



Securing Your Digital Life

Consumer Perspectives of Online Banking Security: Entrust Internet Security Survey – Oct. 2005

Simultaneously with the published guidance from the Federal Financial Institutions Examination Council (FFIEC) calling for financial institutions to move beyond username and password for online banking authentication, Entrust surveyed over 1,000 individuals to gauge their perception of online banking security, their worries, and what they are willing to do about it as consumers.

The survey, conducted during the week of October 17, 2005, asked 1,065 individuals in the U.S. about their usage of online banking. The 710 (67%) of respondents that have banked online were asked about their worries about fraudulent websites, how it has affected their usage, what they would be willing to do about it, and whether or not they would be willing to incur personal expense to improve their security.

Key Findings:

- 18% of respondents have decreased their use of online banking or have stopped banking online completely in the past 12 months. This compares to a finding of 13% of European consumers from Entrust's March 2005 survey.
- One in three respondents are worried that the banking website they visit may not be a legitimate site, but rather a fraudulent one set up to steal their account information and/or identity. This underscores the need for mutual authentication whereby a bank proves to their customers that they are on the legitimate web site.

The group of respondents that were most worried about fraudulent bank sites was those aged 35 to 44, with nearly 40% expressing concern.

- 94% of respondents indicated they would use additional security measures such as multifactor authentication when logging into their online banking accounts. Similarly, 94% also indicated a willingness to use additional security measures when executing higher value transactions such as large money transfers.

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- While security fears are driving reduced use of online banking, and customers are clearly indicating they would do something extra to better secure their account access, they still expect their bank to absorb any real costs associated with stronger security.

Specifically, 81% of respondents indicated that they would not pay anything for stronger security in their online banking. This underscores the requirement for banks to find low cost, flexible solutions that can bolster security and improve consumer confidence without having to pass any costs on to the customer.

Financial institutions around the world must take note of the increased awareness and concern of their online banking customers with respect to identity theft, phishing attacks and fraud. Customers are responding by changing their behavior and moving from inexpensive online channels to more costly in-branch or ATM channels.

With the FFIEC guidance requiring stronger authentication for Internet banking environments and the looming compliance deadline of year-end 2006 by the Federal Reserve Board of Governors, financial institutions must act quickly to protect their customers and stem the migration to higher cost channels.

Report Methodology

The Entrust Online Banking Security Survey market research is based on on-line survey findings collected by InfoSurv Inc. during the week of October 17, 2005. A total of 710 respondents (out of a pool of 1,065) completed the survey, noting they had used online banking at some time in the past. Survey respondents were comprised of Internet users in the United States of America. The respondents' profile was representative of the general population with equal split on gender and age groups between 18 and 65+. While the data collection was conducted on behalf of Entrust Inc, at no time were the survey respondents aware of our participation. The confidence interval of data collected is + or - 3.0% with a 95% confidence level.

About Entrust

Entrust, Inc. [NASDAQ: ENTU] is a world-leader in securing digital identities and information. Over 1,400 enterprises and government agencies in more than 50 countries rely on Entrust solutions to help secure the digital lives of their citizens, customers, employees and partners. Our proven software and services help customers achieve regulatory and corporate compliance, while turning security challenges such as identity theft and e-mail security into business opportunities. For more information on how Entrust can secure your digital life, please call us at 888-690-2424, or send an e-mail to entrust@entrust.com. Visit us on the Web at www.entrust.com.

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