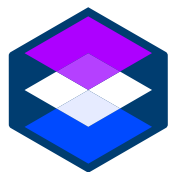


THE THREE TYPES OF DATA



Factus

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Organizations in the FinTech and banking industries sit on valuable data because they are often too afraid to properly monetize that data. However, senior-level executives tend to embrace the idea of monetizing data, which, until recently, could be broken into two types:



RAW DATA

Includes personally identifiable information (PII), which contains everything about the consumer and their transaction. Raw data is the most valuable form of data, but also the riskiest to monetize.



ANONYMOUS DATA

Is stripped of PII but still retains the exact descriptive details of the individual transaction.

These two types of financial data serve specific purposes when it comes to monetization. Yet, the heads of legal, risk, and compliance are wary—as they should be. They want to know how to monetize data safely and securely in a manner that both business executives and security teams can embrace.

The reality is, it is possible to safely monetize customer data by switching the focus to an innovative type: synthetic data.

Once you create the synthetic data type, it becomes fake data that can still be monetized both internally and externally.



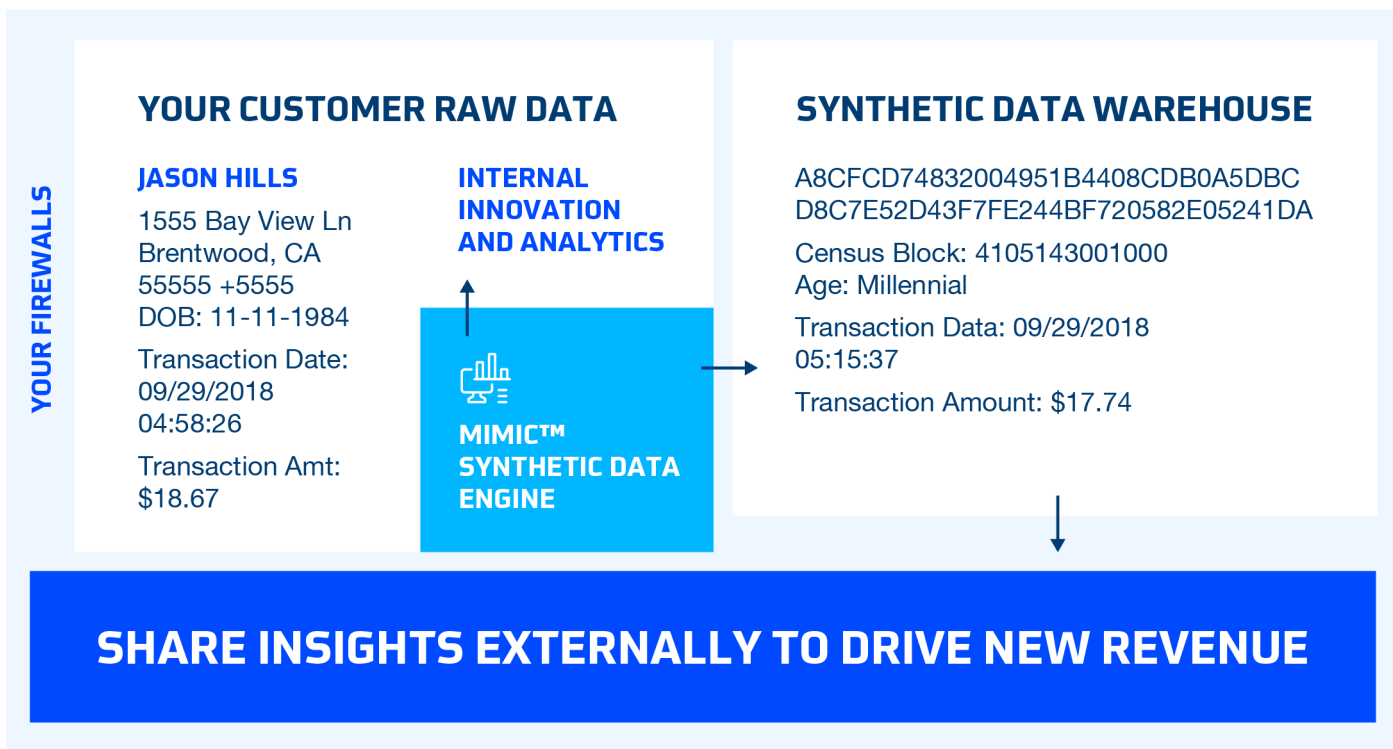
SYNTHETIC DATA

Ensures the PII is fully anonymous by changing the key attributes of the main field, there by solving the reverse engineering problem.

Synthetic data is the key to safe data monetization in the FinTech and banking industries. It enables companies to anonymize customer data so more people can analyze and draw value from it, without putting the PII of customers at risk.

HOW SYNTHETIC DATA WORKS

No "Real" Data Leaves Firewalls



Most compliance issues, whether it's GLBA, PCI, or GDPR, are concerned with PII. When data is synthesized, no real data leaves the firewall, allowing companies to monetize data both internally and externally without taking on undue risk.

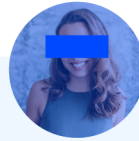
The ability to create synthetic data is an information breakthrough. In the example on page 3, the synthesizing process substitutes a randomized customer number instead of inputting "Jane Smith." Instead of inputting the store, city, state, and zip code of the transaction, the process assigns a census block to the profile.

The proprietary algorithm also changes the transaction amount and the transaction date by a random quantity while ensuring the statistical value of the data remains 99.9% accurate.

Once this synthetic data type is finalized, the data can be monetized both internally and externally without being traced back to the original consumer.

In real use cases, this process synthesizes the data and houses it in an external data warehouse. A synthetic data app is installed inside the client's firewall to prevent any customer or transactional data from leaving—by the time the app synthesizes the data, only fake data is left.

The incremental cost to create these three data types is minimal compared to the revenue you'll get from them.



DATA TYPE:	CLEANED-RAW	ANONYMOUS	SYNTHETIC
Name	Jane Smith	Customer 123	Customer 123
Address	123 Main ST.	Removed	Removed
City, State, Zip	LA, CA 97007	LA, CA 97007	Census Block
DOB/SNN	12/25/80 123-45-6789	12/25/80	11/22/80
TRX Date	01/19/19 08:45:23	01/19/19 08:45:23	01/17/19 09:15:13
TRX Amount	\$13.56	\$13.56	\$14.96
Risk	HIGH	LOW	NONE
Monitization Option	Internal Only	External, Internal	External, Internal

Synthetic data is the key to safe data monetization in the financial industry, and the incremental cost to create these three data types is minimal compared to the revenue generated by carefully monetized data. Anonymized customer data enables more people to analyze and draw value from it, without putting the customer's PII at risk.

KEY TAKEAWAYS

Utilize All Three Data Types

While each of the three types serves a purpose, a majority of what you can monetize, and reduce risk on, is synthetic data. Synthetic data is the key to safe data monetization in the financial industry because it has the least amount of risk and the most amount of upside for monetization.

Avoid Risk and Stay Compliant with Synthetic Data

Most compliance issues are related to PII. Thanks to Facteus' proprietary algorithm, when data is synthesized only fake data is transmitted —no real data leaves the firewall. This allows companies to monetize data both internally and externally without taking on undue risk.

ABOUT THE AUTHOR

Facteus is a provider of financial data business intelligence (BI) solutions for financial institutions, payment processors, investment companies, and retail corporations. Through its innovative synthetic data process, Facteus can transform raw transaction data from legacy technologies into actionable information, which enables companies to make intelligent business decisions, automate manual operational tasks, and optimize their data strategies.

The team of data scientists and financial industry veterans at Facteus provide source data from billions of transactions from over 1,000 financial companies to deliver timely, rich insights that can be used for machine learning, artificial intelligence, data monetization, and other strategic use cases.