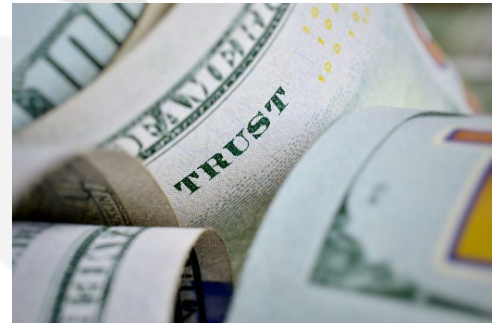


## The Importance of Preparing for Operational Resilience in Credit Unions

The financial landscape is increasingly unpredictable with external threats & impending changes in regulations, credit unions must prioritize operational resilience to ensure long-term stability & member trust. It is imperative to understand both the benefits of operational resilience & looming regulatory requirements that are soon to be implemented in the United States.

Operational resilience is the ability of an organization to adapt & recover from disruptions, ensuring the continuity of critical operations and delivery of key products and services. For credit unions, this involves a comprehensive approach encompassing risk management, business continuity planning, & robust cybersecurity measures.



### The Benefits of Operational Resilience

***Enhanced Member Trust:*** Members rely on credit unions for financial stability and security. By demonstrating a commitment to operational resilience, credit unions can strengthen member confidence, ensuring continued loyalty and growth.

***Risk Mitigation:*** The financial sector is fraught with potential risks, from cyberattacks to natural disasters. losses.

***Competitive Advantage:*** In a crowded marketplace, operational resilience can be a differentiator. Credit unions that can quickly recover from disruptions are better positioned to attract and retain members compared to less prepared competitors.

***Regulatory Compliance:*** Preparing for operational resilience aligns with regulatory expectations. By staying ahead of regulatory requirements, credit unions can avoid potential fines and sanctions, safeguarding their reputation and financial standing.

***Impending Regulations:*** The regulatory environment in the United States is evolving to address the increasing importance of operational resilience, following overseas regulators like the Banks of England, Ireland and Singapore. The Office of the Comptroller of the Currency (OCC), the Federal Reserve, and the Federal Deposit Insurance Corporation (FDIC) have issued guidelines emphasizing the need for financial institutions to develop and maintain robust operational resilience frameworks.

***Comprehensive Risk Management:*** Regulatory bodies are advocating for a holistic approach to risk management that includes identifying, assessing, and mitigating risks across all operational facets.

***Business Continuity Planning:*** A robust Business Impact Analysis combined with operational risk is the foundation for operational resilience. This is essential in maintaining your NPS scores and members' trust by demonstrating preparedness and a commitment to reliability.

Cybersecurity Measures: Given the rising threat of cyberattacks, upcoming regulations will mandate stringent cybersecurity protocols to protect member data and ensure the integrity of financial operations.

## Operational Resilience Action Steps for Credit Union Leadership

To prepare for these impending regulations and harness the benefits of operational resilience, credit union leaders should:

Conduct Comprehensive Risk Assessments: Regularly evaluate potential risks and develop strategies to mitigate them. This includes both internal and external threats.

Leverage a Quantitative and Qualitative Business Impact Analysis: Relying on the “Ask” or “Survey” method does not provide consistent and uniform output. Eliminate the subjective approach with auto-calculated BIA.

Develop and Test Actionable Business Continuity Plans: Ensure that there are detailed, actionable plans in place for maintaining operations during various types of disruptions. Regularly test these plans to identify and address any weaknesses.

Expand Investment in Cybersecurity: Allocate resources to implement robust cybersecurity measures, including employee training, advanced threat detection, and response systems.

Engage with Regulatory Developments: Stay informed through CUNA, NCUA, and NAFCU about upcoming regulatory changes and ensure that your credit union is prepared to comply with new requirements.

### Path Forward



Operational resilience is not just a regulatory obligation; it is a strategic imperative that ensures the long-term success and stability of credit unions. We here at OpResONE can stand as your trusted source for operational resilience for Credit Unions due to our comprehensive, tailored solutions designed specifically to address the unique challenges of the credit unions. With a deep background & understanding of your regulatory requirements, OpResONE provides robust tools & expert guidance to ensure that credit unions can maintain continuity, mitigate risks, & enhance their overall resilience.

By choosing OpResONE, you can confidently safeguard their operations, protect member assets, and uphold their commitment to service excellence in any circumstances.