

Asset Management conference 2016

The changing face of Asset Management

27 September 2016



Cyber security

27 September 2016

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Background



- the economy depends on a stable, safe, and resilient online environment
- a vast array of networks allows us to:



Communicate
and **travel**



Power our
homes



Manage
our money



Provide
government
services

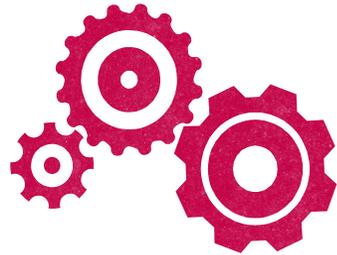
Threats



Cyber attacks have increased dramatically over the last decade exposing:



Sensitive personal and business information



Disrupting critical operations



High costs on the economy (estimated to be \$315 billion)



**Cyber security is the ability
to protect or defend an
organisation's online systems
and technology from attack**

Cost



Grant Thornton International Business Report has revealed that over the past 12 months more than:

- 15% of businesses across the world have suffered a cyber-attack
- costing a total of more than \$315 billion
- that's just the measurable costs

Introduction to cyber security



Introduction to cyber security



*“Do you think now that we’re doing fewer illegal things
we can scale back the legal department?”*

The impact



KASPERSKY DAILY July 26, 2015

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The greatest heist of the century: hackers stole \$1 bln

February 16, 2015 Alex Drozhzhin Featured Post, Malware, News, Security, Threats

Advanced Persistent Threats, or APTs, are a pet subject for infosec experts to talk about, as such attacks usually employ the most sophisticated hacker tools. However, for common folks such threats are of no interest whatsoever.



From SPA to Spain in 24 hours. **#kaSPAssion24**

Comment with us the race and win a track experience in Spain with a Ferrari 458 Challenge.

Start now

Emails sent this year

60 642 777 257 293

Malicious mobile apps worldwide

NZITF

Improving the cyber security posture of New Zealand

Home Membership Events News Contact

Members Trust Portal

'Pay bitcoins or your network gets it' threats for New Zealand organisations.

Swiss Governmental Computer Emergency Response Team

Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
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GovCERT.ch Blog Whitepapers Report an Incident Statistics

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Increase in DDoS extortion (DD4BC)

Published on 2015-05-09 11:00:00 UTC by GovCERT.ch [permlink]
Last updated on 2015-05-09 11:05:59 UTC

In the past days MELANI / GovCERT.ch has received several requests regarding a Distributed Denial of Service (DDoS) extortion campaign related to 'DD4BC'. The *DD4BC Team* (that is how the attackers call themselves) started its DDoS extortion campaigns in 2014. While these attacks

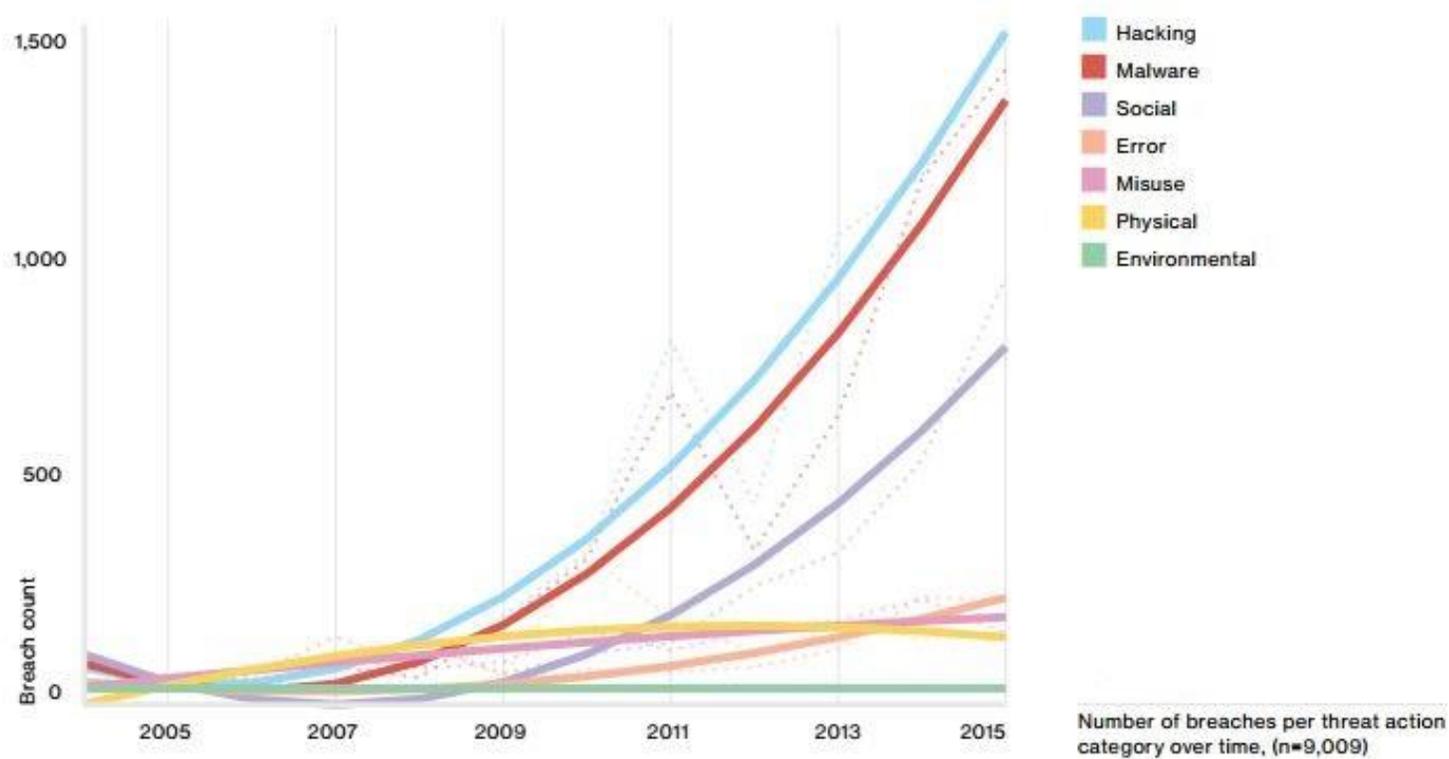
GovCERT.ch Blog

- Blog RSS feed
- Blog Index

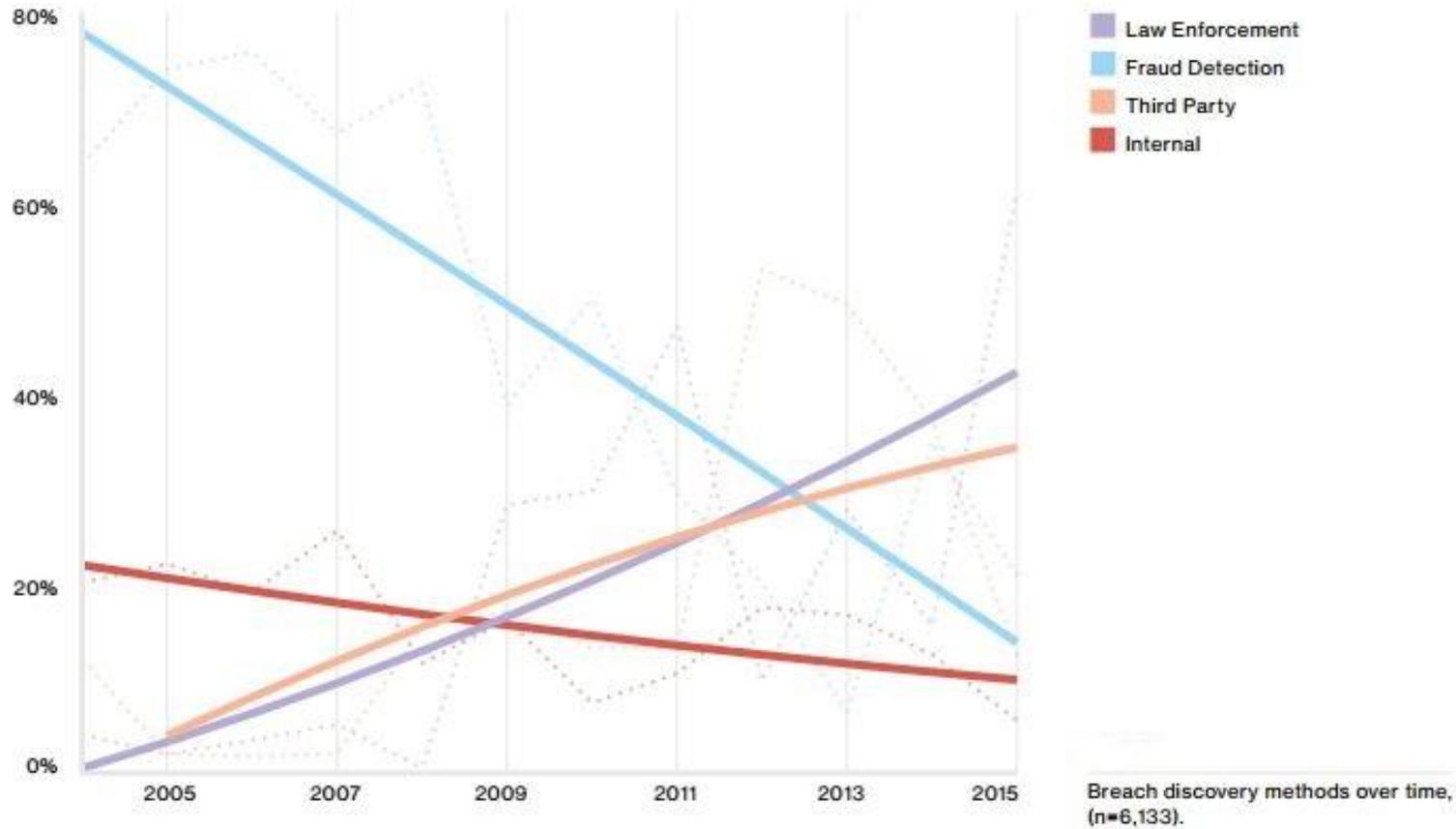
Social Networks

- Follow GovCERT.ch on Twitter

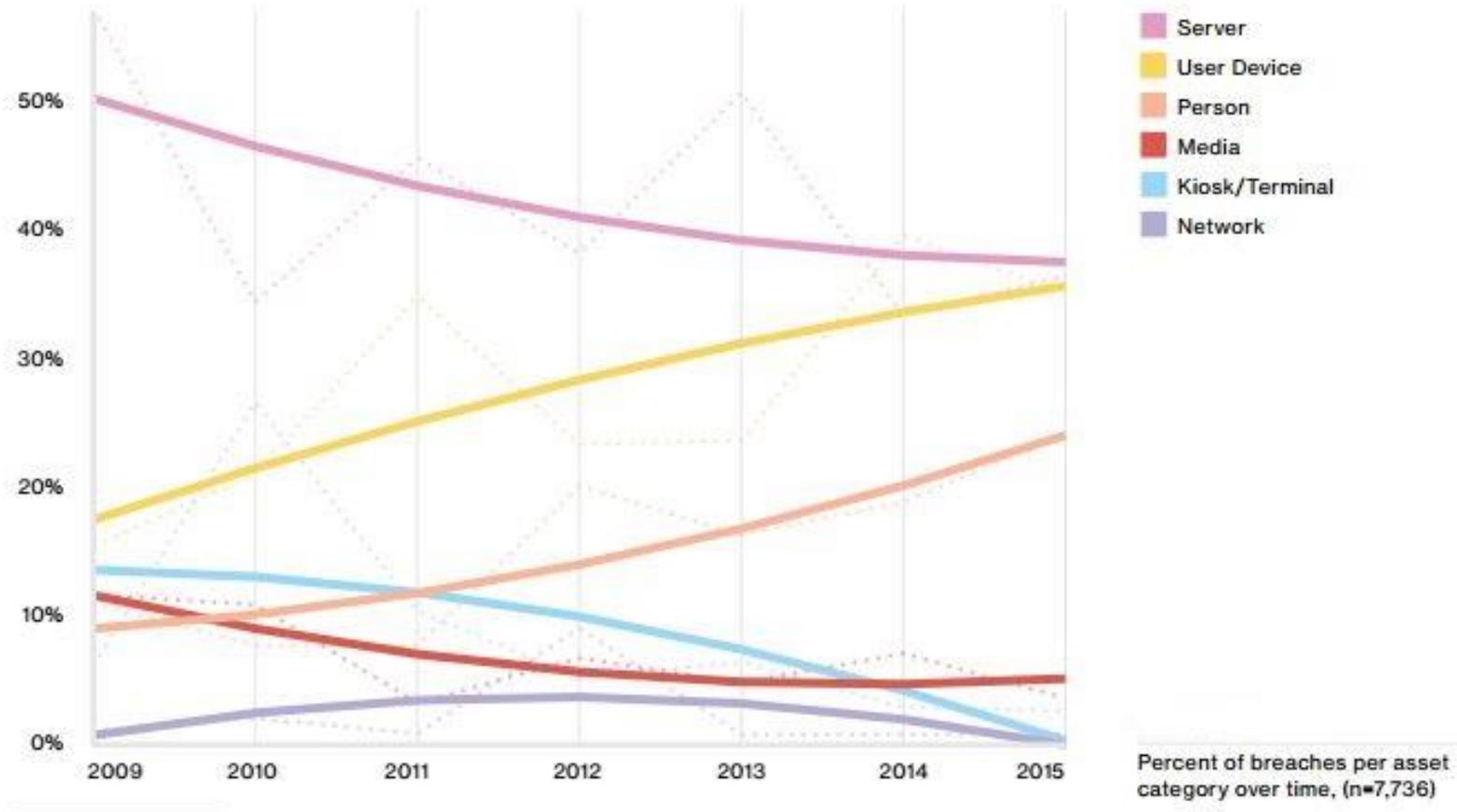
Cyber breach numbers versus cause



Cyber breach discovery



Cyber breach cause



How do you respond?



How do you respond?



Banc Ceannais na hÉireann
Central Bank of Ireland
Eurosystem

T +353 1 224 6000 F +353 1 671 6561

Cúirt Lihb Eachach, Bloc D, Bóthar Fhearchair,
Baile Átha Cliath 2, Éire.

Freshwater Court, Block D, Harcourt Road, Dublin 2, Ireland.

www.centralbank.ie

22 September 2015

Review of the management of operational risk around cyber-security within the Investment Firm and Fund Services Industry

Dear Chair,

The Central Bank of Ireland (the 'Central Bank') recently undertook a thematic review to assess the management of cyber security and related operational risks across Investment Firms, Fund Service Providers and Stockbrokers. The objective of the review was to examine firms' control environment (including policies and procedures) designed to detect and prevent cyber security breaches as well as board oversight of cyber-security.

How do you respond?



Questions & feedback



Fintech: the opportunities and challenges



27 September 2016

Ian Cahill
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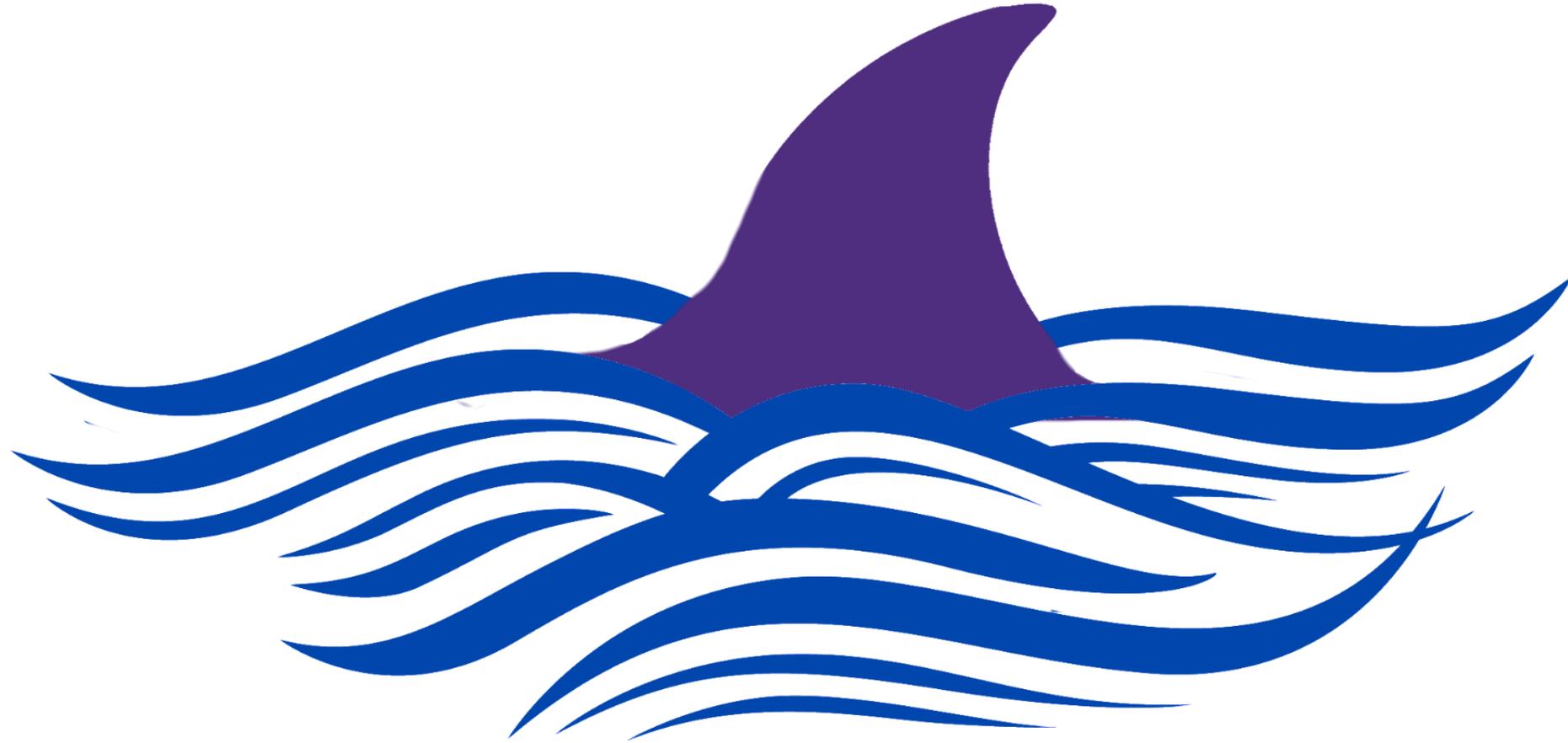


Fintech – What is it?



- “....an industry comprised of companies delivering technologies that improve and innovate financial service solutions” (Apex)
- however....

Fintech – What is it?



Fintech – What is it?



Disruptive and a dangerous challenge



Fintech – disruptive and dangerous – Why?



Innovative services / Green field environment:

Mobile payments

P-2-P lending

FX

Trading platforms

No large staff complement

No legacy infrastructure

Modern development tools and capabilities

Lots of agility

Fintech – disruptive and dangerous – Why?



So – They Can:

Be more efficient => reduce costs compared to the traditional providers

Provide products that are ‘smart’ e.g. automated risk assessments

Provide products that are easier to use

Get between traditional providers and their customers by offering a better experience at a lower cost

Fintech - a fad?



- over hyped but not going away
- Gartner CIO Survey 2016 (Banking and Securities industry)
 - 46% of revenues from digital in next five years (more than double today)
 - competition from outside the industry considered a greater threat (70%)
- consider encroachment of Google, Facebook, Apple, Amazon into FS
- businesses are preparing for change in competition – fad?

So how do you beat them?



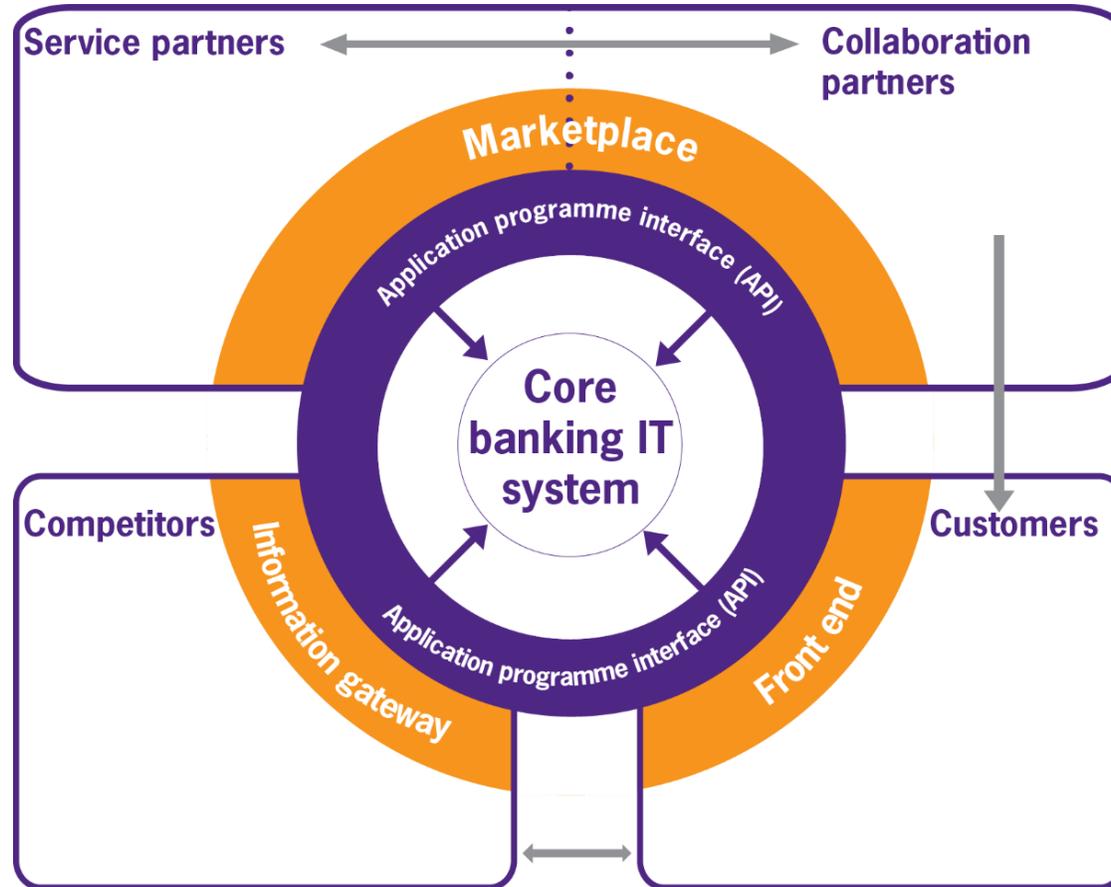
- exclude them, freeze them out – but EU regulation and a changing customer demographic may make this impossible
- become more *fintechie* – big culture change and potentially expensive

Maybe you join them!



- create a Collaborative IT Ecosystem
 - bring Fintechs inside the tent – give them access to systems
 - Fintechs often come from a collaborative culture – many of them want to collaborate rather than compete
 - leverage their agility and skills whilst co-creating value
 - modernise your IT organisation and mindset by working with them
 - work with them to streamline non-differentiating services e.g. customer identity checks across the industry
- manage the IT ecosystem effectively – relinquish some control to stay in overall control

A potential collaborative model



Conclusion



- Fintech over hyped but not a fad – will become mainstream
- disruptive and dangerous
- choice: compete or collaborate
- learn to manage the IT ecosystem

Questions & feedback

