

CyberSecurity Takes a Seat in the Boardroom

Trent Fleming

trent@trentfleming.com

@techadvisor

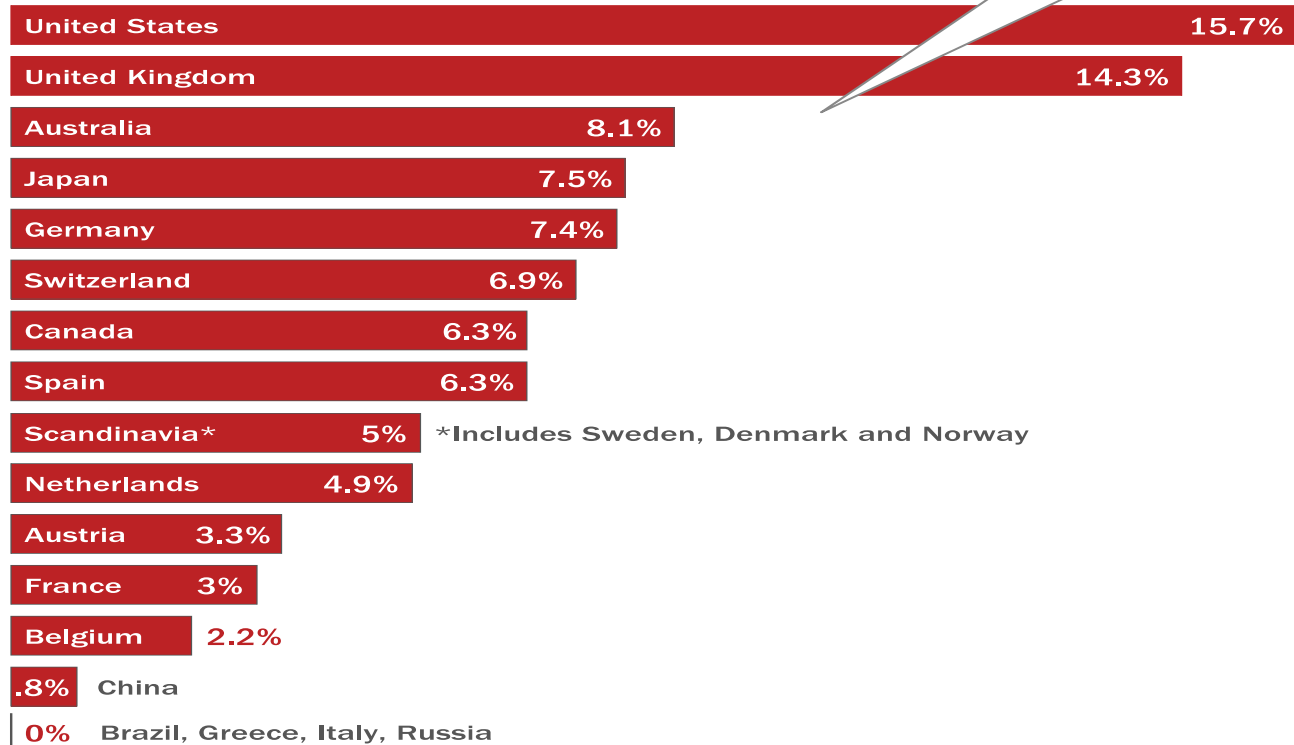
www.trentfleming.com

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Directors: Regulatory Expectations

- Understand Key Issues
- Maintain CyberSecurity Focus
- Manage Complex Systems
- Understand Contractual Obligations
- Guide Management

Percentage of board members with professional technology experience



Source: Accenture © August 2016 The Financial Brand

Addressing Cyber Liability

- Named Board Authority
- Reporting and Oversight
- Safeguards and Insurance
- Communications and Reporting

Customer Realities

- Remote Delivery Channels
- 24 Hour Access Expectations
- Always Looking for the Next Thing
- Changing Support Requirements

Cyber Security Regulatory Priorities

- CyberSecurity Self Assessment Tool
- Incident Analysis
- Crisis Management
- Training
- Policy Development
- Technology Service Provider Strategy
- Law Enforcement Collaboration

Selected Items of Regulatory Focus

Cyber risk governance

Dependency management

Incident response

Law Enforcement Collaboration

- **CyberSecurity**
- Which Agency
- What to Disclose
- Regulatory Guidance
- **Daily Operations Considerations**
- **Robbery Issues**
- **Confidentiality Issues**

What Not to Do

MARKED TREE, AR (KAIT) -

Banks in Marked Tree find themselves relying on a heavy police presence.

Two banks in Marked Tree have asked for police escorts at night. The First Delta Bank has asked for police supervision for ATM services as employees load the outdoor ATM's. According to Marked Tree Police Chief Michael Matlock, Iberia Bank simply asked Marked Tree police for escorts at night. Region 8 News spoke with Iberia Bank's Branch Manager Patty Lee who said the bank reached out for extra security following a disturbing situation at the facility.

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Needed: Centralized Security Oversight

- ⌘ Physical Security
- ⌘ Access Security
- ⌘ Social Engineering
- ⌘ Value of Encryption
- ⌘ CyberSecurity Considerations
- ⌘ Weaving it all Together

CLOTH
CAR
CENTE



Delivery Channel Considerations

- Virtual Branch
- Physical Branch
- Free Standing ITM / ATM Locations
- Non-Bank
- POS
- E-commerce



REGIONS



Customer Remains Weakest Link

- Risky Online Behavior
 - ↳ Susceptible to Scams
 - ↳ Failure to Invest in Security
- Failure to Control Access
 - ↳ Cards
 - ↳ Phones
 - ↳ Report: Multi-Use of Passwords Rampant
- Corporate and Consumers

Or is it Your Employee?

- **Risky Online Behavior**
 - ↳ Susceptible to Scams
 - ↳ Failure to Invest in Security
- **Productivity Implications**
 - ↳ Wasting Time
 - ↳ Distracted from Duties
- **Bank Data Security Concerns**
- **Customer Data Security Concerns**

Staff Awareness Training

- Specific Security Threats
- Common Sense
- Proper Reporting Channels

Contingency Planning

- Preserve or Quickly Recover Service Levels
- Declaration and Recovery Introduce CyberSecurity Risk (more)
- Involves all Banking Functions
- Training, Testing, Drilling
- Third Party Oversight
- PR and Crisis Management

Declaration and Recovery

- Process of Relocation
- Different Environment or Controls
- Publicity Around the Event(s)
- Stress of Recovery Causes You to Let Your Guard Down

Outsourcer Oversight

- Connectivity Exposure
- Data Transmission and Storage Exposure
- Fourth, Fifth and Sixth Party
- Outsourcer Backup and Recovery Issues

PR and Crisis Management

- Have a Plan in Advance
- Areas to Address
 - Internal/External Communication
 - Customers
 - Media
 - Regulators and Law Enforcement
- Pick the Right Spokesperson

Vendor Management

- Proper Oversight
- Accountability
- Monitoring

Vendor Management: Contractual Issues

- Early Termination
- Deconversion Fees
- Cost of Living Adjustments
- Patent Infringement
- Compliance Costs and Extra Expenses
- Service Level Agreements / Leverage

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Thank You!

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