

BITS

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

For Immediate Release

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BITS HELPS FINANCIAL INSTITUTIONS CALCULATE INFORMATION SECURITY RISK

Washington, D.C. July 14, 2004 — BITS, a nonprofit consortium made up of 100 of the largest financial institutions in the US, today published a calculator financial institutions of all sizes can use to evaluate critical information security risks to their businesses.

The BITS Key Risk Measurement Tool for Information Security Operational Risks, or “BITS Kalkulator,” starts with a list of common information security threats and vulnerabilities and matches them with corresponding controls to mitigate those risks. Using the Kalkulator, financial institutions score their own information security risks based on the likelihood of an incident, the degree to which the organization has defended itself against the threat, and an incident’s possible impact. An institution can use the results to boost its ability to assess and mitigate risks to its information security program.

The Kalkulator is unique. It brings together an extensive body of information security risk categories outlined in international security standards and emerging operational risk regulatory requirements and combines them in one tool. Financial institutions can modify the Kalkulator to meet their unique needs.

The Kalkulator was developed by participants from some of the nation’s largest financial services companies, including Assurant, Inc./Fortis, Inc.; The Bank of New York Company, Inc.; Comerica Incorporated; Credit Suisse First Boston; Bank of America Corporation; National City Corporation; Northern Trust Corporation; Raymond James Financial, Inc.; Regions Financial Corporation; State Farm Insurance Companies; USAA; and Washington Mutual, Inc.

“Ensuring the security of financial services is among BITS’ top priorities,” said Catherine A. Allen, CEO of BITS. “The BITS Kalkulator is yet another tool we offer to all financial institutions to promote safety and security in financial services and to help manage emerging operational risks.”

“Financial institutions are constantly evaluating and upgrading the security of their systems,” said Paul Smocer, Senior Vice President at Mellon Financial Corporation, who served as chair of the BITS Operational Risk Management Working Group, which initiated the project. “The Kalkulator is a unique tool that allows companies to hold a mirror up to their information security risk mitigation strategies and see where they can improve.”

Landy Dutton, Vice President and Operational Risk Manager at Regions Financial Corporation and chair of the Security and Risk Assessment Working Group noted, “The Kalkulator is an efficient and

effective way for financial institutions, both large and small, to assess information security risk and response."

The BITS Key Risk Measurement Tool for Information Security Operational Risks can be downloaded at no cost at the BITS website, www.bitsinfo.org/wp.html.

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 and BITS Advisory Council. For more information, go to www.bitsinfo.org.

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