

**WELCOMING REMARKS BY**  
**MR. HOOKYU RHU,**  
**EXECUTIVE DIRECTOR, THE SEACEN CENTRE**  
**FOR**  
**THE SEACEN CYBER SECURITY SUMMIT 2014**  
**DEMYSTIFYING CYBER RISKS: EVOLVING REGULATORY EXPECTATIONS**  
*Sasana Kijang, Malaysia, 25 August 2014*

The Honourable Dato' Muhammad Bin Ibrahim  
Deputy Governor, Bank Negara Malaysia,

The Honourable Attorney Vicente S. Aquino  
Deputy Governor, Bangko Sentral Ng Pilipinas,

Distinguished Speakers,

Esteemed Guests,

Ladies and Gentlemen.

On behalf of SEACEN, I would like to extend to all of you a very warm welcome to Sasana Kijang, Kuala Lumpur and to the SEACEN Cyber Security Summit 2014 with the theme of "*Demystifying Cyber Risks: Evolving Regulatory Expectations.*" First of all, let me express my deep appreciation to the Honourable Dato' Muhammad bin Ibrahim, Deputy Governor of Bank Negara Malaysia, for his gracious presence in officiating at this opening ceremony of this Summit.

Ladies and Gentlemen.

This Summit is certainly timely as the financial sectors in the Asia-Pacific region become increasingly technology-driven and dependent. Cyber threats against financial services institutions are becoming more frequent, more sophisticated, and more widespread. As the cost of technology decreases, the barriers to entry for cyber crime drop, making it easier and cheaper to perpetrate cyber fraud. A growing black market for breached data serves to encourage wrongdoers further. Although financial institutions have taken significant steps to bolster cyber security efforts in recent years, banks and other financial services companies will continue to be challenged by the speed of technological change and the increasing sophisticated nature of threats. These institutions' ability to protect the integrity of their

information technology control environment and customer data security is critical to avoiding serious financial loss or reputational damage, leading to threats to financial stability.

Ladies and Gentlemen.

The Summit will emphasize several key aspects of cyber security for central banks and financial supervisors to consider. These include (i) Security of Information; (ii) Resilience of Operations; (iii) Reliability of Connectivity; (iv) Robustness of Critical Functions; and (v) Emergency Preparedness of Organizations. We hope that SEACEN through the Summit will be able to increase cyber security awareness by creating a platform for central bank policy makers to interact directly with experts in cybersecurity and as a result drive possible strategic collaboration in managing regional cybersecurity threats as well as the development and study of robust risk management systems in cybersecurity for central banks. We envisage that at the end of this Summit, we will be able to identify possible immediate threat areas in fast-growing Asian markets.

Ladies and Gentlemen.

To help us in the endeavor, we have at this Summit a team of world-class experts who will provide systematic coverage of emerging cybersecurity trends, the challenges being faced, the consequences of failure, performance measurements, defining due diligence, and best-in-class solutions including best practices. We have also senior central bankers who will provide the regional context of cyber security issues. These include Attorney Vicente Aquino, Deputy Governor, Bangko Sentral ng Pilipinas; Mr. Michael Zamorski, Advisor for Financial Stability and Supervision of SEACEN; Mr. Karl Rauscher, Ambassador & Chief, Architect of Cyberspace Policy, Institute of Electrical and Electronics Engineers (I Triple E) and Bell Labs Fellow; Mr. Michael Costin, General Manager International Cables, Telstra; Mr. Andrew Caspersen, Managing Director, Financial Services Unit, Wickr's; Mr. Stuart O. Goldman, Lifetime Bell Labs Fellow and an EastWest Institute Senior Fellow; Mr. Brett McDowell, Executive Director of Fast IDentity Online (FIDO) Alliance; Ms Nico Sell, Co-founder and CEO, Wickr and r00tz and Dr. Hans Genberg, Advisor of Macroeconomic and Monetary Policy Management of SEACEN.

We very much appreciate our speakers, chairs and panelists in sparing of valuable time to be with us. I am sure that their contributions to the Summit discussions will be invaluable.

For the information of those of you who do not know SEACEN very well, just let me mention very quickly that its establishment was the culmination of a 16-year effort. It was closely tied with the annual meetings of the governors of South East Asian central banks that started in 1966 which resulted in an Agreement

establishing The SEACEN Centre signed by eight central banks and monetary authorities in February 1982. Since its establishment, SEACEN has evolved into a recognized learning hub for central banking in the Asia-Pacific region. SEACEN's membership has grown from eight founding members to its current 19 members. SEACEN has also built a wide collaboration network base, comprising its membership, 16 invitee central banks and 26 regional and international strategic partners which SEACEN collaborates with.

Ladies and Gentlemen,

In closing, let me once again thank the Honourable Deputy Governor Dato' Muhammad Ibrahim for giving the opening remarks and speakers, chairs and panelists for supporting us in this Summit. I wish everyone here a productive and rewarding Summit. Lastly, I also hope that you will be able to find the time to enjoy the beauty and rich culture of Malaysia.

Thank you.