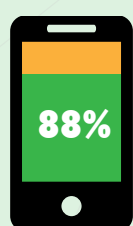
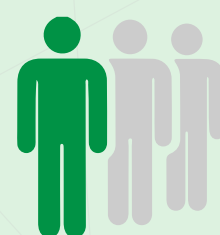


FINTECH, SECURITY, AND MOVING CONNECTED FINANCE FORWARD

While many financial institutions are eager to partner with FinTech (Financial Technology) firms and delight customers with new banking options, keeping pace with trends does not come without reputational, regulatory, and operational considerations.

GROWTH IN FINTECH

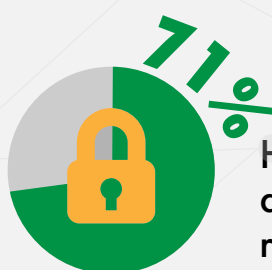
FinTech has experienced rapid growth in the last decade, with **1 out of every 3 consumers** already using some form of FinTech innovation¹



In fact by 2022, **88%** of all banking interactions will be mobile²

BARRIERS TO ADOPTION

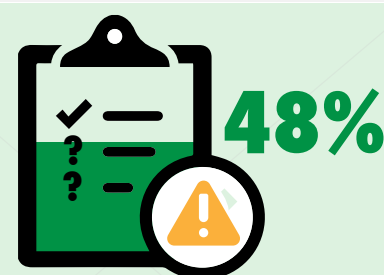
The majority of financial services companies – **three-quarters** – see FinTech partnerships as necessary³



However, **71%** are concerned with the associated cyber-security risks, as FinTech startups often lack resources for security and addressing regulation requirements⁴

COMPLIANCE CHALLENGES

48% of financial services businesses site compliance risks as deterrence for partnering with FinTech organizations⁴

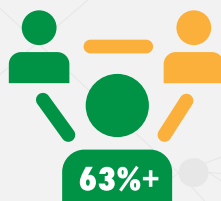


For example, the CFPB (Consumer Financial Protection Bureau) fined an online payment provider **\$100,000** on the grounds it had misrepresented the strength of its data security practices⁵



The U.S. Financial Crimes Enforcement Network (FinCEN) imposed a **\$700,000** fine against a virtual currency exchange company for not registering as a money services business, failing to implement an effective AML (Anti-Money Laundering) program, and failing to report suspicious financial transactions⁶

3RD PARTY RISK



Potential for cyber threats is amplified when 3rd systems are added to a financial institution's network infrastructure – **over 63%** of known data breaches are linked to a 3rd party vendor⁷

SECURING FINTECH



71% of financial services firms believe better visibility of cyber-security controls within FinTech would improve partnering prospects³

75% feel they themselves are poorly equipped to address the factors that are hindering progress³



While financial institutions must evaluate new technology partnerships if they wish to drive growth and innovation, increased access to your network means increased cyber risks. WatchGuard offers award-winning network, authentication, and wireless security options for financial organizations at any size and budget, enabling financial organizations to leverage new FinTech – without compromising consumer data.

Visit watchguard.com/finance to learn more.



¹ EY.com, "EY Fintech Adoption Index", June 2017

² TheFinancialBrand.com, "Branches in Decline", June 2017

³ ComputerWeekly.com, "Cyber security fears are a barrier to fintech innovation", April 2017

⁴ EnterprisInnovation.net, "Lack of cybersecurity safeguards among Fintech", April 2018

⁵ Consumer Financial Protection Bureau, "CFPB Takes Action Against Dwolla", March 2016

⁶ Techvibes.com, "10 Reasons Fintech Startups Should Care about Compliance", September 2015

⁷ Venminder.com, Momentum Behind Third Party Risk Oversight & FinTech", March 2018