



CENTRAL BANK OF EGYPT
Egyptian Banking Institute



RISK REWARD
GLOBAL BANKING & FINANCIAL SERVICES EXPERTS

Risk Management of Internet Banking

A 3-day Training Course





Course Description

Many banks leverage the internet to offer their customers banking services when they want them and where they want them. This delivery mechanism faces the challenge of risks which, if not managed and understood can have a major impact on the bank. One of the key responsibilities of a financial institution to its stakeholders is to ensure that the technology it uses and the information it stores, is both secure and robust. This 3-day course will introduce internet banking risk management, with particular focus on the strategic, operational, security and regulatory requirements.

Learning Objectives

After attending this course an attendee will be able to understand the key elements of internet banking risk management and its application in practice, focussing particularly on the key IT issues. Specifically, they will address the following issues:

- How to develop an internet banking risk framework
- The key concerns including financial crime
- The current regulations and how they are developing
- The use and application of artificial intelligence
- The key concerns over operational resilience
- The impact and controls over cybersecurity:

Who Should Attend?

This course is designed for individuals who are new to internet banking risk management. It is also suitable for anyone who has the responsibility for ensuring that an appropriate IT security architecture is implemented in accordance with regulation and their organisations' policies. It is intended for:

- Risk Managers and Directors
- Head of IT
- Business managers
- Compliance and Internal audit professionals
- Operations Managers and Directors
- IT Security Professionals
- IT Project managers
- Suppliers and consultants

Methodology

The course consists of lectures, supplemented by case studies drawn from a combination of published real life examples and/or practical experience. There will also be a series of workshops in which attendees will work in small groups to synthesise ideas and strategies and to apply the material in the context of their own organisations. Open forum discussions will also feature where appropriate.

Pre-Requisite Knowledge

It is anticipated that attendees for this course will have a reasonable level of experience in, and be familiar with the financial services industry.

Course Outline

Session 1: Understanding internet banking

- What is internet banking?
- Types of internet banking
 - Information
 - Interactive services
 - Transactional
 - Customer account
 - Foreign exchange
 - Securities
- Internet banking architecture
- Marketing on the internet
- Structure of internet banking
- How is internet banking evolving?

Session 2: Risks and threats

- Risk management principles for electronic banking (BIS)
- The risk management challenges of internet banking – what makes it different?
- The Risk Appetite Statement and Risk Appetite Framework in internet banking
- The risks and threats of internet banking
- Developing internet risk indicators
- The importance of AI
- Threats and their management
 - Financial crime
 - Competition
 - Phishing
 - Denial of service
- Know your customer
 - Non face to face customers
 - Enhanced due diligence
 - Risk assessing customers
 - Identifying normal activity
- Cross border issues
- Service quality and expectations
- Monitoring in internet banking

Session 3: Management principles

- Management buy-in
- Risk management activities
 - Identification
 - Assessment
 - Measurement
 - Mitigation and control

- Monitoring and reporting
- Risk management framework
- Policies
 - Privacy
 - Security
 - Management and operations
- Operational resilience
- Third party risk management

Session 4: Management tools

- Business continuity and recovery
- Management of outsourcing
- Reputational risk management
- Incident management
- System development and testing
- Know the law
- What happens when something goes wrong – managing the customer?

Session 5: Security

- Cybersecurity and defences
- Penetration testing and monitoring
- Data protection
- Security practices
- People management – segregation of duties
- Non-repudiation and authentication
- Encryption and availability
- What goes wrong?

Session 6: Regulations and guidelines

- EBA guidelines on security of internet payments
- EBA opinion on strong authentication
- FATF and money laundering deterrence
- Disclosure
- Domestic regulations
- Financial crime regulations
- Cross border regulation
- Other regulations

Session 7: Technology and the future

- Trends in internet banking
- Trends in risk management and their application
- Governance issues
- Changing regulation and expectations
- Other drivers

Expert Profile - Dennis W Cox BFP FCA FCISI FISRM AIIA BSc

Dennis William Cox is a leading finance, risk management and compliance expert and is currently CEO of Risk Reward Limited UK (www.riskrewardlimited.com), a company he founded more than 20 years ago.

He has held senior management positions within the banking and accountancy profession as Director, Risk Management at HSBC Insurance Brokers Limited and Director, Risk Management, Prudential Portfolio Managers. Formerly he also held a number of roles within the audit profession including Senior Audit Manager (Compliance) at HSBC Holdings PLC and Senior Manager (Banking and Finance) at both BDO Binder Hamlyn and Arthur Young (now Ernst & Young).

He has been developing, investigating and implementing risk management, internal audit, Islamic finance and compliance structures and regimes, together with conducting fraud investigations and analysis within the industry for more than 30 years. He has been special advisor to both Governors of Central Banks and CEOs of Retail Banks globally, including Al Rajhi Bank (Saudi Arabia) and Bank Negara Malaysia.

His expertise includes traditional and Islamic finance, risk management, regulation, finance and compliance. An accomplished trainer and consultant he has worked globally including throughout the Middle East in Saudi Arabia, Kuwait, Bahrain, Qatar, Oman, Abu Dhabi, Dubai and Egypt.

He was a Council member of the Institute of Chartered Accountants in England and Wales (ICAEW) for 17 years and represented the public interest in the regulation of the Institute of Actuaries financial services for 12 years. He chaired the Risk Forum of the Chartered Securities and Investment Institute for 13 years and has many years of experience providing advice globally.

Dennis is an accomplished international conference chairman and lecturer, and is the author of a number of publications including *Frontiers of Risk Management* (2007 Euromoney and 2018 Business Expert Press), *An Introduction to Money Laundering Deterrence* (2010, Wiley Finance and CISI), *Risk Management in a Nutshell* (2019 Business Expert Press), *The International Handbook of Money Laundering Deterrence* (2014 Wiley Finance) and *the Mathematics of Banking and Finance* (Wiley Finance 2016).

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