



# WEALTH MANAGEMENT AND GLOBAL CYBER RISK



*Reducing the risks facing your wealth management customers from the increasing threat of sophisticated cyber adversaries.*

## TODAY'S WEALTH MANAGEMENT ENVIRONMENT

The wealth management industry delivers comprehensive financial solutions and significant value to high-net-worth households by orchestrating and offering a broad spectrum of tailored services. These relationships, some of which span multiple generations and regularly exceed 60 years, are built on a foundation of trust.

In its third decade of gestation, the wealth management business model faces a pressing and complex threat: the emergence of cyber criminals who operate more as state-sponsored entities than criminal organizations, and the potential for state-sponsored entities to turn to criminal activity to fund their operations. These adversaries are continually improving their tools and tradecraft resulting in a decreased timeframe between intention and execution.

## ESCALATING CYBER THREATS TO WEALTH MANAGEMENT CLIENTS

Cyber criminals are generally rational actors who select targets with the highest possible returns and will invest a level of effort commensurate with anticipated returns. The potential for high returns from wealth management customers creates an incentive for cyber criminals to go well beyond what they may do to compromise a retail bank.

The capabilities gap between state-sponsored actors and cyber criminals is shrinking; in many cases they are the same people. Remote access to an institution's network to surveil and subvert key safeguards is only one threat. The risk is that adversaries are now willing and capable of deploying a broader suite of attacks in combination, including:

- Compromising trusted insiders with privileged access
- Emplacing malicious individuals within the organization
- Subverting elements of the supply chain, including trusted suppliers or products
- Compromising the customers themselves in order to gain access to confidential information that could be used to corrupt validation processes

The most sophisticated adversaries seeking to penetrate a lucrative target will take the time and make the effort to deploy these attacks simultaneously. Compromised insiders deployed in combination with external attacks could compromise critical processes, such as Know Your Customer (KYC) procedures, or client originated orders. Focusing only on compliance will not eliminate these risks. A comprehensive approach is required. These sophisticated attacks stand to threaten more than just technology; the entire wealth management ecosystem is now at stake.



## WEALTH MANAGEMENT COMPANIES NEED TO ASK THREE FUNDAMENTAL QUESTIONS:

1. How comfortable are you that the measures of your parent company, and those specific to your institution, are sufficient to detect threats and protect the assets, privacy, and identity of your customers?
2. Are you confident that there is the right balance of focus across people, process, and technology sufficient to deter likely incidents?
3. When incidents do occur, how confident are you that your current contingency plans will effectively minimize the damage and retain the trust of your customers?

## THE A&M APPROACH TO WEALTH MANAGEMENT CYBER RISK

Alvarez & Marsal (A&M) Global Cyber Risk Services provides an integrated, multi-disciplinary offering to wealth management organizations. We combine our world-class technical capabilities in root cause failure identification and crisis management with our National Security Agency National Security Cyber Assistance Program (NSCAP) Cyber Incident Response Assistance (CIRA) Accreditation. Our decades of government and private sector experience include defending individuals, companies, and nations against the most sophisticated cyber adversaries.

We work hand-in-hand with wealth management organizations to balance security and operational agility and to maintain the confidence and trust of their most valued customers.

### Cyber Solutions Practice Leaders

Contact us for a cybersecurity assessment of your high risk core processes.



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Privately-held since 1983, A&M is a leading global professional services firm that delivers performance improvement, turnaround management and business advisory services to organizations seeking to transform operations, catapult growth and accelerate results through decisive action. Our senior professionals are experienced operators, world-class consultants and industry veterans who draw upon the firm's restructuring heritage to help leaders turn change into a strategic business asset, manage risk and unlock value at every stage.

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