

BITS
FINANCIAL SERVICES
R O U N D T A B L E

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**NATION'S LARGEST FINANCIAL INSTITUTIONS
HOLD CYBERSECURITY SUMMIT**
BITS and The Financial Services Roundtable
Advance Security Agenda, Urge Software Companies to Make Products Safer

ARLINGTON, Va., February 4, 2004 – Leaders of the nation's largest financial institutions outlined steps to address software vulnerabilities and patch management issues affecting the industry at a joint BITS and Financial Services Roundtable Summit today. The BITS/FSR Software Security CEO Summit is one step in members' collective response to mounting concern about software vulnerabilities and management of patches that have been issued by software vendors to fix flawed code.

Speaking to the crowd of more than 80 executives representing financial services, other critical infrastructure industries, software companies, and government, James E. Rohr, Chairman and Chief Executive Officer of The PNC Financial Services Group, Inc. and Chairman of the BITS Board of Directors, laid out the software security landscape in his keynote address. Mr. Rohr said the financial services industry was not alone in being affected by software security issues and he emphasized the importance of collaborating with other critical infrastructure industries and government to identify solutions.

Outlining the cost impact to financial institutions, Mr. Rohr said addressing software vulnerabilities costs BITS and FSR members close to \$400 million annually, with the total cost to the industry approaching \$1 billion annually. BITS members, he said, hold about \$9 trillion of the nation's total assets of about \$18 trillion.

BITS' efforts have three overarching objectives. BITS wants vendors to provide a higher duty of care when selling to the financial industry and other critical infrastructure companies; ensure products comply with security guidelines before releasing products; and make the patch-management process more secure and efficient and less costly for organizations. To meet these objectives, BITS is urging vendors to comply with business requirements. Under the requirements, software vendors would use security criteria, like the BITS software security criteria and the Common Criteria, in developing software products to ensure products meet minimum security standards. Companies would then test the products for security and conduct thorough code reviews prior to releasing them.

“BITS has already taken major strides in addressing software security,” said James E. Rohr, Chairman and Chief Executive Officer of The PNC Financial Services Group, Inc. and Chairman of the BITS Board of Directors. “This Summit is another critical step in advancing our industry’s interests to address the security of software products for the safety and soundness of our customers and the nation.”

“Financial institutions are ultimately responsible for ensuring the safety and soundness of financial services,” said Ms. Allen. “We are working with vendors to see that the products offered to our members are safe and reliable, and will not burden companies with applying costly fixes.”

The invitation-only event was held primarily to facilitate dialogue among key leaders about software security and patch management issues. The agenda featured panel discussions and question-and-answer sessions on risk management costs, cross-sector approaches, public policy options, and legal and regulatory issues. Participants shared their perspectives and worked together to identify solutions.

BITS has been addressing software security since 1999, when its Security and Risk Assessment (SRA) Working Group developed security criteria for products used in the financial services industry. That project resulted in the BITS Product Certification Program, used today to test the security of products offered to financial services companies. BITS’ efforts are spearheaded by BITS’ Security and Risk Assessment group, whose members represent more than 70 of the nation’s largest banking, securities and insurance organizations. Since its inception in 1996, the SRA Executive Committee and Working Group have swiftly galvanized the industry to address challenges, coordinate industry response, and champion key causes.

The BITS Product Certification Program provides a cornerstone to these efforts. The Program is a venue for testing products used in the financial industry against industry-established security criteria. The *BITS Tested Mark* is awarded to products that meet those criteria.

The Summit followed The Financial Services Roundtable’s Mid-Winter Conference on February 2 and 3 at the Ritz Carlton Pentagon City in Arlington.

About BITS

BITS was created in 1996 to foster the growth and development of electronic financial services and e-commerce for the benefit of financial institutions and their customers. A nonprofit industry consortium that shares membership with The Financial Services Roundtable, BITS seeks to sustain consumer confidence and trust by ensuring the security, privacy and integrity of financial transactions. BITS works as a strategic brain trust to provide intellectual capital and address emerging issues where financial services, technology and commerce intersect, acting quickly to address problems and galvanize the industry. BITS’ activities are driven by the CEOs and their appointees—CIOs, CTOs, Vice Chairmen and Executive Vice Presidents—who make up the BITS Executive Committee, BITS Advisory Group and BITS Council. For more information, go to www.bitsinfo.org.

About The Financial Services Roundtable

The Financial Services Roundtable (www.fsround.org) represents 100 of the largest integrated financial services companies providing banking, insurance, and investment products and services to the American consumer. Member companies participate through the chief executive officer and other senior executives nominated by the CEO.

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