring new technology that can add to their legacy infrastructure, not replace.

Key takeaway: Despite widespread digital adoption, physical issuance remains essential. The lack of integration between these two methods can cost institutions time, revenue opportunities, resources, and customer satisfaction. By investing in omnichannel banking to provide unified card issuance, FIs have a unique opportunity to be a leader in secure, tap-ready experiences that drive activation and customer loyalty.

KEY INSIGHTS

Digital Is the Default

Digital card issuance is no longer a differentiator – it's the baseline.

Financial institutions have shifted their focus to execution, experience, and speed.



Digital is widely adopted:
73% of U.S. financial institutions offer digital card issuance



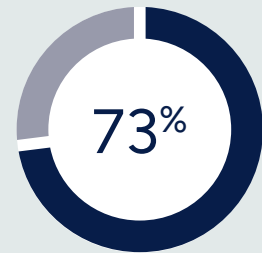
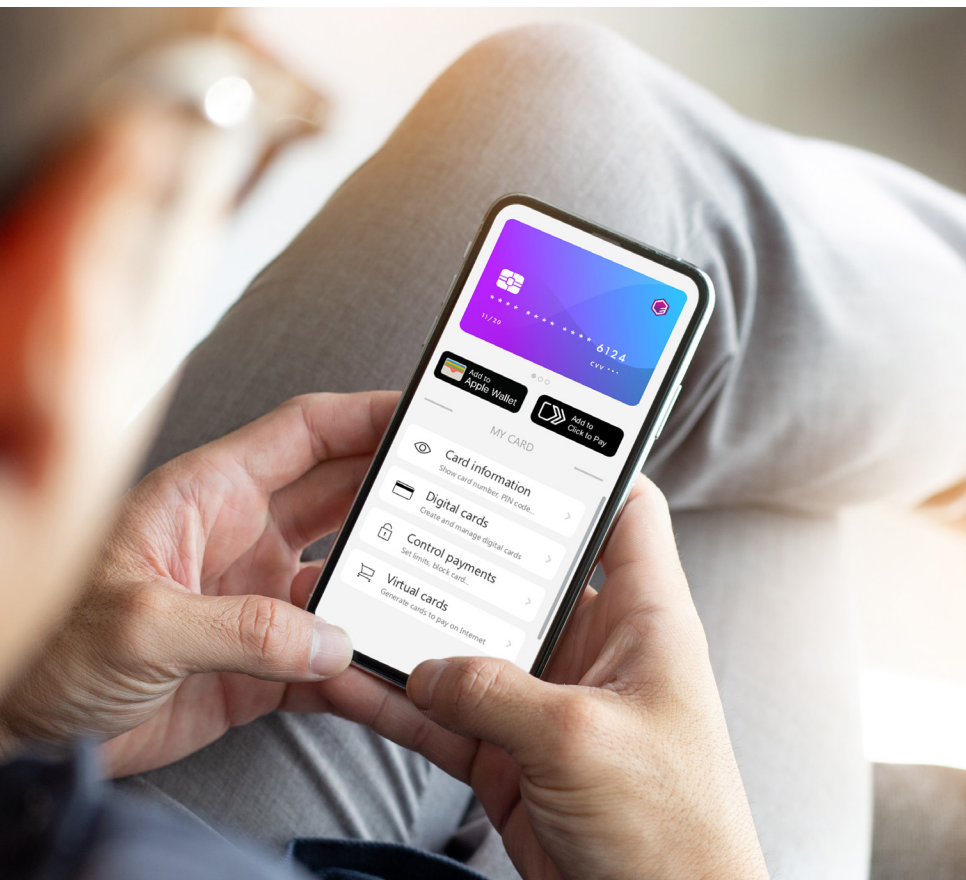
Wallet provisioning is gaining traction: 37% rank push-to-wallet capabilities among their top strategic priorities



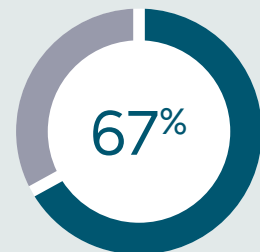
Upgrades are coming:
67% plan to add digital card features in the next 12 months



Frictionless fosters stronger retention: Institutions are investing in in-app controls and personalization to boost engagement and loyalty



of institutions offer at least one digital card feature

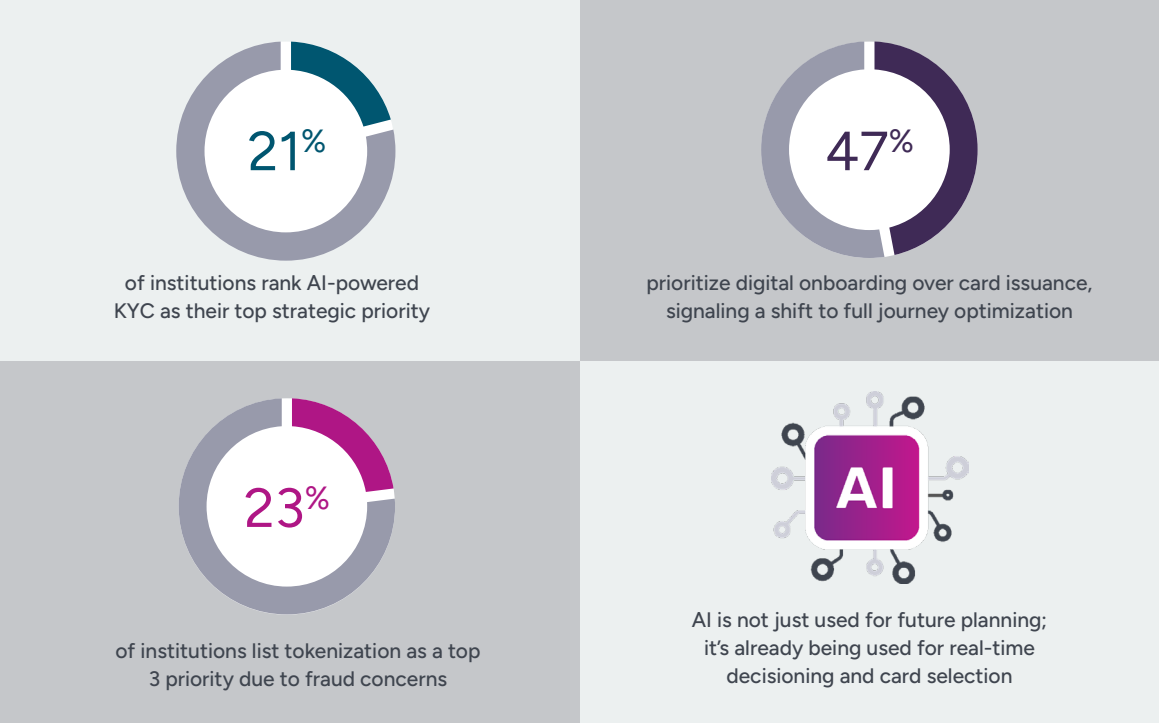


of institutions plan to enhance digital card features in the next 12 months

AI: From Buzzword to Boardroom Priority

Reshaping how institutions approach compliance, onboarding, and fraud prevention.

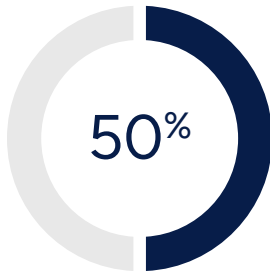
AI has officially entered the boardroom and is a main topic during strategy sessions. Senior leaders across banks and credit unions are fast-tracking their AI-powered KYC to modernize compliance and reduce fraud risk. It's no longer a question of if they should invest in AI; it's a question of how quickly they can deploy it.



Key takeaway: AI-powered KYC is no longer optional for many senior leaders across U.S. financial institutions. It's now an essential business strategy for staying ahead. While onboarding is a critical moment for fraud prevention, it's also just the first step in providing tap-ready payment experiences. To meet rising expectations, institutions should act now to integrate secure, scalable AI solutions that streamline onboarding, strengthen fraud defenses, future-proof compliance, and support ongoing digital provisioning.

Fraud as a Strategic Focus

Fraud fears are reshaping how FIs think about security – from the first customer interaction throughout the identity lifecycle. Protecting their organization, and its customers, against deepfakes, phishing, and breaches is a critical part of their security strategy.



of U.S. financial institutions say cybersecurity breaches are their most immediate fraud concern



Tokenization is a key priority for decision-makers, signaling a shift toward embedded protection



Fraud strategy is influencing tech investment decisions, especially around instant issuance and authentication

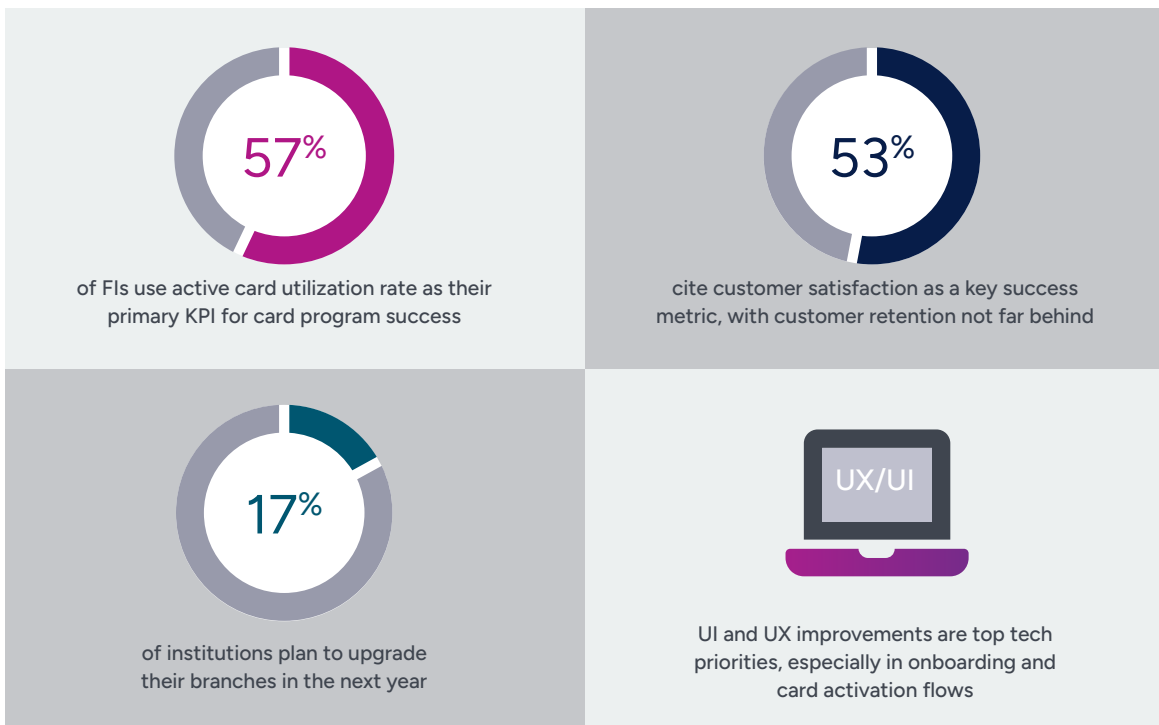
Key takeaway: Fraud prevention should be proactive, not reactive. Security is foundational. Strategically investing in AI-powered solutions can help FIs secure their cardholders from the start. With digital breaches being the main concern for half of institutions, now is the time to focus on finding future-proof solutions that protect cardholders and build long-term trust.



CX: The Currency That Drives Growth

The metric that moves card programs forward.

Customer experience (CX) is emerging as the true currency of growth in financial services. Through digital onboarding, in-branch issuance, or in-app experiences, institutions are investing in experiences for their cardholders. The shift from isolated touchpoints to full journey optimization is an important step to keep your customers engaged. How will you know if it's successful?



Key takeaway: Digital transformations have helped customers send, deposit, and track finances from their personal devices. To accelerate CX in their branches, financial institutions should rethink their physical spaces. With 17% of banks and credit unions planning to upgrade their branch spaces in the next year, there's an opportunity to transform these locations into experience hubs. This will allow them to integrate the latest technologies, including instant physical and digital issuance, while enhancing customer service to drive engagement and long-term loyalty.

Recommendations and Strategic Actions

Cardholder expectations, fraud threats, and digital innovation are reshaping card issuance. Financial institutions that prioritize AI-powered onboarding, issuance, and experience will be best positioned to drive activation, card usage, and long-term loyalty.

Our recommendation is to focus on these key areas to directly improve customer acquisition and satisfaction, card activation and usage, and fraud reduction.



1. Seize the Omnichannel Opportunity

Instant access is expected – and yet only 37% of institutions deliver both instant digital and physical payment cards. This opens the door for institutions to become a competitive leader and:

- Prioritize their omnichannel issuance strategy to integrate digital and physical instant issuance
- Default to wallet push provisioning and secure card display at account approval to accelerate activation
- Promote in-person relevance and engagement by enabling branch-based instant issuance





2. Digital Issuance Is About Experience

With 73% of FIs offering digital card features, the focus has shifted from simply having digital capabilities to delivering features that increase a mobile app's value. Customer experience is the new currency, meaning institutions should focus on seamless integration, adding cardholder-focused capabilities, and providing an end-to-end digital journey to measure their success.

- Deliver auto-provisioning at approval: Issue, tokenize, and push-to-wallet in one frictionless workflow
- Accelerate time-to-wallet: Faster access leads to faster card utilization rates – a top KPI shared among financial institutions
- Prioritize UI/UX: Customer-centric features in-app help foster engagement
- Enable secure card display in app for instant e-commerce usage, also without physical card present
- Expand in-app controls: Offer features like PIN view/change, card display, and token lifecycle management



3. Be All About AI

AI-powered KYC is a priority for many financial institutions, signaling a shift toward automation in compliance and onboarding.

- Implement AI-powered KYC to streamline identity verification and reduce friction during account opening
- Use AI to support real-time decisioning and accelerate time to account opening and first tap
- Choose solution partners that offer scalable AI integrations across the entire customer journey





4. Security Is Non-Negotiable

Fraud concerns are shaping strategy more than ever, with 50% of U.S. financial institutions listing it as their most immediate cybersecurity concern. Stay secure by adopting anti-fraud protections into every step of the issuance experience.

- Prioritize tokenization to reduce risk and simplify compliance
- Strengthen onboarding with AI-powered and biometric identity verification
- Offer proactive fraud alerts in-app and communicate security as part of your value proposition



5. The Branch Becomes an Experience Hub

Instant issuance is driving the need for financial institutions to rethink their physical branches.

- Offer instant physical issuance to deliver immediate in-person value and reinforce loyalty
- Balance digital convenience with in-branch moments that build trust
- Invest in branch upgrades – 17% of FIs plan to upgrade in the next year





TURN INSIGHTS INTO ACTION

Financial institutions are at a turning point. Digital issuance is expected, instant issuance is becoming a key differentiator, and AI-powered solutions are becoming a priority. In fact, 60% of surveyed FI decision-makers state that KYC, fraud detection, operational efficiency, and hyper-personalization are positively impacted by AI-powered solutions. Still, there's work to be done to bridge silos and invest in fully integrated technology that empowers the future of issuance.

FIs can move toward building fully seamless experiences for their cardholders by providing best-in-class AI-powered KYC for a seamless onboarding process, unifying digital and physical issuance, embedding security from the start, and supporting wallet integration. The goal isn't just to keep up – the goal is to deliver bold customer-first experiences that drive long-term loyalty.

How Entrust Helps Key Decision-Makers

As digital becomes default and instant gains traction, financial institutions are looking for a reliable, seasoned issuance solutions partner to help bridge silos and implement future-focused strategies. That's where Entrust comes in. Our identity-centric solutions portfolio can help:

- ✓ Bridge the digital-physical divide: Our issuance portfolio enables banks and credit unions to deliver instant financial issuance in-branch and digitally in-app
- ✓ Elevate customer experience across channels: Through push provisioning, tokenization, in-branch issuance, and more – with our solutions you can create a seamless customer journey from onboarding to activation
- ✓ Build AI-ready, secure foundations: Our solutions integrate with advanced compliance workflows and deliver enterprise-grade security, including AI-powered KYC, biometric IDV, and more
- ✓ Future-proof your branch strategy: Issuance isn't just about speed; it's about relevance – and Entrust helps branches transform into experience hubs where customers can get immediate card access

The leaders of the next wave of innovation will be those who deliver secure, omnichannel issuance experiences. Discover how Entrust can support your next strategic moves by learning more about our [full suite of issuance solutions](#).



ABOUT ENTRUST

Entrust fights fraud and cyber threats with identity-centric security that protects people, devices, and data. Our comprehensive solutions help organizations secure every step of the identity lifecycle, from verifying identity at onboarding to securing connections and fighting fraud in everyday transactions. Ongoing monitoring supports compliance and safeguards keys, secrets, and certificates. With a foundation of identity-centric security, our customers can transact and grow with confidence. Entrust has a global partner network and supports customers in over 150 countries.

For more information, visit www.entrust.com.

