



Lessons Learned (So Far) from the Pandemic

2022 Community Bankers Workshop

2022 Community Bankers Workshop Lessons Learned from the Pandemic

Objectives

- Prior pandemic preparations
- Initial response
- Changing work environment
- Cyber issues
- Increased security
- Security awareness: training and testing
- Lessons learned



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• 2005

Avian



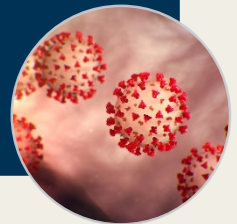
• 2011

Swine



• 2020

COVID



Prior Pandemic Preparations

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Influenza Pandemic Preparedness Interagency Advisory

FIL-25-2006
March 15, 2006

Summary: The FDIC, the Federal Reserve Board, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision are issuing the attached interagency advisory to raise awareness about the threats of a pandemic influenza outbreak and similar events, and their potential impact on the delivery of critical financial services.

Highlights:

- The attached interagency advisory is intended to raise awareness about the threat of a pandemic influenza outbreak and its potential impact on the delivery of critical financial services.
- On November 1, 2005, the White House issued the National Strategy for Pandemic Influenza, which discusses the threat and potential impact of a pandemic influenza outbreak and outlines financial institutions' roles and responsibilities should an outbreak occur.
- The current threat originates from an outbreak of avian flu in Asia. It is unknown whether an avian virus will result in a human pandemic. The widespread nature of this virus in birds and the possibility that it may mutate over time raise concerns that it will become transmissible among humans, with potentially devastating consequences.
- Financial institutions should consider this potential pandemic (and similar threats) in their event response and contingency strategies.

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Interagency Statement on Pandemic Planning Guidance for Minimizing a Pandemic's Potential Adverse Effects

FIL-6-2008

Issued: February 6, 2008

Interagency Statement on Pandemic Planning

FIL-14-2020

Issued: March 6, 2020

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Transitioned to remote workforce

Split/rotated critical staff

Met customer needs

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Initial Response

- Advance planning benefits
- Pandemic plan implementation
- Deployment of remote workforce
- Access to appropriate technology



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Changing Work Environment

- Flexibility
- New communication methods
 - Security
 - Privacy
 - Etiquette
- NIST: [Cybersecurity insights](#)



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Lessons Learned – Banking Industry

- Resilient banking industry
- Examination process
- Chance to improve
- What is the new normal?



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Lessons Learned – Banking Industry

Three Lessons Learned During the Pandemic

(bankdirector.com):

- Customers want to use technology
- Employees can work remotely
- Banks can implement digital quickly

“Banks do not have to build from scratch, and the time required to implement technological improvements is not exponential.”

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Lessons Learned – Banking Industry

[Here are the Lessons Banking Leaders Learned from Pandemic](#)

(azbigmedia.com): **Teamwork**

“I truly believe our culture...would not be as strong as it is today without the pandemic. The PPP process was like trying to drink from a fire hydrant, but it unified our team, as we were all working tirelessly — literally 15-20 hours a day — toward a common purpose, which was helping businesses in our community.”

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Lessons Learned – Banking Industry

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(azbigmedia.com): **Flexibility**

“COVID-19 taught us that we are capable of making significant changes to our business models much more quickly than we ever thought possible. Let’s keep that spirit of innovation alive and embrace the technological renaissance that is occurring in our world.”

“COVID taught everyone the importance of flexibility. This means not only operational flexibility, but also flexibility in understanding the concerns of each employee, especially related to their mental and physical health.”

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Lessons Learned – Banking Industry

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(azbigmedia.com): **Communication**

“During the pandemic, my teams quickly switched to working remotely, which led me to look for new ways to keep everyone engaged and motivated. Through this experience, I’ve learned to communicate with greater transparency, urgency, and empathy.”

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Lessons Learned – Banking Industry

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(azbigmedia.com): **Technology**

“People matter, and technology rocks...Technology can improve the client experience and the operational efficiencies of an organization. Great technology solutions improve both outcomes and make a firm better for clients and its people.”

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Cyber Issues

- Increased targets for cybercriminals
- Cyber issues escalated
 - Cyberattacks increased 30,000 between December 31, 2019 – April 14, 2020
 - Daily cybercrime complaints increased by 300–400%
 - From January – April 2020: 907,000 spam messages, 737 malware incidents, and 48,000 malicious URLs registered
 - Average ransomware payment amounts increased by 60% during Q2 2020
 - Google blocked 18 million COVID-19-related scams daily
 - Phishing attacks increased 220% compared to the annual average


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- Unsecured remote desktop machines rose >40%
 - RDP brute force attacks grew 400%
 - COVID-19 email scams surged 667% in March alone
 - Users 3x more likely to click on COVID-19 scam
 - 7+ billion COVID-19 pages on the Internet

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- Tens of thousands of new coronavirus domains created daily
 - 90% of new domains are “scammy”
 - More than 500,000 Zoom accounts sold on Dark Web
 - 2000% increase in malicious files with “Zoom” in name
 - 72-105% spike in ransomware

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47% increase in severity of ransomware attacks

67% increase in business email compromise attacks

35% increase in funds transfer fraud claims

Large organizations 5x more likely to experience incident

Disproportionate financial impact on small businesses

Source: HelpNet Security/Coalition Insurance

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Increased Security

- Comprehensive asset inventory
- Deploying security measures
 - Secure connectivity
 - Malware protection
- Bank-owned devices
 - Updates
- Ongoing monitoring
 - User access and assigned privileges



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Security Awareness – Training and Testing

Training

- Ongoing
- All employees and directors

Awareness

- Frequent communication
- Highlight existing and potential threats
- Customer awareness

Testing

- Social engineering
- Incident response



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Lessons Learned - Examinations

Benefits of on-site exam work

- Improved communication with bankers at all levels
- Faster responses to examiner inquiries
- Expanded access to records
- Enriched on-the-job training

Benefits of off-site exam work

- Accommodation of small work space
- Training large numbers of examiners
- Reduced travel

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Lessons Learned - Examinations

Future Examinations

- Factors examiners will consider
- Potential on-site work
- Potential off-site work



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Lessons Learned - Examinations

Exam Planning

- EIC creates exam plan using existing procedures
- Variables: risk profile, information availability, travel time, training/collaboration
- No targets for on-site/off-site mix

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Lessons Learned - Examinations

Collaboration and Technology

- Loan imaging access
- Use of EFX (FDICconnect) and MS Teams
- Technology and tools to facilitate hybrid examinations

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Lessons Learned – Your Stories



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Questions?

