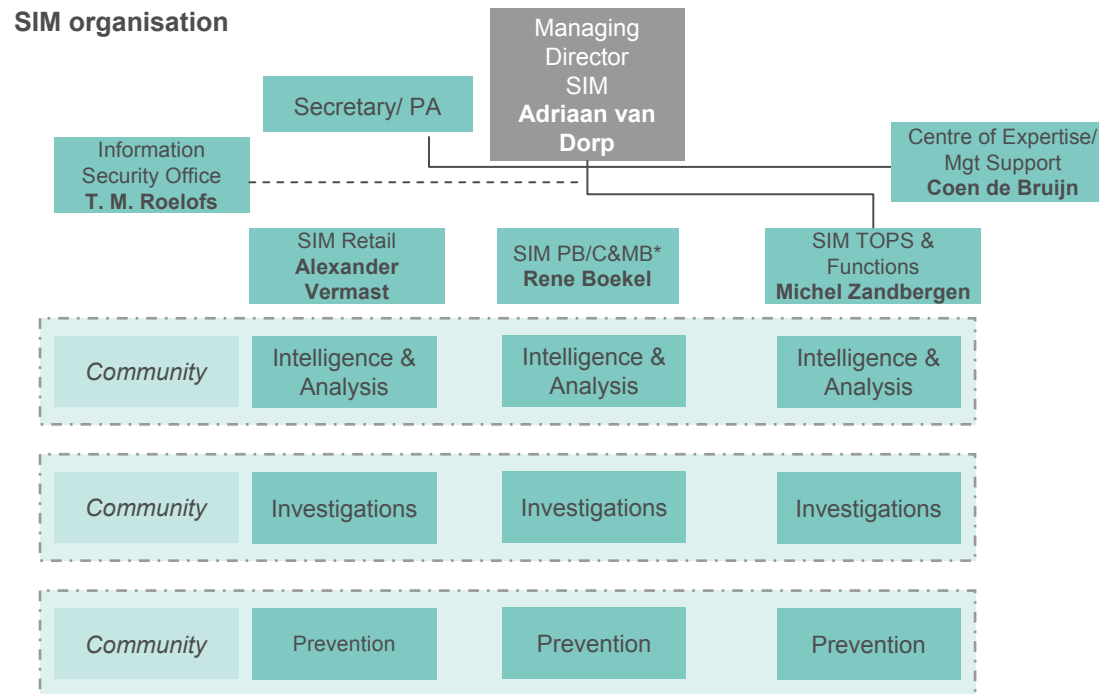


Security & Intelligence Management

November 2011

Coen de bruijn

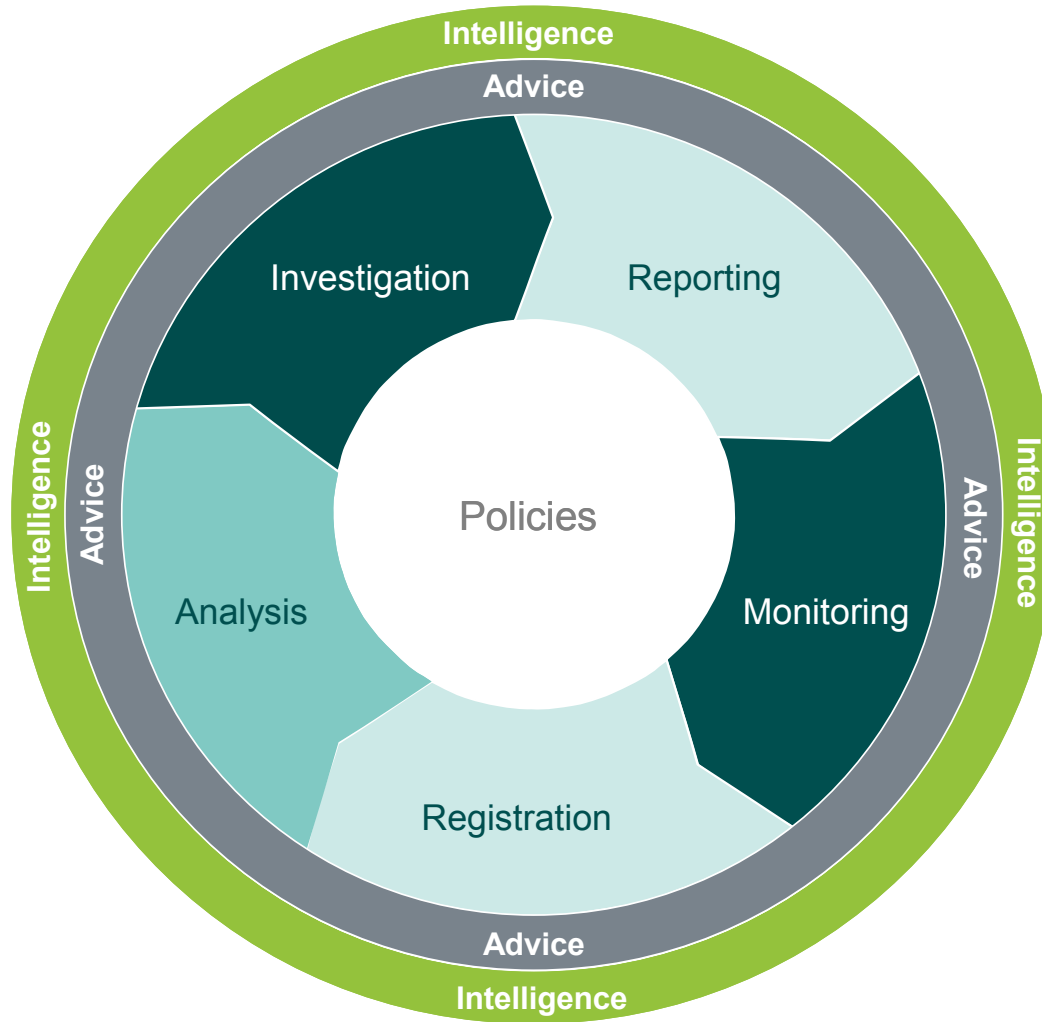
Security & Intelligence Management



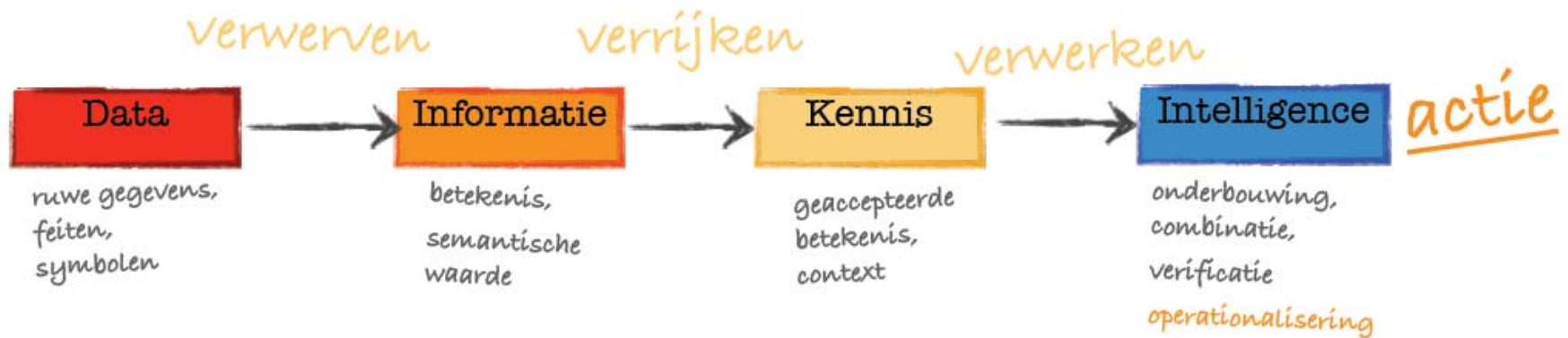
Security & Intelligence Management protects the bank against financial losses due to internal and external criminal activities and abuse of the financial system.

Security & Intelligence Management helps the business in **protecting** the brand of the bank and **safeguarding** its assets and staff in the areas of safety and integrity. Within the 3-lines of defence model SIM plays a vital role in mitigating and managing the reputational, fraud, country, travel and security (policy) risks.

SIM Operating Model



Intelligence Led Security



Key Threat Map

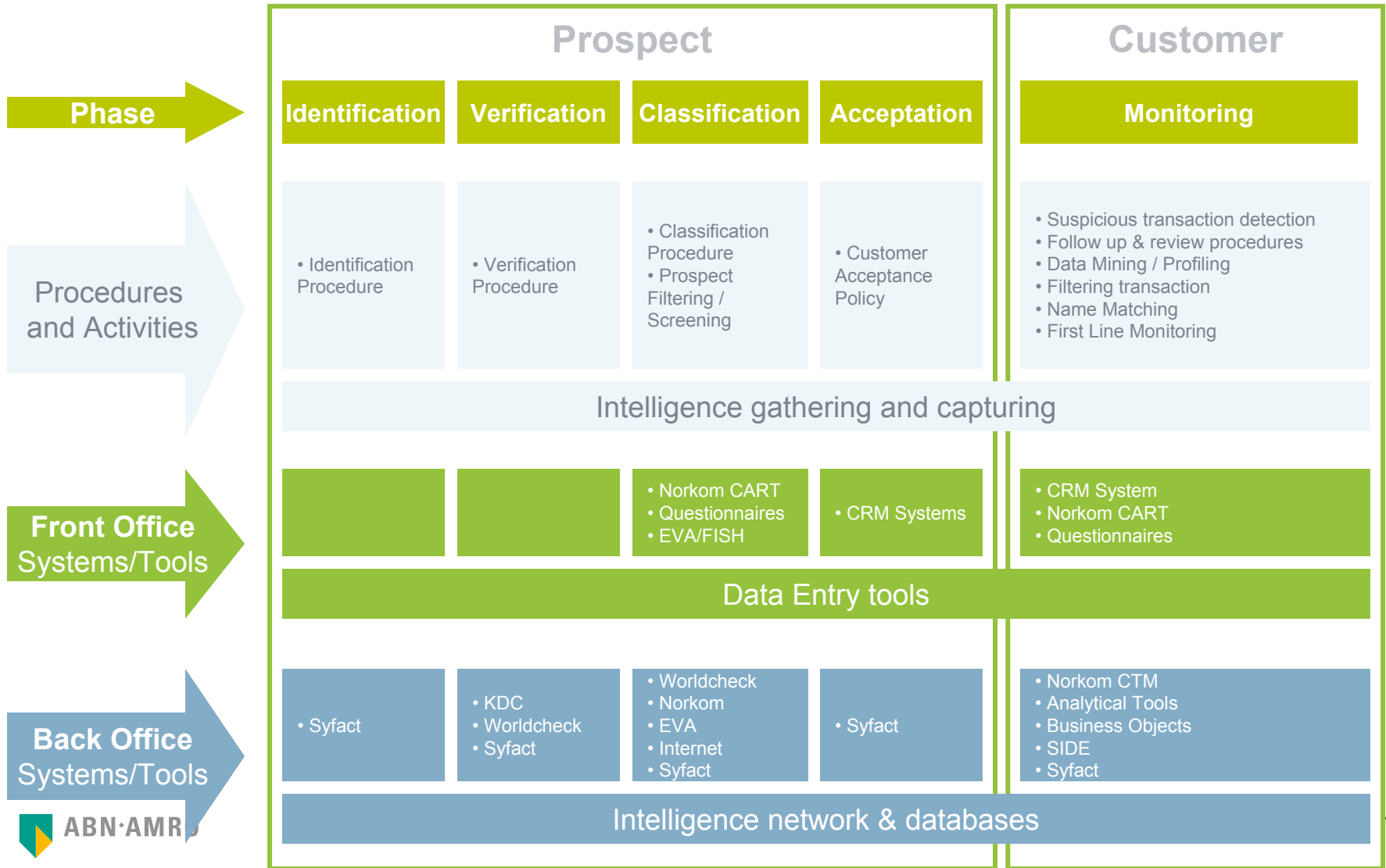
Key Threat map

| SIM Intelligence & Analysis original design by SIM - 2010 - adaptation by Centre of Expertise | | | | | | | | | | current KIM version: 31-8-2011 | | Threat assessment | | | | | Owner | | |
|---|--|-------------------------------------|--------------------------------|--|-------------------|-------------------------------|---|-----------------|------------|--------------------------------|--------------|-------------------|-------------------|----------------|-------------|----------------------------------|---------------------|----------|--|
| Number | Threat name (in green is underlying threat) | Leading business as signed from SIM | Leading business line impacted | Service / Product | Threat Indication | SIM Report (first appearance) | Description | Analysis before | Likelihood | Impact on base | Threat trend | Reputational Risk | Potential Loss | Recovered Loss | Loss | Business Owner | SIM Owner | Action | |
| 1 | Account takeover | PS and CS&M | Combination of Business Lines | Debit card | Current | 2010-04 | Account Takeover is the identity theft of a client, with the intention of financial gain by manipulating ABN AMRO processes and procedures. In 2010, major incidents have occurred that caused a significant financial loss to ABN AMRO. Two weekly updates available, no new trends visible. Not all procedures are clear and might be unused. In 2011 55 incidents took place with a net loss of EUR 705.775, mainly caused by a few cases. The trend in May shows an decreasing line. | Completed | Moderate | Moderate | ↓ | Unlikely | | | | COO TOPS COO Retail | Vanhoof, Marc | 1,2,23 | |
| 2 | Skimming | TOPS | Combination of Business Lines | Debit card | Current | 2010-04 | ATM: A number of AA ATMs have been skimming recently. Extra resources will be made available to implement an emergency fix. ULD: since the start of the roll out of the anti skimming device (1 April 2011) the number of reports about ULD skimming has decreased sharply. POS: Losses due to skimming of POS machines are increasing sharply. The skimming of the SC2000 machine is generating a substantial part of the losses | Ongoing | Moderate | Moderate | ↑ | Moderate | € 6.916.849 | € 0 | € 6.916.849 | Operations | Stoeman-Vissers, S. | | |
| 3 | Phishing | TOPS | Combination of Business Lines | Internal banking contract | Emerging | 2010-05 | The number of phishing incidents is limited (13 incidents till 3 May), unfortunately the damage stays relatively high (EUR 119.200) | | Unlikely | Moderate | ↓ | Remote | | | ISO | Stoeman-Vissers, S. | 6 | | |
| 4 | Internal fraud | TOPS | Combination of Business Lines | Other | Future | 2010-04 | The ongoing changes within the organization create weaknesses in the internal control environment. This makes ABN AMRO vulnerable for internal fraud. The integration of AAB and FBI creates uncertainty about job security in the current work force. Employees that have to leave the bank might default as an act of revenge. It is expected that this risk will materialize within the next half year. | Completed | Moderate | Moderate | ↑ | Moderate | | | | HR/Patrick Coolen | Stoeman-Vissers, S. | 7 | |
| 5 | Gas attacks | Retail | Retail Banking | Physical Security | Current | 2010-11 | One possible gas attack was reported in July, investigation is ongoing. No new incidents for ABN AMRO were reported in the first half of August. Most attacks in 2011 took place on NCR machines at Rabobank and ING. Winccor machines of ABN AMRO suffered some five gas attacks in 2011. Only one attempt in 2011 was successful the other incident is under investigation. | In progress | Remote | Moderate | ↑ | Moderate | | | | Karl In 't Berg | Strauving, Dirk | 44 | |
| 6 | Money mules | Retail | Retail Banking | Payments | Emerging | 2010-01 | New activities aimed at raising awareness have been started. | | Unlikely | Moderate | ↑ | Moderate | Reputational Risk | | | to be determined | Stoeman-Vissers, S. | 42,46 | |
| 7 | Robberies | Retail | Retail Banking | Physical Security | Current | | In the first half of August there was one armed robbery in Amsterdam on a Secured cash dispenser. Loss: 224.000 Euros. | | Remote | Moderate | ↑ | Remote | | | | R. du Maine | Strauving, Dirk | 27,28 | |
| 14 | Claim w.r.t. risky markets | PS and CS&M | Combination of Business Lines | Other | Current | | Claim w.r.t. the so called risky parts of industry e.g. ID&G, Oil (trading) business etc. - confidential - not registered in SIM | | Unlikely | Minor | ↑ | Unlikely | to be determined | | | to be determined | Freyer, Ingrid | 32,33 | |
| 17 | Lithium Double Double 33 | TOPS | TOPS | Physical Security | Current | | Poly theft of private and corporate objects on Guusje Nijmeir increased last year. In the last months an increase is not possible. | | Unlikely | Minor | ↑ | Remote | | | | to be determined | Halsbeek, P. | 34,35 | |
| 19 | Malware | TOPS | TOPS | Internal banking contract | Emerging | 2010-02 | We are continuously under attack of various malware. A new trojan (snovist) has become active causing some losses. Other trojans are less active. Fraudsters (primarily) are using the AAB logo and names of AAB employees in order to create a document e.g. concerning confirmation letters that will be used to convince other parties to invest/participate cooperate with the scammers. Presentation first action available, already presented PS CRM meeting. Issue seems to focus on the US, several statements made to law enforcement. Within the Netherlands there is an increase of offering 'fancy' documents. As there is some interest in the press, SIM will try to get attention for the issue at law enforcement after a full inventory of incidents over 2010-2011 | Ongoing | Moderate | Moderate | ↑ | Moderate | | | ISO | Stoeman-Vissers, S. | Monfoort/Reyler | 22,26,47 | |
| 25 | Use of fraudulent driver's license | Combination of Business Lines | Retail Banking | Debit card | Emerging | 2010-11 | In 2011 three incidents were reported, related to a forged paper driver license. In one case staff involvement was proved. Internal measures have been taken to avoid future incidents. | Ongoing | Remote | Minor | ↑ | Remote | | | | T&O | Boers, Anja | 41 | |
| 26 | Relay attack | TOPS | TOPS | Debit card | Future | | No new incidents have been reported in July - action on the acceptance of a paper driver license by opening a bank account is still to be determined. Manipulate payment devices in order to capture the communication between payment terminal (SSA) or Unattended Loading Device and chip and use this data for fraudulent transactions. By manipulating the equipment, the fraudster may execute other transactions than intended to be signed by the client. Currently there is attention in the media for the SSN chip and successful attempts to read out the PIN by capturing the communication between chip and SSA. Although currently copying the entire content of the chip is not possible, current media attention in itself may increase public distrust of the SSN chip holders. | In progress | Remote | Major | ↑ | Moderate | | | | T&O | Stoeman-Vissers, S. | ongoing | |
| 28 | Madoff Claim | PS and CS&M | Private Banking International | Analysis Reports | Future | | Legal claim of USD 500.000.000 against ABN AMRO and Fortis related to the Madoff case. Mentioned in the press May 2011 as a result of the PFS case per 30 April 2011. | Ongoing | Remote | Insignificant | ↓ | Remote | | | | T&O | Freyer, Ingrid | 30 | |
| 29 | Sage claim of debit procedure | TOPS | TOPS | Automatic direct debit | Future | | Client tried to misuse the S&PA direct debit process to transfer relative small amounts from many Dutch accounts to his German bank account via a PSP. First steps are taken in the development of fraud detection on S&PA CD (pre selection). | In progress | Remote | Moderate | ↑ | Moderate | | | | T&O | Stoeman-Vissers, S. | ongoing | |
| 30 | Real Estate | PS and CS&M | PS and CS&M | Business banking | Current | | - ABN AMRO is reviewing the Real Estate Finance market. Real Estate market entails specific risks, risk of involvement in shady deals/business partners. Plan of approach planned Augustus 2011, determine importance for different business lines | In progress | Moderate | Moderate | ↑ | Moderate | | | | T&O | Monfoort van, P.J. | 22 | |
| 31 | Emissions Co2 fraudulent transactions with the sale of fuel - Payment Service Disruptors | PS and CS&M | PS and CS&M | ACT | Current | | Restraint of using Co2 emissions for money laundering purposes | In progress | Unlikely | Moderate | ↓ | Unlikely | | | | T&O | Freyer, Ingrid | ongoing | |
| 32 | Fraudulent transactions with the sale of fuel - Payment Service Disruptors | TOPS | TOPS | Electronic payments | Current | | Accounts of clients are debited after chat with fraudulent(s). Transactions are transfers by Ideal vs PSP's. | Ongoing | Unlikely | Minor | ↑ | Unlikely | | | | Payments/COO Third Party Station | Halsbeek, P. | 35 | |
| 33 | Travel Risk | PS and CS&M | all | Protection Services (Global Personal Risk) | Current | | No department has a complete view of travellers and agents should an incident or crisis occur. R&G would have difficulty meeting their duty of care to travellers and agents at present. Presentation regarding travel security is non with senior management for their consideration and response. In the interim SIM is working with SCC travel to improve data flow and options to communicate with travellers in an emergency. | Ongoing | Moderate | Moderate | ↑ | Remote | | | | SI&I | Vanneste, S. | | |

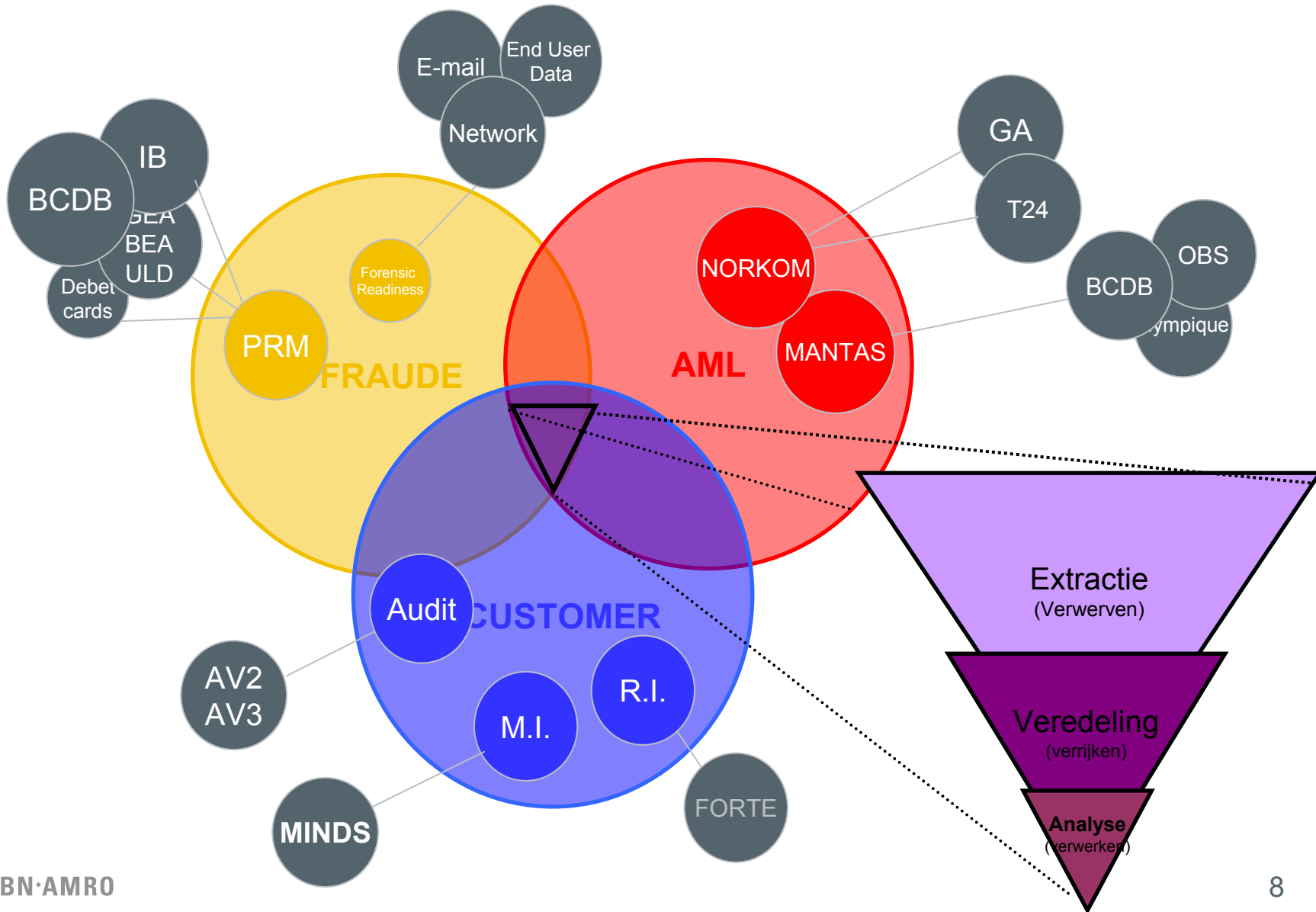
Activiteiten



Het AML Spectrum



Scope



Client Acceptatie

- ▶ Ken je klant / tussenpersoon
- ▶ Ken de klant van je klant / tussenpersoon
- ▶ Ken de Ultimate Beneficial Owner (UBO)
- ▶ Wat? Met wie? Wanneer? Hoe vaak?

Preventie - Voorkom vervelende verrassingen

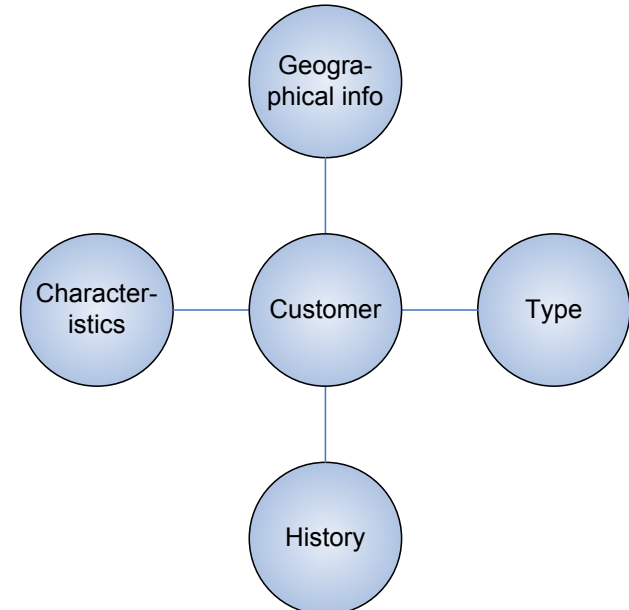
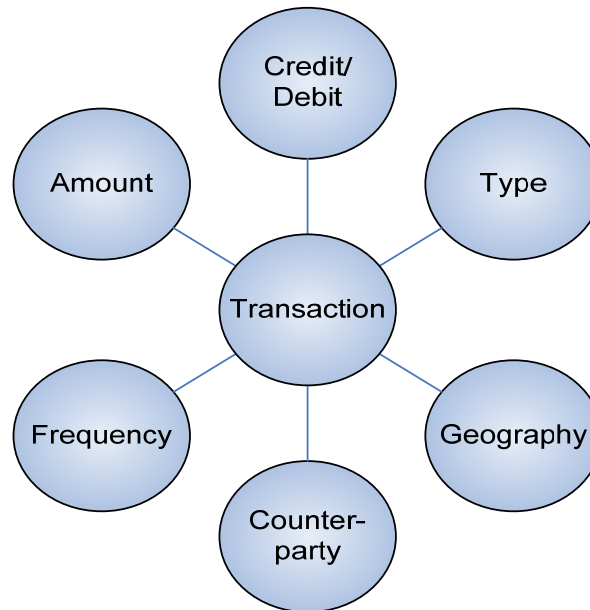
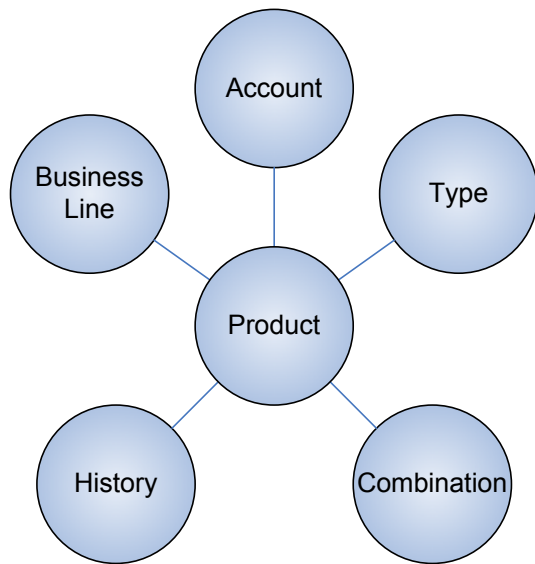
Data issues

- ▶ Kwaliteit van de lijsten
- ▶ Invoer
- ▶ Hoeveelheid data (te veel of te weinig)
- ▶ Matching; Wat te doen als bijv. Ban Laden binnenloopt?
- ▶ Vastlegging



Monitoring

Scenario = Product + Transactie + Klant



Detectie ongebruikelijk gedrag

New Alerts



Filter

Time period:

Scenario:

Perform

New Alerts

| | Alert ID | Customer segment | Customer name | Customer ID | Case name | Case ID | Scenario | Alert date ↓ | Last updated date | Alert score | Assigned to | Status | Org Unit | Domain | |
|--|----------|------------------|-------------------|-------------|-----------|---------|-------------------------------------|---------------------|---------------------|-------------|-------------|--------|---------------|--------|--------------------------|
| | 13782 | | Gerda Robert | 8071925 | | | Large credits compared with debits | 25/07/2006 14:51:39 | 25/07/2006 14:50:00 | 22.37 | | New | Member Bank 1 | AML | <input type="checkbox"/> |
| | 13658 | | Hilde Raes | 6859018 | | | Large credits compared with debits | 25/07/2006 14:51:39 | 25/07/2006 14:49:00 | 25.56 | | New | Member Bank 1 | AML | <input type="checkbox"/> |
| | 13742 | | Sandrine Brasseur | 8270045 | | | Large monthly cheque deposit amount | 25/07/2006 14:51:39 | 25/07/2006 14:49:20 | 52.86 | | New | Member Bank 1 | AML | <input type="checkbox"/> |
| | 13785 | | Rika Daems | 7836973 | | | Large credits compared with debits | 25/07/2006 14:51:39 | 25/07/2006 14:50:00 | 29.51 | | New | Member Bank 1 | AML | <input type="checkbox"/> |
| | 13768 | | Benny Baert | 6194481 | | | Large credits compared with debits | 25/07/2006 14:51:39 | 25/07/2006 14:49:50 | 20.86 | | New | Member Bank 1 | AML | <input type="checkbox"/> |
| | 13739 | | Kate Ceulemans | 6745541 | | | Large credits compared with debits | 25/07/2006 14:51:39 | 25/07/2006 14:49:20 | 25.71 | | New | Member Bank 1 | AML | <input type="checkbox"/> |
| | 13661 | | Yvette Thijs | 7183460 | | | Large monthly cheque deposit amount | 25/07/2006 14:51:39 | 25/07/2006 14:49:00 | 50.00 | | New | Member Bank 1 | AML | <input type="checkbox"/> |
| | 13701 | | Rika Daems | 7836973 | | | Large credits compared with debits | 25/07/2006 14:51:39 | 25/07/2006 14:49:10 | 28.57 | | New | Member Bank 1 | AML | <input type="checkbox"/> |
| | 13818 | | Valerie Dierickx | 1057376 | | | Large credits compared with debits | 25/07/2006 14:51:39 | 25/07/2006 14:50:10 | 22.55 | | New | Member Bank 1 | AML | <input type="checkbox"/> |
| | 13769 | | Ines Van Rompaey | 6830617 | | | Large credits compared with debits | 25/07/2006 14:51:39 | 25/07/2006 14:49:50 | 21.39 | | New | Member Bank 1 | AML | <input type="checkbox"/> |
| | 13888 | | | 8831888 | | | Large credits compared | 25/07/2006 | 25/07/2006 | 88.88 | | New | Member | ... | <input type="checkbox"/> |

Data Issues

- ▶ Vulling van de data
- ▶ Vertrouwelijkheid van de data (privacy wetgeving)
- ▶ Extractie
- ▶ Hoeveelheid data
- ▶ Fraude-onderzoek
- ▶ Extremen
- ▶ Ontbreken van data
- ▶ Puzzelstukken missen



Gevolgen van een eventueel onderzoek !!

Analyse

- ▶ Beschrijvende statistieken
- ▶ Voorspellende technieken
 - Monitoring
 - Fraude detectie
- ▶ Cluster Analyse