



SIGNATURE BANK'S JOURNEY TO VAULTING WHILE WORKING TOWARDS DATA PROTECTED CERTIFICATION

- Institution: Signature Bank
- Headquarters: Rosemont, IL
- Size (range): 1.7 billion in assets
- Accounts Protected (deposit, brokerage etc): deposit – Commercial banking
- Time from Program Inception to Data Vaulting: 12-18 Months
- Signature Bank's Certification is pending the Certification of Jack Henry Associates (JHA)
- Lead in organization: Filippo Meli, VP of Internal Audit and Joe Dugo, VP IT/Cybersecurity
- Team composition and headcount: Executives, Internal Audit, Head of IT, Deposit Initiatives

INTRODUCTION

Signature Bank is a boutique, full-service commercial bank focused exclusively on serving the needs of privately owned businesses and their owners. Founded in 2006, Signature Bank offers Chicago-area businesses a comprehensive suite of commercial lending, commercial banking, treasury management, and personal banking services, with a specialty in commercial and industrial lending for mid-market companies and emerging digital startups. Signature Bank is committed to building personal relationships with its clients and providing banking solutions that help businesses, individuals, and communities prosper.

THE NEED FOR SHELTERED HARBOR CERTIFICATION

Signature Bank's journey towards Sheltered Harbor certification is driven by its commitment to data resiliency and cybersecurity.

"We look for opportunities where we can be the market leader. We see getting Sheltered Harbor certified as a way to lead our peers in community banking," said Filippo Meli, VP Internal Audit.

The bank's leadership recognized the importance of being at the forefront of technology integration and setting market-leading standards, particularly for data resilience and recovery. They wanted to ensure that their customers always had access to their accounts, even in the face of a catastrophic event.

"We looked for something that had a standardization approach. The Sheltered Harbor format offered that."

FORMATION OF A STEERING COMMITTEE

To initiate the Sheltered Harbor vaulting and certification process, Signature Bank formed a steering committee led by Joe Dugo, the head of IT. This committee played a pivotal role in presenting the certification initiative to the bank's audit committee and board while gathering valuable input from all stakeholders. The buy-in from all levels of the organization was considered crucial to the success of the program.

COLLABORATION WITH INTEGRATION PARTNER

Signature Bank collaborated with Jack Henry and Associates (JHA), their integration partner, to streamline the Sheltered Harbor certification process. JHA's expertise proved invaluable in understanding the requirements and implementing protocols effectively. The bank acknowledged that having a reliable integration partner significantly expedited the vaulting process and eventual certification.

ROADMAP AND MILESTONES

The bank's roadmap for Sheltered Harbor certification focuses on classifying and tagging internal data, making it resilient, and ensuring the continuity of customer transactions in the event of data loss. JHA provided a structured roadmap that helped Signature Bank achieve key milestones throughout the process.

CHALLENGES AND SOLUTIONS

- **Data Validation:** Signature Bank faced challenges with data validation, particularly one field that wasn't vaulting correctly. However, with the help of JHA, they swiftly addressed this issue through a code change, adhering to Sheltered Harbor's standardized format.
- **Time Constraints:** One initial hurdle was time constraints, common for smaller banks. Ensuring the right team members were available, in the right room, and focused on the right part of the project, along with keeping teams on track, was essential to overcoming this challenge.

EXECUTIVE BUY-IN AND BUDGETING

Key members of the team started with the Sheltered Harbor guides and used them to get their executive team interested in the process. Signature Bank's executive team did not hesitate seeing the Sheltered Harbor initiative as being aligned with the bank's vision of being a technology leader in the financial industry. The IT steering committee led the budgeting process, ensuring that the cost of Sheltered Harbor certification does not hinder the bank's commitment to the program.

ENGAGEMENT WITH SHELTERED HARBOR RESOURCES

Signature Bank found Sheltered Harbor's resources, including guides and monthly calls, immensely helpful. Collaborating with other community banks in breakout groups facilitated open discussions and offered flexible solutions to certification challenges. Signature Bank was able to learn from other same sized financial institutions about how to best go about obtaining Sheltered Harbor certification. They also found it helpful to speak one on one with the Sheltered Harbor team for added guidance.

TAKEAWAYS

- Sheltered Harbor certification helps with regulatory compliance while also ensuring customer confidence will remain high during a severe data deletion event.
- Protecting your customer's data shows a strong commitment to customers.

- Engaging with peer banks and sharing experiences can streamline the certification process.

PREPARATION FOR CATASTROPHIC CYBER-EVENT

The preparation for a catastrophic cyber-event, including earning the vaulting milestone status and eventual Data Protected Certification, will take Signature Bank approximately 12-18 months. This period has included collaboration with their integration partner, JHA, to ensure their systems met the Sheltered Harbor standards.

They are now working on the 2nd phase of the process by engaging in resiliency planning.

"We are working with our risk committee now. This is a great place to get the next level of inputs. The department heads have to be involved. We have to know how we are going to communicate the situation to customers, and decide how we will execute our plan," added Meli.

Signature Bank is following the Sheltered Harbor Guides for resiliency planning. They realize it does take longer to make a plan for how you will bring back your data from your vault in a way that will be useful for customers who want to transact against their balances.

"These decisions are taking longer to make. Everyone has a different perspective of how we will bring back our data in a usable way. Really what is possible? What type of services can we offer? We are still trying to figure that out. We are in the early stages of the process trying to make those decisions while the service providers are working on building out a restoration platform we could use."

Signature Bank's journey towards vaulting and eventual certification demonstrates its dedication to data resilience, cybersecurity, and, ultimately, providing the highest level of service and confidence to its customers.

"I think the Sheltered Harbor initiative is all about what it does for the customer. It's there to help you help your customers if you truly had a data deletion event. This is all about taking care of the customers," Meli concluded.