

Treasury Strategies' Quarterly Technology Briefing Cyber Security Risks to Treasury

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The Power of Experience®



Agenda



Cyber impacts to your organization

Defining risks

Understanding your exposures

Action plan





Cyber impacts to your organization

What are we talking about?



Where are Treasuries vulnerable?

“Government officials and security experts have long warned of the possibility of cyber disruptions in the financial system and other essential services and utilities.”



Hackers burrowed into the data banks of JPMorgan Chase & Co. and deftly dodged one of the world's largest arrays of sophisticated detection systems for months.

It's not a question of “if” you will be impacted. It's a question of how significant an impact it will be.



**Defining risks:
What are your biggest exposures?**



Data breach



Inability to conduct business (DDoS)

Fraud or financial malfeasance



“Majority of treasury controls are around payment initiation.”





Defining risks: Where are your biggest exposures?



In treasury there are a few areas you are exposed:

- Data at rest
- Data in flight



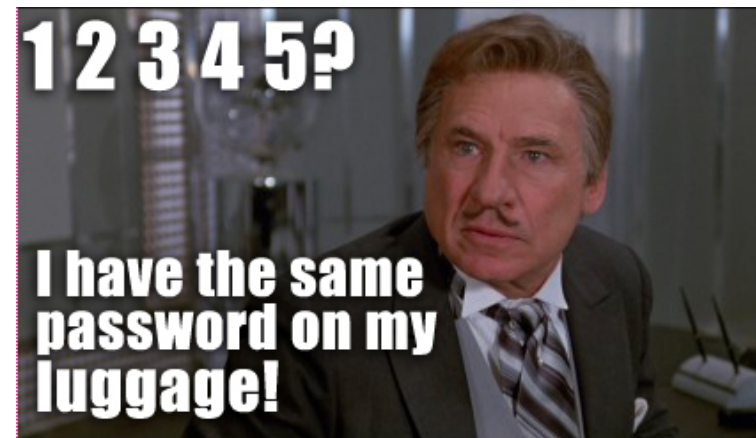
Data at rest

Data in flight





Understanding your exposures: Are you secure?



Our vendor has an SSAE16

We have dual authentication before payments are made

We know the data is encrypted

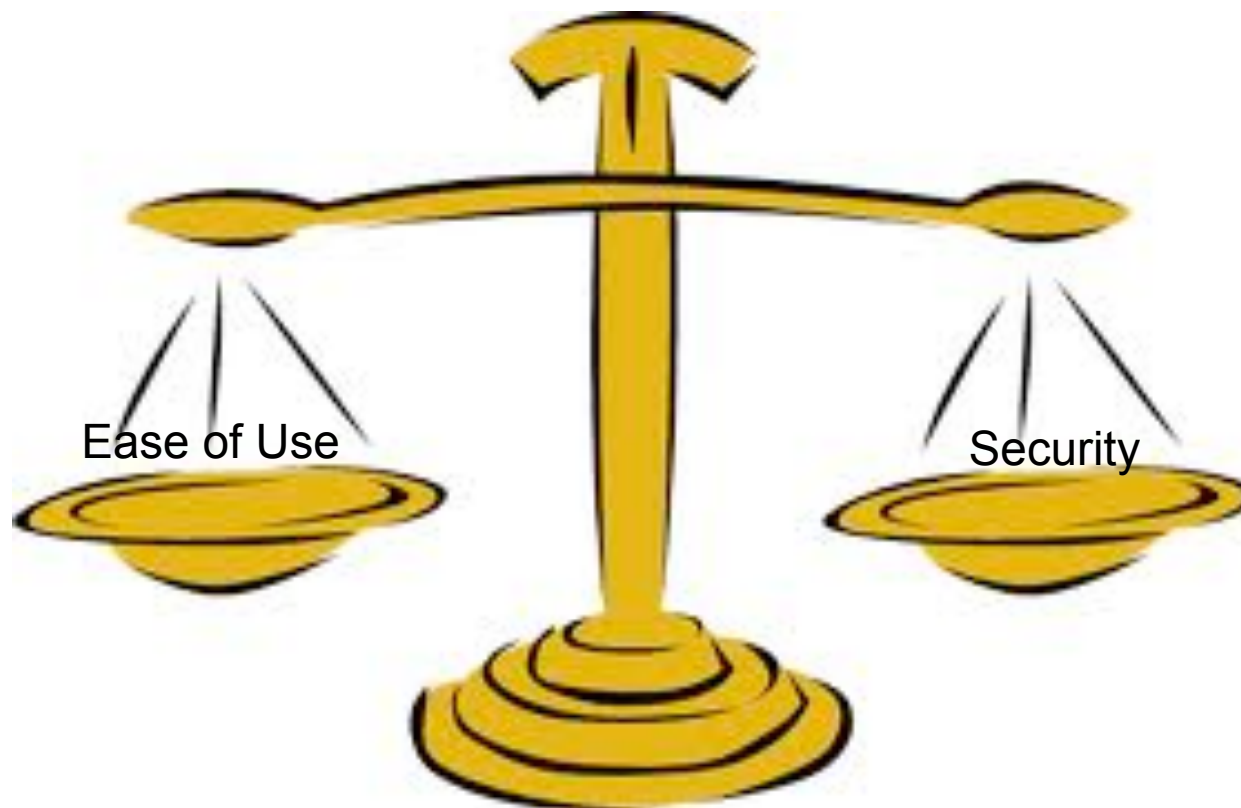
Passwords are reset every 30 days

Passwords are 8 characters, and must include





It's an age-old security paradigm

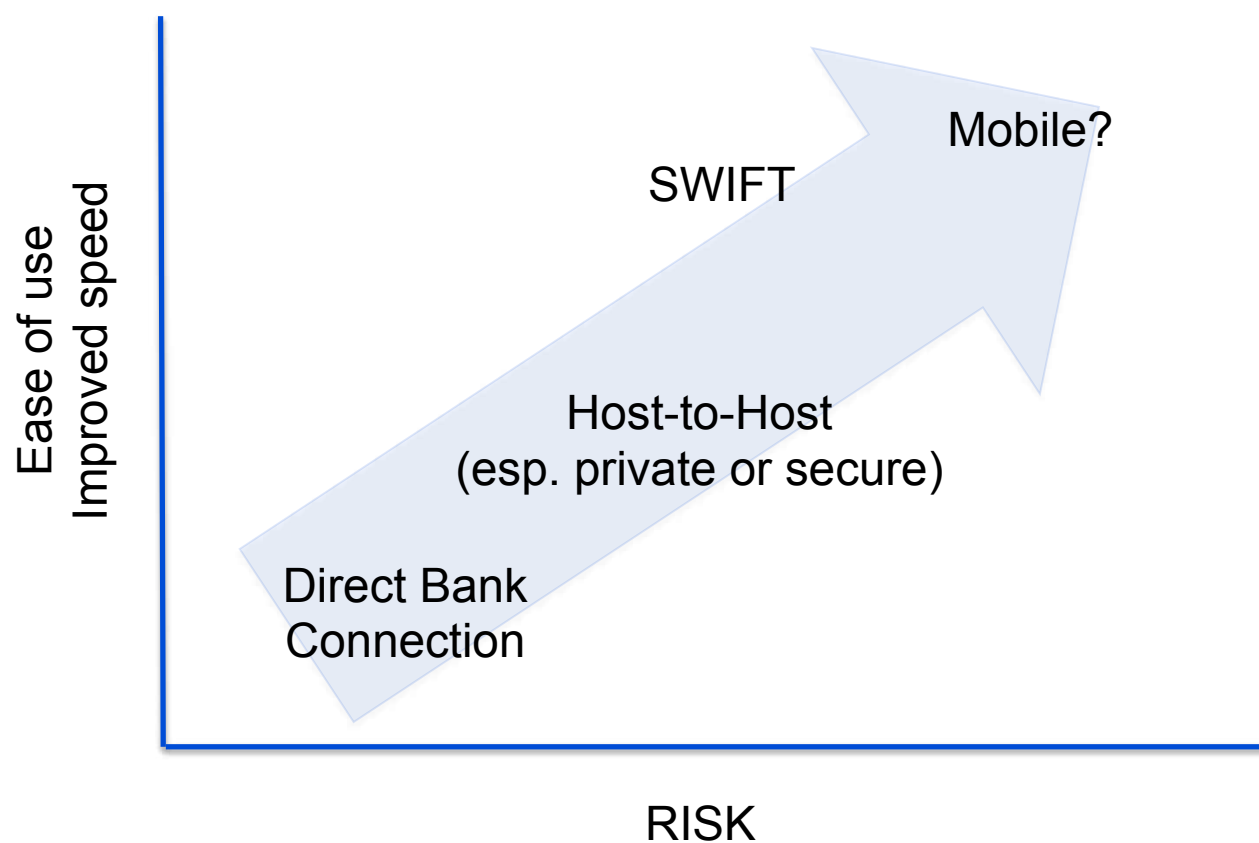


Understanding your exposures: Example of bank communication methods

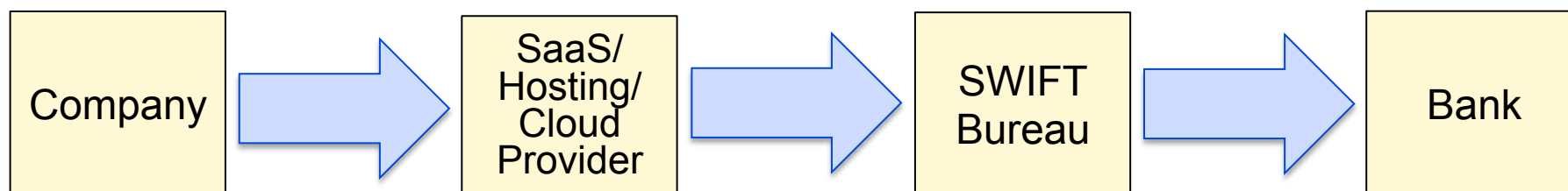


The drive for automation and ease of use (STP, the cloud) has created new risks and exposures.

Method of bank connection for payment initiation



Example: Exposures on payment initiation



- Who has access to data?
- What users have permission to initiate?
- What are the physical security controls?

- Are transmissions encrypted?
- Are communications unreadable and unalterable?
- Robustness of connectivity

- Authentication of messages and sender
- Alternate initiation plans



Recap



- **There are great benefits to moving to the cloud, SaaS, STP, SWIFT and Mobile.**
- **You have new exposures and ways your business can be disrupted, your money stolen or operations impacted.**
- **You need a plan to assess risks, take actions to mitigate and strategy to deal with issues when they arise.**
- **If you have done this you will enjoy the benefits of enhanced treasury capabilities while minimizing the impact of fraud and cyber attacks.**





Action steps: Identify the breakdowns that can impact you



Attack on you – internal or external

Attack on your bank – internal or external

Attack on your vendor – internal or external

Attack on the cloud

Attack as data moves from you to the bank, or vendor, or cloud





Action steps:



Review your current configuration and potential exposures.

- ✧ Review each potential type of breakdown.
- ✧ Come up with a plan for protection.
- ✧ Develop response plan.

Cyber-Insurance

- ✧ There are policies to cover this.
- ✧ Be sure monetary and securities are covered.
- ✧ Encryption is typically a requirement; even if it doesn't state it, you should assume it.
- ✧ Brokers will have policies and procedures to help you.

Bring in a specialist.



Contact Us



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Treasury Strategies

Treasury Technology Practice



Our expertise in treasury best practices, knowledge of technology solutions and unbiased viewpoint provide our clients with an experienced team to guide them through the technology maze.

Clients

- Corporations
- Not-for-Profit Organizations
- Public Sector Organizations
- Technology Vendors



Solutions for Treasury Departments

- Pre-implementation Best Practices Review
- Process Review & Re-engineering
- Gap Analysis with Current Technology
- Corporate SWIFT Connectivity
- Technology Selection
- Technology Implementation & Optimization
- Strategic Roadmap

Solutions for Technology Vendors

- Implementation Resource Partnering
- Functionality Enhancement
- Business Strategy





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We help you maximize worldwide treasury performance and navigate regulatory and payment system changes through a focus on best practices, technology, liquidity and controls.

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We provide guidance through every step of the technology process – which includes creating a roadmap, selection, implementation and optimization. Our expert approach will uncover opportunities to optimize the value of your treasury through fully integrated technology solutions.

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