



Nominee Showcase Presentation

ISE[®] Canada Executive Forum and Awards

September 19, 2013

Company Name: Scotiabank
Project Name: IT Risk Management Framework
Presenter: Ray Archer
Presenter Title: SVP & Chief Information Security Officer





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Company Overview



- Scotiabank helps customer become financially better in a changing world
- Canada's most International Bank
- Over 55 countries and 19 million customers
- Canada, Caribbean, Mexico, Central America, Latin America and Asia-Pacific
- 83,000 + employees
- Four major business lines
- Diversification underpins our strategy for sustainable earnings growth over the long term
- Annual revenue \$ 19.9 Billion last year



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Overview of Business Challenge

- No formal IT Risk Management Framework existed
- Regulatory focus shifting to IT Risk Management
- IT Risk Management Framework:
 - Roles and Responsibilities
 - Processes and Tools
 - Helps communicate, oversee and manage IT Risk
 - Delivers value to the organization
- Third Party engagement can be very expensive in the early stages



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Presentation/Project Overview

- Preliminary assessment of source documents and established framework
- Refining the requirements to keep the end product simple, but meaningful
- Stakeholder participation and buy in
- Communication
- Executive and Board of Directors presentations



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Project Scope/Goals

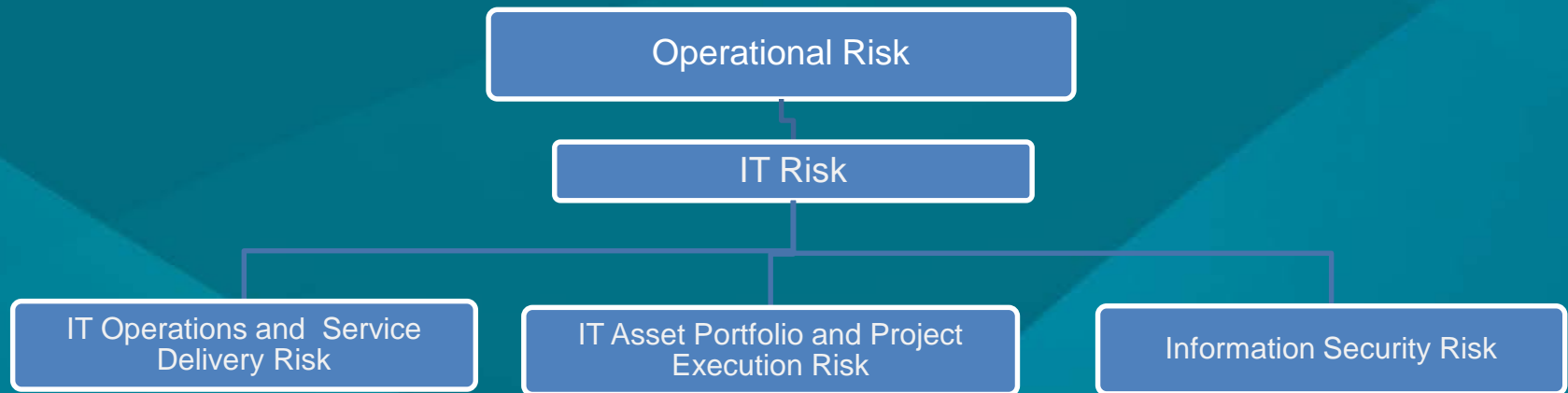
- Ensure that the IT Risk Management Framework is aligned and further integrated with the organization's Operational Risk Framework
- Engaged Operational Risk department
- Anchored framework to an Industry Standard
- Educate Senior Technology team



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What's IT Risk

- Risk of data and/or financial loss
 - due to system disruptions or control failures
 - arising from internal or external factors
- Part of Operational Risk
- Three IT Risk categories

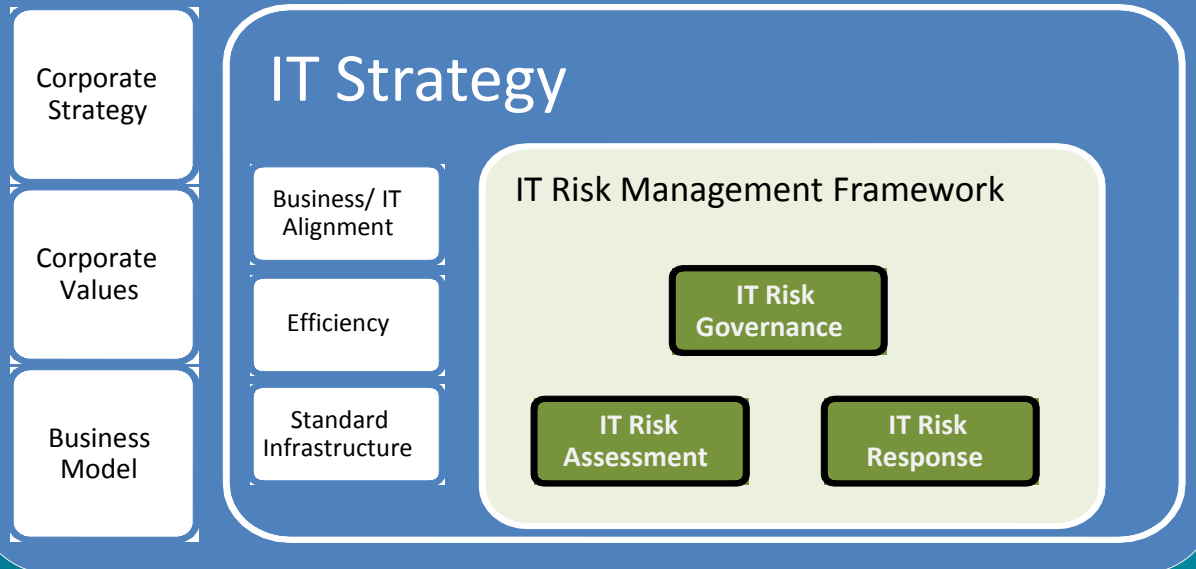




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IT Risk Management Framework

Corporate Governance Framework



Key Elements:

IT Risk Governance

IT Risk Assessment

- Identification
- Analysis
- Articulation

IT Risk Response

- Risk Response
- React to Events



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Guiding Principles

- Three Lines of Defense:
 - 1st Information Technology
 - 2nd Operational Risk
 - 3rd Audit
- Proportionality
- Business Alignment
- Diversification
- Based on Industry Control Frameworks
- Expressed in Business Terms



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Lessons Learned/Best Practices

- End-to-end guidance
- Roles and Responsibilities
- A common risk language
- Risk better understood and managed
- Comprehensive IT Risk view
- Greater stakeholder confidence
- Aligned with Operational Risk Management Framework

- Currently, a third party engaged to complete a functional gap analysis and assist in enhancing IT Risk metrics and dashboards.