



# CYBER SECURITY IN BANKING INDUSTRY

## Our Perspective

## BACKGROUND

Today customer expectations, technological capabilities, regulatory requirements, demographics and economics are together creating a crucial change. This leads to the need for banking institutions to get ahead of these challenges and adopt a proactive approach to security.

There is a noticeable shift in the banking industry in the way customers deal with their transactions. There is a rapid increase in the usage of digital channels such as internet banking, digital wallets, mobile banking, ATM. This leads to the increase in exposure and thereby cyber attacks which further may lead to financial and reputational losses. Banks may lose the customer confidence which can further increase the impact.

The key influencers which make it imperative for the banks to invest in security are:

- Increase in financial data losses including card data, personal identifiable information etc.
- Unauthorized access to bank's network and systems

### Key drivers for investment in Cyber Security:



Secure sensitive customer information



Fortify IT Processes and Systems



Customer demands for convenience and payment security



Adhere to regulatory requirements

## OVERVIEW

With increasing risks of cyber threats, banks are facing an unprecedented challenge of data breaches and are therefore strengthening their cyber security postures. The following are the noticeable trends in banking industry from cyber security point of view:

- Financial sector faced almost three times the cyber attacks as compared to that of the other industries
- Data breaches (both internal through fraud and external through cyber criminals) leads to the exponential rise in costs
- It has been estimated that cost of implementing and managing the cyber security infrastructure will increase over 40% by 2025
- There is an increase in biometrics and tokenization as banks have begun to recognize that in addition to being a solution for payments these controls are also useful in security the sensitive data
- Customers are using biometrics for banking activities such as authentication for mobile banking, transaction at ATMs and payments
- With digital channels becoming the preference choice of customers for banking services, banks will also need to leverage advanced authentication and access control processes, without any compromise to customer experience

