

ABOUT THE CLIENT AND ITS TEAM

IK Bank has established reputation as a bank for supporting development of micro, small and medium businesses, and residential clients. In cooperation with international and domestic partners, such as EBRD (London), KfW (Frankfurt), Bankakademie International (Frankfurt), SEDF (New York), MBDP, MEDF, FOSIM, it provides for clients access to the financial systems throughout the world.

Our advantages

We invest in professional processes that will enable our clients, with our support, to execute banking operations quickly and unbureaucratically, on safely and profitably – here and abroad.

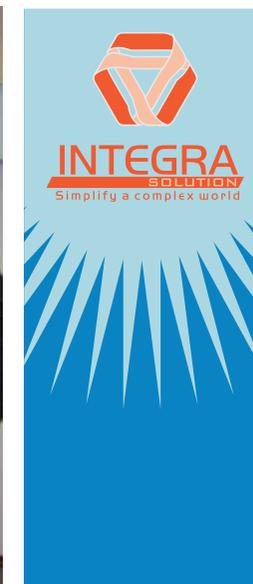
The co-operation with strong partners is what makes us particularly interested and efficient for our partners.

Mr. Boris Petrovski is the Executive Director of IK Bank, and he was directly involved in the project providing the necessary management support, which is a mandatory requirement by the Standard.

Ms. Olga Lukaš, with her long term working experience in the banking sector, as lead auditor and current manager of the certified quality system for the Bank, and as project coordinator, was responsible for the compliance aspects of the System.

Mr. Dejan Sekulić with his experience in using information technology in a security capacity within the banking sector, and as a Director for information security, he was directly responsible for the Information Security Management System.

CERTIFIED ONCE. ACCEPTED GLOBALLY



PROJECT BENEFITS

We achieved our objective of developing and establishing security architecture provided by technology and managed by the business with a function to overcome the risk. This is attested in the statements of the project participants:

"The established strategy enables development, implementation and monitoring of controls, which reduces compliance expenses and business damages. Additionally, it has set business continuity at an optimal level and increased the return on investments in IT projects, as well as the quality of information, which is an investment in more secure operation of the Bank."

Mr. Boris Petrovski

"The project is successful, and the result is compliance confirmed by independent reviewers and regulators, but more importantly the System guarantees quality and improves the protection of business data and assets through control mechanisms, which can be attributed to the Integra's team understanding regarding our business requirements. The prepared documentation is user-friendly, we answered auditors' questions with confidence and what remains for them is just to check and confirm the compliance." Ms. Olga Lukaš

"IT processes, systems and infrastructures are at the adequate level to guarantee security, ensure compliance and at the same time to support business objectives. The solution we implemented is compliant with the security architecture and the assets that the banks possess. This customisation and applicability of the ISMS provides great comfort and continuity in our business activities." Mr. Dejan Sekulić

Establishing ISMS within IK Bank

The project objective was to implement adequate and effective security policy, based on ISO 27001:2005 as the sole internationally recognized standard for information security management, subject to review and certification, and to certify it.



DEFINING THE PROBLEM

As a response to increasingly frequent incidents, the regulation is stricter on the banks concerning good governance related to security, privacy and record keeping. The Bank's board members and the senior reviewers were aware that the bank's security has high priority in their task hierarchy.

According to Mr. Boris Petrovski "The pressure and the problem complexity is such that introducing security measures cannot be occurring only in the data processing centres, and as in any bank management system, this issue has been presented to the executive management, making the compliance a priority for good governance."

A result of such thinking was an integrated approach in the context of business, technology and compliance related requirements in accordance with the 'good governance' principle, which was essential to operate under the best global practices, that is, to use ISO 27001:2005 as a standard for information security management.

SOLUTION PRINCIPLES AND PROCESSES

The task of the joint team was to find adequate balance among risk, expenses and complexity, i.e.:

- achieve a balance between an over-restrictive policy which may limit cooperation and reduce productivity,
- protect the bank's assets and clients exposed to significant risk in relation to business, regulatory and legal aspects,
- strengthen IT infrastructure without sacrificing flexibility, agility and efficiency,
- manage the system through policies and controls intended to overcome regulatory, legal and business risks,
- prevent and detect any disruption, intended or negligent behaviour, which may have an impact on information integrity or bank's assets.

The challenge of this approach dictates the need for properly set strategy based on three critical processes:

- Business requirements analysis which rationalises the strategic requirements of numerous stakeholders, critical elements and business sectors.
- Infrastructure analysis which identifies areas where it does not support business-wise requirements, principles of good governance and information security requirements and identifies areas where the technology may be more effective.
- Creating a programme which prioritises projects, moving from the current state towards compliance, comprehensive and cost-effective addressing of business requirements.

CHALLENGE

The development, implementation and maintenance of an efficient corporate security strategy have proven to be difficult tasks for organisations.

Presently, the banks are facing a complex combination of national and international regulatory and legal compliance requirements. In addition, security should support the operation with clients and partners, without disrupting privacy, intellectual ownership or cause leakage of sensitive information. Apart from this complexity and responsibility, the aim of introducing security aspects within business processes is to achieve quality of products which satisfies clients' requirements." was Ms. Olga Lukaš's brief definition of the challenges.

The Bank uses information technology intensively, and the issues, which were supposed to be addressed with the project for introducing ISMS, are as follows:

- How should IT projects be adequately justified from a cost-efficiency aspect?
- Are introduced technologies resilient to security threats which are constantly evolving?
- Are they sufficiently flexible for the business processes and are they compliant with the regulatory requirements?" Mr. Dejan Sekulić

Addressing each of these issues represents a challenge itself. Moreover, the ISO 27001:2005 certification requirement imposed an approach based on good risk management which should be controlled within the whole Bank and an adoption of a rigid approach for introducing controls, reducing risks and keeping expenses under control at the same time

SOLUTION, RESULTS AND CERTIFICATION

By utilising methodology and knowledge, which were proactively used during the project in order to protect client's information and assets, our objective was to increase Bank's opportunities and value. We deem, we have accomplished that.

"In order to address all of these highly set requirements and to achieve sustainable compliance, we believe that banks should look at security as an essential quality which should be continuously present – systematic – and within all business and IT operations and structures. The solution is to direct technology, good governance and compliance in such capacity that it supports the Bank's mission and clients' satisfaction."

**Managing Director of
INTEGRA Solution
Goran Chamurovski**

"The certification of the Information Security Management System in accordance with ISO 27001:2005 expresses the planned, comprehensive approach for risk identification and risk management concerning all information assets within the system's range, and demonstrates the compliance with statutory, regulatory, customer related and contractual requirements in their business operations."

**Security Solution Manager
INTEGRA Solution
Rubin Danailoski**