



Armored Online

2825 E. Cottonwood Parkway
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800-704-4230
www.armoredonline.com

Armored Online Company Backgrounder

Introduction

In recent years the financial services industry has experienced robust growth in online services, reducing and eliminating many high cost business processes through online customer self service. However, recent studies demonstrate growing customer anxiety over Internet security. This anxiety is causing the rate of Internet adoption to slow significantly, with projections of 1 percent annual growth through 2010.

Since 2003, the escalation of phishing, man-in-the-middle, Trojan attacks and other forms of online identity fraud has taken a tremendous toll on consumer confidence. Many customers are abandoning online services as a method for interacting with their financial institutions. Customers reading about breaches of online security, or those personally victimized by them, are becoming increasingly suspicious of email or publicly linked websites that purportedly display the brand of a recognized financial institution. As a result, the effectiveness of the web as an efficient and low cost sales and communications channel is diminishing.

A New Paradigm

Armored Online represents a new paradigm. We deliver a secure, private branded channel that establishes a trusted environment for financial institutions and their customers to communicate and transact. Impervious to phishing, man-in-the-middle, Trojan and other attacks, the channel eliminates the risk of online identity fraud. Consumer-friendly and easy-to-use, our solutions incorporate mutual authentication, public key encryption, digital signatures and other critical capabilities. Banks, mortgage companies, brokerage firms, credit card companies and insurance firms can employ our technology to secure corporate communications, restore customer trust and address enterprise compliance issues. Financial institutions leverage this secure channel to support, correspond with, and market to each online retail or business customer or prospect.

Other solutions that claim to address online identity fraud are in fact expensive, ineffective cost centers providing temporary "band aid" fixes. In contrast, Armored Online delivers a secure channel offering a tangible ROI. We reduce onerous postage, print and paper costs and enable financial institutions to allocate resources more efficiently.



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Armored Online carefully designs and tests our solutions to protect each customer's personal data, financial data, and identity information from Internet criminals. Our products include:

- *ArmoredMail* - a secure outbound communications system with encrypted messaging
- *ArmoredWeb* - a secure private browser with embedded multi-factor authentication
- *ArmoredVault* - a secure online storage system for archival of customer communications and customer documents

Key Statistics

Online identity fraud is a growing problem. According to the Gartner Group research firm, nearly \$2 billion in US e-commerce sales was lost in 2006 due to consumer concerns over the security of the Internet. The same survey found that fear of fraud and identity theft has prevented around 33 million US adults from banking online.

Other notable findings include:

Nearly half of those surveyed (46%) said concerns about theft of information, data breaches or Internet-based attacks have affected their purchasing payment, online transaction or e-mail behavior. Of all the behaviors affected, online commerce - which includes Internet banking, online payments and Web shopping - is suffering the most.

Almost nine million US adults have stopped using online banking, while another estimated 23.7 million won't even start because of fears over security.

Approximately \$913 million in e-commerce sales were lost in 2006 because of security concerns among online shoppers. Another \$1 billion was lost from consumers who refuse to shop online because of security worries.

The research also shows a growing consumer distrust of e-mail. Nearly 70% of online consumers whose behavior has been affected by recent security breaches say their concerns have affected their trust in e-mail from companies they don't know personally. Of these, more than 85% delete suspect e-mails without opening them.

Another Gartner study found that 85% of Americans delete *any* email claiming to be from a financial institution, including legitimate messages.

According to the anti-phishing working group, despite the adoption of technologies that combat online fraud, the number of attacks is steadily rising at a rate of 28% per year.



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Headquarters and Regional Offices

Founded in 2006, Armored Online's headquarters are in Salt Lake City, Utah. The company has regional offices in Berkeley, Boston and Philadelphia.

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