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Banks step up defence against cyber attacks

By [Sachin Dave](#), ET Bureau | Updated: Aug 17, 2016, 02.01 AM IST

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MUMBAI: About a month ago a public sector bank started receiving a lot of customer complaints about someone swiping their credit cards, mainly in Central Europe. An investigation revealed that hackers had breached the bank's system and stolen data of about one lakh credit cards.

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The bank feared the whole payment system may have been compromised and has roped in a private cyber security expert to fix the problem. attacks like trying to get into banks' payment systems and steal information. Indian banks have now woken up to the challenge and are going all the past two months, many private and public sector banks have seen a tremendous jump in cyber attacks that ranged from defacing websites to sophisticated out. Some are also creating parallel virtual systems so that the hackers attack those instead of actual systems.

"Many large banks are putting honeypots in place, which are mainly parallel IT systems in the virtual world but this requires a lot of investment in terms of time, money and R&D," said Mukul Shrivastava, partner for fraud investigation and dispute services at EY. Honeypots are mainly decoy computer systems to detect cyber attackers and study how they attack the server, and then putting proper checks in actual system against similar attacks.

Preventive Steps

- Based out of Asia and Central Europe suspected to be targeting Indian banks**
- Indian banks trying to strengthen their IT systems to prevent hackers**
- Consultancies like EY, PwC, Deloitte, KPMG and Alvarez and Marsal helping banks to secure systems**

In the last few months, we have observed that the number of attacks on Indian banks has increased. These attacks range from merely defacing the website to attacking payment systems of banks.

SIVARAMA KRISHNAN
leader, cyber security, at PwC India.

In July alone, two Indian banks— Union Bank of India (UBI) and Canara Bank —were on the receiving end of hackers. While UBI's offshore account was breached, Canara Bank's website was defaced or changed the visual appearance of the website and put Pakistan flags. The hackers also tried to block the e-payments of Canara Bank, ET reported on August 11.

"In the last few months, we have observed that the number of attacks on Indian banks has increased. These attacks range from merely defacing the website to attacking payment systems of banks. Most banks have now started increasing their data security and taking steps towards data leakage prevention," said Sivarama Krishnan, leader, cyber security, at PwC India.

Banks, including HDFC Bank, ICICI Bank and SBI, have been beefing up their IT systems. Also, these banks have one of the better IT systems in the country. Some banks have been roping in cyber experts for not just analysing attacks, but to prevent them by upgrading the system, experts said.

The [Reserve Bank of India](#) (RBI) in June put out a cyber security guideline for banks. Under these guidelines, banks will have to not just find out the problems and fix it but report it back to the RBI in case of a breach.

"The attack on the Central Bank of Bangladesh has led global and Indian banks to relook and strengthen their cyber security framework. Some feel that the attack was just an initial run, and bigger similar attacks are yet to come," said Dhruv Phophalia, India leader, global forensics and disputes, Alvarez & Marsal.

Hackers stole \$81 million from Bangladesh Central Bank in February 2016. Insiders point out that in some cases, hackers have already hacked into servers, but banks still don't know it. In another incident, hackers had planted a ransomware in a private bank's servers in December last year, but nothing happened till June this year.

"The ransomware was discretely collecting information from the bank's servers and sending it to another server outside India. It was only in June this year when we noticed that there was a money transfer out of the bank," a technology head of an Indian bank said. He said the bank did not lose any money, but another person in the know claimed that the bank may have lost at least Rs 5 crore. The bank official said now they are upgrading the IT security.

"Many banks are upgrading their infrastructure so as to enable real time protection from cyber attacks, including those involving data breaches and theft. Cooperation and information sharing among banks and law enforcement is critical," said Alvarez & Marsal's Phophalia.

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