

Charles Schwab Bank, SSB

Resolution Plan Public Section

As of
December 31, 2021

Own your tomorrow.



Charles Schwab Bank

Resolution Plan

Public Section

Charles Schwab Bank, SSB[®] (Charles Schwab Bank, Schwab Bank, CSB, or the Bank) believes, in the unlikely event it were to be in danger of insolvency and no private sector solutions were able to prevent the insolvency, this resolution plan would ensure depositors receive access to their insured deposits in a timely manner; it would maximize the net present value return from the sale or disposition of its assets, and it would minimize the amount of any loss realized by its creditors. Charles Schwab Bank believes its relatively simple business model, conservative risk profile, and relatively small loan portfolio minimize the complexities and complications that could arise. Charles Schwab Bank's highly liquid balance sheet will allow the Federal Deposit Insurance Corporation to resolve it in a manner less challenging than for banks of comparable size. This resolution plan does not assume any support by the United States government or its taxpayers.

Submitted to the Federal Deposit Insurance Corporation: November 16, 2022

The Charles Schwab Bank Resolution Plan reflects the actions stakeholders may take in a resolution event, but it is hypothetical and not binding upon the Company, the Federal Deposit Insurance Corporation, or a bankruptcy court.

This Public Section presents a summary of the detailed resolution plan that we maintain in support of our financial and operational resilience. We have filed a Private Section Resolution Plan for 2022, consistent with the requirements set forth by the FDIC. Both this Public Section and the Private Section of the 2022 submission provide a roadmap of how our core businesses and operations would continue to operate, or be resolved in an orderly manner, in a resolution event without jeopardizing the economy or global financial markets, or requiring any extraordinary government assistance or taxpayer support.

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I. Executive Summary

The 2022 Charles Schwab Bank, SSB Resolution Plan (Resolution Plan) is submitted pursuant to 12 C.F.R. § 360.10 (IDI Rule). The IDI Rule requires each Covered Insured Depository Institution (CIDI) to periodically submit to the Federal Deposit Insurance Corporation (FDIC) a plan for the resolution of the institution in the event of its failure.

The Bank has minimal stand-alone franchise value to be maintained, and as a result, we expect only limited operations to continue post failure. This Plan proposes a liquidation strategy for the Bank and describes the functions necessary to support those operations.

I.A. Bank Overview

CSC is a savings and loan holding company, headquartered in Westlake, Texas. It was incorporated in 1986 and engages, through its subsidiaries (collectively referred to as Schwab), in wealth management, securities brokerage, banking, asset management, custody, and financial advisory services. In 2021, CSC made an effective election to be treated as a financial holding company. As of December 31, 2021, Schwab had \$8.1 trillion in client assets, 33.2 million active brokerage accounts, 2.2 million corporate retirement plan participants, and 1.6 million banking accounts.

Charles Schwab Bank, SSB, a wholly-owned subsidiary of CSC, is a Texas state savings bank and member of the Federal Reserve, headquartered in Westlake, Texas. The Bank provides banking services through a variety of channels, including telephone, mail, internet, and mobile. As of December 31, 2021, the Bank had total assets of \$420.5 billion, loans of \$36.7 billion, and deposits of \$392.7 billion. The Bank has 259 dedicated employees and 5,477 employees who are shared with CSC and its affiliates.¹

The Bank was established as part of an overall strategy to grow Schwab's business by expanding its product offerings and diversifying its revenue. The Bank's customers value the core brokerage relationship offered by CSC affiliate, Charles Schwab & Co., Inc. (CS&Co.). As a result, the Bank would have minimal franchise value were it separated from CSC.

The affiliate banks are not required to have a resolution plan and are excluded here. For the purposes of the Schwab Bank Resolution Plan, we assume these affiliate banks do not fail.

- Charles Schwab Premier Bank, SSB (Premier Bank or CSPB) is a Texas-chartered state savings bank and member of the Federal Reserve system, headquartered in Westlake, Texas. As of December 31, 2021, Premier Bank had total assets of \$39 billion, which is comprised mostly of \$37 billion in deposits. Premier Bank had no loans as of December 31, 2021.
- Charles Schwab Trust Bank (Trust Bank or CSTB) is a Nevada-chartered savings bank.² As of December 31, 2021, Trust Bank had total assets of \$16 billion, which is composed mostly of \$15 billion in deposits. Trust Bank has no loans.

CS&Co. was incorporated in 1971 and is a significant operating subsidiary of CSC. It is a securities broker-dealer with over 400 domestic branch offices in 48 states, as well as a branch in the Commonwealth of Puerto Rico. In addition, Schwab serves clients through branch offices in the United Kingdom (U.K.) and Hong Kong through other subsidiaries of CSC.

¹ Many shared employees spend a small fraction of their time on Bank work resulting in less than 500 FTE shared employees.

² While Trust Bank will continue to be a Nevada state-chartered bank, CSTB filed an application on July 7, 2022 to relocate the bank's headquarters from Henderson, NV to Westlake, TX and to become a member bank. We anticipate completion of this action in Q3 2022.

CSC acquired TD Ameritrade Holding Corporation and its consolidated subsidiaries (collectively referred to as TD Ameritrade or TDA) in 2020. The acquisition included TD Ameritrade, Inc., an introducing broker-dealer, and TD Ameritrade Clearing, Inc. (TDAC) a clearing broker-dealer for TD Ameritrade customers. The acquisition of TD Ameritrade included a ten-year insured deposit account (IDA) agreement between Schwab and TD Bank which provides guidelines for deposit amounts to be swept from TD Bank to Schwab Bank. The Company expects to complete client conversions over the course of 2023. Full integration of the business is anticipated to be completed in 2024.

Bank's Dual Role

The Bank's dual role is to (1) deepen relationships with CS&Co. clients by delivering banking products and services that complement their brokerage activities, and (2) optimize earnings on client cash and manage the balance sheet to maximize return for shareholders.

1. Deepen relationships with CS&Co. clients by delivering banking products and services that complement their brokerage activities

The Bank deepens CS&Co.'s client relationships by providing clients the convenience of managing more of their finances in one place. For example, clients use their checking accounts to make purchases, pay bills, and transfer money. Additionally, the Bank provides clients a set of lending solutions to help them meet their financing objectives.

More frequent engagement with clients leads to greater trust and increased brand relevance. It also allows for more opportunities to learn about client needs and behaviors so CS&Co. may offer a more personalized experience. A deeper and more integrated client experience strengthens the client relationship with CS&Co., which in turn may increase the stability of client assets at CS&Co. and therefore the stability of client deposits at the Bank.

2. Optimize earnings on client cash and manage the balance sheet to maximize return for shareholders

The Bank plays an integral role in Schwab's cash management strategy; in 2021, net interest revenue generated by the Bank represented 26% of Schwab's total revenue.

Cash is an important component of every client relationship. Since 2017, CS&Co.'s clients have held an average of 12% of their investable assets in cash.³ As a result, CS&Co.'s clients provide a stable, low cost funding source to the Bank, which is then monetized through the Bank's lending activities and investment portfolio.

Schwab has four main vehicles for housing client cash:

1. On-balance sheet bank solutions, including checking accounts, savings deposits, and Bank Sweep.
2. On-balance sheet brokerage cash held in the Schwab One Interest and TD Ameritrade Cash products
3. Off-balance sheet solutions such as purchased money funds and brokered certificates of deposit (CDs)

³ Client cash as a percent of assets under management decreased from 12.3% as of December 31, 2020 to 10.9% as of December 31, 2021 as a result of client engagement in the markets. Averages are based on year-end balances.

4. Off-balance sheet brokerage cash balances held in deposit accounts at third-party financial institutions (pursuant to the IDA agreement and agreements with other third-party financial institutions)

Bank Sweep is an interest-bearing cash sweep feature for uninvested cash in brokerage accounts held at CS&Co.

Deposits

The Bank's deposits are primarily sourced from CS&Co.'s existing brokerage clients that have chosen to invest with Schwab because of its unique value proposition, which includes an integrated bank and brokerage experience, and excellent client service.

The Bank's checking and savings deposit products provide an important funding source for the Bank. Most of the deposit growth, however, has been driven by Bank Sweep.

Deposit Types

Deposit Type (\$ millions)	12/31/2021	12/31/2020	12/31/2019
Deposits swept from brokerage accounts	\$364,930	\$295,714	\$183,322
Investor Checking	\$22,776	\$17,776	\$12,641
Investor Savings and other	\$4,682	\$4,116	\$3,132
Non-interest-bearing deposits	\$118	\$5	\$745
Total bank deposits	\$392,515	\$317,615	\$201,288

Liquidity

The Bank has maintained a relatively low loan to deposit ratio of 9% versus the industry average of 57% for FDIC-insured banks, and maintains substantial liquidity in excess reserves at the Federal Reserve. The investment portfolio is of high quality with risk weighted assets (RWA) of \$75 billion, or 22% of fair value.

The Bank's securities portfolio include U.S. Treasury securities, mortgage-backed securities, asset-backed securities, and other securities.

Bank Securities Portfolio

(\$ millions)	December 31, 2021
Available-for-sale (AFS) Securities:	
	Fair Value
US Treasury Securities	\$15,605
Total U.S. Government Agency and Corporate Obligations	\$0
Total Mortgage-Backed Securities	\$290,210
Total Asset-Backed Securities	\$15,457
Total Other Debt Securities	\$12,995
Total AFS Securities	\$335,954
Held-to-maturity (HTM) Securities:	
	Amortized Cost
Total State and Political Obligations	\$0
Total Mortgage-Backed Securities	\$0
Total Asset-Backed Securities	\$0
Total Other Debt Securities	\$0
Total HTM Securities	\$0
Total Securities	\$335,954

Source: Call Report

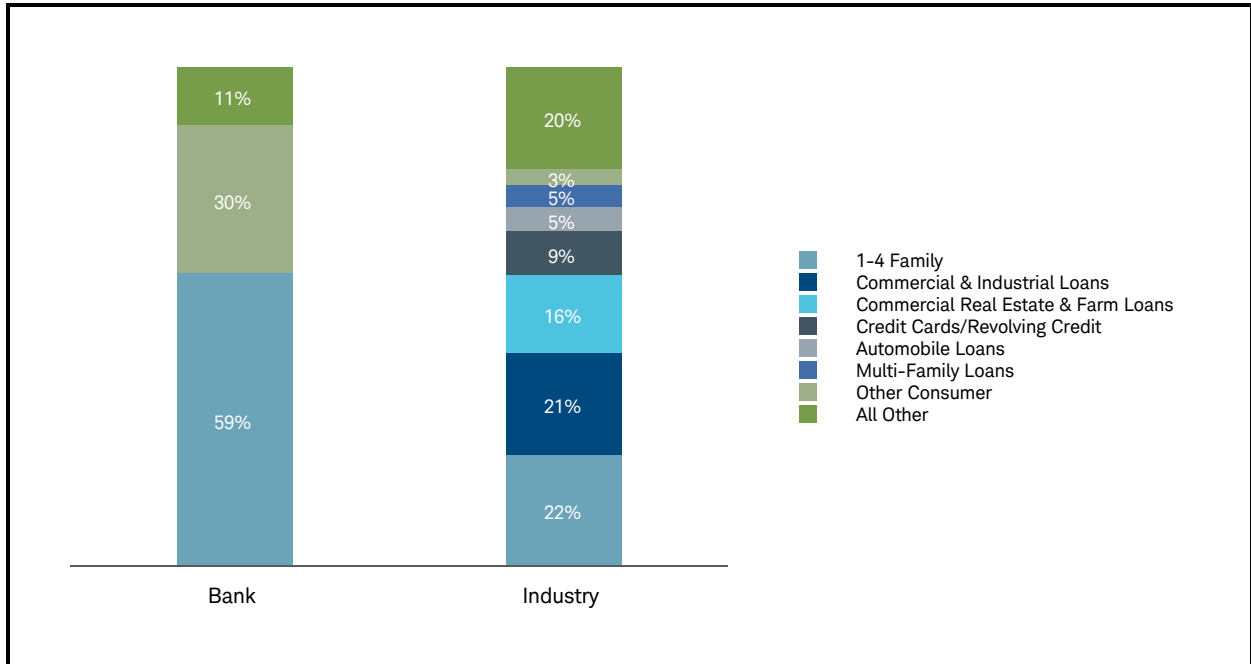
The Bank occasionally utilizes Federal Home Loan Bank (FHLB) borrowings for liquidity management purposes. As of December 31, 2021 there were \$0 in FHLB borrowings outstanding.

Loans

The Bank does not rely on wholesale borrowing as a permanent source of funding for our loan book. Additionally, it does not engage in many of the activities of most national and regional banks, such as investment banking, foreign currency settlement, and commercial and/or industrial lending.

The Bank's loan book consists of residential mortgages, home equity loans, and securities-based loans (i.e., Pledged Asset Line [PAL]). As a comparison, the median loan book of FDIC insured banks consists of 22% residential mortgages and home equity loans, compared to 59% for the Bank, as illustrated below:

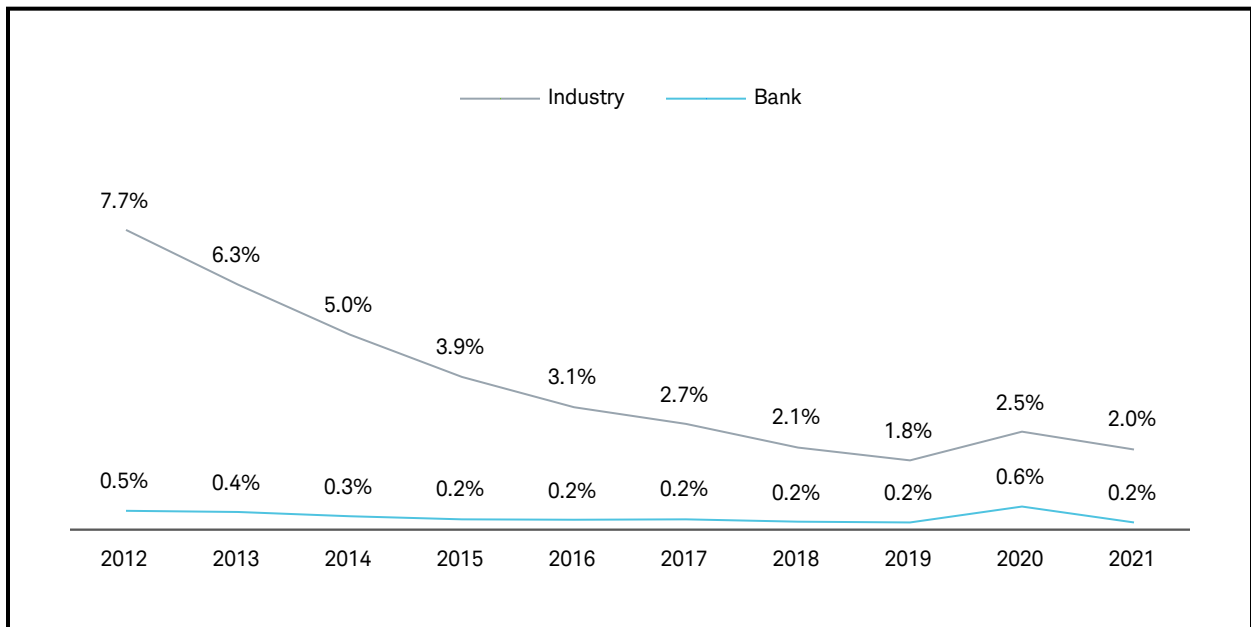
Loan Portfolio Mix Comparison (%) as of December 31, 2021



Source: SNL Financial

The majority of the Bank's loans are to CS&Co. clients. These clients have strong credit profiles. As demonstrated below, over the past five years the Bank's non-accrual residential mortgage loans never exceeded 0.6% of total balances. Current non-accruals are 0.2% of total balances, which is far less than the industry average of 2.0% (i.e., all FDIC-insured banks).

Residential Mortgage Non-current Loans/Loans Comparison (%) as of December 31, 2021

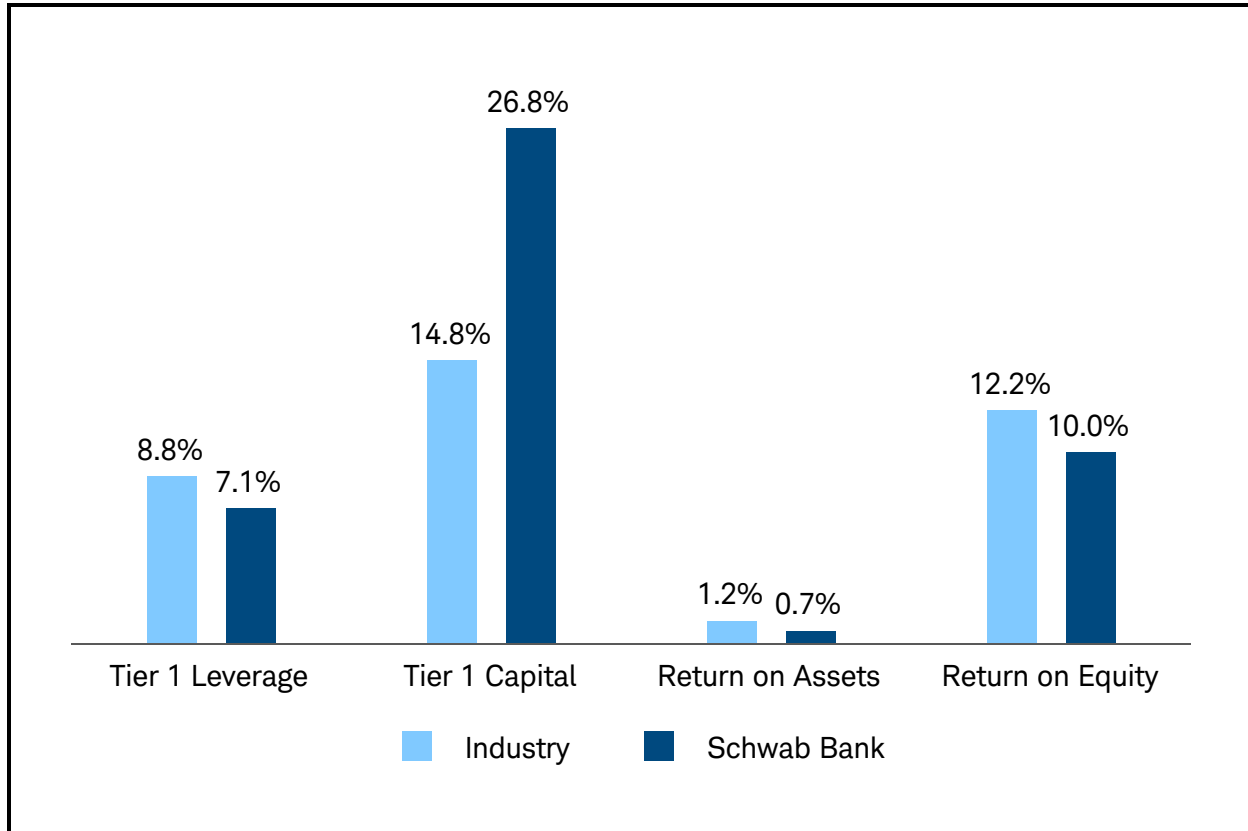


Source: SNL Financial

Capital

Because of its low risk profile (e.g., a low loan to deposit ratio, a limited set of loan products, and no subsidiaries), the Bank is at the high end of the industry tier 1 capital ratio (T1CR) range (which includes all FDIC-insured banks). Please see the chart below for selected capital and return ratios.

Capital and Return Ratio Comparison, December 31, 2021 (%)



Source: SNL Financial

I.B. Key Elements of the Strategic Plan for the CIDI’s Resolution

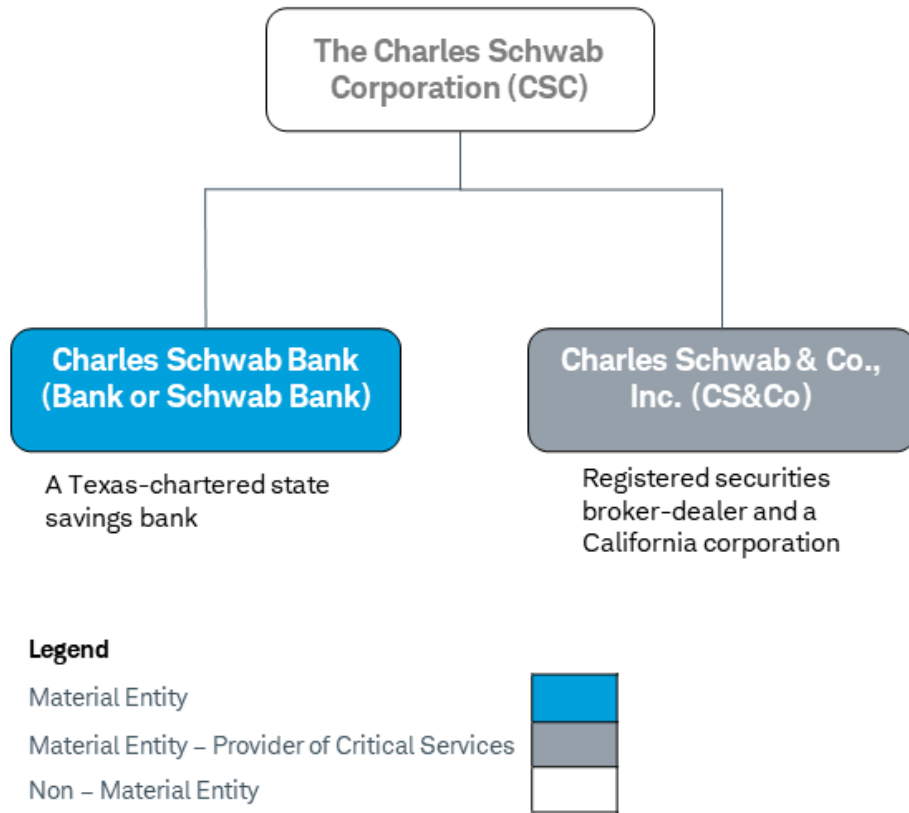
Core Business Lines (CBL)

Retail Banking (RB) is the only designated CBL. It accounts for all of the Bank’s interest income, profit, and deposits. Retail Banking offers basic deposit and loan products, including checking accounts, savings accounts, residential mortgages, HELOCs, and PALs. The Bank Sweep deposit feature is included in Retail Banking.

Material Entities (ME)

The Bank conducts its business through a simple operating model and currently has no subsidiaries. Other than the Bank, the only other ME is CS&Co., which provides both services and Bank Sweep funding to the Bank’s Retail Banking CBL. Although CSC provides a source of strength to its subsidiaries, providing support for business growth and cushion to absorb unexpected losses, it is not designated as a ME because it does not provide any critical services to the Bank or its only CBL (Retail Banking).

Material Entities as of 12/31/21⁴



Critical Services

The Bank identified six categories of critical services:

- Finance and Accounting
- Human Resources
- Operations
- Outsourcing Oversight Management
- Technology
- Treasury

The Bank is reliant on CS&Co. for the provision of critical services, which are provided through inter-affiliate agreements (23B agreements) in compliance with Section 23B of the Federal Reserve Act and Regulation W 12 C.F.R. 223 (Regulation W).

⁴ Simplified organizational chart as of 12/31/2021

II. Financial Information

Capital serves as the base of the financial structure for CSC and its subsidiaries, providing support for business growth and cushion to absorb unexpected losses. The Bank and CS&Co. maintain adequate capital to support anticipated growth, meet regulatory requirements, and remain well capitalized even in stressed scenarios, as they meet both near-term and longer-term capital needs. Generally, the Bank generates sufficient capital from earnings to support organic growth. It has not accessed external markets for debt or equity capital.

Please see below for a summary of sources of capital for material entities and CBL:

Material Entity - Sources of Capital as of 12/31/2021

Material Entity	Source of Capital	Amount (\$ millions)	Type	Legal Entity Which Provides Capital
Bank ¹	Common stock	\$100	Equity	CSC
	Capital contributions	13,308	Equity	CSC
	Retained earnings	14,631	Equity	Bank
CS&Co.	Common stock	–	Equity	N/A
	Additional paid-in capital	8,289	Equity	CSC
	Retained earnings	2,211	Equity	CS&Co.
Total		\$38,539		

¹ The sources of capital for the Retail Banking CBL are the same as the Bank's Source: December 31, 2021 Call Report and 2021 CS&Co. audited financial statements

Funding Sources

The Bank's liquidity needs are generally met through deposits from banking clients and retained earnings. Additional funds are available from external sources: uncommitted Fed Funds lines, Federal Home Loan Bank (FHLB) advances, repurchase agreements, and the Federal Reserve discount window. After exhausting external borrowing capacity, the Bank would raise liquidity by selling securities, which are of a high quality when compared to the broader banking industry.

Process for Raising Secured/Unsecured Funding

The Bank may obtain secured funding from either the FHLB or the Federal Reserve, but has generally relied on deposits as its source of funding. The Bank has pledged collateral in the form of mortgage loans and home equity lines of credit to the FHLB, and securities to the Federal Reserve discount window. The Bank does not have any committed lines of credit with any external parties.

For an overview of sources of funding for material entities and CBLs, see the tables below:

Sources of Funding for Material Entities and CBLs

ME - User of Funds	Provider of Funds	Sources of Funding	Amount (\$ millions)	Percent of Total Funding	CBL
Bank	CS&Co.	Total deposits	392,695	93.3 %	RB
	Bank	FHLB borrowing	0	0 %	RB
	Bank	Retained earnings	14,631	3.5 %	N/A
	CSC	Common stock	100	0.02 %	N/A
	CSC	Capital contributions	13,308	3.2 %	N/A
Total			\$ 420,734	100 %	
CS&Co.	CS&Co.	Payables to brokerage clients	72,751	80.1 %	N/A
	CS&Co.	Payables to brokers, dealers, and clearing organizations	7,577	8.3 %	N/A
	CS&Co.	Retained earnings	2,211	2.4 %	N/A
	CSC	Additional paid-in capital	8,289	9.1 %	N/A
Total			\$90,828	100 %	

Source: December 31, 2021 Call Report and 2021 CS&Co. audited financial statements

Inter-Entity Funding Relationships

Except for its affiliate CS&Co., the Bank has limited interconnectivity with CSC or any other affiliates. CSC serves as a source of strength to the Bank, including when exceptional customer cash growth leads to higher Bank Sweep balances and capital infusions.

The Bank's largest source of funding is deposits swept from CS&Co. client brokerage accounts. Bank Sweep is governed by a 23B agreement that requires the Bank to pay CS&Co.'s cost of administering the sweep. The flat fee per account as of 1/1/2022 is \$91.94. The agreement has a one-year term and is subject to annual renewal.

Short-Term & Long-Term Liabilities

The material components of the liabilities of the Bank and CS&Co. are described in the table below. Over 90% of the Bank's liabilities are customer deposits. Over 90% of CS&Co.'s liabilities are customer brokerage account free credits.

Liability Material Components and Amounts as of 12/31/2021

Material Entity	Liability Type	Amount (\$ millions)	Short-Term or Long-Term	Secured or Unsecured	Subordinated	Business Line
Bank	Bank Sweep	\$364,930	Short Term	N/A - 1	No	RB
Bank	Investor Checking	22,776	Short Term	N/A - 1	No	RB
Bank	Investor Savings and other	4,682	Short Term	N/A - 1	No	RB
Total		\$392,387				
CS&Co.	Payables to Brokers, Dealers & Clearing Organizations	\$7,577	Short Term	Secured	No	N/A
CS&Co.	Payables to Brokerage Clients	\$72,751	Short Term	N/A - 2	No	N/A
Total		\$80,328				

Source: December 31, 2021 Call Report and 2021 CS&Co. audited financial statements
 1 - N/A - Customer Deposit
 2 - N/A - Client Cash

III. Trading, Derivatives, and Hedges

The Bank has no assets classified as trading and does not currently have any open derivative or hedging activities aside from \$8 million in forward contracts associated with commitments to purchase first mortgages as reported in the Bank's 12/31/21 Call Report.

IV. Payment, Clearing, and Settlement Systems

The Bank is a direct member of multiple payment, clearing, and settlement systems, which are utilized to facilitate the day-to-day activities of the Bank. Following is a list of those systems.

Payment, Clearing, and Settlement Systems

- BNY Mellon
- Citibank
- FHLB
- Fiserv EPP
- Fedline/Wire
- Fedline/ACH
- VisaDPS
- Wells Fargo Commercial Electronic Office
- MoneyLink
- VisaNet
- Plus
- Interlink
- Star
- MoneyPass

V. Foreign Operations

Schwab Bank has no material cross-border elements.

VI. Material Supervisory Authorities

The primary Federal regulator is the Board of Governors of the Federal Reserve System and the primary State regulator is the Texas Department of Savings and Mortgage Lending. Other regulators include the FDIC and the Consumer Financial Protection Bureau (CFPB).

VII. Principal Officers

Selected Corporate Employees of Schwab Bank

Name	Title & Function	Location
Candice Aaron	Managing Director – Chief Compliance Officer	Westlake
Bashar Abouseido	Managing Director – Chief Information Security Officer	Phoenix
David Clingman	Managing Director – Lending Products	Jersey City
Michael Conticello	Managing Director – Bank Operations	Westlake
Brian Cook	Managing Director – BTS Risk Management	Henderson
Jim Fiebelkorn	Managing Director – BSA/AML/OFAC Officer	Minneapolis
Adam Goethe	Managing Director – Treasury Capital Markets	Denver
DJ Johnson	Managing Director – Corporate Risk Management	San Francisco
Rene Kim	Managing Director – Digital Services	San Francisco
Mitch Mantua	Managing Director – Internal Audit	Westlake
Nigel Murtagh	Managing Director – Corporate Risk Management	San Francisco
Stacey Niedermeier	Managing Director – Bank Chief Financial Officer	Denver
Mike O’Neal	Managing Director – Chief Counsel	Westlake
Bill Quinn	Managing Director – Treasurer	San Francisco
Christian Rodriguez	Managing Director – Banking and Trust Services	Westlake
Patrick Scotto di Luzio	Managing Director – Cash, Margin, Payments & Account Solutions	Westlake
Sarah Sontheimer	Director – Human Resources	San Francisco
Aubrey Thacker	Managing Director – Bank Controller	Denver
Paul Woolway	Managing Director – Chief Executive Officer	Westlake
Marina Yakolina	Managing Director – Chief Lending Officer	Westlake

VIII. Corporate Governance

Integration of Resolution Planning into the Corporate Governance Structure and Processes

Corporate governance and management oversight are fundamental to the Bank's resolution and recovery planning (RRP) efforts. This occurs through the Bank's existing risk management and senior management committees, ultimately reporting to the Bank's Board of Directors (Board of Directors or the Board). RRP activities at the Bank are led by the Managing Director, Treasurer. This senior officer has the responsibility to ensure the Bank is developing and managing appropriate policies and procedures to establish and maintain credible Resolution and Recovery Plans.

Corporate Governance Structure

- Board of Directors: The Board provides strategic direction and oversees the performance and management of the Bank's business affairs.
- Committees: Committees exist at both the Board and management levels. They provide oversight and direction for their specific areas of focus.

Board of Directors

The Board provides active oversight of the Bank's management, strategic direction, financial performance, and compliance with safe and sound banking practices and risk governance. The Board is responsible for providing sound, independent judgment on behalf of the Bank and for challenging the Bank's management and the operations of the Bank.

The Bank's Board members meet at least five times per year to review policies and procedures, strategic planning, financial and capital planning, performance of management, compliance and risk management, and the findings and recommendations of the Bank's regulators and auditors, among other things. The members of the Board have significant financial and fiduciary expertise and are leaders in the business community. Each was selected based on the specific experiences and skills in managing a financial business. All of the independent directors have extensive experience in banking or trust services.

As part of their oversight responsibility, Board members are regularly provided with updates directly from the three Board committees and key management committees, as well as several management individuals serving on the various committees.

Committee Structure

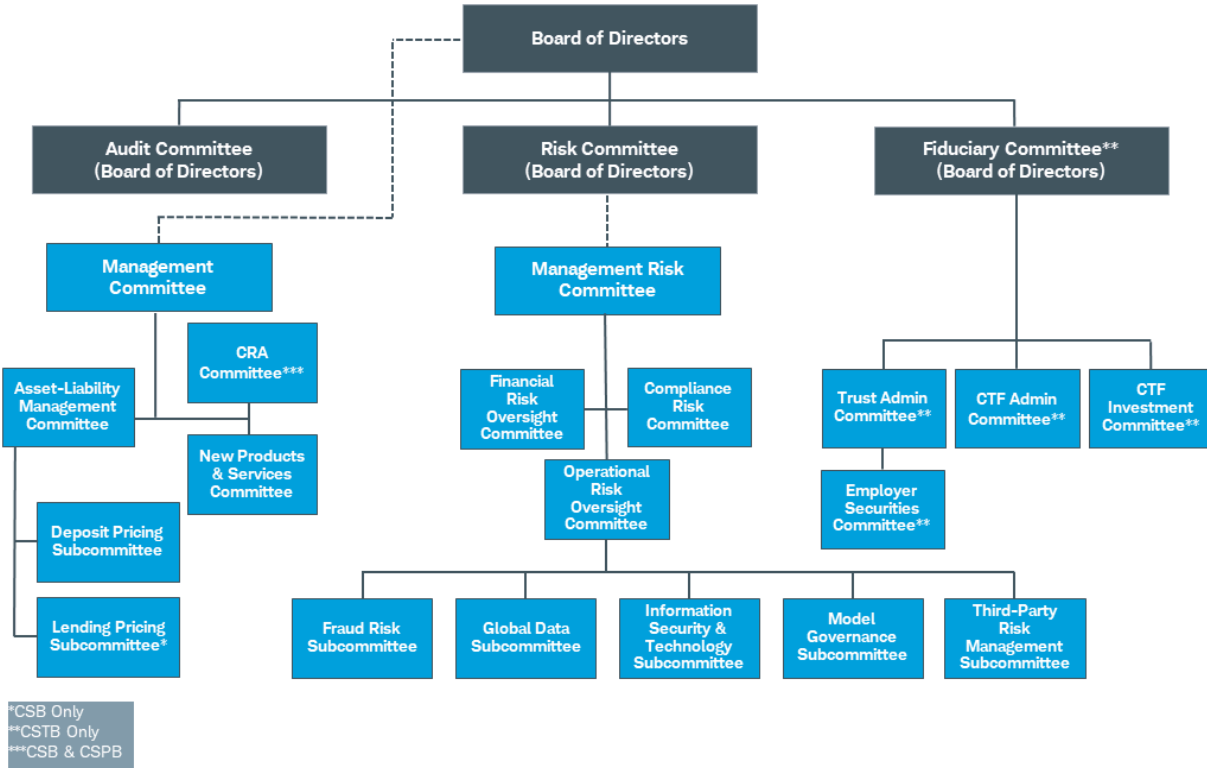
The Bank's committee structure is designed to facilitate strong governance and compliance with safe and sound banking practices. The Bank's committee structure comprises three categories:

- Board committees: Membership comprises Board members with delegated authority to act on the Board's behalf.
- Executive committees: Executive membership provides risk oversight to the risk committees managing specific categories of risk.
- Management committees and sub-committees: Membership includes executive and senior management who provide risk oversight by specific categories of risk, and subordinate committees with decision making authority composed of members appointed from a management committee.

The risk governance committee structure consists of the following:

- Board Risk Committee
- Board Audit Committee
- Board Fiduciary Committee
- Executive-level Bank Risk Committee

Bank Governance Committee Structure



In addition to the committees outlined above, the Charles Schwab Bank Asset-Liability Management Committee (ALCO) is not a risk committee, but rather provides first line oversight, monitoring the balance sheet, capital and liquidity of the Bank and overseeing policies regarding the management of the Bank's balance sheet, investment activities, interest rate risk, liquidity and other financial and market risks.

The Schwab Bank ALCO is responsible for ensuring that the Bank maintains adequate capital and liquidity to meet the ongoing needs of the business and remains in compliance with all regulations and internal policies. The Committee also evaluates emerging financial risks, including anticipated impact of potential or proposed changes in monetary or fiscal policy, regulatory changes, and the potential impact on the Bank's operations.

Resolution Planning Groups

RRP Steering Committee: Committee composed of senior executives within CSC who are responsible for the overall direction of the program. The Steering Committee meets as needed to provide input and guidance and to ensure planning and updates are occurring as expected. Steering Committee members are as follows:

- Managing Director & Bank Treasurer
- Managing Director & Bank CEO
- Managing Director Bank Operations
- Managing Director & Bank Chief Counsel
- Managing Director & Bank CFO
- Managing Director & Bank Compliance Officer
- Managing Director Personal Trust Services & BTS Risk Mgmt
- Managing Director Corporate Risk Management
- Managing Director Internal Audit (observer)

RRP Leadership Team: The Steering Committee is supported by a Leadership Team responsible for overseeing the day-to-day execution of the program, making determinations on technical matters, and for communications to the RRP Steering Committee. During the update cycle, the Leadership Team meets at regular intervals to discuss deliverables and Program status.

Bank Management Committee: The RRP Steering Committee and teams are integrated into the Bank's governance structure through the Bank Management Committee and Board. The Bank Management Committee reviews the Resolution Plan before it is sent to the Board for approval. Additionally, this committee approves the Bank Resolution Plan Policy (Policy).

Board of Directors: The Bank's full Board reviews and approves the Resolution Plan. To prepare for this review and approval, Board members receive the Resolution Plan and supporting materials prior to the Board meeting. Board members also may request additional meetings to understand and challenge the Resolution Plan. In addition to the approval process, the Board receives updates on regulatory, industry feedback, or other changes as needed.

Internal Audit: The Bank's Internal Audit group reviews the Bank's RRP efforts on a periodic basis. Reports are issued to Bank Management, Bank Board members, Schwab's external auditor, and banking regulators.

Overview of Policies, Procedures, & Internal Controls

The Policy serves as the overall framework the Bank follows in the development of its Plan and establishes requirements for its ongoing maintenance. The Policy and accompanying procedures enable the Bank to:

- Establish roles and responsibilities, including identifying the responsible senior officer for developing and maintaining the Bank's Resolution Plan.

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- Meet regulatory requirements for an accurate, credible, and on-time filing of the Resolution Plan to the FDIC.
 - Notify the FDIC in a timely manner in the event a material change occurred which would impact the Resolution Plan.

In addition to the Policy there are several procedures, processes, and internal controls used in the preparation of the Plan. Highlights, in addition to the details provided above include the following:

- **Prior Recovery and Resolution Plan submissions:** The Bank's prior plans and related work is used as a baseline for subsequent updates.
- **Monthly material change questionnaire:** A questionnaire is used to identify material changes within the Bank. It requires key business owners to review items such as contracts, technology platforms, and key third parties. Responses are reviewed monthly by the RRP Team which reports to the Treasurer. If a material change is identified, notification would be provided to the RRP Steering Committee and appropriate action would be taken. This process ensures the Bank would meet the requirement to file a notice with the FDIC within 45 days of a material event.
- **Centralized Online Tools:** The Bank uses an internal, restricted website to gather, disseminate, and store RRP information. Workiva, a cloud based productivity tool, is utilized to help ensure version control and data integrity. In addition, the Workiva tool documents the Plan update, review, and approval process.
- **Plan Review:** Prior to submission to the Board, the plan is reviewed by the RRP Leadership Team, RRP Steering Committee, and Bank Management Committee.
- **American Bankers Association Peer Exchange:** To stay informed of industry best practices, the Bank participates in peer exchange meetings.
- **FDIC Engagement:** The Bank holds periodic meetings with the FDIC to ensure that the Bank understands the FDIC expectations.

IX. Management Information Systems

The Bank uses a combination of proprietary and third party MIS to generate standard and ad-hoc reports to provide information on the financial health, risk, and operations of the Bank, including, but not limited to:

- Management and financial reporting
- Operational reporting around regulatory, audit, and legal needs
- Risk reporting on the investment, loan, and deposit portfolios
- Reporting on capital and liquidity of the Bank

Disaster Recovery & Other Backup Plans

The Bank has a fiduciary responsibility as well as a regulatory requirement to adhere to business continuity planning standards for maintaining client commitments and operations during unplanned business interruptions. The Bank's business continuity planning standards are derived from the FFIEC Handbook on Business Continuity Planning.

The Bank's business continuity policy is designed to emphasize the importance of compliance with the Bank's business continuity standards and to protect the safety of employees as well as the interest of key stakeholders. The focus of the Bank's business continuity program is to maintain continuous operation of the Bank's products and services with minimal impact to clients during business interruptions. The program supports the time sensitive recovery of critical functions in the event Bank locations become unavailable for any reason.

The Bank also maintains a Technology Service Provider Oversight Program to ensure the capabilities of its third party vendors meet critical operation needs during unplanned events. As part of the third party on-boarding process, the Bank works with Corporate Business Continuity & Incident Management (BCIM) to review the third party's business continuity & disaster recovery plans or executive summaries. BCIM and the Bank also review the third party's response to a comprehensive due diligence questionnaire outlining their business continuity and disaster recovery policies, plans, testing, and training. Third parties categorized as critical are asked to submit copies of their business continuity and disaster recovery plans and disaster recovery test results annually or biennially to the Bank. These plans are reviewed for best practices and gaps; issues or gaps identified are tracked until resolution.