



**BELLERON**

PREVENTORS OF THE UNKNOWN

# HOW TO KILL A BANK

## BELLERON ON FINANCIAL TERRORISM



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## BELLERON ON FINANCIAL TERRORISM

It's **7:00 am**, Europe wakes up to "financial terrorism". #WheresMyMoney is trending topic on Facebook and Twitter. There's disbelief, fear and panic, but nobody, including the banks themselves, knows exactly what's going on.

Headlines scream: "Last night there was a financial terrorism attack. Hundreds of thousands of bank accounts show a zero credit". U.S. intelligence sources indicate that a known terrorist network is behind the well-planned, digital coordinated attack, likely outsourced to a consortium of international cyber-terrorists who provided the expertise.

At **10:30 am** the terrorists make themselves known. They claim they have hit half a million accounts and they will strike again in the near future. People are afraid and are losing trust in their bank and in the financial system as a whole. As the masses can't access their money, this act of terrorism disrupts everyone's life.

At **1:00 pm**, long queues are standing at ATMs and are trying to transfer their funds via mobile banking, but all channels of the bank are unreachable.

Experts are in despair over what happened but agree on one major question: "Did we do enough to avoid chaos, knowing society's dependence on banks?"



# HERE'S THE DILEMMA CAN YOU PROTECT AGAINST SOMETHING YOU CAN'T FULLY FORESEE?

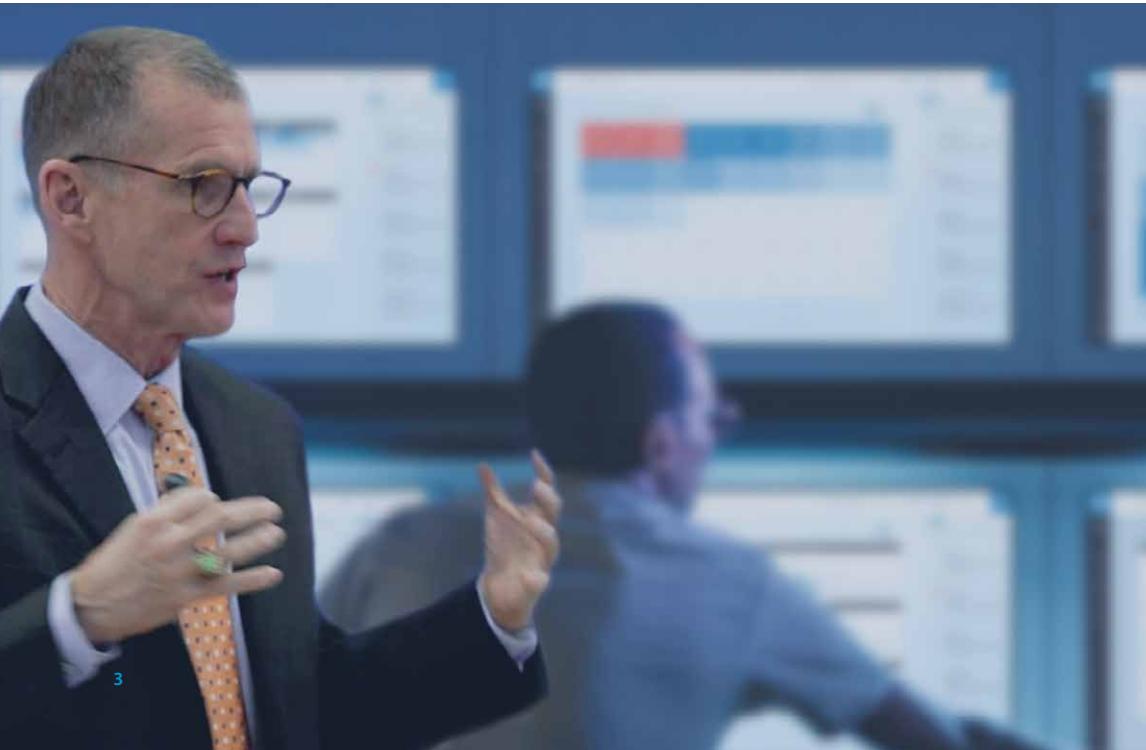
One of the major challenges of fighting financial terrorism is that nobody exactly knows what to expect. It's hard to imagine what will happen. Over the last few years, numerous experts with a variety of backgrounds have written about the topic, trying to define what financial terrorism is and what might happen as a result of it.

Terrorists hitting large numbers of accounts in a short time frame, some call it fear mongering; others a realistic scenario. The main reason people use banks is because they trust the financial system to safeguard their money. That is precisely why it's so compelling for terrorists to target banks.

Most banks put a tremendous effort in preventing identify theft, financial fraud, money laundering, terrorist financing and other risk sensitive customer activities. The question is if these account centric detection systems are relevant for detecting a financial terrorism attack, aimed at disrupting the financial system.

"HACKERS HAVE COMPROMISED THE BITCOIN EXCHANGE BITFINEX, WITHDRAWING ROUGHLY \$61 MILLION FROM VARIOUS CONSUMER ACCOUNTS. THE CAUSES OF THE BREACH ARE STILL UNCLEAR."

RUSSELL BRANDOM  
THE VERGE





## THE TSUNAMI ANALOGY

"THE ATTACK METHOD IS MUCH MORE SERIOUS THAN A TYPICAL DATA BREACH OR THEFT OF CUSTOMER INFORMATION. INSTEAD, THE LOSS OF CONTROL OVER PAYMENT CHANNELS COULD BRING DOWN A BANK."

GOTTFRIED LEIBBRANDT  
CEO SWIFT NETWORK

A tsunami normally starts with one or more underwater earthquakes. Unless we measure the ecosystem, these shocks are unknown, and there is no information available to predict any impact. Even worse, most people on the seashore feel at ease, since they don't see the water rising, until it is too late and the only thing left is to run.

The good news is that today we have tsunami warning systems. They detect a tsunami proactively and in real-time in advance and issue warnings to prevent loss of life, chaos, and damage.

A tsunami warning system is made up of two equally important components: a network of sensors to detect them and a communications infrastructure to issue timely alarms that permit evacuation and other measures. When operating, seismic alerts are used to instigate the warnings; then data from the observed sea-level height is used to verify the existence of a tsunami.

Many other more advanced systems are currently being developed to augment the warning procedures that indicate a potential tsunami. The challenge is that it takes researchers from different tsunami warning centers several minutes to start gathering seismic data, run models, collaborate and issue warnings. Therefore, closer collaboration between researchers and integration of systems is key in moving forward.

Just a couple of years ago, conventional thinking dictated that tsunamis were outside the circle of influence of the human species. Today, we are able to limit disasters and are becoming more advanced in doing so.



## A TERRORISM WARNING SYSTEM FOR BANKS

So how do we differentiate between a tsunami warning system and a financial Tsunami Warning System (fTWS)? With the latter, we can not only detect but also limit or prevent the catastrophe from taking place—something you can't do with an earthquake or tsunami. For those, you can only minimize the damage, but you can never stop them.

A fTWS senses and monitors hundreds of thousands of different variables and trends in real-time, inside and outside the bank, and analyze how they interact. The fTWS does this by looking at a bank's complete ecosystem, providing full insight into vulnerabilities as large-scale, difficult-to-detect banking attacks unfold. So using the analogy of a tsunami warning system, with a fTWS you prevent that people have to evacuate.

"THE THREAT IS PERSISTENT, ADAPTIVE AND SOPHISTICATED - AND IT IS HERE TO STAY."

JIM FINKLE  
REUTERS



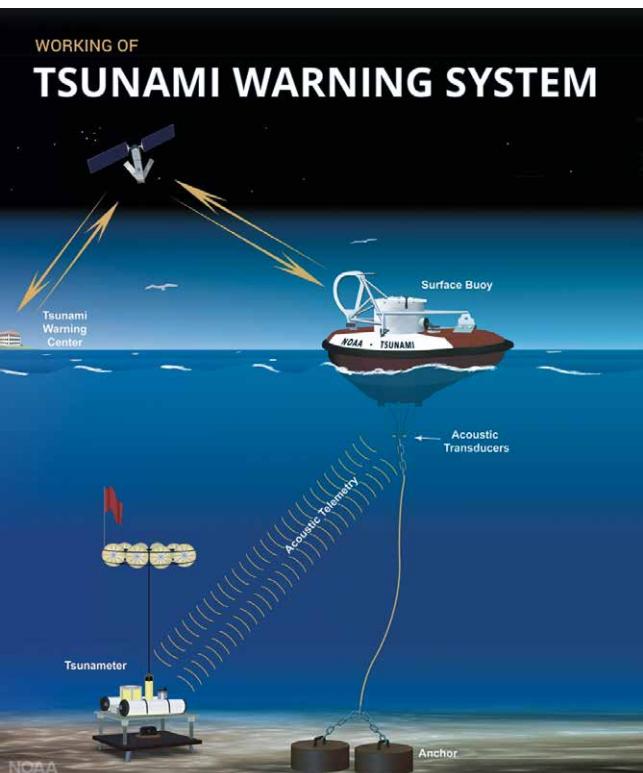
## TAKING RESPONSIBILITY

Global terrorism is becoming more advanced, so is financial terrorism. This creates unquantifiable threats. A realistic result of a financial terrorist attack is

that a bank has to close down for the public. That's why a system is needed—one that warns for the potential unknown, intervenes and provides insights.

"THE QUESTION OF CYBER DEFENCES IS BADLY IN NEED OF GREATER DEBATE, BUT SADLY THIS MAY NOT HAPPEN UNTIL A BIG TERRORIST CYBER ATTACK HITS."

GILLIAN TETT  
FINANCIAL TIMES



Take 9/11 for instance. Apparently, all the controls we had in place couldn't prevent that from happening; simply because nobody actually thought anyone would do such a thing. But when dealing with a topic of potentially unimaginable impact, we should anticipate it by preparing for the unknown!

Risk officers at banks focus mainly on threats which are known to them. Most of these have a focus on capital gain, not disruption and chaos. Nobody will blame them for something most experts

didn't expect. When it comes to financial terrorism, it is hard to predict what is to come. The question is whether that's enough of an argument not to take measurable action.

Shouldn't it be an absolute prerequisite to have systems in place to detect financial terrorism in real-time as they emerge, in order to counter them? That way, there would always be financial counter-terrorism intelligence at the banks' disposal. These are the key questions: Should financial terrorism be dealt with at a bank's board level? And, are bank CEOs irresponsible if they don't put the topic on their agenda?

## **Who is Belleron?**

Belleron is a trusted financial crime and terrorism solution pioneer. The company helps fight large-scale, difficult-to-detect banking attacks. We safeguard society's confidence in financial institutions and protect people in their daily financial lives. Belleron was founded in 2012 by a group of seasoned financial crime, compliance, and cybersecurity entrepreneurs. After becoming successful in their own ventures, they decided to join forces.

## **CAPTURE**

Building on their experience safeguarding against financial chaos, Belleron's founders created the financial Tsunami Warning System (*fTWS*) and developed the Capture Technology Solution Platform (CAPTURE) to support it. CAPTURE is an unprecedented organized financial crime and terrorism executive-decision support and response system. It is used in war rooms and boardrooms as the last line of defense when everything else fails.



CAPTURE provides trend intelligence about previously unknown, real-time attacks that operate beyond traditional system silos, peer groups, and accounts. It turns unknown threats into measurable responses in the blink of an eye..

To learn more,  
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