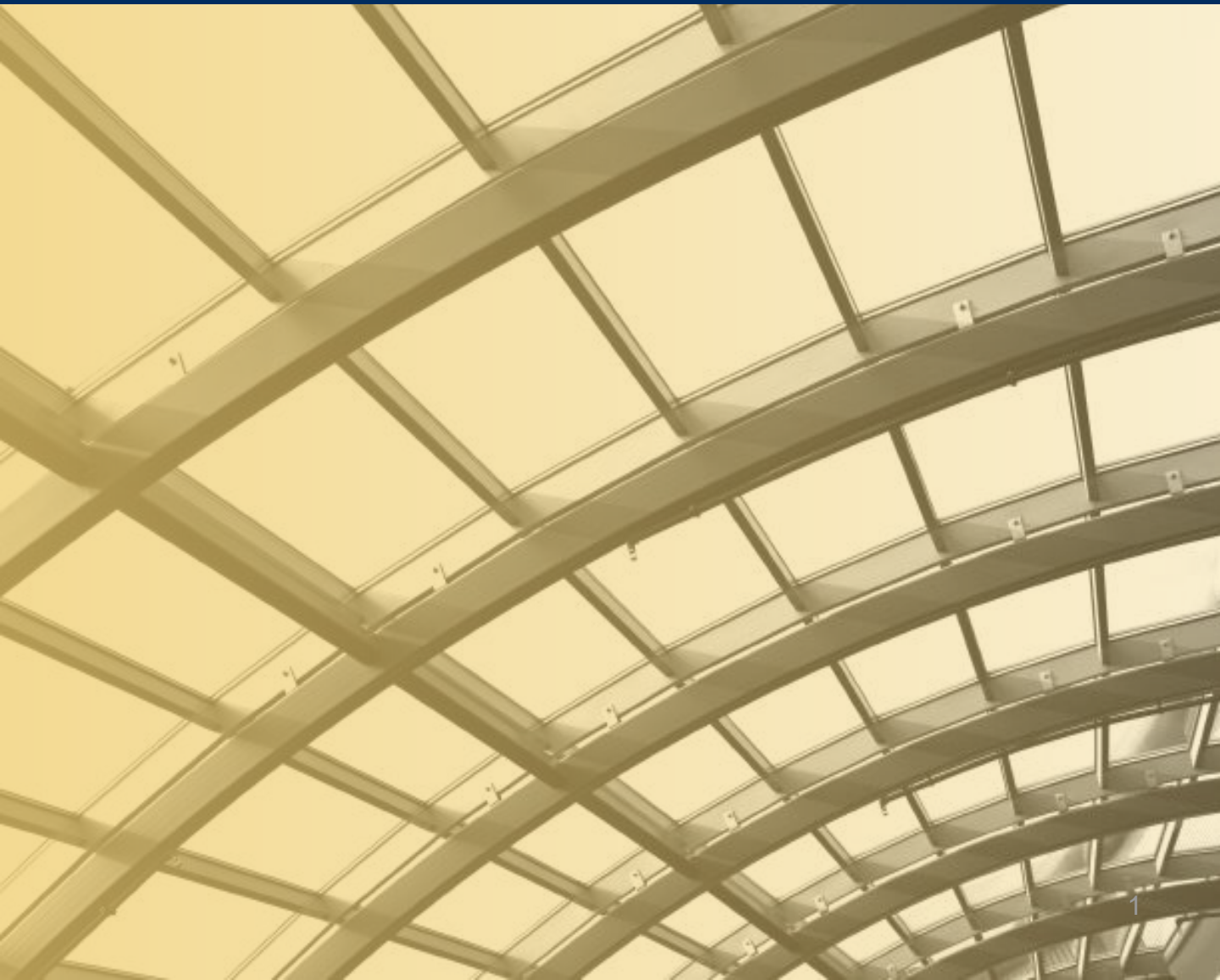




Financial Services Sector Coordinating Council
for Critical Infrastructure Protection and Homeland Security

ANNUAL REPORT 2016 - 2017



Introduction



2016 and 2017 have been pivotal years for the Financial Services Sector Coordinating Council (FSSCC), as we continue our journey of transformation and action. Given the major challenges the world faces in terms of more sophisticated and dynamic cyber threats, there is significant opportunity for FSSCC to continue to lead with clear direction and strategy, promoting partnership across industry sectors.

15 years and still committed to our mission

For the past 15 years, FSSCC has played a leading role in collaborating with the U.S. Government. We have many accomplishments to be proud of and even more goals on the horizon we are working towards.

By leveraging our committees and task groups, we are making significant strides to advance our industry by promoting C-suite awareness, advancing our global footprint, enhancing cross-sector collaboration, and educating Congress and the administration on cyber legislation.

A few of our notable accomplishments over the last 12-24 months include:

- Published a letter to the Presidential Commission on Enhancing National Cybersecurity
- Sponsored sector cyber exercises, regional exercises and workshops, and "All Hazards Crisis Response Playbook" drills
- Organized and participated in a White House meeting with CEOs and senior US Government officials to discuss cyber threats to the financial sector
- Released a response to the Executive Order on Strengthening the Cybersecurity of Federal Networks and Critical Infrastructure
- Developed and published a joint calendar, in partnership with the University of North Carolina at Charlotte, which offers the ability to share key sector dates and events in one location

The excellent work our organization does is all because of our talented members and the executive committee. I would like to extend my sincere gratitude to each of you for your contributions.

I am confident we will continue to seize opportunities that strengthen the resiliency of the financial services sector.

A handwritten signature in black ink, appearing to read 'Rich Baich'.

Rich Baich,
FSSC Chairman

Protecting Critical Financial Infrastructure

FSSCC's Mission: To strengthen the resilience of the financial services sector against attacks and other threats by proactively identifying hazards and promoting protection, driving preparedness, collaborating with the U. S. Federal government for the benefit not only of the sector, but its consumers, and the nation's economy.

Background

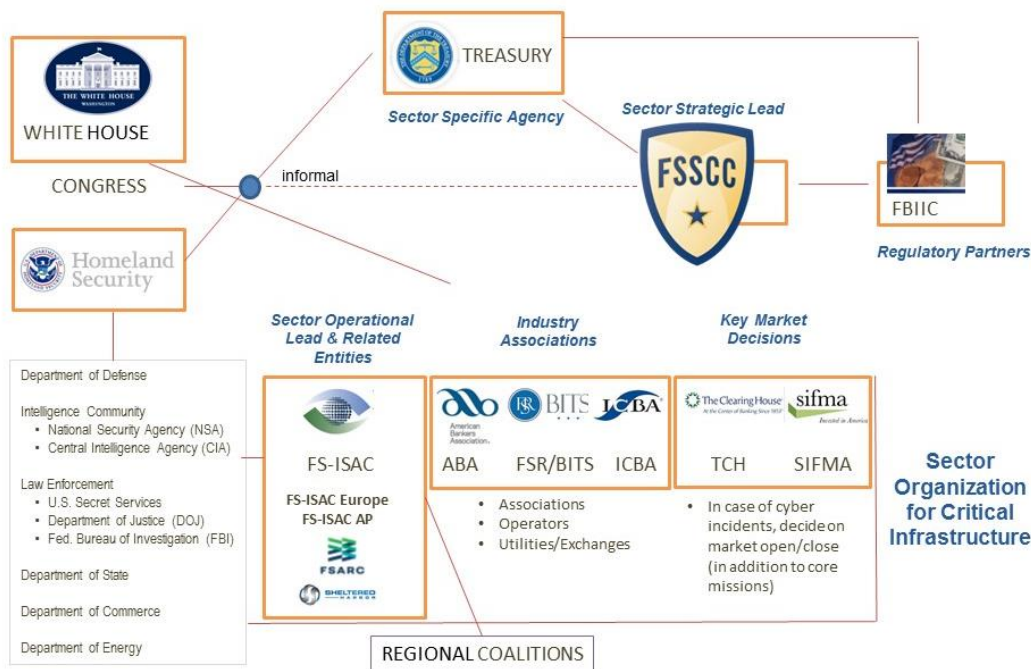
- Formed in 2002 as a public/private partnership with the support of the U.S. Department of the Treasury, FSSCC collaborates with the Treasury and the financial regulatory agencies at the federal and state levels through the Financial and Banking Information Infrastructure Committee (FBIIC), which also formed in 2002 under Treasury's leadership.
- Involves 70 of the largest financial institutions and their industry associations representing banking, insurance, credit card networks, credit unions, exchanges, and financial utilities in payments, clearing, and settlement.
- The primary government partner is the U.S. Department of the Treasury. Other government partners include U.S. Secret Service, Federal Bureau of Investigation and the U.S. Department of Homeland Security (DHS).

Partnership Coordination

FSSCC formed nearly a year before the enactment of legislation creating DHS. It sought to promote the resilience of the financial services sector while coordinating the development of critical infrastructure strategies and initiatives with U.S. Government entities and its critical infrastructure counterparts, including electricity, communications, and others.

Once established, DHS called for the development of sector and government councils for all critical sectors, incorporating FSSCC and FBIIC into its partnership structure. This framework promotes the ability of key firms and sectors to work in close partnership with various government agencies to strengthen and maintain secure, functioning, and resilient critical infrastructure.

FSSCC Engagement with U.S. Government Entities



15 Years of Collaboration Milestones

FSSCC members have convened to address the sector’s priorities, identify gaps in capabilities, and assess threats.

| | |
|-------------|--|
| 2002 | FSSCC is created. Rhonda MacLean, Bank of America is named FSSCC Chair. |
| 2004 | Don Donahue, Depository Trust & Clearing Corporation is named FSSCC Chair. George Hender, The Options Clearing Corporation is named FSSCC Vice Chair. |
| 2005 | Coordinated and facilitated communication between public sector, industry, and media on the status and response to Hurricane Katrina. Issued <i>Protecting the U.S. Critical Financial Infrastructure: An Agenda for 2005</i> . |
| 2006 | George Hender, The Options Clearing Corporation named FSSCC Chair. Al Wood, The Clearing House is named FSSCC Vice Chair. Set-up a joint committee to address the pandemic issue. |
| 2007 | Shawn Johnson, State Street is named FSSCC Vice Chair. |
| 2008 | Increased awareness of the Government Emergency Telecommunications Service pilot program used during national and regional emergencies. |
| 2009 | Co-sponsored a study that stressed the importance of securing undersea telecommunications cables. |
| 2010 | Jane Carlin, Morgan Stanley is named FSSCC Chair. |
| 2011 | Jim Wells, BITS/Financial Services Roundtable is named FSSCC Vice Chair. |
| 2012 | Charles Baluner, Citi is named FSSCC Chair. Issued a response to Senator Rockefeller with recommendations regarding how to continue to improve the public and private sector efforts to address cyber-security. Jointly activated a Crisis Management Team to coordinate sector response and communications activities for Superstorm Sandy. |

15 Years of Collaboration Milestones

| | |
|--------------------------|--|
| <p>2012 cont.</p> | <p>Charles Blauner, Citi, is named FSSCC Chair.</p> <p>Jointly activated a Crisis Management Team to coordinate sector response and communications activities for Superstorm Sandy.</p> |
| <p>2013</p> | <p>Doug Johnson, American Bankers Association is named FSSCC Vice Chair.</p> <p>Released the Research & Development Agenda for Financial Services Sector that reflects changes in the sector’s operational environment including evolving threats and advances in technology.</p> |
| <p>2014</p> | <p>Russ Fitzgibbons, The Clearing House is named FSSCC Chair.</p> <p>Co-created and co-executed the Hamilton Series, a cybersecurity exercise program with the U.S. Department of Treasury and other public sector entities.</p> <p>Contributed substantial input for the NIST Cybersecurity Framework.</p> <p>Sent a letter to Senator Warren and Representative Cummings in response to their inquiry to 16 financial services companies regarding cyber-attacks and breaches against their institutions.</p> |
| <p>2015</p> | <p>John Carlson, FS-ISAC is named FSSCC Vice Chair.</p> <p>Created the Automated Cybersecurity Assessment Tool to assist institutions in collecting and scoring their responses to the FFIEC’s Cybersecurity Assessment Tool.</p> |
| <p>2016</p> | <p>Rich Baich, Wells Fargo is named FSSCC Chair.</p> <p>Contributed to the DHS Homeland Security Advisory Council’s Cybersecurity Subcommittee: Part I – Incident Response, establishing a Cyber Incident Response effort with finance, energy, and communications sectors.</p> <p>Organized and participated in a White House meeting with CEOs and senior US Government officials to discuss cyber threats to the financial sector, the financial stability implications of a significant cyber incident, and steps industry and government should take to mitigate these risks.</p> |
| <p>2017</p> | <p>Tom Wagner, SIFMA is named FSSCC Vice Chair.</p> <p>Developed the cyber-security financial services sector profile.</p> <p>Created a sector capabilities’ register and an assessment of sector capabilities.</p> |

Engagement

The FSSCC fosters the ongoing communication and collaboration of its members, public partners, and other sectors.

FSSCC in partnership with FBIIC hosted three joint unclassified meetings and three classified level briefings in Washington, D.C.

2017 Speakers included:

- Sean Kanuck, former National Intelligence Officer, Office of the Director of National Intelligence
- Kiersten Elizabeth Todt Coon, Executive Director, Commission on Enhancing National Cybersecurity
- Kathryn Condello, Vice-Chair, Communications Sector Coordinating Council & Director, National Security/Emergency Preparedness, CenturyLink
- Louis Morano, National Counterintelligence and Security Center
- Frank Cilluffo, Associate Vice President & Director, Center for Cyber and Homeland Security, The George Washington University
- James Lewis, Senior Vice President, Center for Strategic and International Studies
- Jack Lew, Secretary of the Treasury
- Adam Sedgewick, Senior Information Technology Policy Advisor National Institute of Standards & Technology
- Orion Hindawi, Co-Founder & CEO, Tanium

Leadership

FSSCC efforts are supported by the FSSCC Executive Committee. The Executive Committee is led by representatives appointed by the Chair from the sector who offer guidance to the FSSCC.

| SECTOR WIDE LEADERSHIP | INDUSTRY ASSOCIATION LEADERSHIP | INDUSTRY UTILITIES AND EXCHANGES LEADERSHIP |
|--|---------------------------------|---|
| Chair Rich Baich Wells Fargo | Jane Larimer NACHA | Rick Van Luvender First Data |
| Vice Chair John Carlson FS-ISAC | Michael Carano ChicagoFirst | Bethany Netzel CME Group |
| Sector-Specific Partner Brian Peretti Department of Treasury | Doug Johnson ABA | |
| | Chris Feeney BITS / FSR | |
| | Viveca Ware ICBA | |
| | Tom Wagner SIFMA | |
| OFFICE OF THE CHAIR | | INDIVIDUAL OPERATOR LEADERSHIP |
| Executive Director Brian Tishuk FSSCC | | Jim Gottsacker State Farm |
| Deputy Director Andrea Flournoy FSSCC | | Phil Venables Goldman Sachs |
| Exercise Director Greg Gist FS-ISAC | | Greg Rattray JPMC |
| Intelligence Community Liaison James Katavolos Citi | | Karl Schimmeck Morgan Stanley |
| Communications Carrie Norman Wells Fargo | | George Smirnoff Comerica |
| Government Liaison Kristina Dorville Wells Fargo | | |

Member-Driven

FSSCC is a member-driven organization where individual members recommend projects and take the lead on the resulting initiatives, with other members and public sector partners actively participating in work groups.

| Aetna | Credit Suisse | Morgan Stanley |
|---|---|---|
| AIG | The Depository Trust & Clearing Corporation (DTCC) | NACHA - The Electronic Payments Association |
| American Bankers Association (ABA) | Discover Financial Services | The NASDAQ Stock Market, Inc. |
| American Council of Life Insurers | Equifax | National Armored Car Association |
| American Express | Fannie Mae | National Association of Federal Credit Unions |
| American Insurance Association (AIA) | Fidelity Investments | National Futures Association |
| American Society for Industrial Security International (ASIS) | Financial Information Forum (FIF) | Navient |
| Bank Administration Institute (BAI) | Financial Service Information Sharing and Analysis Center (FS-ISAC) | Navy Federal Credit Union |
| Bank of America | First Data | Northern Trust |
| BNY Mellon | FIS | The Options Clearing Corporation |
| BATS Exchange | Freddie Mac | PNC |
| BB&T | Futures Industry Association (FIA) | Property Casualty Insurers Association of America (PCI) |
| BCG Partners | Goldman Sachs | RBS |
| BITS / Financial Services Roundtable | ICE NYSE | Securities Industry and Financial Markets Association (SIFMA) |
| BMO Financial Group | Independent Community Bankers of America (ICBA) | State Farm |
| Capital One | Institute of International Bankers (IIB) | State Street Corporation |
| CME Group | Investment Company Institute (ICI) | SunTrust |
| Charles Schwab Bank | John Hancock/Manulife | Synchrony Financial |
| ChicagoFIRST | JPMorgan Chase | U.S. Bank |
| Citigroup | LCH Clearent | USAA Bank |
| The Clearing House | Managed Funds Association (MFA) | Visa USA Inc. |
| CLS Group | MasterCard | Wells Fargo |
| Comerica | Money Management Institute (MMI) | |
| Consumer Bankers Association (CBA) | | |
| Credit Union National Association (CUNA) | | |

Results

In response to a membership survey, Chairman Baich and the Executive Committee created the top priorities for the sector for 2016-2017. These included: promote c-suite awareness, advance sector's global footprint, continue to educate Congress on the importance of cyber legislation, enhance cross-sector collaboration, implement the 2017 exercise action plan, improve the sector's All-Hazards Crisis Response Playbook.

Promote C-Suite Awareness

In October 2016, FSSCC member CEOs and senior U.S. Government officials participated in a meeting at the White House to discuss cyber threats to the financial sector, the financial stability implications of a significant cyber incident, and steps industry and government should take to mitigate these risks.

As a result of this meeting, the CEO Council was established to provide a forum for the financial industry's senior executives to hold ongoing discussions with FBIIC peers to address domestic and international financial stability matters.

Advance Sector's Global Footprint

The ever-increasing connectivity among nations has presented the financial sector with both opportunities and threats.

- The FSSCC International Committee was stood up in 2017 to explore and analyze global regulatory, legislative, and judicial activity, with emphasis on understanding the interaction with U.S. domestic law, regulation, guidance, and proposals.

Results cont.

Enhance cross-sector collaboration

FSSCC leadership continued to cultivate cross-sector partnerships with other sectors through participating in Critical Infrastructure Partnership Advisory Council joint meeting of the Cross-Sector Councils.

The Strategic Infrastructure Coordinating Council (SICC) was formed by leaders in the financial, communications, and electricity sub-sector to address significant incidents affecting more than one of the critical infrastructure.

The SICC objectives are to:

- Enhance national and economic security by coordinating the nation's most critical infrastructure sectors
- Develop cross sector crisis response plans and protocols
- Align organizations, systems, processes, and technologies across sectors
- Serve as a focal point for government engagement with strategic infrastructure in steady-state and crises

In addition a sub-working group with has been established by the sectors to:

- Develop a playbook to serve as a guide to escalate, coordinate and communicate information across sectors
- Implement a Crisis Communication Workflow, which consists of who should be contacted in each sector, how they should be contacted, and triggers which could initiate such contact
- Leverage existing National Council of ISACs (NCI) cross-sector coordination and situational awareness

Results cont.

Continue to educate congress and the administration on importance of cyber legislation

FSSCC engaged with the public-sector throughout the year to advance the sector's resilience and to inform members of the former and new administrations on the sector's priorities. These efforts included:

- Publishing a letter to the Presidential Commission on Enhancing National Cybersecurity (September, 2016)
- Releasing a list of cybersecurity priorities for the new Administration and Congress (January, 2017)
- Submitting a comment letter in response to the jointly issued advanced notice of proposed rulemaking, *Enhanced Cyber Risk Management Standards* (February, 2017)
- Participating in the 9th Joint Associations Cybersecurity Summit held in Washington, D.C to discuss cyber security topics including: Sheltered Harbor, FSARC, Key findings of the Presidential Commission on Enhancing National Cybersecurity, Cybersecurity policies of the new Administration, Overview of the House Committee on Oversight and Government Reform, Information Technology Subcommittee, and the Homeland Security Committee (March, 2017)
- Releasing a response to the Executive Order on *Strengthening the Cybersecurity of Federal Networks and Critical Infrastructure* (May, 2017)

Improve the sector's All-Hazards Crisis Response Playbook

The Communications Playbook working group associated with FS-ISAC and the Business Resilience Council (BRC) working group has been working on a Communications-specific Playbook that tucks into the existing All Hazards Crisis Response playbook and also connects with other similar initiatives such as the Wholesale Payments Communications and Sheltered Harbor working groups. The Playbook is being revised to include lessons learned from 2016 exercises and events.

Results cont.

Implement the 2017 Exercise Action Plan

The Hamilton Series of Exercises were developed and led by FBIIC and FSSCC to help highlight the various threats to the sector and exercise responses.

Sector exercises, which were conducted at government locations in consisted of the following:

- Cross-Sector Exercise with Electricity, U.S. Department of Treasury, Washington, D.C. (August 2016)
- Liquidity Risk Exercise at New York Federal Reserve, New York, NY (September 2016)
- Futures / Derivatives Sector-level Exercise, U.S. Commodity Futures Trading Commission, Washington, D.C (November 2016)
- Third-Party Supplier/Service Provider Tabletop Exercise, Office of the Comptroller of the Currency, Washington, D.C. (May 2017)
- System Assurance Tabletop Exercise (June 2017)

In addition to sector exercises, regional exercises were conducted across the nation.

The private-sector participants were small to medium firms. Public-sector participants included U.S. Government entities, local regulatory representatives, law enforcement, and local coordinating mechanisms (state OEMs, regional coalitions, and state AGs).

- Boston Regional Cybersecurity Tabletop Exercise (December, 2016)
- Atlanta Regional Cybersecurity Tabletop Exercise (March, 2017)
- Dallas Regional Cybersecurity Tabletop Exercise (June, 2017)