



GENERAL PRESS RELEASE OF RESEARCH FINDINGS (Public Release Date: August 21, 2007)

**Fingerprint recognition technology seen as the most effective underutilized security enhancement to Internet banking**

In North America at present, among the security techniques used to customers to enhance the protection and security of Internet-based banking transactions, “password and bank card number” or similar is the sole almost universally used technique. This is not surprising, as it is widely seen by those banking online as effective and has become relatively easy-to-use for most.

Yet for those who currently bank over the Internet and especially for those who have yet to take up this channel as a means to conduct personal banking transactions, additional security measures or enhancements are seen as desirable and indeed necessary. Whether a financial institution regards their web-based transaction services as a cost of doing business or a way to differentiate themselves from their competitors, additional security measures are almost certainly a matter of when and what rather than if.

The three general approaches to online security (i.e. those based on what a person *knows*, those on what a person *is*, and those based on what a person *has*) offer a tremendous range of security enhancement options. From the customer's point of view, these options vary enormously in terms of existing levels of awareness, perceived ease-of-use, perceived drawbacks or advantages, and of course, as perceived effectiveness as security enhancers.

| Fingerprint Recognition: Current Facts                                                    |                               |                           |
|-------------------------------------------------------------------------------------------|-------------------------------|---------------------------|
|                                                                                           | % Saying “Yes”                | Ranking Among 15 Concepts |
| <i>Awareness</i> (I have heard of it)                                                     | 52                            | 3rd                       |
| <i>Availability</i> (It is available at my financial institution)                         | 4                             | tie-11th                  |
| <i>Usage</i> (I use it)                                                                   | 4                             | tie-12 <sup>th</sup>      |
| Fingerprint Recognition: Current Perceptions                                              |                               |                           |
|                                                                                           | % Rating “5” (Strongly Agree) | Ranking Among 15 Concepts |
| <i>Security</i> (It provides added security)                                              | 57                            | 1st                       |
| <i>Convenience</i> (It is convenient to use)                                              | 33                            | 2nd                       |
| <i>Implementation</i> (It is easy to install / implement)                                 | 26                            | 4th                       |
| <i>Desired Availability</i> (I would like it to be available at my financial institution) | 33                            | 2nd                       |
| <i>Likely Usage</i> (I would use it if available)                                         | 37                            | 2nd                       |

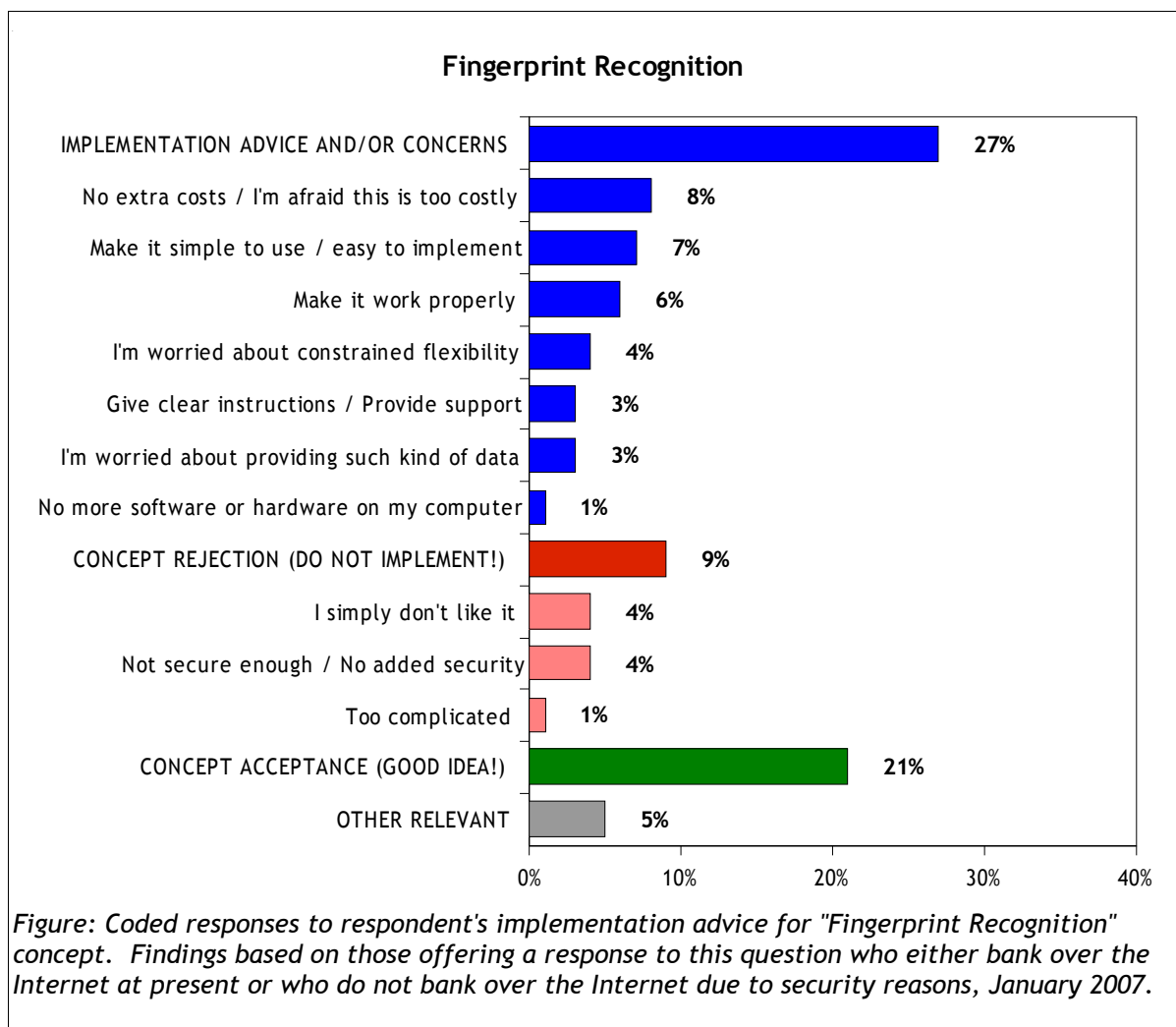
*Table: Summary of key indicators and rankings among concepts for “Fingerprint Recognition” concept. Findings based Prophis eResearch survey on those who either bank over the Internet at present or who do not bank over the Internet due to security reasons, January 2007.*



In order to get a good reading of how these concepts compared from the customers point-of-view, we conducted a research in January 2007 with those who currently conduct banking online and those who would but for the security concerns they have. Respondents gave detailed feedback on 15 separate online-banking security concepts.

Our research showed that fingerprint recognition (i.e. where a person attaches a device into their computer that reads their fingerprint as the way for the financial institutions to confirm their identity) rated highly on essentially all measures except for current availability and usage. For example, of the 15 concepts tested, it ranked number one on perceived security and number two on desired availability and likely usage if available as well as convenience (see Table above for complete breakdown).

When customers were asked about what concerns or advice they would have if their financial institution were to implement this system, there were cautionary observations about costs, ease-of-use, and ease-of-implementation above all (see Figure below). This was often pronounced with enhancements that utilized new hardware or peripherals.





Concerns about intrusion of privacy were present, but not in a significant way. Outright acceptance of the fingerprint recognition technology concept outpaced outright rejection by about a two to one margin. Notwithstanding this, two respondents did caution that it would be important that the fingerprint reader device would be able to detect that the fingerprint came from a “living finger”. Apparently the concern that a “thief” could get the keys to the bank account simply by “removing” the customer’s finger is a real one!

Quote from Stuart Hemerling, Senior Research Consultant with Prophis eResearch:  
*“Customers in general are reluctant to want to use new gadgets as-it-were just to be able to do their banking. But fingerprint recognition technology, however, is able to effectively counteract this impulse. People are already familiar with the concept, be it from watching science-fiction or elsewhere. And that could be related to why it also is so widely seen as being effective in providing additional security. Whatever the case, this enhancement option definitely seems to have a leg-up compared to a number of other options out there.”*

*Additional information:* Prophis Research and Consulting Inc is an independent marketing research and consulting company based in Vancouver, BC, Canada and operates also under the name Prophis eResearch. A number of reports in the Internet Banking sector as well as other Internet markets are available at [Prophis eResearch's eStore](#). Inquiries about the research or the information in this press release can be made directly to Stuart Hemerling via [shemerling@prophis.com](mailto:shemerling@prophis.com).