

CYBERSECURITY

Russ Horn & Ed McMurray

The State of Cybersecurity in the Financial Industry



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Agenda

Here's the Plan

- Introduction
- 2023 Cybersecurity Report by Tandem
- 2024 Survey
- Questions



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Training
OBSERVATION: TRAINING
 Almost identical with last year, 75% of financial institutions cyber...
CYBERSECURITY TRAINING
 20% 30% 40% 50% 60% 70% 80% 90%
 Strongly Agree Agree
DIVING FURTHER
 Of the institutions who indicated they agreed that their training directly implement one-on-one training, training directly reduces cyber...
SECURITY AWARENESS TR
 Practice
 Video
 Informal/Educational
 Live Classroom
 Podcast
 One-On-One
 0% 10% 20%
TAKEAWAY
 While one-on-one training takes training program. We recommend opposed to assigning another employee is struggling and mak

Cybersecu
OBSERVATION: ADDITION
 Institutions selected Detection (e.g., if the top choice in both 2022 and 2023. Identification both saw increases in 20...
WHERE ADDITIONAL RESOURC
 20% 25% 30% 35% 40% 45% 50%
 Recovery (Business continuity, backup, etc.) Response (Incident response, forensics, etc.)
 7% 33% 30% 30%
WHAT THIS MEANS
 With Training and Identification is professional and looking to invest. Trends involve people skills (e.g., industry is redirecting focus to in

Board Over
OBSERVATION: BOARD OF
 The majority of financial institutions institution's cybersecurity status.
FREQUENCY OF BOARD UPDA
 Monthly 36%
 Quarterly 34%
 Annually 29%
 0% 10% 20% 30%
REPORTING FREQUENCY BY AS
 Less than \$250M 38%
 \$250M - \$500M 34%
 \$500M - \$1B 29%
 \$1B - \$10B 25%
 More than \$10B 20%
 0% 10% 20%
WHAT THIS MEANS
 Smaller institutions typically have the need to update the Board of complete institutions.

2023
CYBER SECURITY REPORT
FOR THE FINANCIAL INSTITUTION INDUSTRY
 Tandem

<https://tandem.app/state-of-cybersecurity-report>

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About the Report



TIMEFRAME
 This survey was conducted between July 10, 2023 and August 31, 2023.



PARTICIPANTS
 All 288 survey participants work for a financial institution based in the United States.



AUTHOR
 The survey was conducted by Tandem, LLC. For more information about Tandem, visit [Tandem.App](https://tandem.app).



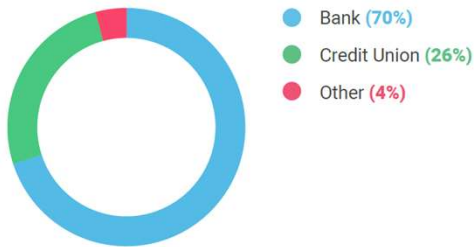
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Demographics

Financial Institutions Represented

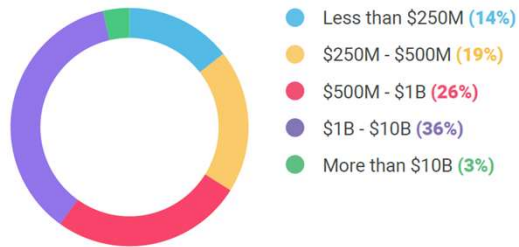
INSTITUTIONS SURVEYED: TYPES

Of those who responded, 70% work for a bank, 26% work for a credit union, and the remaining participants work for other financial institutions (e.g., mortgage companies, trust companies, etc.).



INSTITUTIONS SURVEYED: ASSETS

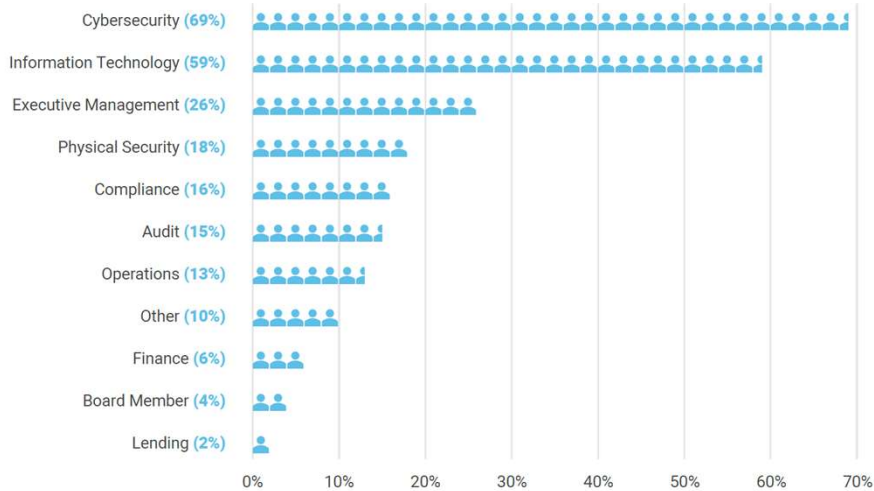
Most survey respondents were from small to medium sized regional community financial institutions, but a good representation came from larger community institutions, with 39% of responding institutions reporting over \$1 billion in assets.



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Demographics

Roles & Responsibilities



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Structure



Observations



Diving further



Takeaways



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Major Topics

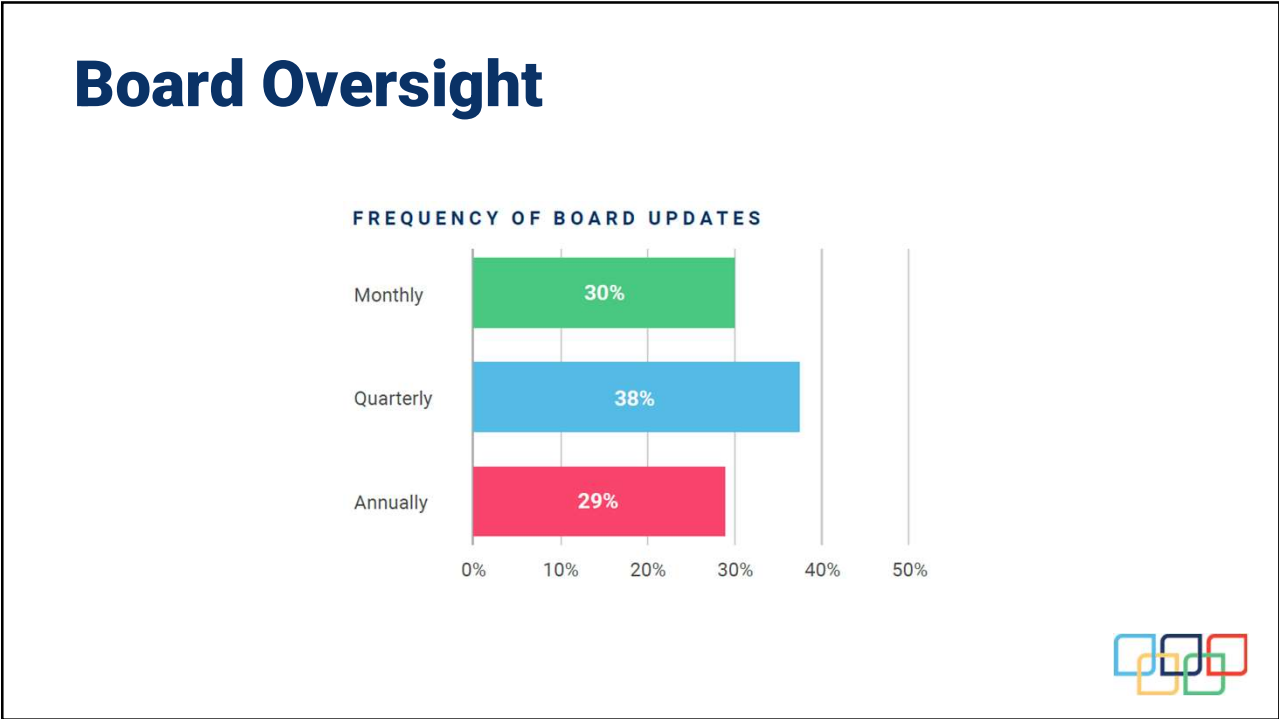
- **Board Oversight**
- **Budget**
- **Cybersecurity Oversight**
- Training
- **Cybersecurity Tools & Frameworks**
- Incident Response
- Vendor Management
- Emerging Technologies
- **Cybersecurity Culture**



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Board Oversight

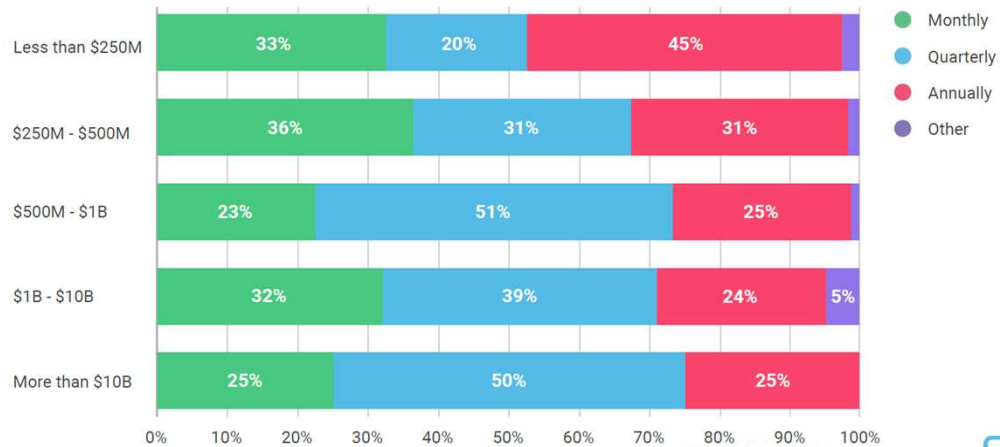
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Board Oversight

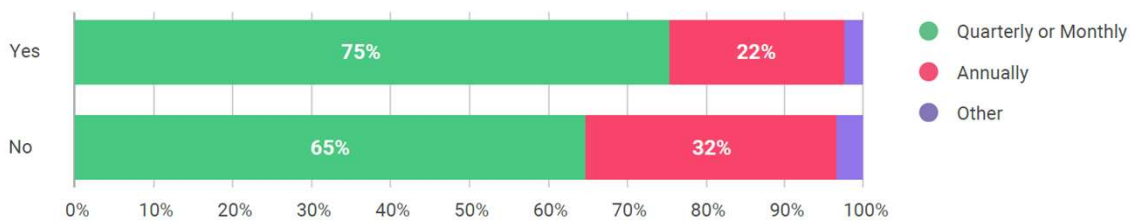
REPORTING FREQUENCY BY ASSET SIZE



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Board Oversight

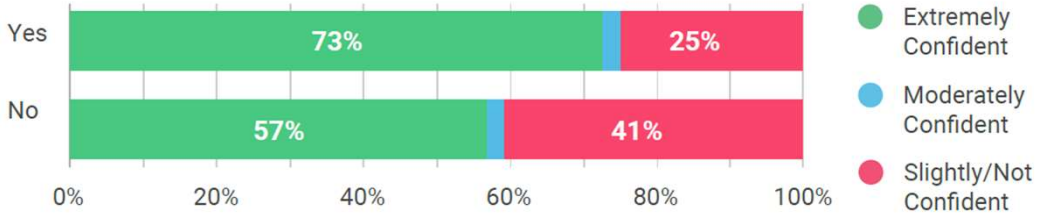
BOARD UPDATE FREQUENCY BY PRESENCE OF IT EXPERIENCED BOARD MEMBER



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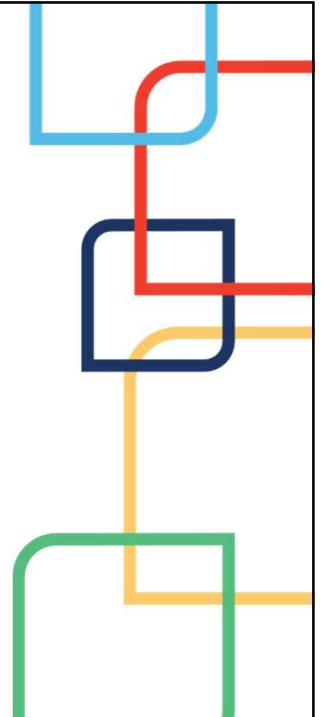
Board Oversight

CONFIDENCE IN CYBERSECURITY POSTURE BY BOARD REPORT FREQUENCY



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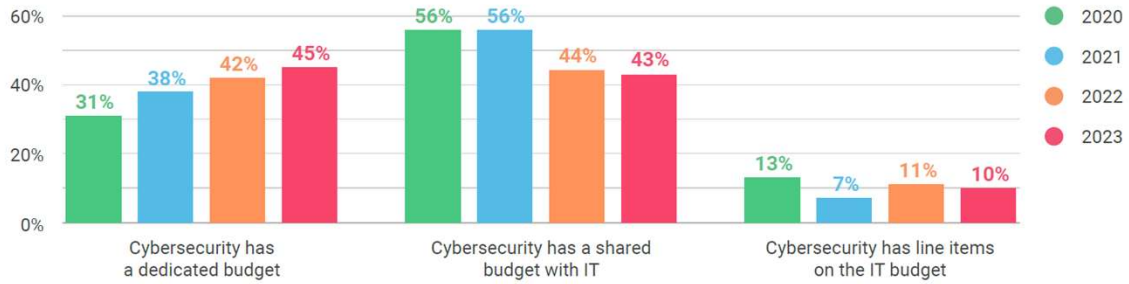
Budget



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Budget

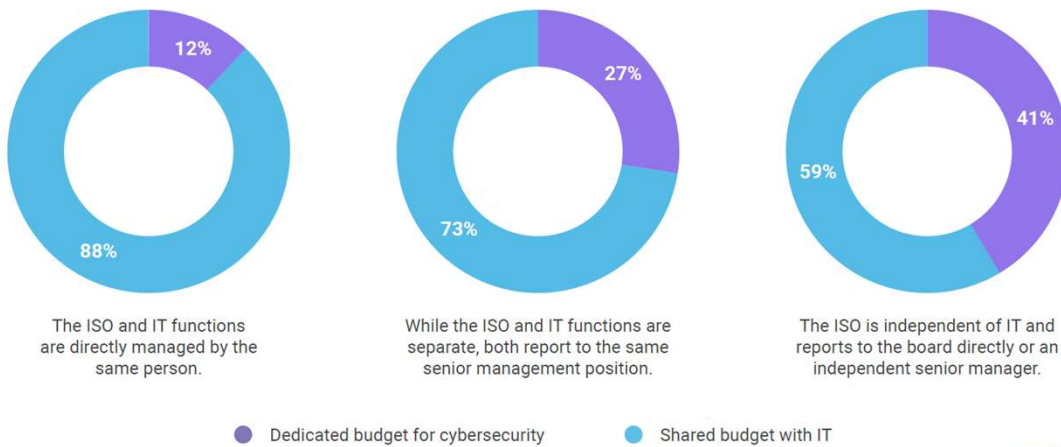
RELATIONSHIP OF CYBERSECURITY & IT BUDGETS



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Budget

BUDGET DEDICATION BY ISO INDEPENDENCE



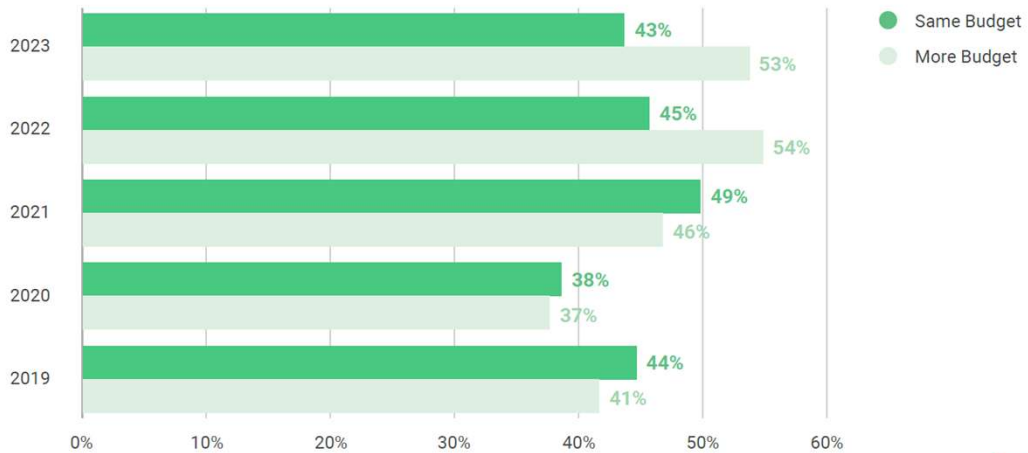
● Dedicated budget for cybersecurity ● Shared budget with IT



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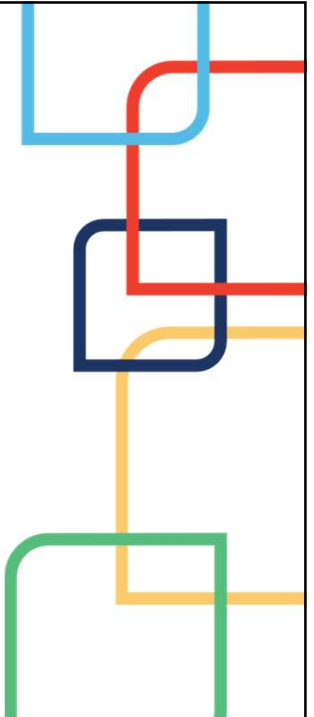
Budget

PLANS FOR NEXT YEAR'S CYBERSECURITY BUDGET



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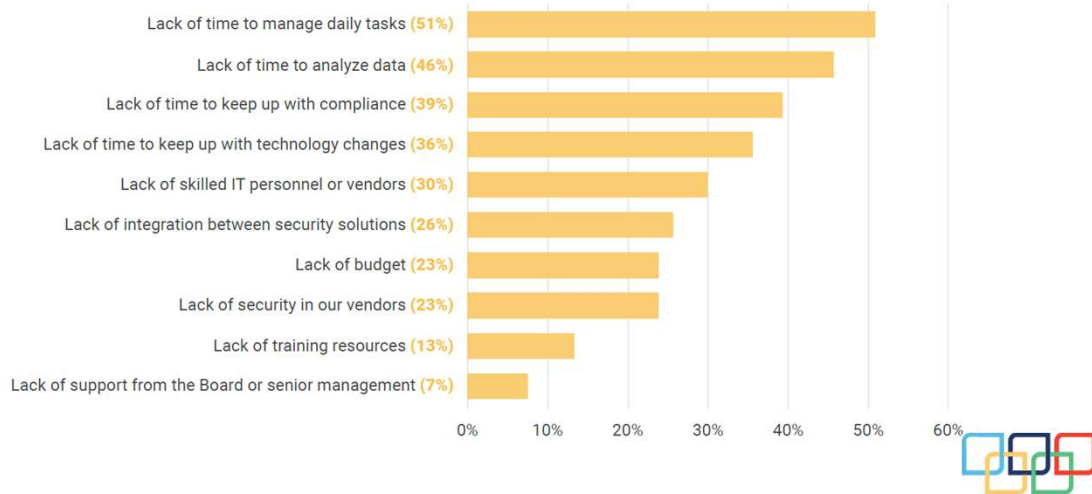
Cybersecurity Oversight



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Cybersecurity Oversight

CIRCUMSTANCES NEGATIVELY IMPACTING CYBERSECURITY STRATEGY SUCCESS



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Lack of Time

What can I do?



Be Realistic



Review
Current Tasks



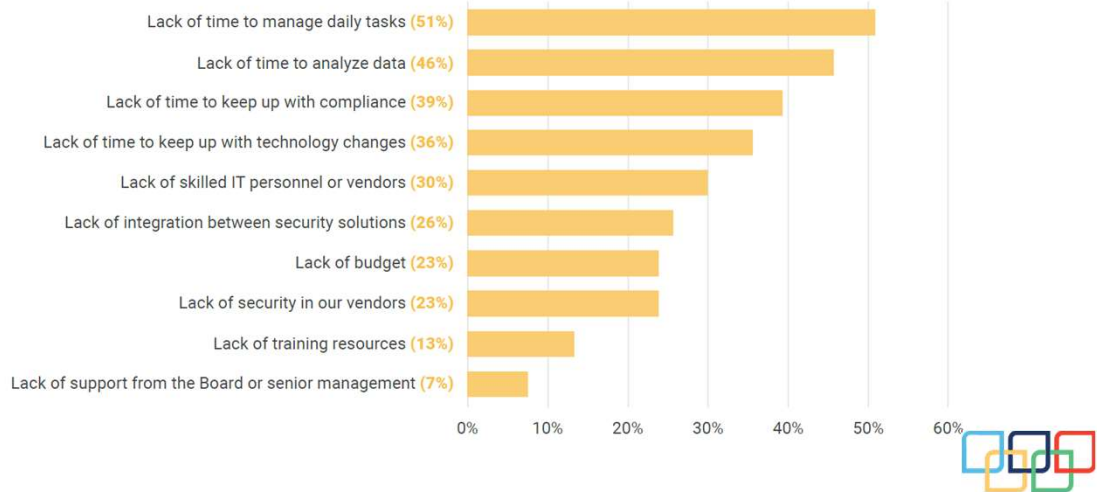
Only so much
can be done



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Cybersecurity Oversight

CIRCUMSTANCES NEGATIVELY IMPACTING CYBERSECURITY STRATEGY SUCCESS



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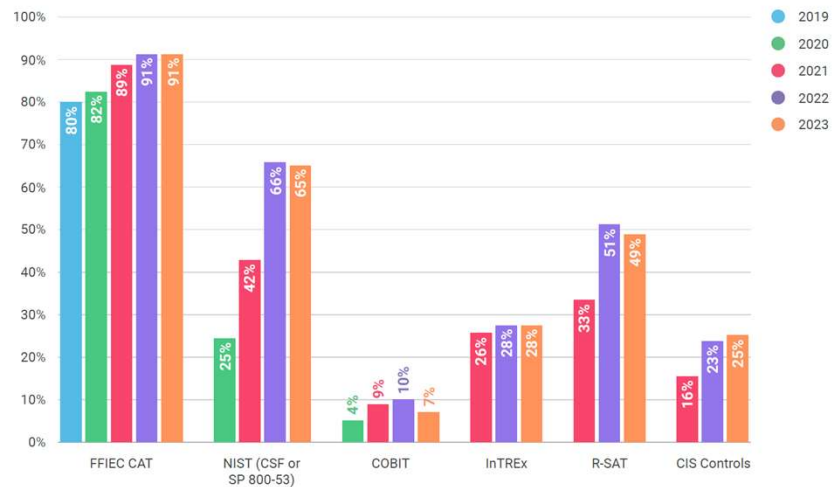
Cybersecurity Tools & Frameworks

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Cybersecurity Tools & Frameworks

ADOPTION OF CYBERSECURITY FRAMEWORKS & TOOLS

Note: Not all frameworks and tools were asked about on prior surveys.

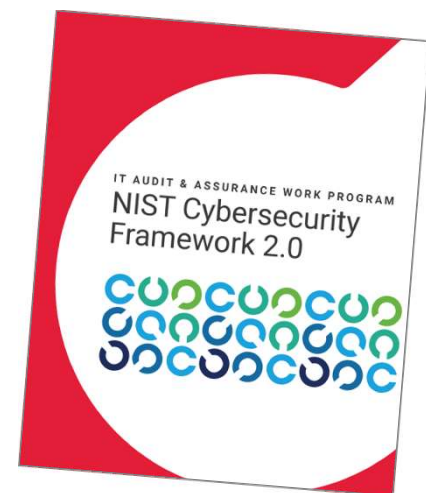


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NIST Cybersecurity Framework (CSF) 2.0

What changed?

- Broader focus (beyond just critical infrastructure)
- New Governance Function
- Bigger focus on Supply Chain
- Implementation Examples
- Improved and expanded guidance on implementing the CSF (profiles)



<https://tandem.app/blog/6-key-updates-in-the-nist-cybersecurity-framework-csf-2-0/>



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Cybersecurity Culture

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Cybersecurity Culture

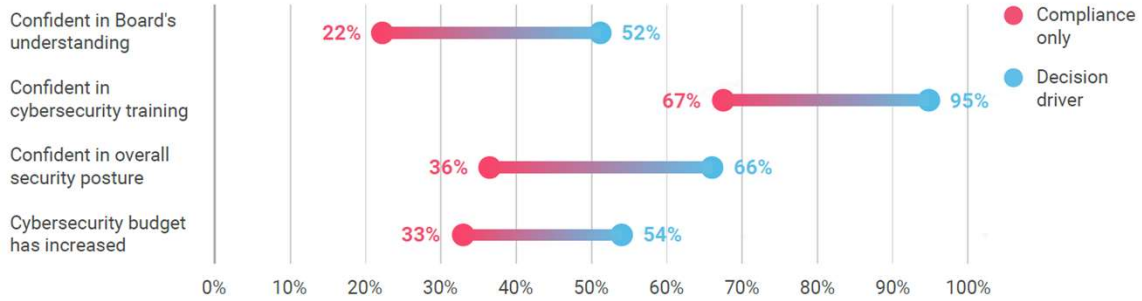
HOW DO YOU VIEW THE VENDOR MANAGEMENT PROGRAM



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Cybersecurity Culture

RELATIONSHIP OF VENDOR MANAGEMENT PROGRAM AND OTHER SECURITY PRACTICES



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<https://tandem.app/state-of-cybersecurity-report>

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Questions?

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THANKS FOR JOINING!

The State of Cybersecurity in the Financial Industry

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