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First Half 2017 Breach Level Index Report: Identity Theft and Poor Internal Security Practices Take a Toll

- 164% increase in stolen, lost or compromised records
- 103% increase in the number of breaches in the education industry
- 74% of data breach incidents were identity theft

Amsterdam, September 20, 2017 – Gemalto, the world leader in digital security, today released the latest findings of the Breach Level Index, a global database of public data breaches, revealing 918 data breaches led to 1.9 billion data records being compromised worldwide in the first half of 2017. Compared to the last six months of 2016, the number of lost, stolen or compromised records increased by a staggering 164%. A large portion came from the 22 largest data breaches, each involving more than one million compromised records. Of the 918 data breaches more than 500 (59% of all breaches) had an unknown or unaccounted number of compromised data records.

The Breach Level Index is a global database that tracks data breaches and measures their severity based on multiple dimensions, including the number of records compromised, the type of data, the source of the breach, how the data was used, and whether or not the data was encrypted. By assigning a severity score to each breach, the Breach Level Index provides a comparative list of breaches, distinguishing data breaches that are not serious versus those that are truly impactful.

According to the Breach Level Index, more than 9 billion data records have been exposed since 2013 when the index began benchmarking publicly disclosed data breaches. During the first six months of 2017, more than ten million records were compromised or exposed every day, or one hundred and twenty-two records every second, including medical, credit card and/or financial data or personally identifiable information. This is particularly concerning, since less than 1% of the stolen, lost or compromised data used encryption to render the information useless, a 4% drop compared to the last six months of 2016.

"*IT consultant CGI and Oxford Economics recently issued a study, using data from the Breach Level Index and found that two-thirds of firms breached had their share price negatively impacted. Out of the 65 companies evaluated the breach cost shareholders over $52.40 billion,"* said Jason Hart, Vice President and Chief Technology Officer for Data Protection at Gemalto. *"We can expect that number to grow significantly, especially as government regulations in the U.S., Europe and elsewhere enact laws to protect the privacy and data of their constituents by associating a monetary value to improperly securing data. Security is no longer a reactive measure but an expectation from companies and consumers."*

Primary Sources of Data Breaches
Malicious outsiders made up the largest percentage of data breaches (74%), an increase of 23%. However, this source accounted for only 13% of all stolen, compromised or lost records. While malicious insider attacks only made up 8% of all breaches, the amount of records compromised was 20 million up from 500,000 an increase of over 4,114% from the previous six months.

Leading Types of Data Breaches
For the first six months of 2017, identity theft was the leading type of data breach in terms of incident, accounting for 74% of all data breaches, up 49% from the previous semester. The number of records compromised in identity theft breaches increased by 255%. The most significant shift was the nuisance category of data breaches representing 81% of all lost, stolen or compromised records. However, in terms of the number of incidents, nuisance type attacks were only slightly over 1% of all data breaches. The number of compromised records from account access attacks declined by 46%, after a significant spike in the 2016 BLI full year report.

Biggest Industries Affected by Data Breaches
Most of the industries the Breach Level Index tracks had more than a 100% increase in the number of compromised, stolen or lost records. Education witnessed one of the largest increases in breaches up by 103% with an increase of over 4,000% in the number of records. This is the result of a malicious insider attack compromising millions of records from one of China's largest comprehensive private educational companies. Healthcare had a relatively similar amount of breaches compared to the last six months of 2016, but stolen, lost or compromised records increased 423%. The U.K's National Health Service was one of the top five breaches in the first half with over 26 million compromised records. Financial services, government and entertainment were also industries that experienced a significant jump in the number of breached records, with entertainment breach incidents increasing 220% in the first six months of 2017.

Geographic Distribution of Data Breaches
North America still makes up the majority of all breaches and the number of compromised records, both above 86%. The number of breaches in North America increased by 23% with the number of records compromised skyrocketing by 201%. Traditionally, North America has always had the largest number of publicly disclosed breaches and associated record numbers, although this is poised to change in 2018 when global data privacy regulations like the European General Data Protection Regulation (GDPR) and Australia's Privacy Amendment (Notifiable Data Breaches) Act are enforced. Europe currently only had 49 reported data breaches (5% of all breaches), which is a 35% decline from the previous six months.

Related Resources:

- For a full summary of data breach incidents by industry, source, type and geographic region, download the First Half 2017 Breach Level Index Report
- Download the infographic here
- Visit the BLI website here

About Gemalto

Gemalto (Euronext NL0000400653 GTO) is the global leader in digital security, with 2016 annual revenues of €3.1 billion and customers in over 180 countries. We bring trust to an increasingly connected world.

From secure software to biometrics and encryption, our technologies and services enable businesses and governments to authenticate identities and protect data so they stay safe and enable services in personal devices, connected objects, the cloud and in between.

Gemalto's solutions are at the heart of modern life, from payment to enterprise security and the internet of things. We authenticate people, transactions and objects, encrypt data and create value for software – enabling our clients to deliver secure digital services for billions of individuals and things.

Our 15,000+ employees operate out of 112 offices, 43 personalization and data centers, and 30 research and software development centers located in 48 countries.

For more information visit www.gemalto.com, or follow @gemalto on Twitter.

Gemalto media contacts:

Philippe Benitez
Americas
+1 512 257 3869
philippe.benitez@gemalto.com

Kristel Teyras
Europe Middle East & Africa
+33 1 55 01 57 89
kristel.teyras@gemalto.com

Shintaro Suzuki
Asia Pacific
+65 6317 8266
shintaro.suzuki@gemalto.com