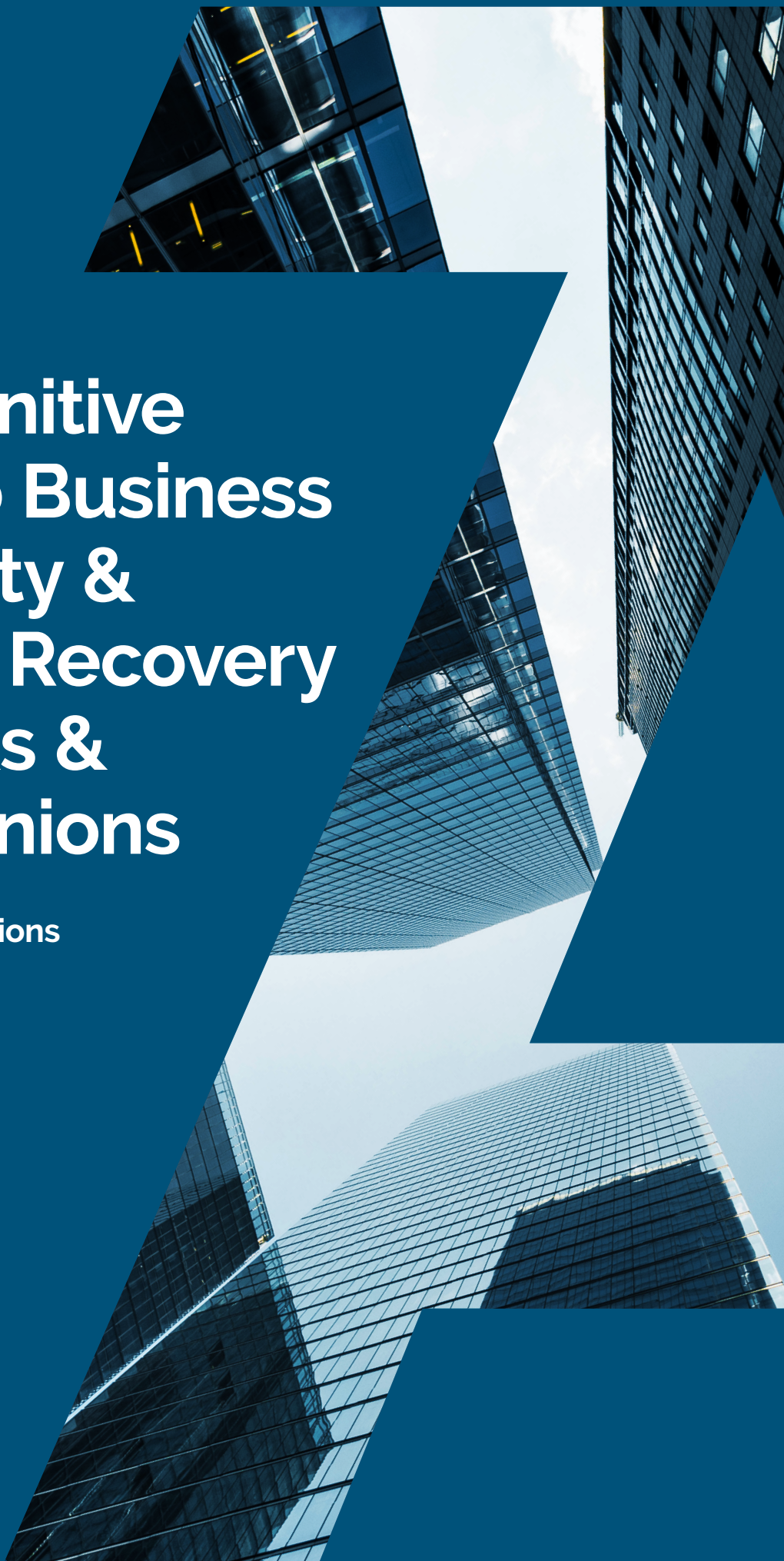
Agility

Guide

The Definitive Guide to Business Continuity & Disaster Recovery for Banks & Credit Unions

Maintaining Operations Before, During, and After an Incident



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How Safe is Your Financial Institution?

On August 17th, 2017, Hurricane Harvey first reached tropical storm status in the Atlantic and became the 8th named storm of the season. By the time it finally was downgraded to a tropical depression on August 30th, it had spread devastation across Texas and Louisiana, causing 89 deaths and rivaling the costliest storm in U.S. history by accumulating an estimated

$144 billion in damage.

Hundreds of financial institutions were out of operation for days, some of them weeks. If your bank or credit union came to a halt because of a hurricane or any other disaster, you realize the importance of business continuity. Being able to maintain operations through any disruption provides uninterrupted service to your clients. If your institution has never been stopped in its tracks by a major disaster or even a minor incident, you're very fortunate. But what about the future?

Particularly in today's world of increased cybersecurity risk, it is critical to identify the gaps in your business continuity plan and determine how you can close those gaps before a disaster strikes. In addition, Sarbanes-Oxley requires business leaders to ensure that internal controls will protect the organization from fraud. If parts of your infrastructure are down, that can be a difficult promise to fulfill.

Regularly examining and testing your disaster readiness will help your institution prepare for any disruption. It will also ensure that you can bring systems back online quickly and efficiently.

Establish Disaster Recovery Protocols

To enable your bank or credit union to conduct critical business functions before, during, and after a disaster, establish the following basic disaster recovery protocols:

1. Assemble a disaster recovery team
2. Create a disaster recovery plan
3. Test, fine-tune, and retest your disaster recovery plan

Assemble a Disaster Recovery Team

Get your employees involved in the disaster response planning process. Let them know you're ready for whatever crisis may occur and build buy-in to a culture of preparedness. Together, you can design a plan to accommodate challenges the team might face in a disaster.

Responsibilities of the Disaster Team

- Provide guidance, oversight, and approval of resources for the continuity program
- Facilitate the implementation and routine testing of the program
- Ensure collaboration and buy-in across all departments
- Execute the plan should the need arise

The following list of disaster recovery responsibilities will get you started in identifying who should be involved:

Ensuring Office & Personnel Safety and Security
Responsibilities may include evaluating building integrity and safety, facilitating cleanup, or stocking and carrying the "go bags."

Data Access and Integrity
Responsibilities may include maintaining connectivity to your core processor and ensuring local server/ cybersecurity protection or activating redundant
data center.

Crisis Communications
Responsibilities may include initiating an employee call chain or alert notification protocol, or communicating with stakeholders (e.g., leadership, partners, suppliers, members, and the media).

Financial Oversight
Responsibilities may include calculating how much cash will be needed for increased transactions as well as incidentals like supplies, food/water, transportation, repairs, temporary lodging and replacement assets.

When assembling your team, it's important to include members from all organization departments. Downtime after a disaster affects departments in various ways. Involving all teams allows for equal consideration of priorities and critical tasks and protects any significant interdependencies.

The first step is to invite every department head to an initial meeting. In this discovery session, list all the responsibilities needed to maintain critical business functions (activities vital to your organization's survival) during a disaster. Do not attempt to incorporate all departmental functions, only those most significant to the tasks necessary following a major event.

Once you have established all the responsibilities required, assign each task to one or more employees to create redundancy. For some technical tasks, such as restoring access to data, responsibilities will closely match a person's current title and job description within the company. Other functions, such as being part of a call chain, can be assigned to various staff members. Take the time to cross-train any personnel you may rely on for alternative responsibilities in a crisis.

Create Your Disaster Recovery Plan

Once every responsibility is outlined, write a step-by-step disaster recovery plan. Your plan should spell out who oversees different recovery processes, first actions to consider, and how to quickly evaluate and escalate needs.

Begin by considering the most critical functions within your organization and developing plans and strategies for protecting each from the top risks posed to your organization. Discuss how to prevent failure in each area, or if that is not possible, what it would take to bring each service or area back online quickly and efficiently.

A Good Disaster Recovery Plan Will:

1. Establish who will be on the recovery team with detailed descriptions of their responsibilities. Include at least two ways of contacting each member of the team.
2. Demonstrate information on all exits and alternative ways of evacuating your building, procedures for sheltering in place, and the location of go-bags with descriptions.
3. Determine how your organization's critical functions will continue to operate immediately after an incident. This may include functioning with reduced staff, replacing compromised systems, offering partial services, relocating staff and operations, communication protocols, and mitigation or recovery procedures.
4. Establish how actual recovery logistics will proceed by precisely outlining and adhering to timelines, decision points, and verified procedures.
5. Detail the required resources needed for mitigation and recovery. You'll want to consider what resources are necessary for the restoration of basic services, such as: descriptions.
    - Office space
    - Power
    - Applications
    - Data
    - Unique assets
    - IT network & hardware
    - Employees/staff/partners/suppliers
    - Communications (telephone, Internet, fax, etc.)
    - Other: Restroom facilities, HVAC, food/water, etc.
6. Outline the emergency plan procedure. Who has the ability to declare the disaster or put the plan into action?

Test, Fine-Tune, and Retest Your Disaster Recovery Plan

Testing your disaster recovery plan is not only an essential part of planning but a step that could mean the difference between giving in to a crisis and surviving one. Testing or exercising your plan should be a gradual and continual process.

A Good Test Will:

1. Use realistic scenarios based on identified risks to your organization
2. Meet compliance or regulatory requirements
3. Increase employee, management, and community confidence in the plan
    - This includes setting realistic expectations for response team members
4. Expose holes, gaps, misperceptions, or other potential failures of the plan
5. Be conducted both with and without notice
    - Announced drills are learning exercises that allow employees to walk through actions they are trained and expected to take during an emergency
    - Unannounced drills provide the most accurate indication of what will occur during actual crisis conditions (when performed safely!)
6. Improve your overall readiness and reduce recovery time

We recommend that you do a full-scale test annually for a wide range of critical functions, including access to electricity, water, gas, facilities, staffing, technology, telecommunications, and more, not only to survive, but to thrive in any unexpected situation.

Hold regular walk-throughs of building emergency exits and conduct drills for shelter-in-place, workplace violence scenarios, and building evacuations. More elaborate and comprehensive testing can be facilitated in one of three places: at your facility, your off-site backup center, or a disaster recovery partner's testing site. You can choose to do a tabletop meeting-style run-through or a full-scale hands-on test, using canned or live data and a variety of scenarios.

When you're running a test, make sure to take notes during the exercise. What was the task or issue? When was it started/identified? Was it resolved? How? What problems arose? Review the findings with participants and then update and distribute your written plan, making sure to write down notes for consideration on your next test.

Business continuity planning is an ongoing process, and testing is a critical step in continually assessing and improving the strategy as your organization grows and evolves. Your testing process should run in a continual loop:

> ***Remember:*** *A successful test is not necessarily one that runs flawlessly but one that allows you to identify failures, improve your plan, and increase your ability to serve members and customers after a disaster.*

10 Ways a Disaster Recovery Solutions Provider Can Help You with Testing

1. Determine priorities and objectives and build outcomes
2. Simulate real-time business transactions
3. Test all aspects of your recovery operation
4. Test access to data and the performance of cloud-based apps
5. Determine realistic recovery timeframes
6. Resolve discrepancies
7. Run a tabletop exercise to test the impact of a power outage
8. Test network connections, & build redundancy in your systems
9. Practice reconnecting to your core
10. Test a mobile office setup

What is a Go-Bag?

A go-bag is an emergency kit ready to be used at all times. Your emergency kit should contain everything your organization needs during an evacuation. When disaster strikes, time is of the essence. An office emergency kit is unique and includes a few key items not in a personal emergency kit. Store the following items in one or more central locations in a waterproof container.

Items for Protecting Continuity of Critical Functions

Important Documents and Records

- **Documents**: recovery plan, damage assessment forms, critical process flow documents, server recovery scripting, phone redirect scripting, data backup procedure
- **Records:** insurance policies, employee rosters and contact information, contracts, vendor/partner contact information, fixed asset inventory

Login and Password Credentials

Office Supplies

Employee Health and Safety Items

First Aid Supplies/Kit

Plan to regularly restock and ensure proper quantities of first aid supplies

AED

(Automated External Defibrillators)

Emergency Supplies

Food, water, flashlights, tools, battery powered radio, mobile and solar chargers, petty cash, building keys

Regulatory Compliance and Disaster Recovery

The FFIEC requires financial institutions to have disaster recovery plans in place before they can be approved. They require a risk assessment to identify and quantify threats to information assets and to ensure that the solutions institutions have in place to mitigate risks and avoid matters requiring attention (MRA) penalties are viable.

One of the questions asked during an audit could be the date of your most recent risk assessment. There is also an entire section focused on your disaster recovery program that asks the following questions:

- [ ] Do you have an organization-wide disaster recovery and business continuity program?
- [ ] Are disaster recovery and business continuity plans based upon a business impact analysis? If yes, do the plans identify recovery and processing priorities?
- [ ] Is disaster recovery and business continuity included in your risk assessment?
- [ ] Do you have formal agreements for an alternate processing site and equipment should the need arise to relocate operations?
- [ ] Do business continuity plans address procedures and priorities for returning to permanent and normal operations?
- [ ] Do you maintain off-site backups of critical information? If yes, is the process formally documented and audited?
- [ ] Do you have procedures for testing backup media at an offsite location?
- [ ] Have disaster recovery/business continuity plans been tested? If yes, please identify the system(s) tested, the corresponding test date, and the date reported to the board.

The FFIEC has also revised its Business Continuity Management Booklet in the light of pandemics to highlight the importance of addressing the threat of a pandemic outbreak and its potential impact on the delivery of critical financial services.

The updates focus on a pandemic-specific program scaled to the stages of a pandemic outbreak. A BC plan now must be updated to ensure the continuance of critical operations, a testing program, and an oversight program. FFIEC now requires the pandemic section of the BCP to be flexible in addressing a wide range of possible effects that could result from a pandemic and be reflective of the institution's size, complexity, and business activities.

Lessons from Major Hurricanes: How to Protect Yourself from the Next Weather Disaster

Every Storm is Different

Don't just learn the lesson of what happened. Think ahead. Every weather pattern is unique; don't assume you will have the same experience every time.

Proper Business Continuity Planning Saves Jobs and the Local Tax Base

The most successful way to prevent a lengthy business disruption is to plan for it. Thorough planning will ensure that your team always has a blueprint for recovery that will work in a real-life situation.

Think, Work, and Act Like a Team

Employers should encourage employees to have family emergency plans and to strengthen their homes to withstand disasters as well as possible. Since employees are the first line of defense in a disaster, employers should offer advice and try to help their employees in any way they can.

Make Communication Your Number One Priority

Disaster recovery requires everyone to work together, meaning that communication is integral to disaster recovery success. Communication keeps everyone in contact during business recovery and allows companies to locate all employees in a crisis.

Test and Retest

What sounds good on paper might not always work in an actual situation. Did it take longer to get down a particular hallway than you had planned? Did your redundant server automatically protect your data when your primary server went off? Did the security cameras stay on when the electricity went out? These are the types of things that can only be determined by doing.

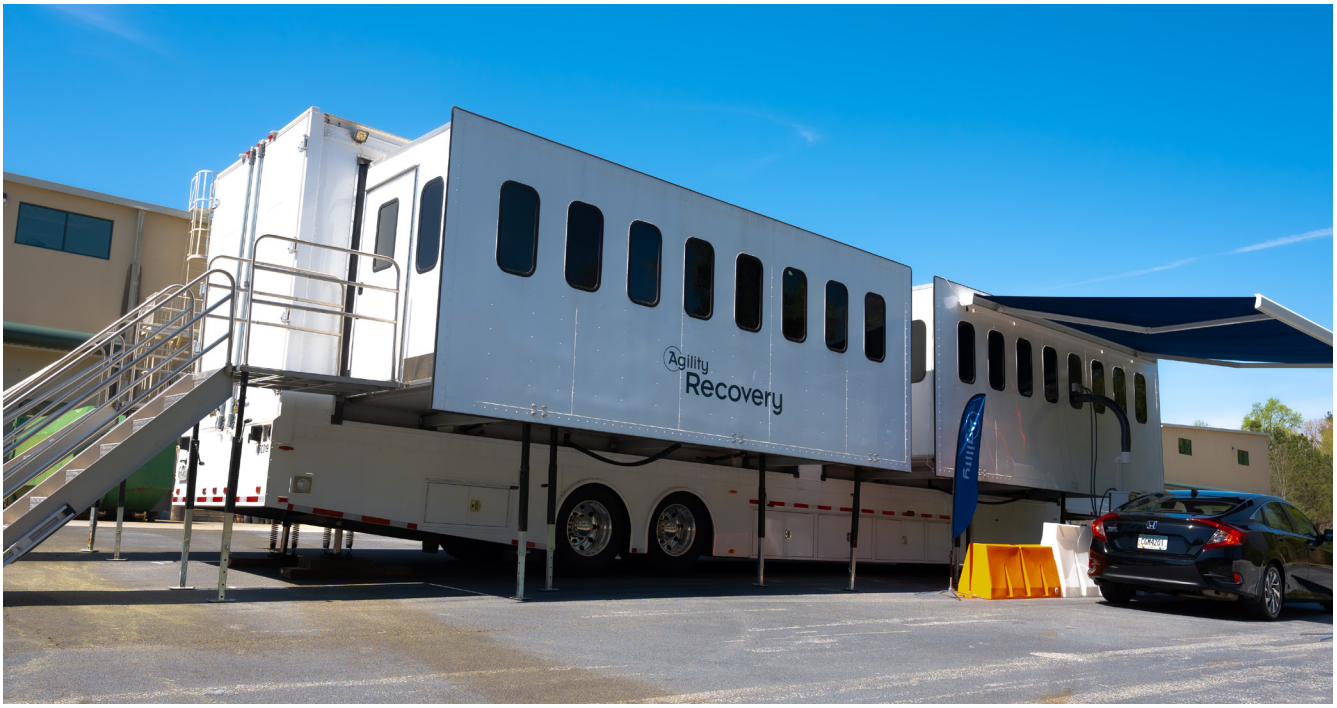
Testing and Preparedness Are the Keys to Survival

We work in a world today where automation and connectivity are crucial to smooth business operations. Many information technology systems are virtual, and many applications and databases are in the cloud. These are competitive strengths when they're working, but when electricity and telecommunications are down, all these systems come to a halt.

Testing of information technology recovery and restoration is vital in today's digital world. Having regular backups, redundant infrastructure, and a disaster recovery partner who can relocate your operations to a fully stocked mobile branch or other temporary space are all competitive advantages in a crisis.

As the most recent hurricanes showed us, a lack of access to financial institutions makes it difficult for people to recover from crises in a timely fashion. Following these events, people were hurt, hungry, and had nowhere to go. As a financial institution, you should ensure that such situations don't happen again to the communities you serve.

No matter the situation, disasters don't have to shut down your bank or credit union. Proper planning and testing mean your organization will have minimal, if any, downtime during a crisis. Take steps today and put your testing procedures in motion.



How Agility Can Help

With Agility, your financial institution will never need to worry about being out of compliance with important regulations and MRAs or unable to meet your RTO.

ReadyFinancial+ and Temporary Branch Options

- Customizable branch recovery options with power and connectivity to quickly re-establish your retail presence in the community in the event of a disruption
- Drive-up window with bullet-resistant glass, a timed safe (cash box), night deposit box, and image capture
- End-to-end managed testing, including one annual managed test to test the recovery of your systems, applications, and infrastructure
- Comprehensive audit-ready and FFIEC-compliant report provided after testing

ReadyPower+

- Assurance for generators, fuel, testing, and connection support before the next power outage
- Access to and delivery of any size generator in the commercial rental industry
- Includes generator, cables, fuel, ongoing maintenance, and 24/7/365 support
- Scalable and flexible for covering multiple locations to meet your risk tolerance
- Different levels of offerings with dedicated generators and a commercially licensed electrician during a disruption

ReadyTechGo

- Allows critical workers complete mobility while remaining productive without increasing their cyber vulnerability
- High-capacity battery backup with built-in charging, providing up to 40 hours of usage with network access
- Preferred carrier capability and unlimited cellular access to create a secure and stable Internet connection without fear of bandwidth being throttled due to usage
- Easy one-touch wi-fi setup for isolated Internet connectivity in the event of a disaster
- 24/7/365 live, on-demand support – anytime, anywhere

Disaster Recovery as a Service (DRaaS)

- Easy-to-implement, scalable disaster recovery as a service (DRaaS) solution
- Ability to recover data within 15 minutes
- ICB Cloud backup of your data center environment
- Integrated access

Testing

- On-site testing to test your full suite of Agility products at one of our testing facilities once a year
- Tabletop testing with interactive exercises hosted by your strategic account manager simulating business interruption

Agility is the leading provider of the Business Continuity Management suite of solutions. Through Agility Central, we offer a business continuity training center, document storage, tabletop testing templates, emergency messaging, business continuity planning platform, advisory services, and workspace recovery. Visit our website for more information.