



Current Security Environment in the Financial Industry

Banks, credit unions and other financial institutions are increasingly sensitive to customer identity theft by hackers and sophisticated cybercrime attacks. In addition to electronically processing customer data, most institutions also support online banking and conduct e-commerce with customers and other enterprises. Security breaches such as identity theft and fraud have far-reaching impacts, ranging from remediation costs and damages payable to victims, to the cost of implementing new monitoring and intrusion prevention tools, to the inestimable toll of negative publicity and lost business.

Conservatively, the **Federal Bureau of Investigation** estimates that cybercrime incurs more than \$120 million in damages annually, and further that only 9% of cybercrime is even reported—which puts the cost of the total problem at a staggering \$1.33 billion annually. And the concern isn't confined to the FBI. A July 2007 report by the **Federal Trade Commission** confirms that email spam has become a significant global tool for the propagation of financial crimes, and the malicious acts of spammers and phishers are inherently criminal.

In response, a growing body of regulation imposes enormous burdens on institutions to exercise constant vigilance and implement safeguards to protect their information systems, transaction processes and customer databases. The Gramm-Leach-Bliley Act, Sarbanes-Oxley and others, enacted with the noblest intentions, present myriad requirements that can be challenging to itemize and understand—let alone implement and maintain.

City National: Safeguarding Clients' Assets for More Than 60 Years

City National Bank of Florida (www.citynational.com) is a wholly-owned subsidiary of City National Bancshares, Inc. The bank is engaged in the general commercial banking business and provides a variety of related financial products and services through more than 20 locations in Miami-Dade, Broward, and Palm Beach Counties.

Headquartered in Miami, City National Bank has grown organically, without acquisitions. It is consistently ranked as one of the top performing banks in its peer group. In rankings of banks with more than \$2.75 billion, City National Bank has continually placed in the top 50 banks in such categories as Return on Assets, Efficiency Ratio and Return on Average Equity.

The Importance of Ongoing Compliance

The bank is subject to the regulations of certain federal agencies and undergoes periodic examinations by those regulatory authorities. To be properly certified as compliant, a third-party audit is mandatory.

"SECNAP Network Security can always be counted on to do a thorough technical audit," said Terry Williams, assistant vice president and information security administrator for City National bank of Florida.

There are lots of auditing firms out there who do audits, but very few who understand the technology completely and what is important from a security point of view."

SECNAP was selected for the expertise of its security compliance auditors and comprehensive scope of its IT Security Audit services. The firm also follows a rigorous process to ensure every requirement is addressed. And as a trusted security advisor to many other financial institutions, SECNAP was well-positioned to assist City National Bank.

City National Bank was so impressed with the comprehensiveness of the assessment and expertise of the SECNAP auditor that they have entered into a long-term agreement with the security firm to provide their annual security audits.

“It may seem like a small thing, but during the audit process, we identified the need for a slight change in the audit report format (not content) that would improve our ability to respond to the regulatory agencies. SECNAP was able to quickly and efficiently accommodate our request and thus facilitate our response more effectively.”

— Terry Williams, assistant vice president and information security administrator, City National Bank

To learn more about SECNAP Network Security, contact your SECNAP representative at 866-732-6276 or visit www.secnap.com.

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