

# BUSINESS RECOVERY PLAN SUMMARY

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Union Bank & Trust Company was founded in 1917 as the Farmer's State Bank. In 1935, the name was changed to Union Bank, and in 1959, with the addition of trust powers, the company became Union Bank & Trust Company (Union Bank). In 1965, Union Bank was purchased by the Dunlaps, a long-time Nebraska banking family. Now, 50 years later, still owned and managed by the same family, Union Bank has developed into a financially diverse organization serving Nebraskans across the state, as well as the Bonner Springs and Kansas City, Kansas areas. Recognized for our innovation and progressive ideas, we've grown significantly during the past decade, both in size and diversity.

Ensuring business continuity in the event of a significant interruption or disaster is of critical importance at Union Bank. Policies, procedures, and processes are in place to ensure that essential functions can continue during and after an interruption. The need to implement the plans may arise from natural disasters, system or equipment failures, utility disruptions, or any other number of causes. The goal of our Business Recovery Plan is to return the organization to normal operation levels as quickly as possible following an emergency, business interruption or disaster. The plan will strive to accomplish this objective while minimizing both service disruptions to customers and the organization's financial losses.

Union Bank's Board of Directors is responsible for providing direction and approval of the Business Recovery Policies and Procedures, and for identifying and supporting four key positions to the recovery process: Business Recovery Administrator, Administrator Alternate, Coordinator, and Coordinator Alternate. The Administrator and/or Alternate are primarily responsible for declaring a disaster and determining the level, activating the Business Recovery Plan, identifying the location of the Command and Control Center, and maintaining communication with the Board of Directors regarding updates. The primary responsibilities of the Coordinator and/or Alternate are to carry out the Business Recovery Plan, supervise and control activities, communicate with bank staff, business partners, and regulators as appropriate. Members of the Executive and Management Committees are responsible for receiving initial disaster notification, activating communications and individual division and department plans, ensuring the plans are up-to-date and effective, monitoring ongoing operations, and communicating with the Command and Control Center. The Coordinator and Executive Committee Members are also able to declare a disaster and activate the Business Recovery Plan if the Administrators are not available.

Union Bank has a Business Recovery Committee which ensures compliance with the Federal Financial Institutions Examination Council (FFIEC) Guidelines for Business Contingency Planning and provides direction for plan update formats, risk assessments, communication methods, testing, and training. A taskforce then carries out the goals of the committee and coordinates all plan updates, testing, and training.

A Business Recovery Plan is in place and updated annually for each department of the bank, and is separated into Business Continuity and Disaster Recovery to identify the different actions that must take place based on the level of interruption. Annually, each department completes a Business Impact Analysis, Business Recovery Risk Assessment, in addition to other regulatory required risk assessments to ensure vulnerabilities are identified and addressed. Critical process testing is required by all business areas and participation in various formats of Mock Disaster Testing.

The Business Recovery Plan is periodically reviewed by auditors according to the standards established in the Business Continuity Planning Examining Handbook issued by the FFIEC. In addition, the bank is subject to the State of Nebraska and FDIC annual examinations.

Upon declaration of a disaster, Emergency Mode Operations are enacted and a Command and Control Center is set up to facilitate recovery and communications. Union Bank has multiple facilities at which the command center can be located, depending on the scope of the disaster. The preferred order of relocation is documented in the plan.

### **Technology Center**

Industry-standard hardware from major vendors forms the core of our network. Our technology center is maintained in a secure, restricted-access environment with safeguards against intrusion and environmental disruption. In addition, the center is equipped with automated environmental monitoring and alarm tools. If temperature, humidity, or other monitored parameters fall outside of pre-established tolerance ranges, alarms are generated and personnel are dispatched to isolate and correct the problem. Leading technology including virtual servers, disk-to-disk backup, storage area network, and intrusion/penetration detection systems are utilized to facilitate business recovery and network security. Diverse item processing operations, consisting of both branch and remote capture image technology, allow for redundancy and flexibility. A diesel generator is onsite in the event of an external power failure, and is tested on a regular basis.

### **Contingency and Backup Procedures**

The bank has over 30 locations in Nebraska and Kansas with primary campuses in two metropolitan areas, providing for flexibility in the case of a disaster. Union Bank has established a dedicated Remote Disaster Site to facilitate timely recovery of the network and mainframe in a disaster situation. The entire network is backed up to electronic storage vault outside of the region periodically throughout the day and saved to electronic storage and maintained in two regional locations. Much of the documentation bank wide is stored in an image format for business recovery purposes and is included in the backup process. Identified employees have been assigned virtual private network (VPN) access for disaster recovery purposes, which allows offsite access to Union Bank's network. In addition, many applications are browser-based and can be accessed from any facility with internet availability.

### **Third Party Risk Management**

Union Bank utilizes vendor partnerships in a number of different capacities. Through the Third Party Risk Management Process, critical vendors have been identified and their Business Recovery Procedures have been reviewed for adequacy. In addition, alternate providers and communication methods have been identified in many cases in the event that the primary provider is not available.

### **Electronic Transactions**

Provided the critical nature of electronic transactions in the financial industry, specific alternatives have been established to maintain ability to process these items. Union Bank utilizes the Federal Reserve to process ACH transactions, and redundant tools are in place. In the event that connectivity to the Federal Reserve is unavailable, a relationship has been established with a correspondent bank partner that is able to directly accept and process files. Wire transfers are processed through a third-party provider that also has a direct connection with the Federal Reserve. Multiple alternatives exist should this provider experience an interruption, including using the online systems of the Federal Reserve or correspondent bank partners, and calling either of the above. All of these procedures have been successfully tested and documented.

### **Conclusion**

Union Bank & Trust Company understands that our customers rely on the availability of the services provided, and we have gone to great lengths to ensure that these are maintained at peak availability. Through effective risk evaluation, planning, testing, and training, the bank is prepared to address interruptions with minimal customer and business impact. Our dedication to research and evaluation of solutions with advances in technology will ensure that the effectiveness of the Business Recovery Plan will continue.

**Confidentiality Statement**

All information contained within this Business Recovery Plan Summary is considered confidential and remains the property of Union Bank & Trust Company. This information is published by Union Bank for the sole benefit of its current and prospective clients. Information in this document is not to be reproduced, distributed, or disclosed to third parties without prior written approval of Union Bank.

**Disclaimer**

Union Bank reserves the right to revise any of the policies, procedures, and processes described herein at any time without notice. Flexibility of processes and procedures are essential due to the varying nature of disaster situations which may dictate a different response than described in this document.