



**Securing Your
Digital Life**

Online Identity Fraud Influencing Consumer Behavior

Bill Conner
Chairman, President and CEO, Entrust, Inc.

November 8th, 2005

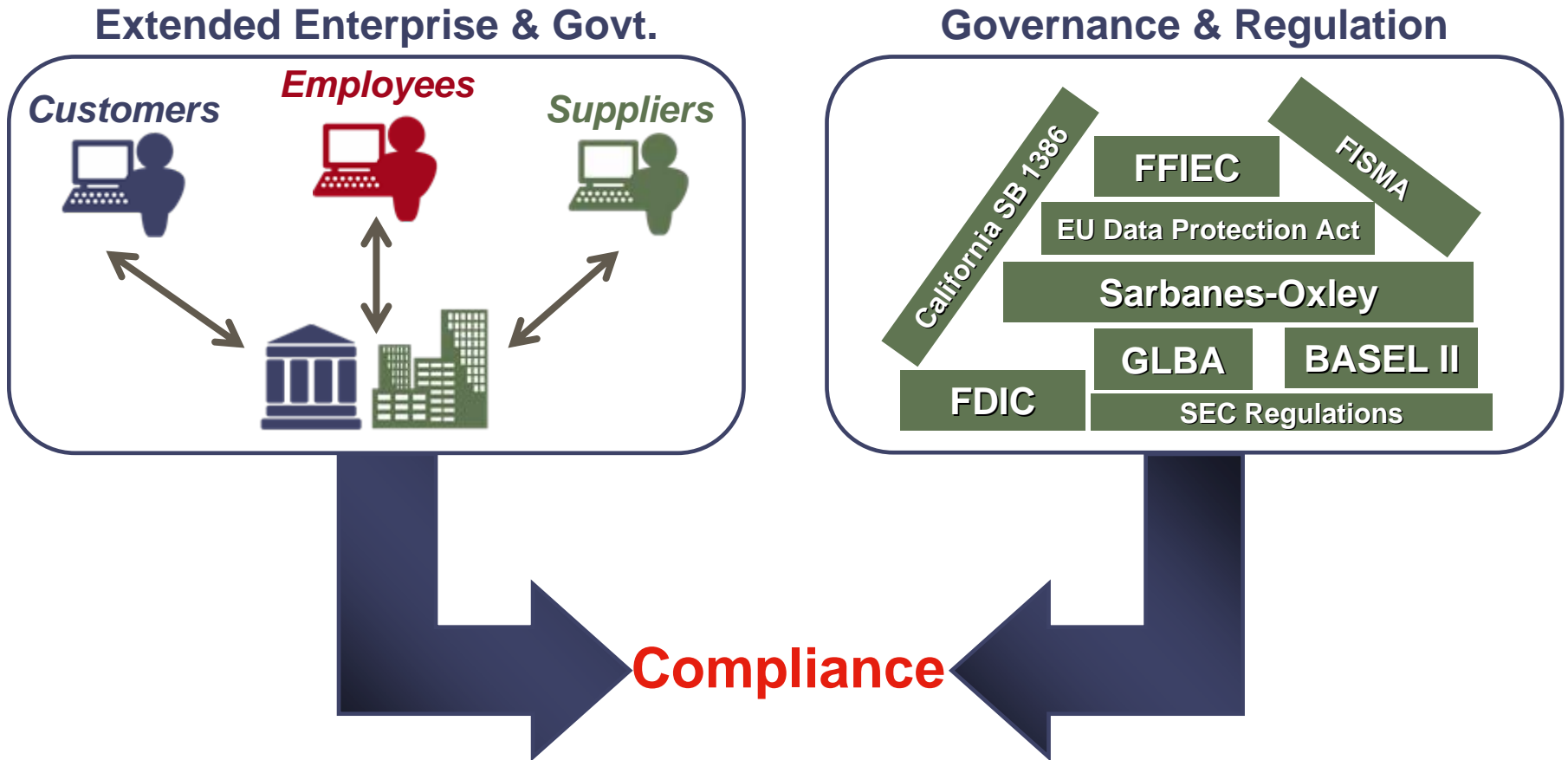
Web and Email Transactions...



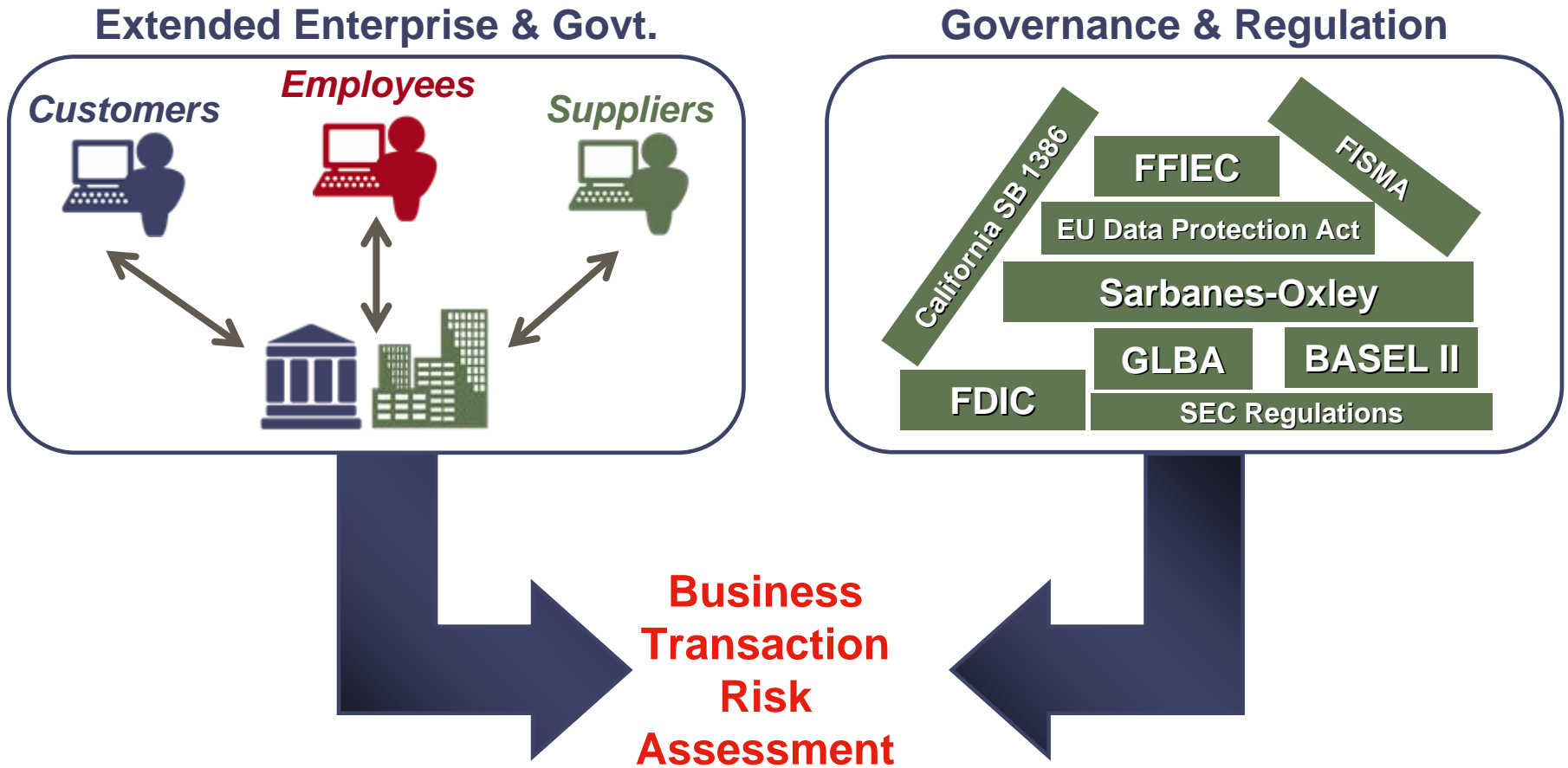
...Underpinning productivity & growth



Corporate Compliance



Business Risk Assessment



Rapid Increase in On-Line Identity Fraud



Source: Anti-Phishing Working Group

2.4 million online consumers report losing money directly because of the phishing attacks... of these, approximately 1.2 million consumers lost \$929 million
(Source: Gartner Survey, 23 Jun '05)

5x Growth in Phishing Attacks over the last 12 months

(Source: Anti-Phishing Working Group, Oct '05)

48% of US citizens avoid online purchases because they are afraid their financial information may be stolen

(Source: Jun '05, Cyber Security Industry Alliance)



Online Identity Fraud Influencing Consumer Behavior



December 2, 2004

Phishing Concerns Impact Consumer Online Financial Behavior

by Catherine Graeber
with Ron Shevlin and Adele Sage

EXECUTIVE SUMMARY

Concerns about email fraud impact online consumers' financial behavior. Twenty-six percent of online consumers report that phishing concerns have caused them not to apply online for a financial product. And 14% of online consumers have stopped using online banking and bill pay due to email fraud concerns. Financial firms aren't doing enough to educate online customers about phishing attempts. Firms need to step up their efforts to educate customers. Smart firms will extend their online security guarantee to cover email fraud.

IDC - Press Release

Financial Insights Finds 6 Percent of Surveyed Consumers Switched Banks Due to Identity Theft

18 Mar 2005

FRAMINGHAM, Mass., March 18, 2005 – A new report by global independent research and advisory firm Financial Insights analyzes the results of a survey of 1,000 U.S. consumers over the age of 18 that measured the impact of identity theft on consumer fears and on their banking and online behaviors. The report provides insights into the demographic and geographic characteristics of identity theft victims and consumers in general who are most worried about identity theft.

Forrester:

“...14% of online consumers have stopped using online banking and bill pay due to email fraud concerns.”

IDC:

“...6% admitted to switching banks to reduce their risk of becoming a victim of identity theft.”



The Untold Story...

- Consumer shift away from online banking
 - 18% of all respondents stopped or decreased online banking in last 12 months
- Users want to authenticate banking websites
 - 33% of regular online banking users would like to validate their banks website
- Consumers are willing to embrace new security
 - 94% willing to use security for strong authentication when banking online
- Consumers aren't willing to pay
 - 81% are not willing to shoulder the costs

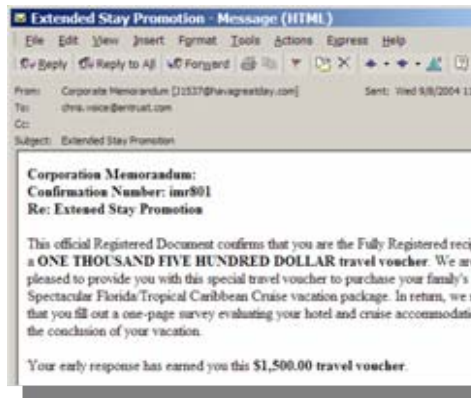
***A Big Hole in the Bottom of the Bucket ...
and It's Getting Bigger!***



It's not just about the web...



**Call Center /
Interactive Voice
Response**



**E-mail Sender
Authentication**



**Mobile
Devices**

...and it's not just about online banking.





- Strong mutual authentication platform
- Flexible, risk-based solution
- Easy to use and support
- Inexpensive to deploy

ANY BANK

• Corporate Information • Media Center • Online Services • Contact Us

Product Listing
Small Business
Customer Service
Rates
News

Simple Banking Solutions

Welcome to Any Bank

Your IdentityGuard serial number is **1234567**. Please ensure this number matches the serial number that's printed on your card.

Entrust IdentityGuard Challenge:

[A4] [B2] [D2]
1 2 3

Login

[Having problems or lost your Entrust IdentityGuard card?](#)

ANY ORGANIZATION

	A	B	C	D	E	F	G	H	I	J
1	1	7	3	9	3	4	5	5	4	9
2	9	2	5	3	5	2	8	4	1	3
3	4	5	9	1	4	6	2	8	0	7
4	1	5	2	4	8	5	0	1	7	2
5	0	8	6	8	1	7	4	0	8	0

Serial #1234567

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Customer Deployment Scenarios

Swedish National Labor Market Administration



Government – G2G, G2C

- Started with employee web applications – incl. web email
 - Rapid integration and deployment—up and running in under 2 days against an OS390 application
 - Cost effective for large-scale deployments
- Key Attributes:
 - Ease of use and scale for multiple millions
 - Cost and simplicity
 - Combination of Entrust IdentityGuard for strong authentication and Entrust TruePass for signatures & encryption
- Next: Web deployment to millions of citizens



Customer Deployment Scenarios

New Zealand Ministry of Economic Development



Government – G2G

- Government department required remote access for employees
 - Using Citrix Presentation Server for Web
 - Purchased and deployed direct into production to 10 times the users for current RSA deployment for 1/10th the cost
- Key Attributes
 - Sales cycle less than 3 months from start to finish
 - Installation completed in days
 - SecurID Displacement
- Next: Extend to multiple other applications



Customer Deployment Scenarios European Education Agency

Government: G2C, G2G

- Web enablement for education and teachers
 - Deliver key services through Web to **1.5 million** initial users
 - Online education delivery
- Key attributes
 - User reach & preference
 - Low cost & rapid deployment
 - Unique ability to “self fund” the initiative
- Next: Extend deployment to millions of students



Customer Deployment Scenarios European Financial Services Provider



Consumer & Business Authentication

- Organization holds sensitive financial information on over 60 million individuals & businesses
- Required strong authentication for new central web portal
 - Compared business case hardware tokens and non-hardware options
 - Straight to production in 2005 for 50,000 users
- Key Attributes
 - Back office integration and speed of deployment
 - Citizen ease of use driving low help desk costs
 - Rapid extension of application to businesses
- Next: Scaling to 10-12 million users in 2006-2007



Customer Deployment Scenarios Commercebanc



US Bank: Consumer Authentication

- Proactive effort to connect identity protection and brand
 - Over 200,000 web banking customers—initial deployment to 40,000 users
- Key Attributes:
 - Mutual authentication capability
 - Consumer ease of use and simplicity
 - Scalable and cost effective
 - Back office integration simplicity
- Next: Parent bank using as field deployment assessment for multi-million consumer online banking base



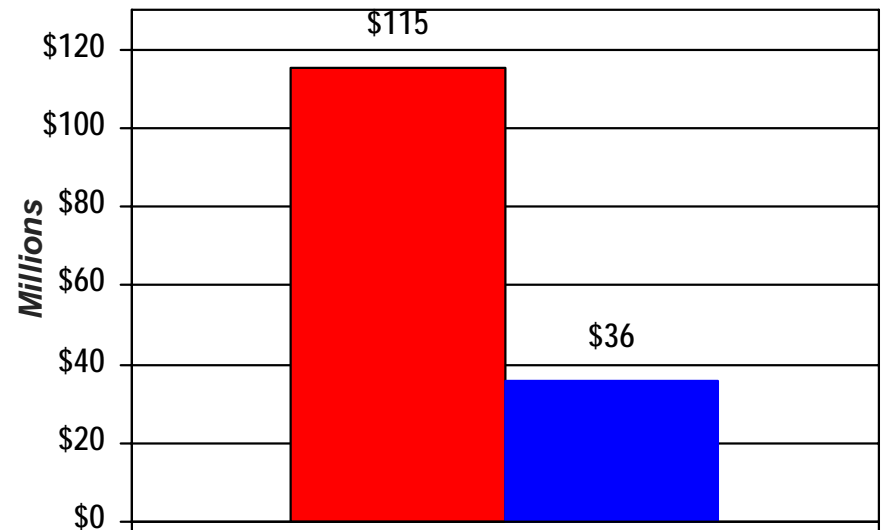
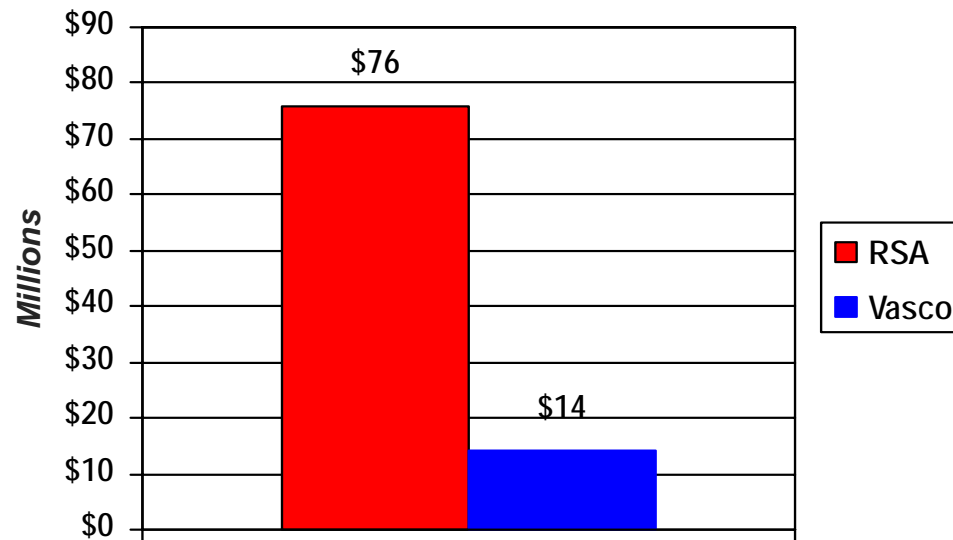
Entrust IdentityGuard Momentum

	Shipments	
	Q1-Q3 '04	Q1-Q3 '05
Entrust	0 →	2.1
RSA	2.8 →	3.1
Vasco	2.8 →	4.9

New Business Model: Enablement for the Masses

What Entrust
customers' saved...

What their customers
could have saved...



Summary

Market Realities

- Waning consumer confidence and increasing regulatory pressures demand strong authentication for **ALL**
- Authentication must easily **fit into the user experience** in order to scale without adding crippling **deployment & support costs**
- For mass deployment, authentication choice must be **low cost platform** because **users won't pay**
- Authentication must be **extensible to channels** beyond the web, including phone, ATM, etc.



Entrust[®] Securing Digital Identities & Information



**Securing Your
Digital Life**

Thank You

www.entrust.com

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