ATO Implements Nuance Voice Biometrics to Become the First Organization to Offer Multi-Channel Voice Biometrics Authentication

Australian Taxation Office Aims to Improve the Client Experience Across the Contact Center and Mobile App

BURLINGTON, Mass., – January 21, 2016 – Nuance Communications, Inc. (NASDAQ: NUAN) today announced that the Australian Taxation Office (ATO) has further expanded its voice authentication program by integrating Nuance's voice biometrics technology into its mobile app. As the first organization to implement a multi-channel voice biometrics authentication process, the ATO aims to improve the overall experience across the contact center and mobile app for taxpayers, with over 1.5 million people already enrolling a voiceprint.

Taxpayers can already authenticate using their voice when calling the ATO contact center, an innovation which was rolled-out last year. This second-phase implementation now offers taxpayers voice biometrics authentication across its suite of online services, accessible through the ATO app. The implementation of biometrics means taxpayers no longer have to answer security questions or enter lengthy usernames and passwords to prove their identity when engaging with the ATO.

"The ATO is committed to delivering a contemporary digital experience for our clients and feedback has shown an overwhelming acceptance of voice biometrics in the call center, making it a natural next step to bring this ease of access to the mobile app," Assistant Commissioner, ATO John Dardo said.

"Voice biometrics solutions have made the authentication process more convenient for taxpayers and service agents via the ATO mobile app. We're proud to be the first organization to provide this type of innovative mobile experience for our clients," he said.

Nuance Managing Director, Enterprise, Australia and New Zealand, Robert Schwarz said: "In this changing customer service ecosystem, organizations need to provide experiences that are natural and intuitive across channels in order to meet customers' higher expectations and preferences.

"The ATO's commitment to delivering an authentication process that is faster and smoother across channels shows they are putting their clients first by offering a more compelling and effective experience."

A major benefit of the ATO's new multi-channel voice biometrics program is that taxpayers who choose to participate only need to enroll in the program once, as their unique voiceprint is authenticated when they engage with the ATO via the contact center and likewise when they are authenticated within the ATO mobile app.

A key benefit of voice biometrics is the security value it offers. Voice biometrics has been demonstrated to deliver a higher level of security than traditional authentication methods such as PINs, passwords, security questions and even physical tokens. In a report published in 2013, Opus Research examined the vulnerability of various authentication methods to a variety of attacks, and found that voice biometrics compared favorably. One of the key reasons for this is that unlike passwords, voiceprints are of no value to a hacker.

The ATO receives approximately 7.2 million calls per year from the community and prior to implementing Nuance's voice biometrics around 76 per cent of these calls required an ATO agent to verify the caller's identity, at a cost of 75,000 hours of agents' and customers' time each year.

Initial results from the ATO's voice biometrics deployment include:

- Broad acceptance evidenced by the 1.5M successful voice biometrics enrollments since the new system launched
- Feedback has indicated that the contact center experience has improved, with repeat callers experiencing a 40-45 second reduction in the average time that they are on the phone with an agent, gaining access to their personal records faster.

Organizations around the globe are recognizing the growing consumer frustration with PINs, passwords and security questions, and are addressing this frustration head on to make customer authentication more convenient and more secure than knowledge-based authentication. Nuance's voice biometrics solutions have been adopted globally by other large organizations, such <u>as ING Netherlands</u>, <u>Manulife</u>, <u>Royal Bank of Canada</u>, <u>Santander Mexico</u>, <u>SK Telecom</u>, <u>Tangerine Bank</u>, <u>Tatra Banka</u>, <u>Turkcell</u>, <u>U.S. Bank</u>, and <u>Vodacom South Africa</u>.

For more information about Nuance voice biometrics technology, please visit: www.nuance.com/voice-biometrics.

About Nuance Communications, Inc.

Nuance Communications, Inc. (NASDAQ: NUAN) is a leading provider of voice and language solutions for businesses and consumers around the world. Its technologies, applications and services make the user experience more compelling by transforming the way people interact with devices and systems. Every day, millions of users and thousands of businesses experience Nuance's proven applications. For more information, please visit www.nuance.com.

Nuance and the Nuance logo are trademarks or registered trademarks of Nuance Communications, Inc. or its subsidiaries in the United States of America and/or other countries. All other company names or product names may be the trademarks of their respective owners.

Media Contacts

Australia
Kara Billsborough
Burson-Marsteller
Kara.Billsborough@bm.com
0431 269 291

US
Erica Hill
Erica.Hill@nuance.com
781-888-5518

https://news.nuance.com/2016-01-21-ATO-Implements-Nuance-Voice-Biometrics-to-Become-the-First-Organization-to-Offer-Multi-Channel-Voice-Biometrics-Authentication