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## Questionnaire Survey on Business Continuity Management (September 2014)

Financial System and Bank Examination Department

Bank of Japan

This is an English translation of the Japanese original released in January 2015.

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## 【Introduction】

This paper summarizes the findings of the Questionnaire Survey on Business Continuity Management (7th survey) conducted from August to September 2014.

The questionnaire survey has been conducted every other year since 2002 for financial institutions with a high share of BOJ Net business by transaction value. In the previous questionnaire, the scope was expanded to include all regional banks to confirm the readiness of a larger number of financial institutions and to share information. Also, four institutions were surveyed including central payment and settlement institutions, etc. (Note1). Participants in this survey were selected based on the same criteria used for selection in the previous survey.

This survey includes core questions based on Toward Effective Business Continuity Management: A Check List and Instructive Practices (revised and expanded version, published March 2010) and Business Continuity Plans That Worked Effectively When the Great East Japan Earthquake Hit and Those That Needed Improvement (published in January 2012). Additional questions addressed backup offices, off-site backup systems, systems to facilitate cooperation with other financial institutions, etc., as well as outsourcing contractors, etc.

The Bank of Japan expects that financial institutions will use the results of this survey to verify their own business continuity management and improve their effectiveness. It also hopes that the survey will bring greater depth to discussions with financial institutions concerning business continuity management and will improve the robustness of Japan's financial system and payment and settlement system.

## 【Survey coverage】

	2014 Survey		2012 Survey		2010 Survey		2008 Survey		2006 Survey		2004 Survey		2002 Survey	
Survey period	Aug.–Sep. 2014		Aug.–Sep. 2012		Oct.–Nov. 2010		Oct.–Nov. 2008		Dec. 2006–Feb. 2007		Sep.–Nov. 2004		Aug.–Oct. 2002	
Response rate	100%		100%		100%		100%		100%		100%		100%	
	Number of institutions	Share (%)	Number of institutions	Share (%)	Number of institutions	Share (%)	Number of institutions	Share (%)	Number of institutions	Share (%)	Number of institutions	Share (%)	Number of institutions	Share (%)
Major banks	10	6.2	11	6.7	12	14.6	12	14.3	12	14.3	14	16.3	14	20.6
Regional banks	105	65.2	105	63.6	22	26.8	17	20.2	16	19.0	16	18.6	10	14.7
Japanese securities firms	5	3.1	5	3.0	6	7.3	10	11.9	10	11.9	13	15.1	13	19.1
Foreign banks and foreign securities firms	23	14.3	27	16.4	27	32.9	29	34.5	32	38.1	26	30.2	16	23.5
Others (Note2)	18	11.2	17	10.3	15	18.3	16	19.0	14	16.7	17	19.8	15	22.1
Total	161	100.0	165	100.0	82	100.0	84	100.0	84	100.0	86	100.0	68	100.0
Central payment and settlement institutions, etc.	4	—	4	—	—	—	—	—	—	—	—	—	—	—

Note 1: Central payment and settlement institutions, etc. were excluded from the tabulation of results because, by nature of their operations, they were considered largely unsuitable for comparison with financial institutions. At the end of this paper is a description of trends in and features of their business continuity management for reference purposes.

Note 2: Central organizations for cooperative financial institutions, money market brokers, trust banks affiliated with securities firms, and trust banks specializing in custodian business, etc.

## 【Overview of survey findings】

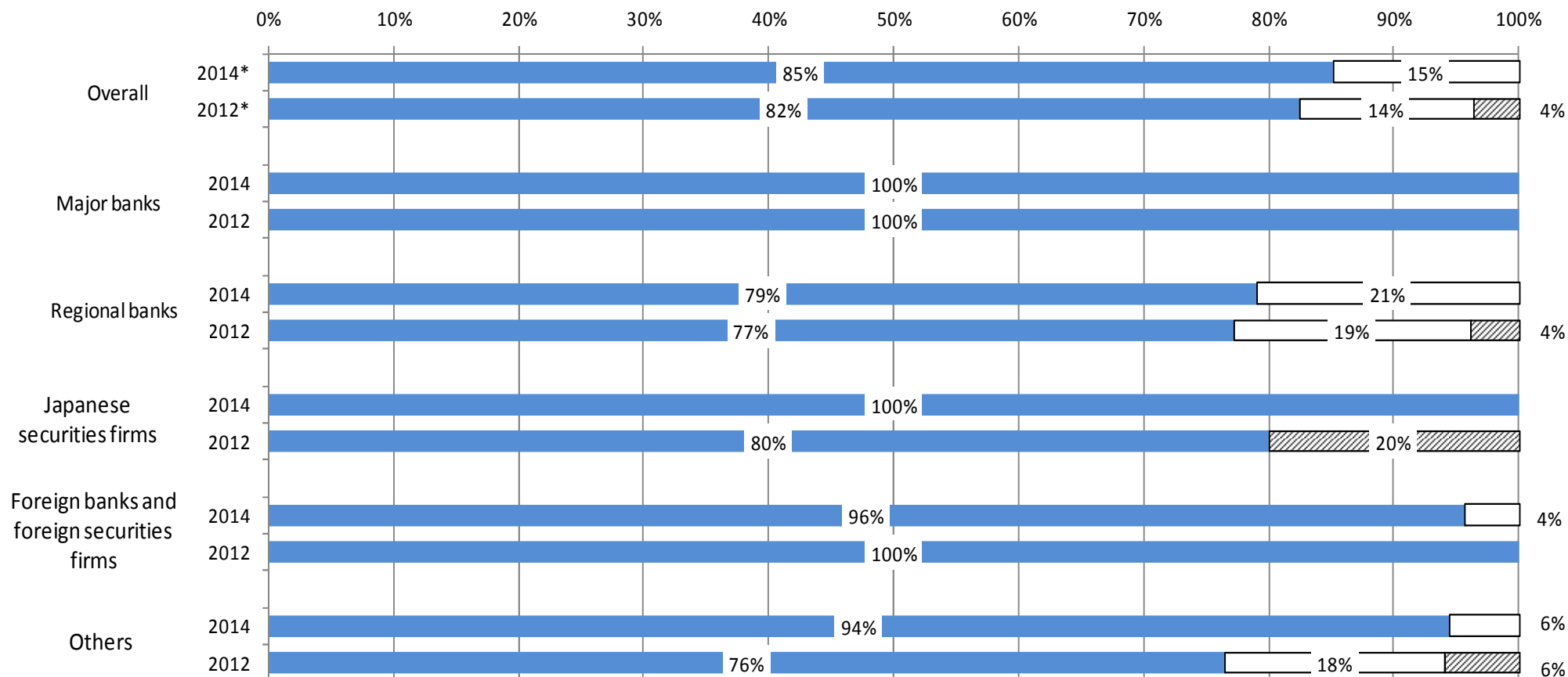
- Regarding business continuity management, all institutions answered “completed” and the number of institutions that gave the response “completed and regularly reviewed” rose to approximately 85%. Overall, progress has been made in business continuity management (Question 1).
- With respect to the readiness of business continuity plans, 90% or more of institutions included “earthquake” and “infectious disease” as causative events in their disaster scenarios. Also, roughly 80–90% foresaw that it would be “virtually impossible to use the main computer centers” and “virtually impossible to use the main workplaces” as consequences of a disaster. Also, an increasing number of institutions expect to see “cyber attack” (causative events) based on recent changes in the environment, and more serious scenarios such as it being “virtually and simultaneously impossible to use main and backup workplaces” (resulting events) (Questions 10 and 11). As for the timing of disasters, the number of institutions that answered “weekdays during the early morning,” “weekdays during nighttime” and “weekends/holidays” increased to 80% or more (Question 12).
- All institutions responded that they had identified “critical operations” given priority for restoration in the event of a disaster, and slightly less than 90% answered that recovery target times for “critical operations” had been established (Questions 13 and 14). Slightly less than 70% reported that their recovery target times for critical operations given the highest priority were “within four hours” (Question 15).
- Slightly more than 40% (mainly regional banks) have been carrying out sectionwide activities such as establishing cooperation frameworks with other financial institutions, etc., including “provision of relief supplies,” “dispatching staff” and “withdrawals of savings deposits at the counter” in order to maintain business continuity (Question 53).
- Although their business continuity plans have made progress, approximately 65% of institutions responded “some inadequacies remain” in terms of the effectiveness of their business continuity (Question 3). Among these, roughly 40–50% listed securing and preparing business resources (staff, workplaces, etc.) as an issue (Question 4).
- As for staff, the number of institutions that have identified business continuity staff rose to slightly less than 70%. However, only slightly more than 30% have “verified the possibility of staff assembly,” although the proportion is increasing (Question 19).
- While slightly more than 80% have secured backup offices (Question 20), around 40% have not established “persons authorized to switch over to a backup office” or “backup office switchover criteria.”(Question 38). 10% of backup offices were “unable to accommodate all of the minimum number of staff required to perform critical operations” (Question 24).
- Slightly more than 90% have secured “resources required for system operations” (such as electric power generators and their fuel), and “resources required to sustain the lives of business continuity staff” (such as food and drinking water) (Question 25). However, roughly 20–30% reported “inadequate hours of continuous electric power generator operation” and “inadequate stockpiles of generator fuel and cooling water” (Question 26).
- As for manuals to carry out critical operations, slightly more than 30% responded “consistency throughout the company has not been verified” and “some manuals have not been fully prepared” (Question 40).
- Slightly less than 50% have “identified details of business continuity plans for outsourced critical operations at external outsourcing contractors” and only slightly more than 30% have “verified the consistency of business continuity plans for outsourced critical operations at outsourcing contractors and own business continuity plans” (Question 55).
- With respect to training, while the number of institutions is increasing which undertook regular training such as fund settlements and cash supply, companywide training and modification of manuals, etc. based on training results (Questions 43, 44, 47), only roughly 20–30% have provided “backup center switchover training (operation units),” “assembly training (critical operations staff at branch offices)” and “backup office assembly and switchover training” (Question 45).

**【Survey findings】**

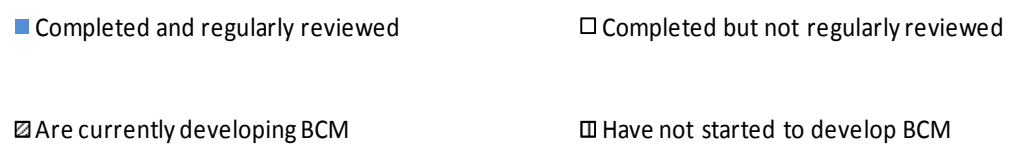
I. Overview

**【Q1】** Do you have a companywide business continuity management (BCM) framework in place in the event of some form of impediment to the continuity of operations?

- BCM has been established and all institutions gave the response “completed.”
- The number of institutions that responded “completed and regularly reviewed” increased to 85%.



\* “2014” means this survey (conducted in 2014) and “2012” means the last survey (conducted in 2012).

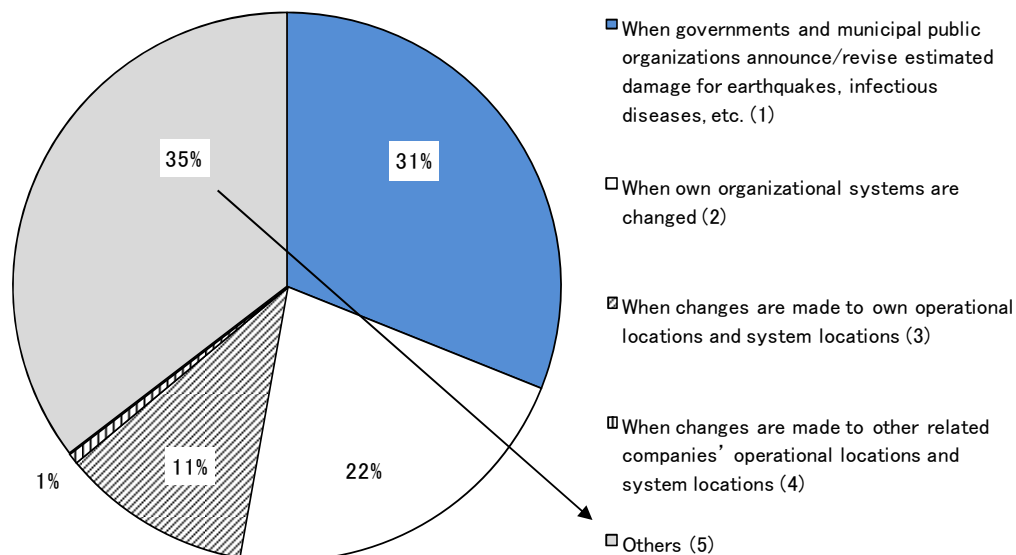


**【Q2】** (For those that responded “completed and regularly reviewed” or “completed but not regularly reviewed” in Question 1) In addition to regular reviews, when do you review your BCM?

- Many institutions perform reviews based on “announcements and revisions of estimated damage by government and municipal public organizations” and “changes in own organizational system and locations.”
- As triggers for recent reviews, many listed “changes in organization, operation, system, etc.” and “announcements by the Cabinet Office’s Central Disaster Prevention Council concerning damage estimates in the event of a Nankai Trough earthquake or Metropolitan Tokyo inland earthquake and related announcements by municipal public organizations.”

< What triggered recent reviews ? >

Details of “triggers” (including multiple responses)	
Changes in organization, operation, system, etc.	47 institutions
Announcements by the Cabinet Office’s Central Disaster Prevention Council concerning damage estimates in the event of a Nankai Trough earthquake or Metropolitan Tokyo inland earthquake and related announcements by municipal public organizations (including estimations on tsunami and flood, etc.)	33 institutions
Experience gained from the Great East Japan Earthquake, etc.	15 institutions
Enforcement of acts on special measures for new types of influenza, etc.	7 institutions
Various training results, occurrence of system failure	5 institutions

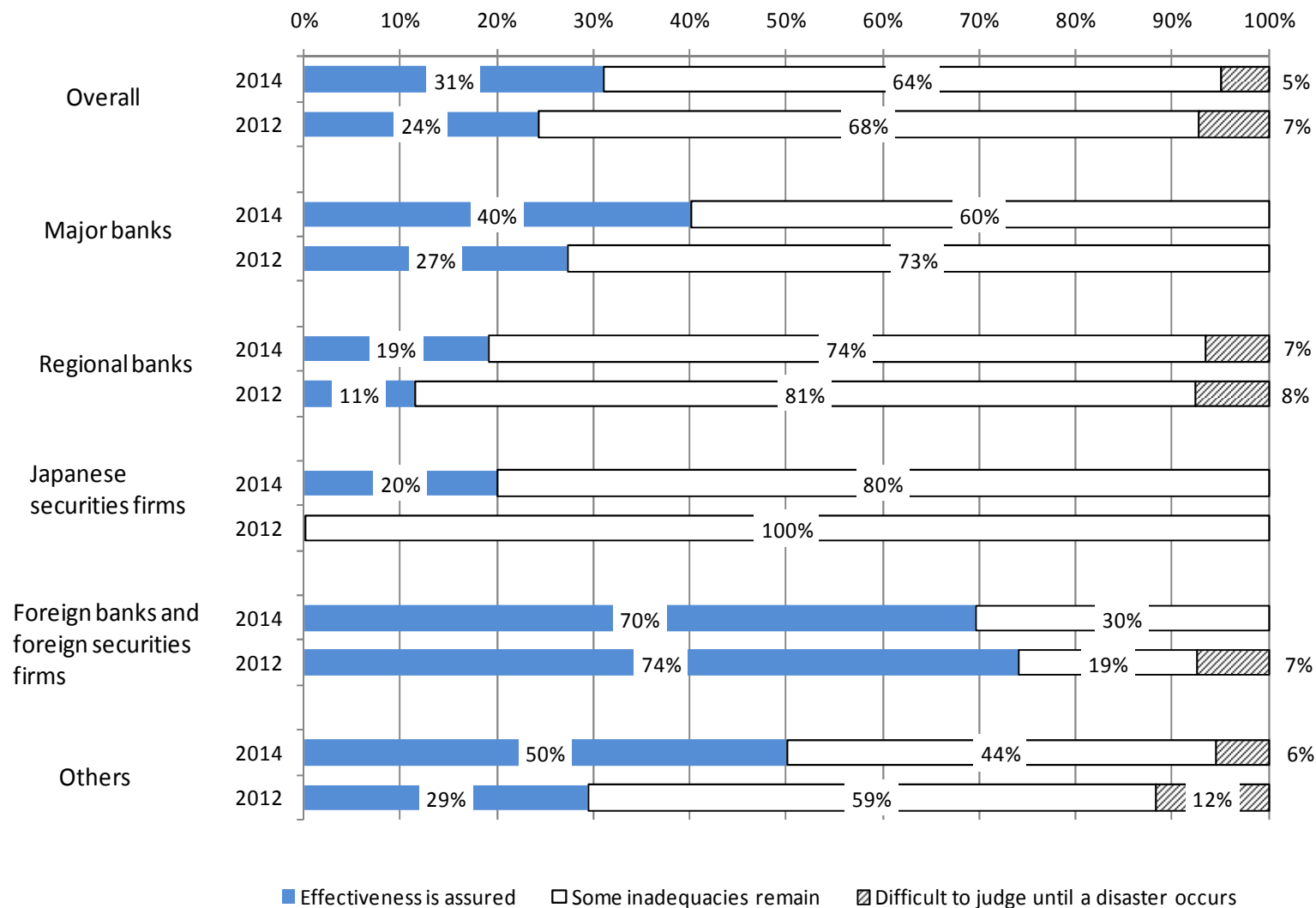


< Details of “(5) Others” (including multiple responses) >

Review after all events in (1) through (4)	18 institutions
Review based on training results	14 institutions
Review after several events in (1) through (3)	12 institutions
Review based on actual disasters, etc.	8 institutions
Review after changes in operational flow, system, etc.	4 institutions

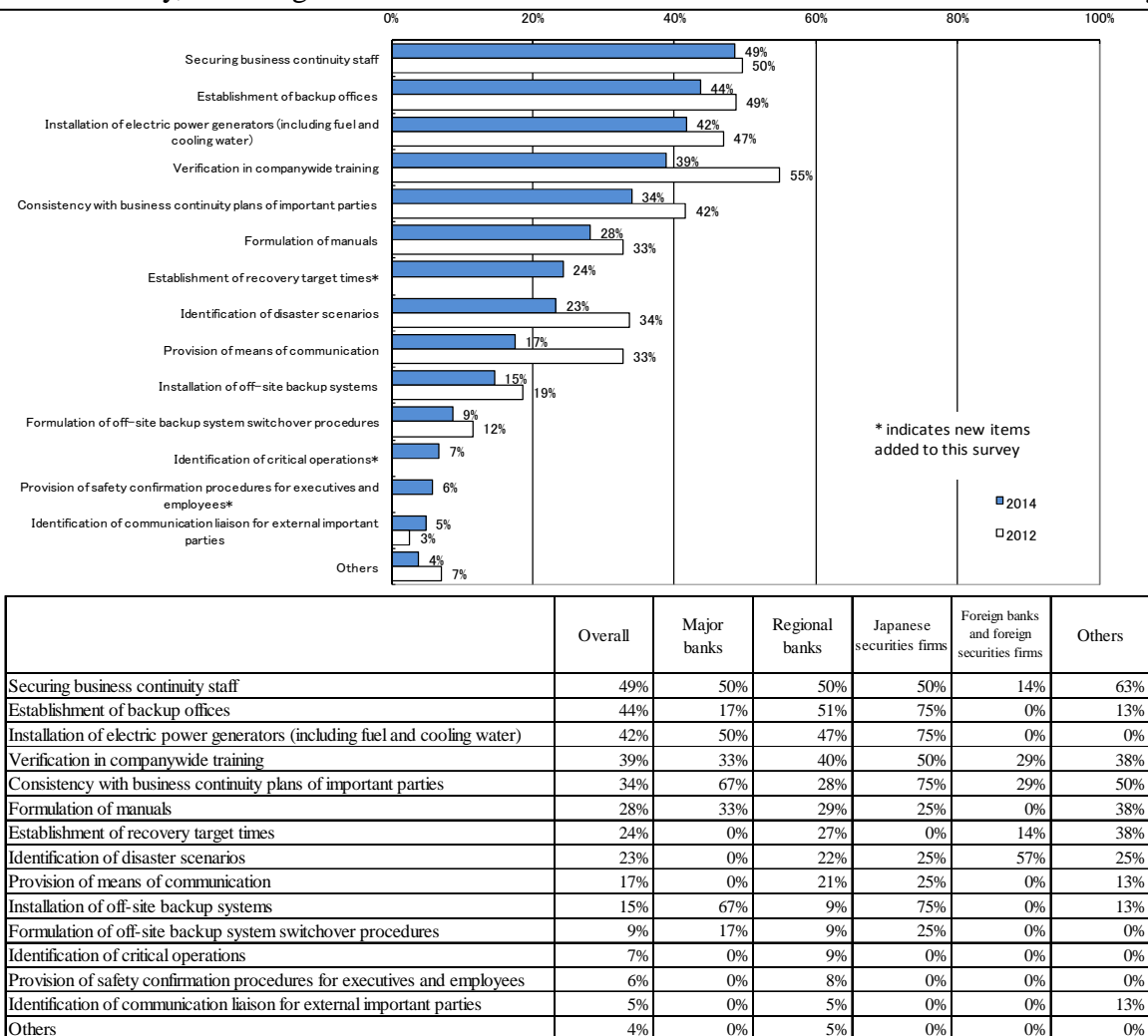
**【Q3】** To what extent is the effectiveness of BCM assured?

- The percentage of institutions that responded “effectiveness is assured” for business continuity increased to slightly more than 30%. However, approximately 65% answered “some inadequacies remain.”
- By segment, among regional banks and Japanese securities companies, while the number of institutions that responded “effectiveness is assured” increased, the percentage of those that responded “some inadequacies remain” is still high.



**【Q4】** (For institutions responding that "some inadequacies remain" in Question 3) What are the specific areas of inadequacy? (multiple responses)

- Compared to the previous survey, there was a decrease in the percentage of respondents that indicated inadequacies in most items including “provision of means of communication” and “identification of disaster scenarios.” This shows that a wide variety of activities are carried out to assure effectiveness.
- About half responded “securing business continuity staff” and 40% or more responded “establishment of backup offices” and “installation of electric power generators” as areas where inadequacies exist. Although the number of respondents indicating “verification in companywide training” decreased substantially compared to the previous survey, slightly less than 40% still consider it inadequate. Around 30% indicated “consistency with business continuity plans of important parties” and “formulation of manuals” as areas where inadequacies exist.
- Among the new items added to this survey, some regional banks and other institutions listed “establishment of recovery target times” as an issue.



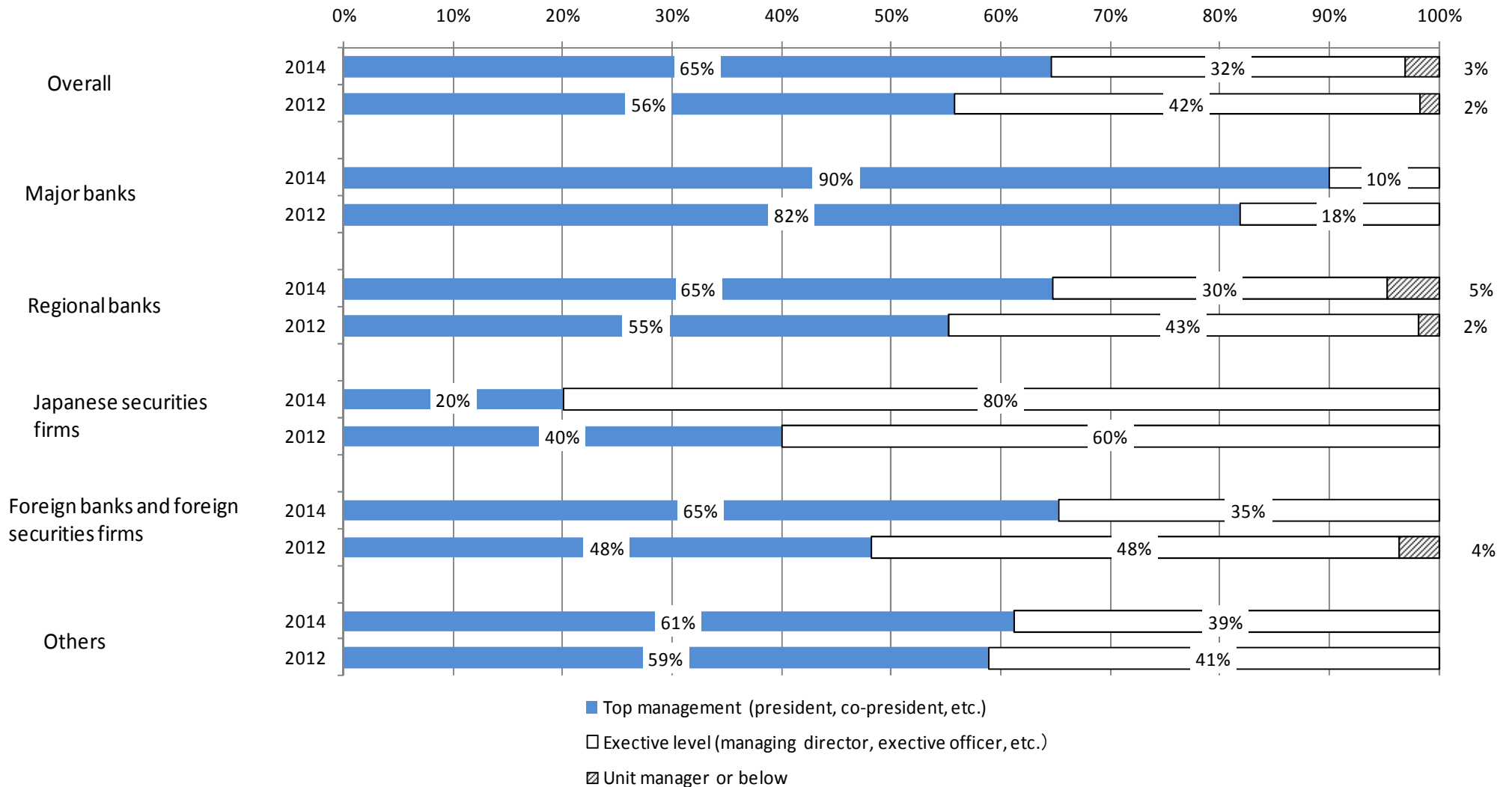


## II. Organizational status

### A. Leadership of management team

**[Q5]** To which level do managers (head of a supervisory unit, chairman of the company-wide BCM meeting, etc.) providing leadership in the enhancement of BCM belong?

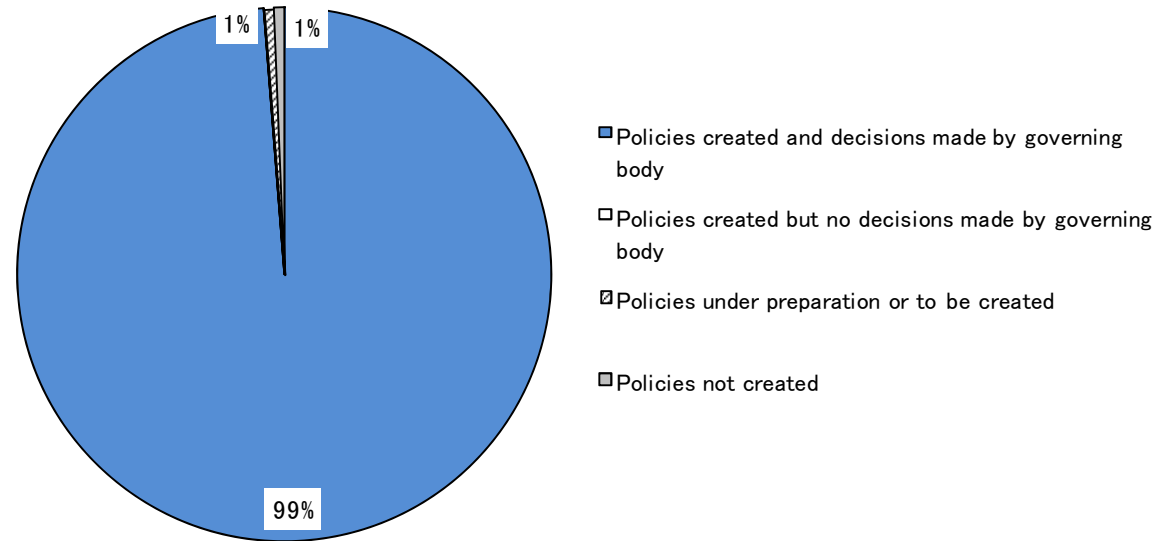
- Almost all institutions responded that responsibility rested with someone at “executive level or higher” with 65% selecting “top management” and slightly more than 30% choosing “executive level.”
- Compared to the previous survey, there was an overall increase in the number of institutions that gave the response “top management.”



B. Formulation of business continuity policy

【Q6】 In addition to individual business continuity plans for earthquakes, etc., do you have a basic policy concerning business continuity?

• Almost all institutions have created basic policies on the enhancement of business continuity plans, and the decisions are made by governing bodies.

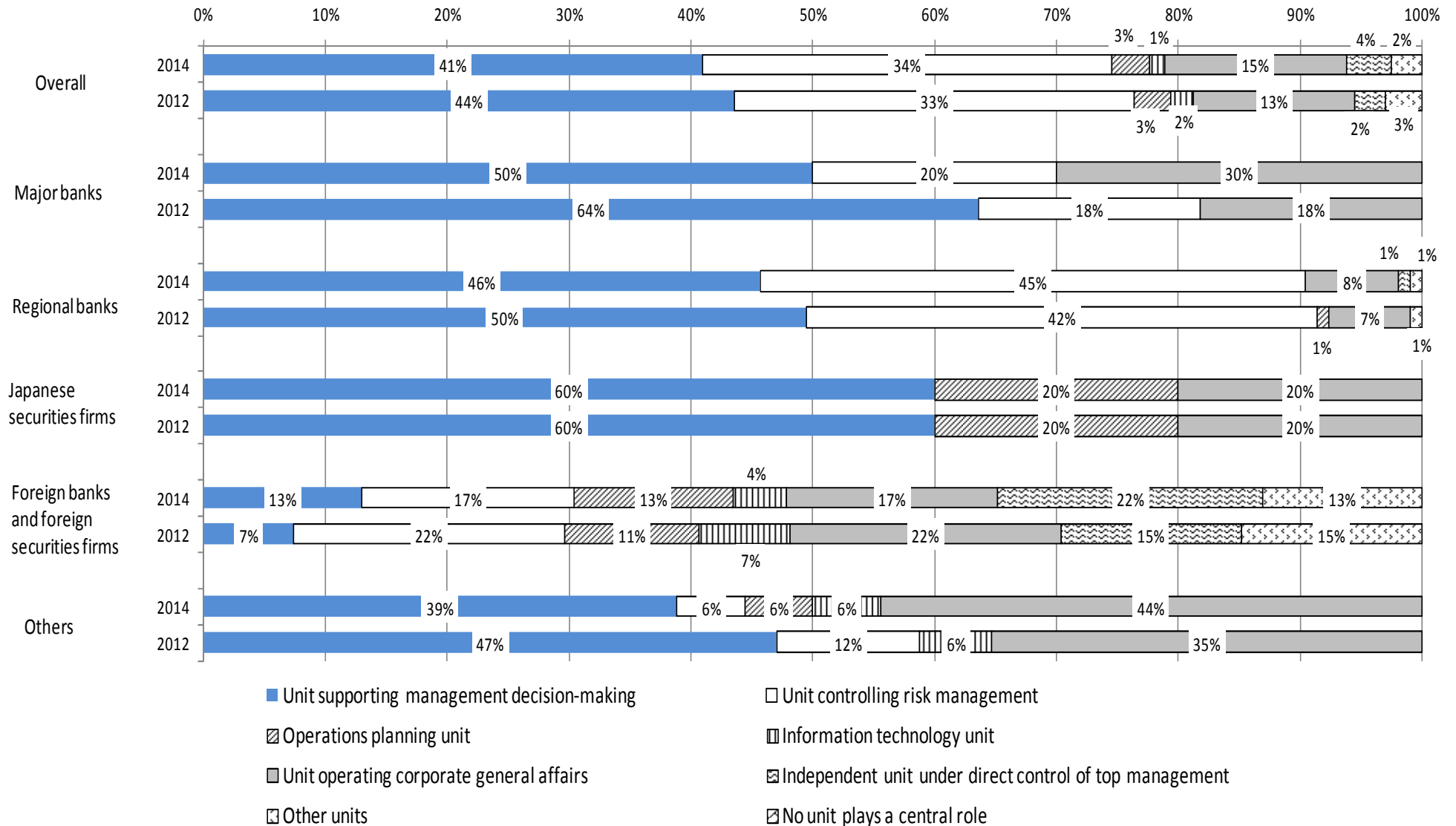


	Overall	Major banks	Regional banks	Japanese securities firms	Foreign banks and foreign securities firms	Others
Policies created and decisions made by governing body	99%	100%	98%	100%	100%	100%
Policies created but no decisions made by governing body	0%	0%	0%	0%	0%	0%
Policies under preparation or to be created	1%	0%	1%	0%	0%	0%
Policies not created	1%	0%	1%	0%	0%	0%

### C. Establishment of supervisory unit

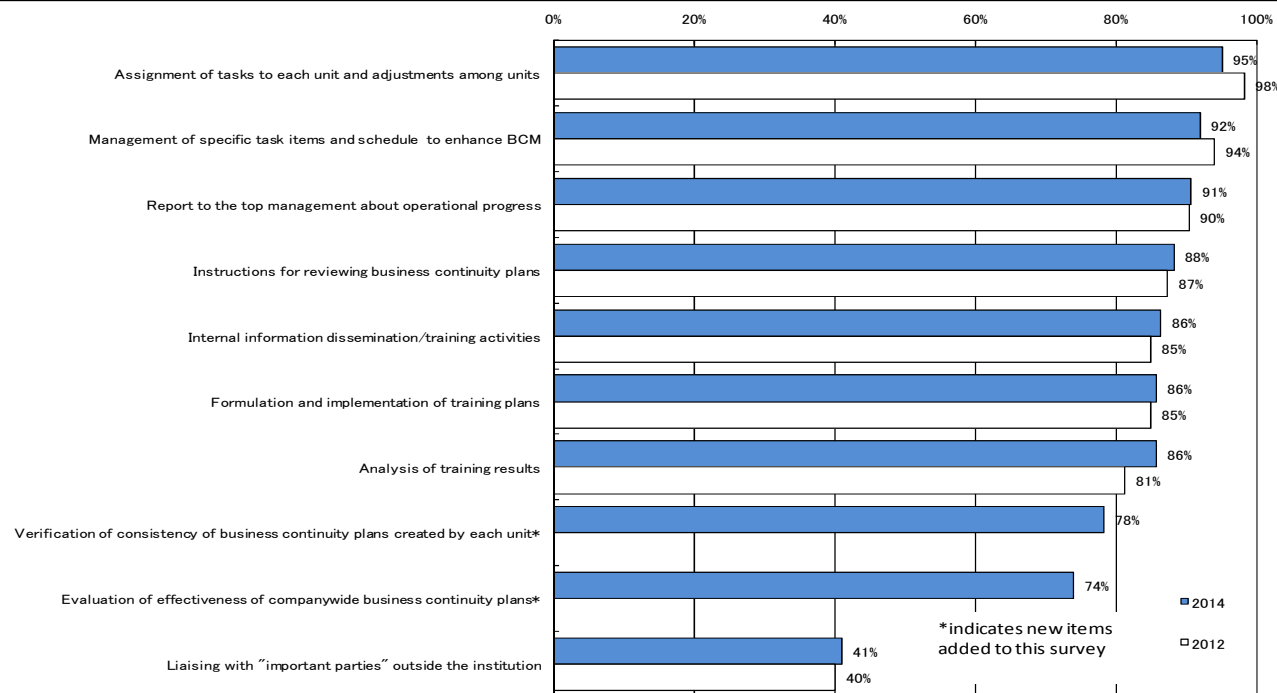
#### 【Q7】 Which unit takes the lead in preparing BCM?

- 75% of the institutions designated “unit supporting management decision-making” or “unit controlling risk management” as a supervisory unit.
- By segment, among foreign banks/foreign securities firms, the percentage of those that responded “independent unit under direct control of top management” is relatively high.



**【Q8】** Which are the supervisory unit’s functions? (multiple responses)

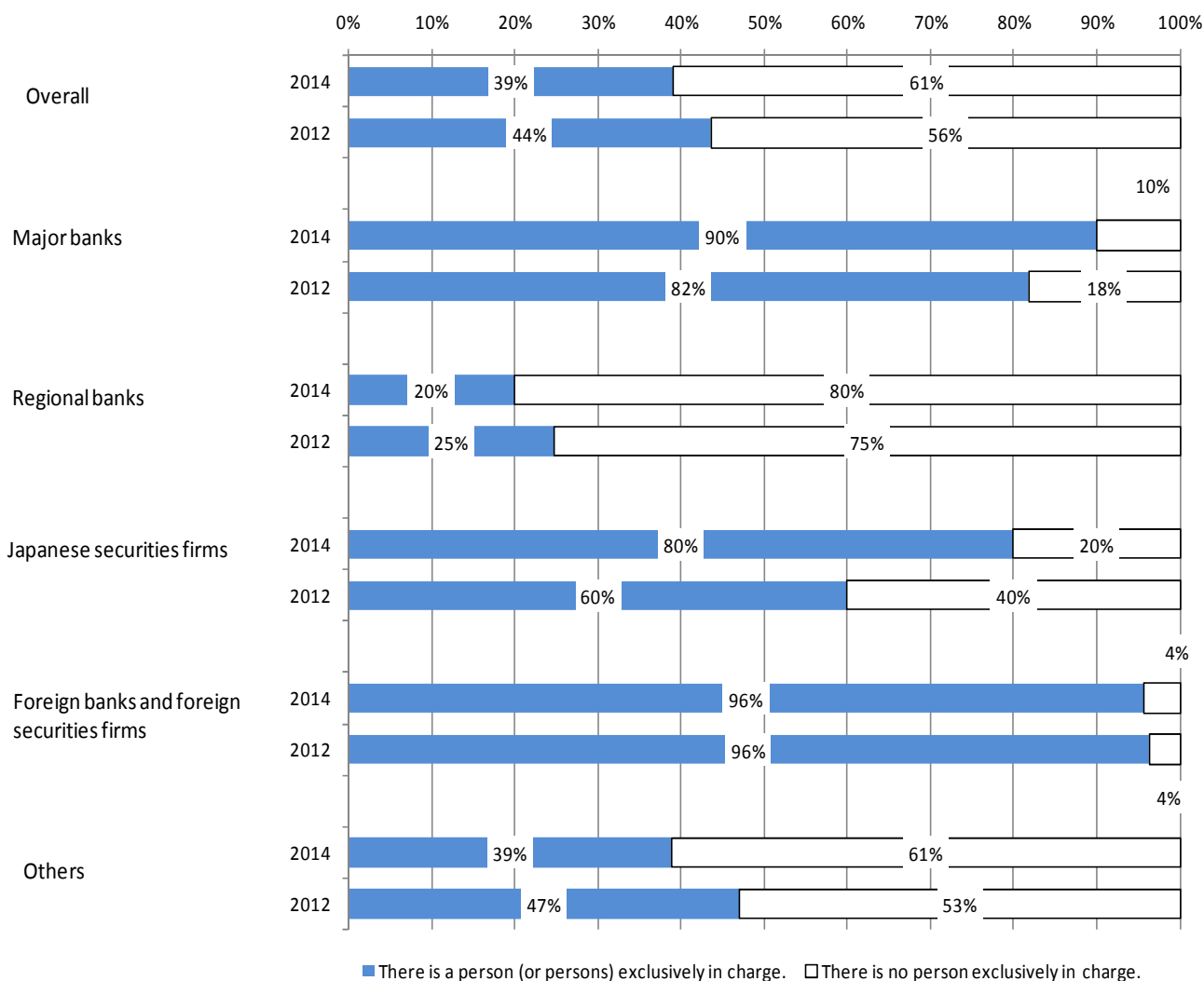
- 90% or more of the institutions selected “assignment of tasks to each unit and adjustments among units,” “management of specific task items and schedule to enhance BCM” and “report to the top management about operational progress.” As for questions newly created for this survey (“verification of consistency of business continuity plans created by each unit” and “evaluation of effectiveness of companywide business continuity plans”), 70% or more responded that they performed these tasks.
- By segment, major banks and foreign banks/foreign securities firms chose a wide variety of functions to be performed by the supervisory unit.



	Overall	Major banks	Regional banks	Japanese securities firms	Foreign banks and foreign securities firms	Others
Assignment of tasks to each unit and adjustments among units	95%	100%	97%	80%	91%	89%
Management of specific task items and schedule to enhance BCM	92%	100%	88%	100%	100%	100%
Report to the top management about operational progress	91%	100%	86%	100%	100%	100%
Instructions for reviewing business continuity plans	88%	100%	83%	100%	96%	100%
Internal information dissemination/training activities	86%	100%	82%	80%	100%	89%
Formulation and implementation of training plans	86%	90%	86%	80%	91%	78%
Analysis of training results	86%	100%	83%	80%	96%	83%
Verification of consistency of business continuity plans created by each unit	78%	100%	74%	100%	91%	67%
Evaluation of effectiveness of companywide business continuity plans	74%	100%	69%	80%	91%	67%
Liaising with "important parties" outside the institution	41%	50%	43%	60%	26%	39%

**【Q9】** Has anyone been appointed whose sole responsibility is to develop BCM?

- Compared to the previous survey, the percentage of institutions that have someone exclusively in charge of this role decreased to slightly less than 40%.
- By segment, 90% or more of major banks and foreign banks/foreign securities firms reported that they have someone exclusively in charge, while the percentage for regional banks has decreased to 20% since the previous survey.
- Among the institutions where someone has been appointed to be exclusively in charge, about a half of them reported that there is only one such person, while some institutions reported that they have appointed several persons.



< Number of persons exclusively in charge (among those institutions that have appointed such persons) >

10 or more persons	1 institution
8 persons	2 institutions
6 persons	2 institutions
5 persons	1 institution
4 persons	7 institutions
3 persons	6 institutions
2 persons	14 institutions
1 person	30 institutions

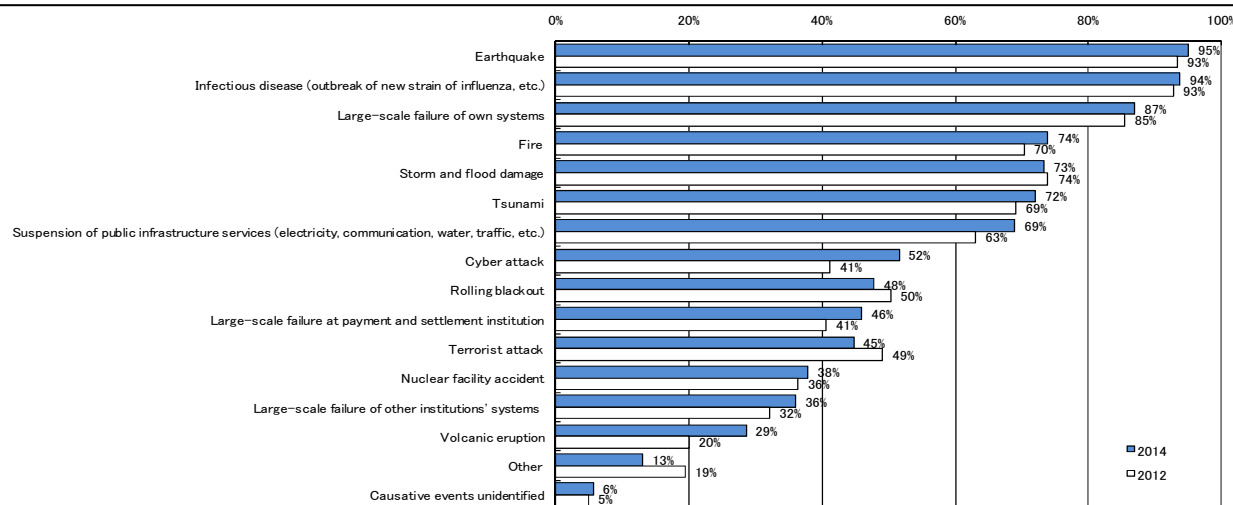
### III. Formulation of business continuity plan

#### A. Clarification of assumptions

##### 1. Identification of disaster scenarios

**【Q10】** What do you foresee as causative events in your disaster scenarios? (multiple responses)

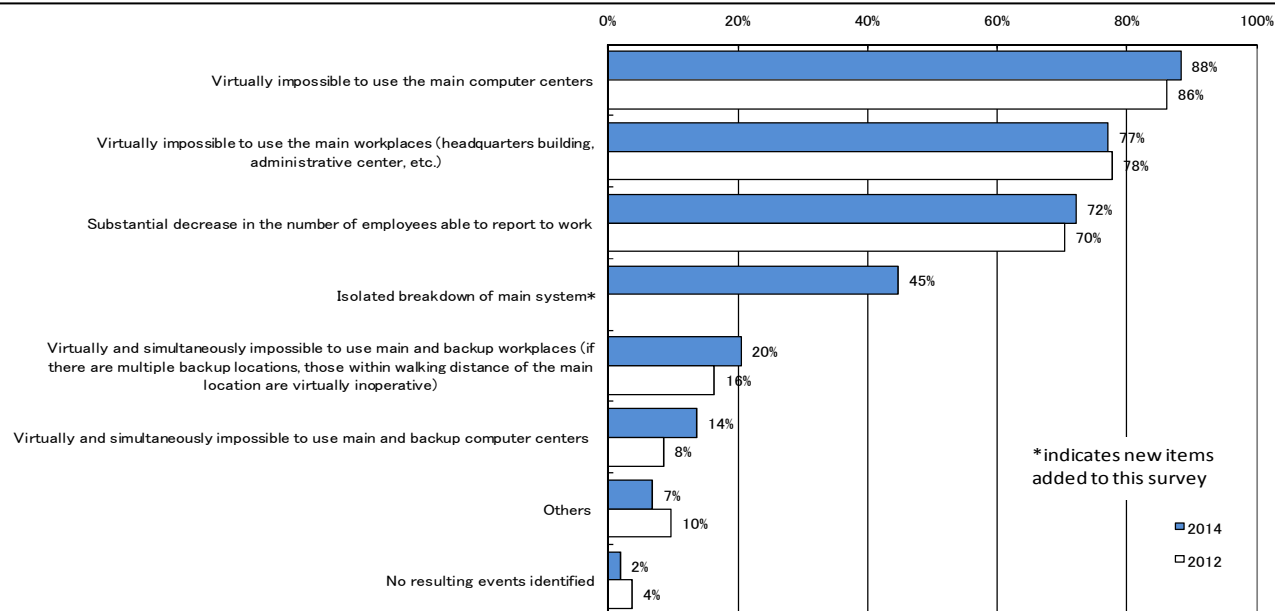
- Around 90% of the respondents foresaw “earthquake,” “infectious disease” and “large-scale failure of own systems,” and slightly more than 70% foresaw “fire,” “storm and flood damage” and “tsunami” as causative events.
- Compared to the previous survey, there was an increase in the percentage of institutions that foresaw “cyber attack” and “volcanic eruption” as causative events.
- By segment, roughly 30–40% of regional banks and foreign banks/foreign securities firms and others did not foresee “suspension of public infrastructure services (electricity, communication, water, traffic, etc.)” as a causative event.



	Overall	Major banks	Regional banks	Japanese securities firms	Foreign banks and foreign securities firms	Others
Earthquake	95%	100%	98%	100%	74%	100%
Infectious disease (outbreak of new strain of influenza, etc.)	94%	100%	99%	100%	70%	89%
Large-scale failure of own systems	87%	100%	88%	100%	70%	94%
Fire	74%	90%	73%	100%	70%	67%
Storm and flood damage	73%	70%	74%	100%	74%	61%
Tsunami	72%	80%	77%	100%	57%	50%
Suspension of public infrastructure services (electricity, communication, water, traffic, etc.)	69%	90%	67%	100%	70%	61%
Cyber attack	52%	80%	45%	80%	70%	44%
Rolling blackout	48%	70%	39%	80%	65%	56%
Large-scale failure at payment and settlement institution	46%	80%	38%	40%	65%	50%
Terrorist attack	45%	70%	35%	80%	61%	56%
Nuclear facility accident	38%	40%	36%	20%	57%	28%
Large-scale failure of other institutions' systems	36%	70%	27%	20%	61%	44%
Volcanic eruption	29%	60%	17%	60%	57%	33%
Other	13%	30%	12%	20%	9%	11%
Causative events unidentified	6%	0%	1%	0%	35%	0%

**【Q11】** What do you foresee as resulting events in your disaster scenarios? (multiple responses)

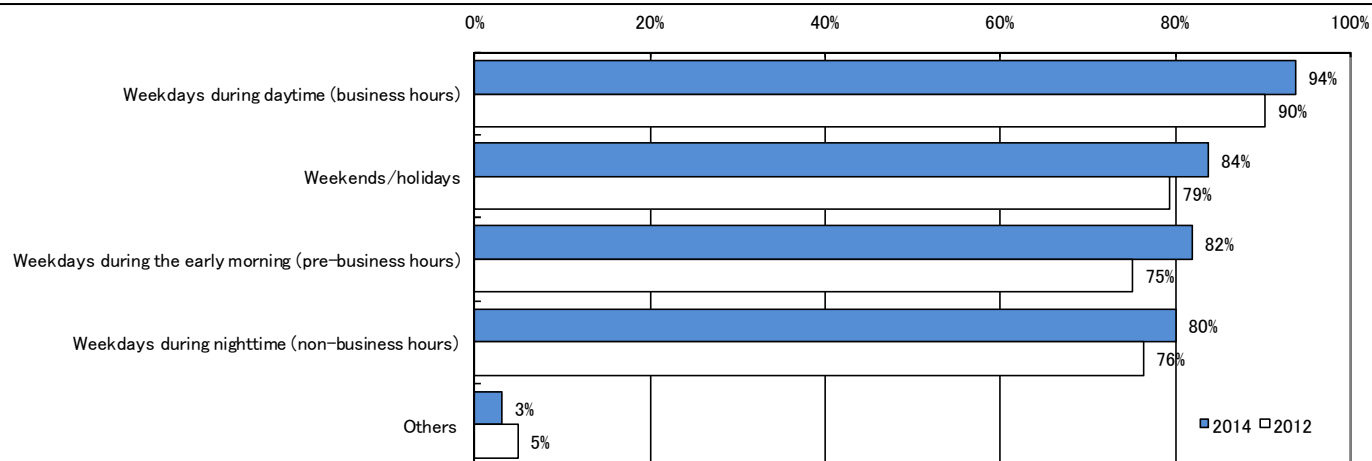
- Slightly less than 90% of the respondents foresaw that it would be “virtually impossible to use the main computer centers,” slightly less than 80% foresaw that it would be “virtually impossible to use the main workplaces,” and slightly more than 70% foresaw a “substantial decrease in the number of employees able to report to work” as consequences of a disaster. Compared to the previous survey, there was an increase in the number of institutions that believed that it would be “virtually and simultaneously impossible to use main and backup workplaces and computer centers.”
- By segment, roughly 30–40% of regional banks did not assume that it would be “virtually impossible to use the main workplaces” or that there would be a “substantial decrease in the number of employees able to report to work.”



	Overall	Major banks	Regional banks	Japanese securities firms	Foreign banks and foreign securities firms	Others
Virtually impossible to use the main computer centers	88%	90%	87%	80%	87%	100%
Virtually impossible to use the main workplaces (headquarters building, administrative center, etc.)	77%	100%	67%	100%	96%	94%
Substantial decrease in the number of employees able to report to work	72%	100%	60%	80%	100%	89%
Isolated breakdown of main system	45%	80%	36%	60%	61%	50%
Virtually and simultaneously impossible to use main and backup workplaces (if there are multiple backup locations, those within walking distance of the main location are virtually inoperative)	20%	50%	10%	20%	61%	11%
Virtually and simultaneously impossible to use main and backup computer centers	14%	20%	12%	20%	22%	6%
Others	7%	0%	9%	20%	4%	0%
No resulting events identified	2%	0%	3%	0%	0%	0%

**【Q12】** What assumptions do you make about the timing of disaster? (multiple responses)

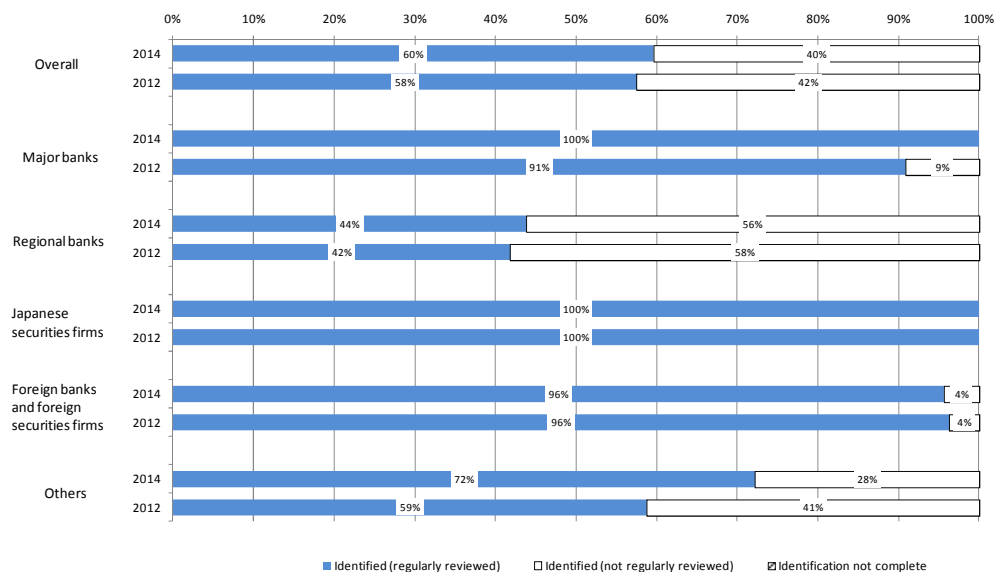
- Approximately 95% envisioned a disaster occurring on “weekdays during daytime,” and the percentage of institutions that saw it as occurring on “weekdays during the early morning,” “weekdays during nighttime” and “weekends/holidays” has increased to 80% or more.



2. Identification of “critical operations” and establishment of recovery target times

**【Q13】** Have you identified in advance “critical operations” to be given priority for restoration in the event of a disaster?

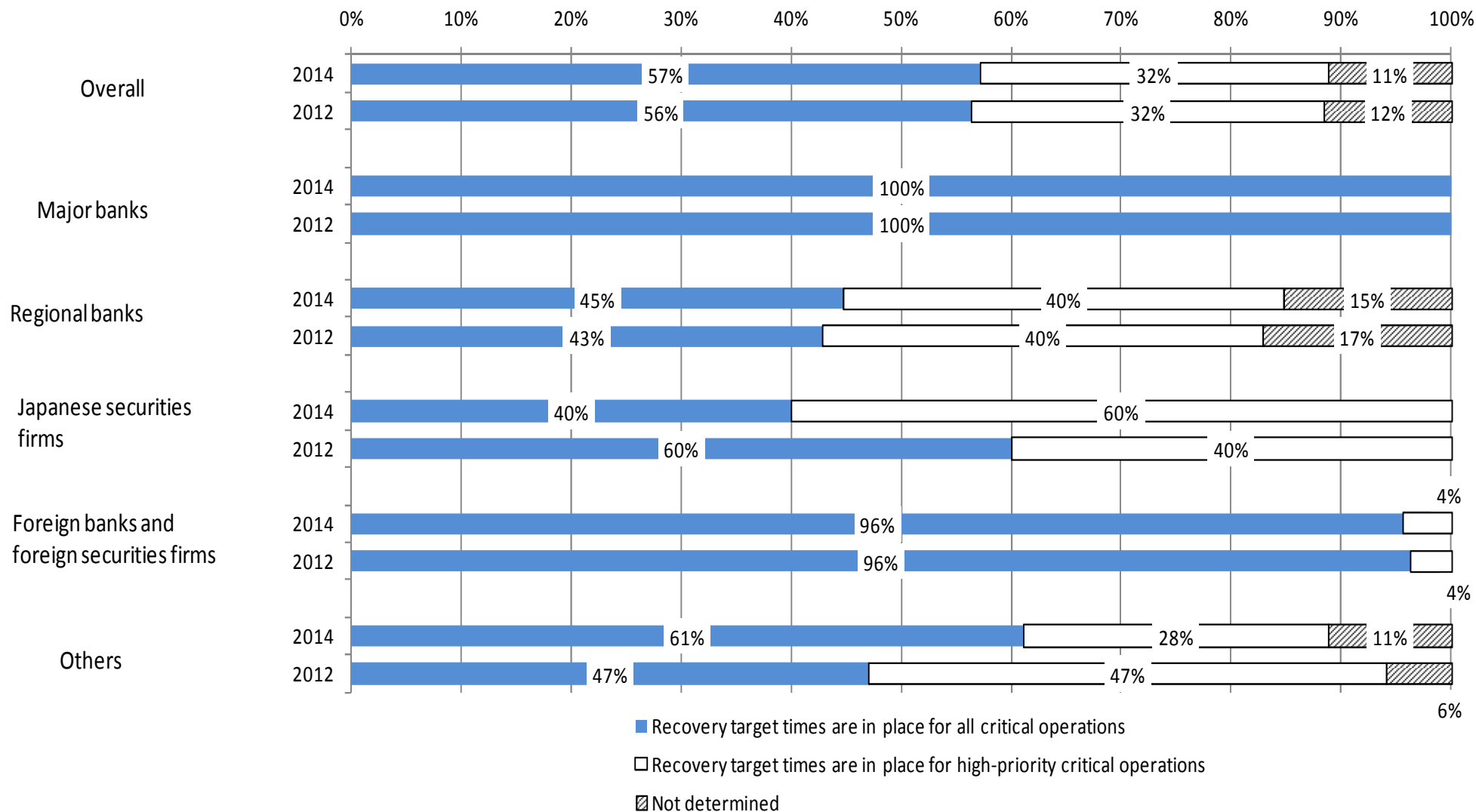
- All institutions have identified “critical operations” in advance. The percentage of those that regularly perform reviews increased to 60%.
- By segment, all major banks and Japanese securities firms, as well as almost all foreign banks/foreign security firms regularly perform reviews.





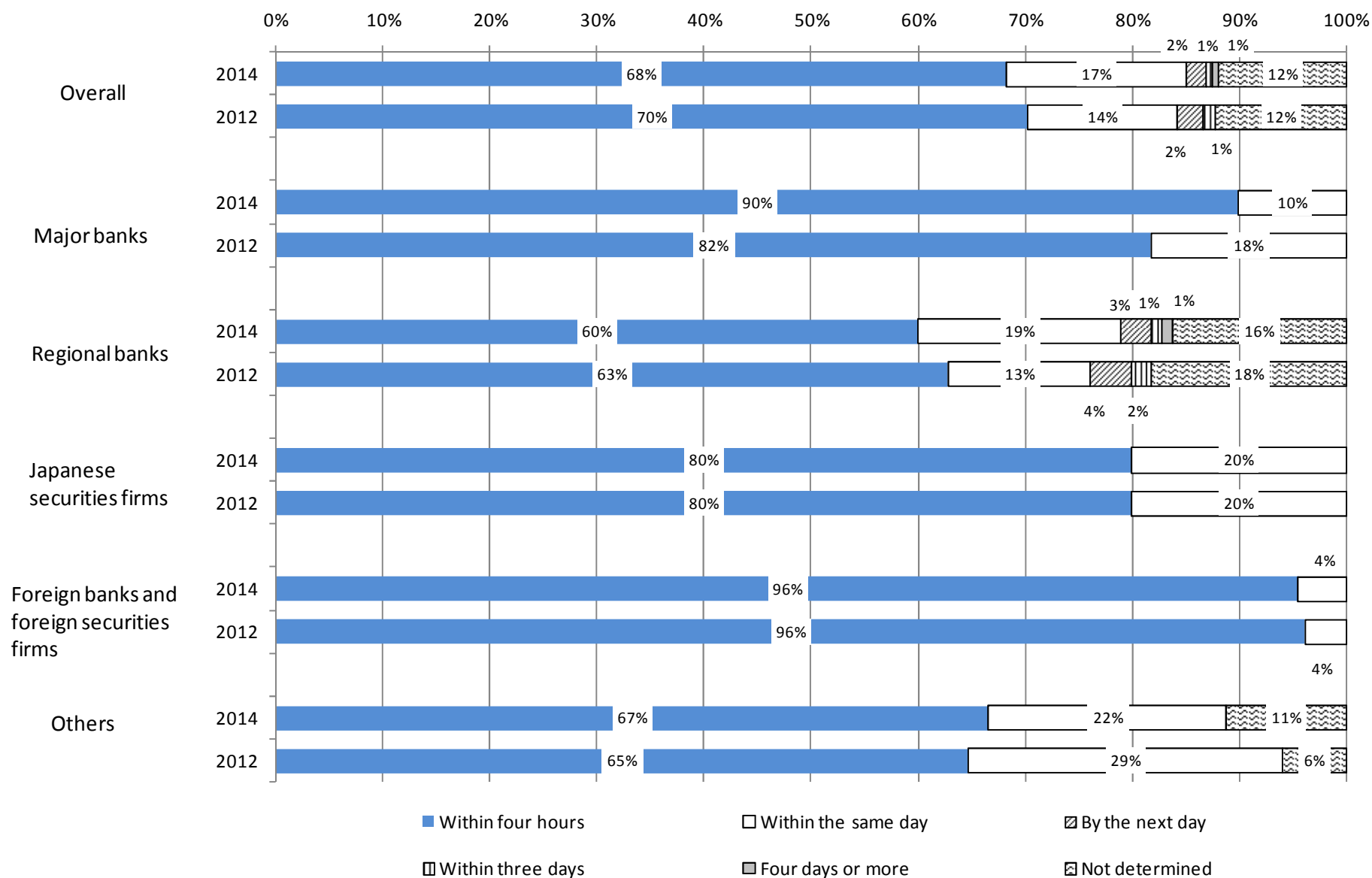
**【Q14】** Have you established recovery target times for “critical operations”?

- Slightly less than 90% of the respondents have established recovery target times for high-priority critical operations.
- By segment, all major banks and almost all foreign banks/foreign securities firms have established recovery target times “for all critical operations.” On the other hand, some regional banks have not yet determined recovery target times.



**【Q15】** What are recovery target times for the highest-priority "critical operations" among those given priority in recovery?

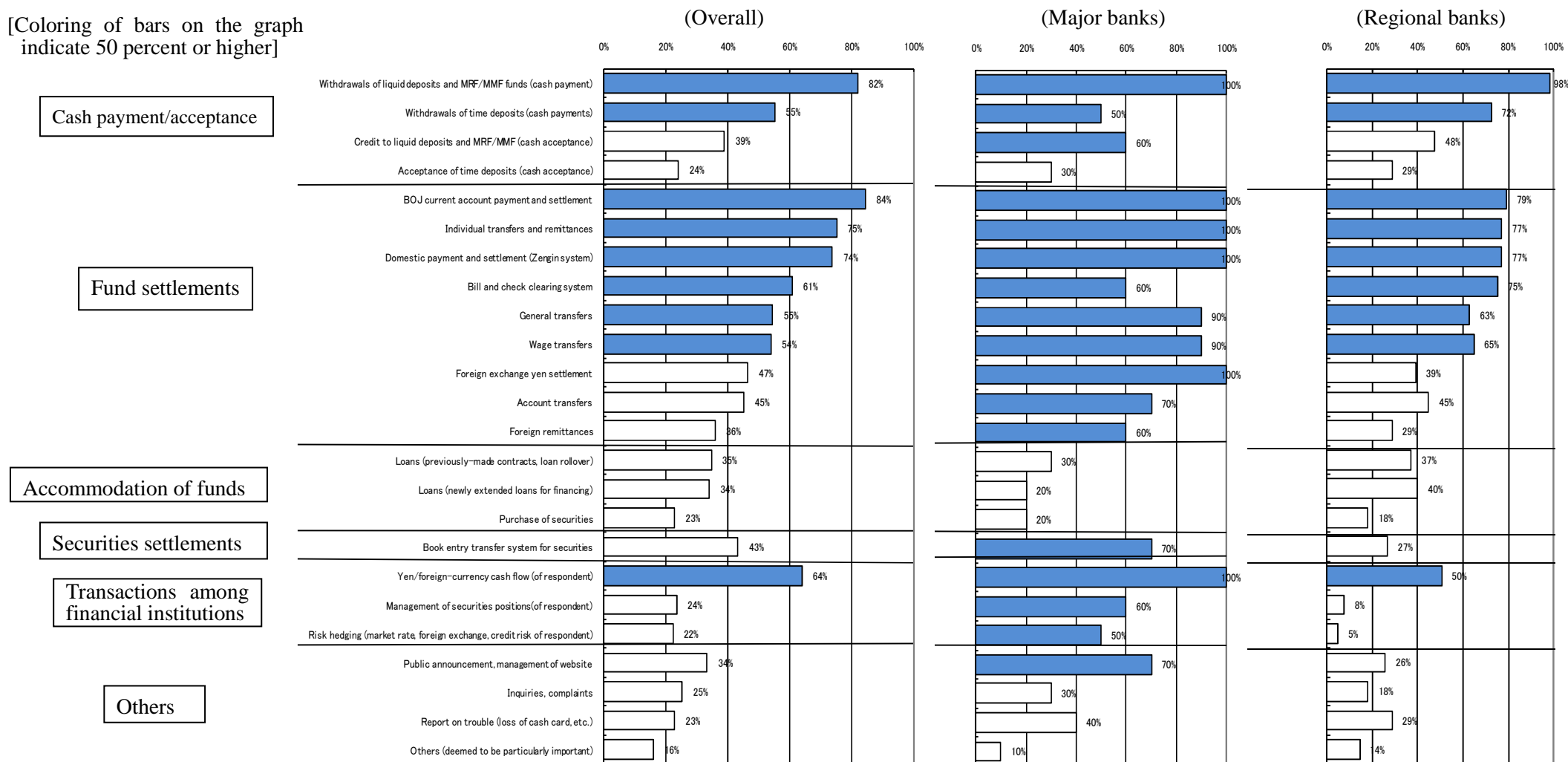
- Slightly less than 70% responded “within four hours” and slightly less than 20% responded “within the same day.”
- By segment, almost all foreign banks/foreign securities firms indicated that their recovery target times were “within four hours.” Among major banks, the percentage of those that responded “within four hours” increased to 90%.



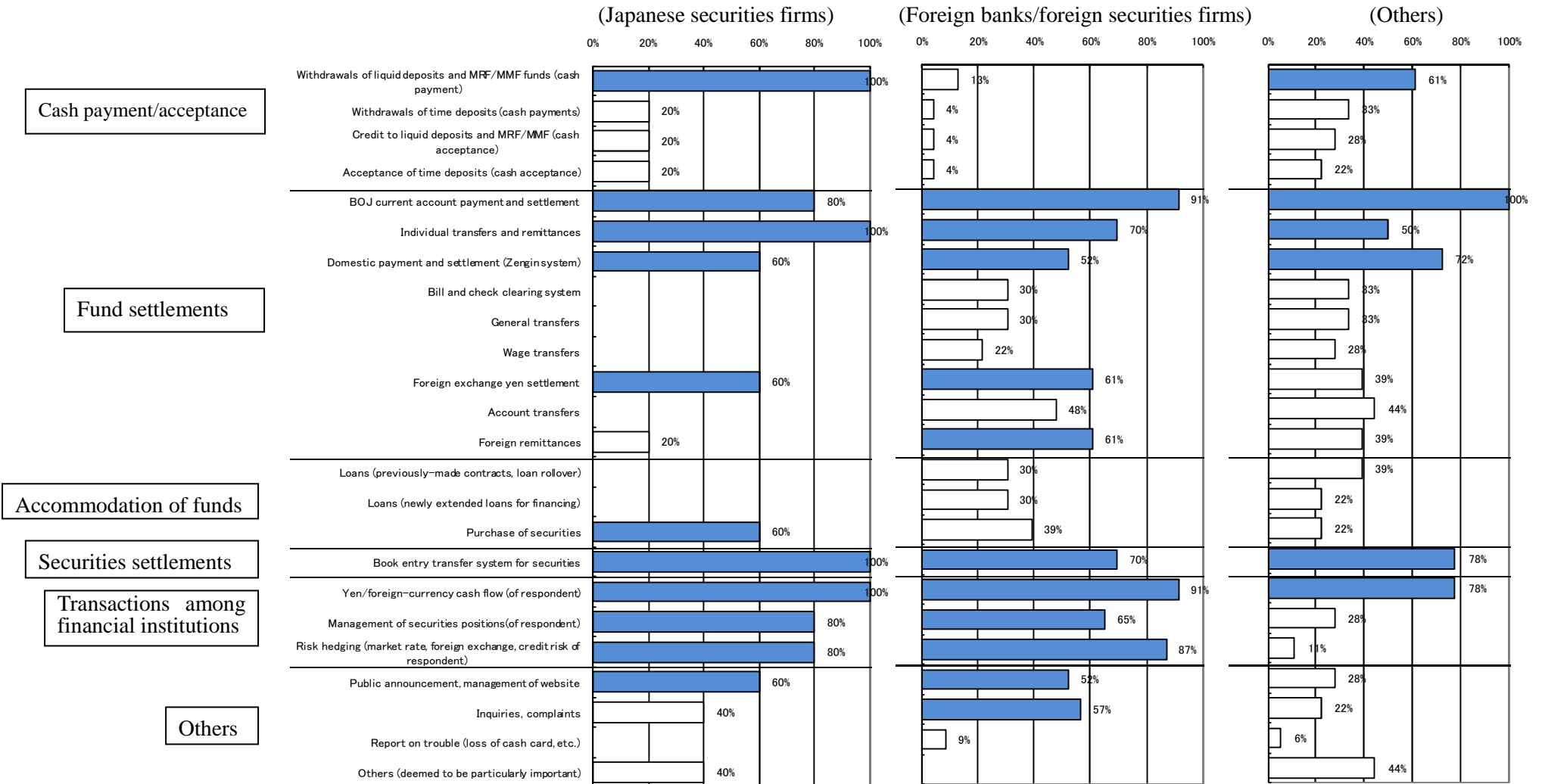
**【Q16】** What specifically do you consider "critical operations" given the highest priority for restoration? (multiple responses)

- Overall, slightly more than 80% specified “BOJ current account payment and settlement” and “withdrawals of liquid deposits and MRF/MMF funds” as “critical operations given the highest priority for restoration.”
- In addition to the above, all major banks specified “individual transfers and remittances,” “domestic payment and settlement,” “foreign exchange yen settlement” and “yen/foreign-currency cash flow,” and 70% or more of regional banks listed “individual transfers and remittances,” “domestic payment and settlement,” “bill and check clearing system” and “withdrawals of time deposits” as critical operations given the highest priority.

[Coloring of bars on the graph indicate 50 percent or higher]



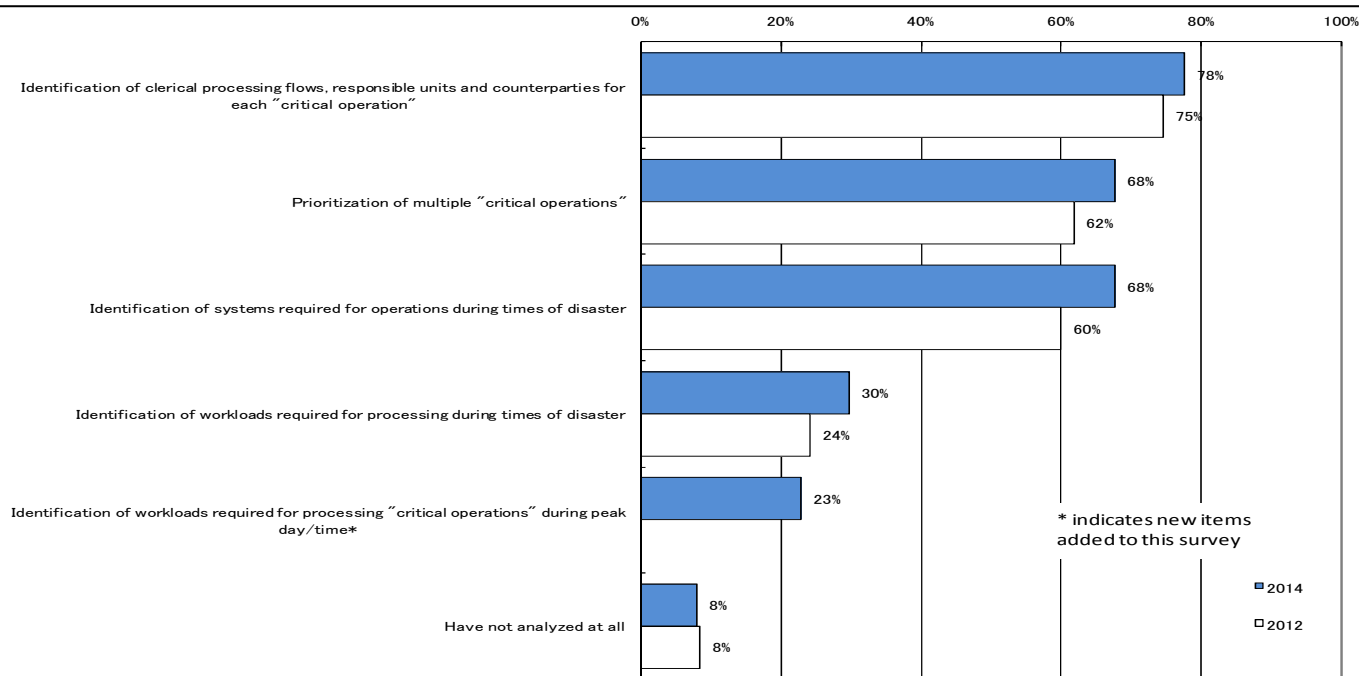
• All Japanese securities firms specified “withdrawals of liquid deposits and MRF/MMF funds,” “individual transfers and remittances,” “book entry transfer system for securities” and “yen/foreign-currency cash flow,” and around 90% of foreign banks/foreign securities firms listed “BOJ current account payment and settlement,” “yen/foreign-currency cash flow” and “risk hedging” as critical operations given the highest priority.



### 3. Analysis of “critical operations”

【Q17】 What have you done regarding analysis of “critical operations” ? (multiple responses)

- Compared to the previous survey, the percentage of respondents that have implemented analysis increased for each item. Slightly less than 80% performed “identification of clerical processing flows, responsible units and counterparties for each ‘critical operation’,” and slightly less than 70% carried out “prioritization of multiple ‘critical operations’ ”and “identification of systems required for operations during times of disaster.”
- Only slightly more than 20% of the respondents selected a new item, “identification of workloads required for processing ‘critical operations’ during peak day/time.”
- By segment, some regional banks “have not analyzed at all.”

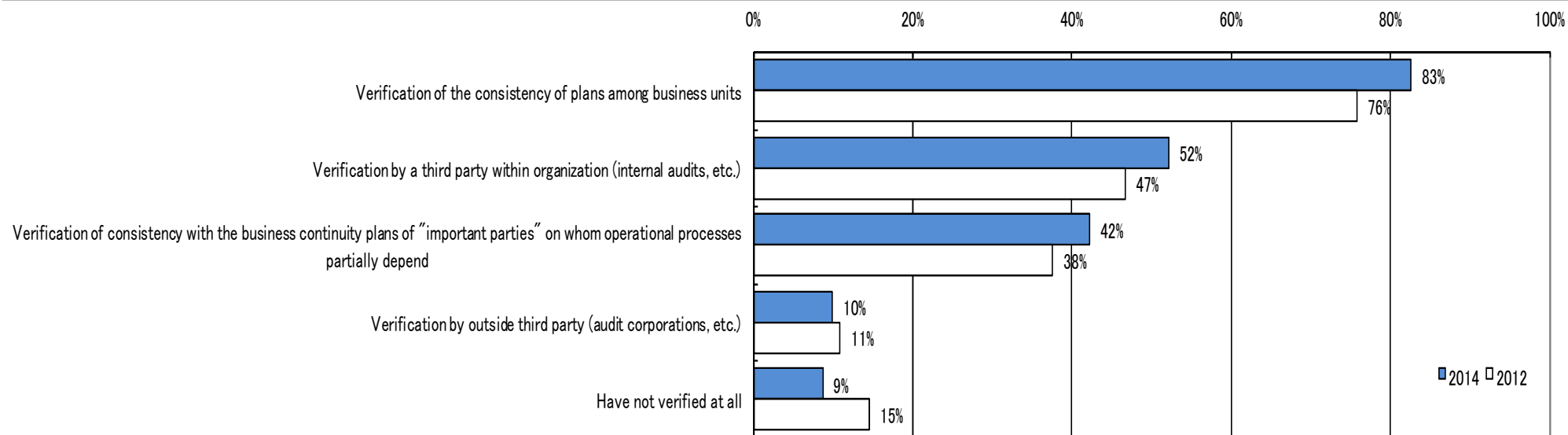


	Overall	Major banks	Regional banks	Japanese securities firms	Foreign banks and foreign securities firms	Others
Identification of clerical processing flows, responsible units and counterparties for each "critical operation"	78%	100%	68%	100%	96%	94%
Prioritization of multiple "critical operations"	68%	80%	61%	100%	91%	61%
Identification of systems required for operations during times of disaster	68%	100%	52%	100%	100%	89%
Identification of workloads required for processing during times of disaster	30%	60%	10%	60%	78%	56%
Identification of workloads required for processing "critical operations" during peak day/time	23%	50%	8%	60%	74%	22%
Have not analyzed at all	8%	0%	11%	0%	4%	0%

## B. Verification of content of business continuity plan

【Q18】 Do you perform the following with respect to each operation’s business continuity plan? (multiple responses)

- The percentage of respondents that perform “verification of the consistency of plans among business units” increased to slightly more than 80%. Only roughly 40–50% of the respondents selected “verification by a third party within organization (internal audits, etc.)” and “verification of consistency with the business continuity plans of ‘important parties’ on which operational processes partially depend,” although the percentage of institutions is increasing.
- By segment, some regional banks and others “have not verified at all.”



	Overall	Major banks	Regional banks	Japanese securities firms	Foreign banks and foreign securities firms	Others
Verification of the consistency of plans among business units	83%	100%	77%	100%	100%	78%
Verification by a third party within organization (internal audits, etc.)	52%	80%	39%	60%	87%	67%
Verification of consistency with the business continuity plans of "important parties" on which operational processes partially depend	42%	60%	32%	20%	78%	50%
Verification by outside third party (audit corporations, etc.)	10%	10%	10%	0%	13%	11%
Have not verified at all	9%	0%	12%	0%	0%	6%

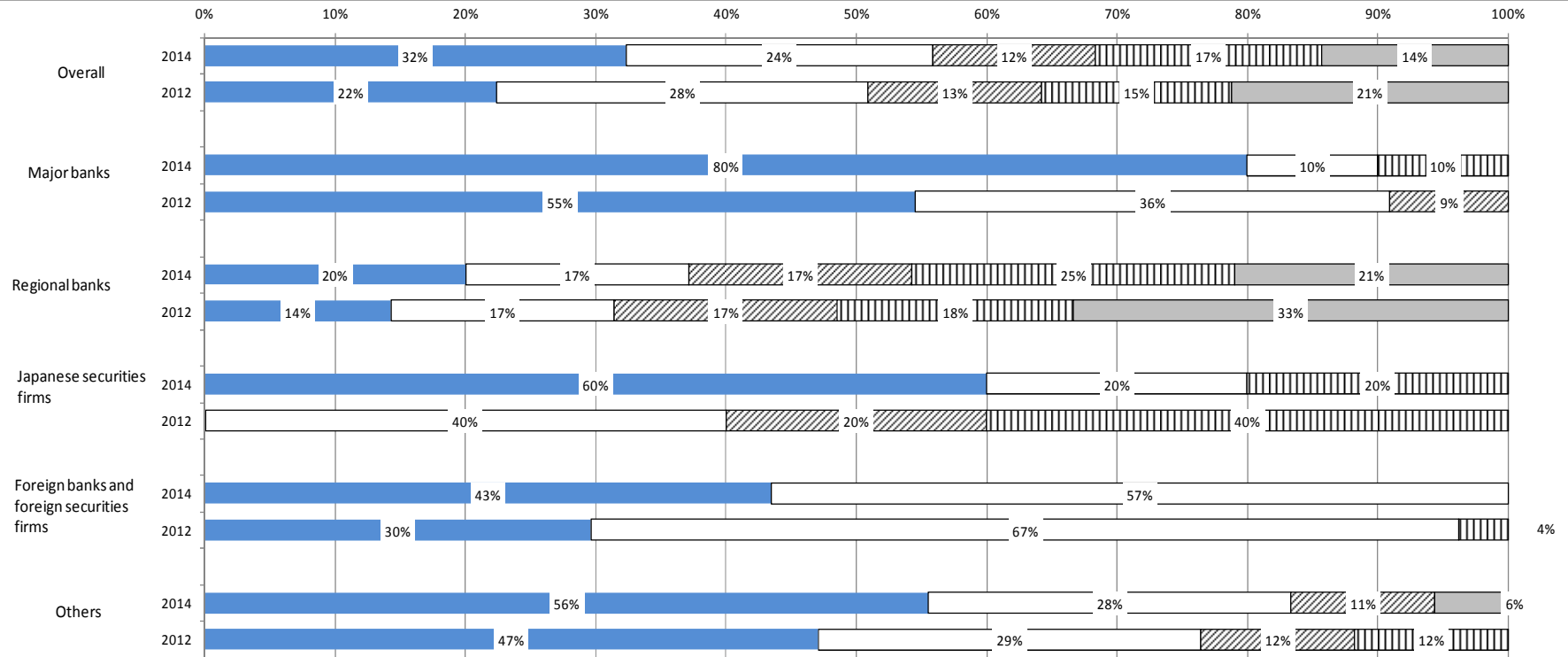
IV. Securing business resources, etc.

A. Securing general business resources

1. Business continuity staff

【Q19】 Which best describes your provision of staff required for business continuity?

- Compared to the previous survey, there was a modest increase to slightly less than 70% in institutions that have identified the critical operations staff necessary for business continuity.
- Although the percentage of institutions that have verified the possibility of staff assembly increased compared to the previous survey, it is still only slightly more than 30% overall.
- By segment, the number of regional banks that selected “have not estimated the number of critical operations staff (estimation of the number is a future issue)” decreased compared to the previous survey.

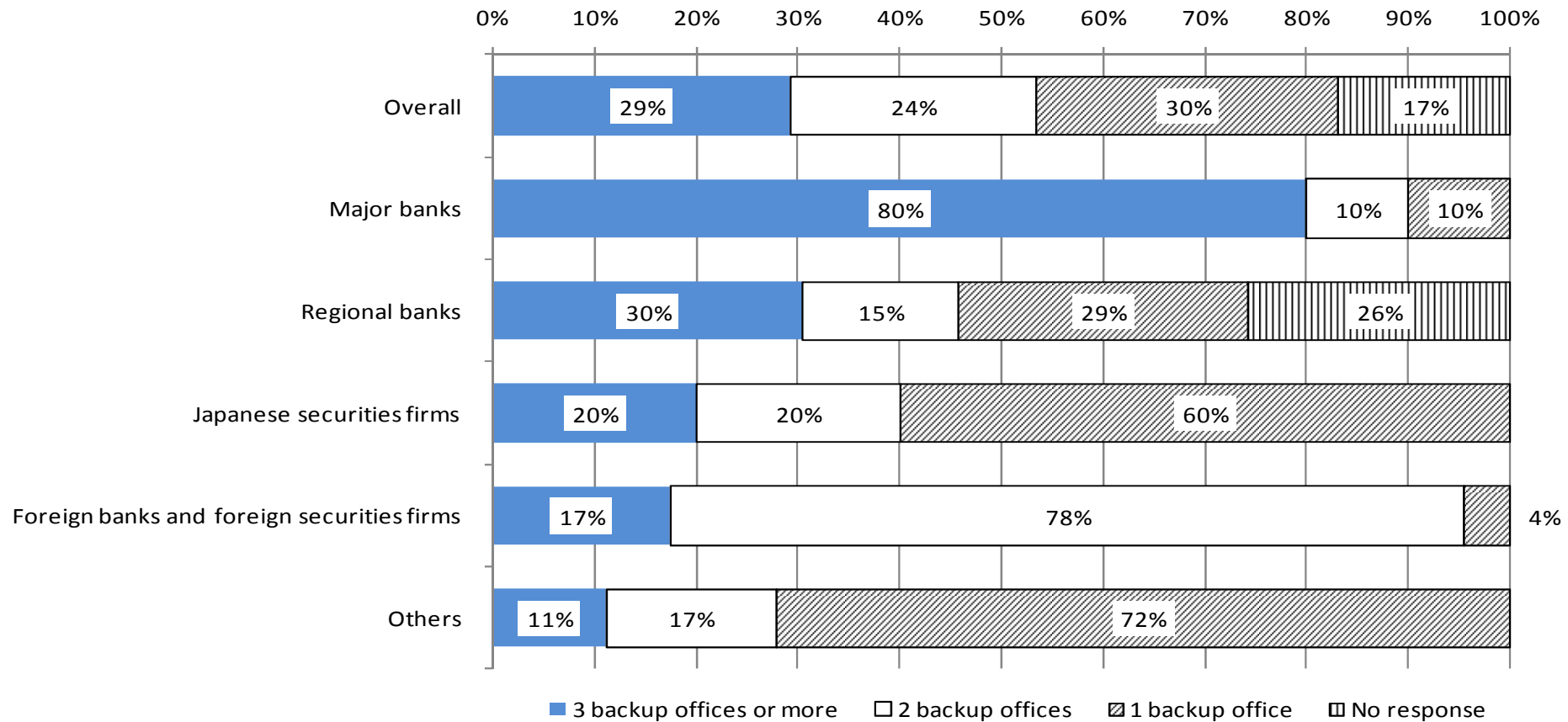


- Staffing plan is prepared for each operation. Critical operations staff who can be assembled even when no public transportation is available are identified and appointed.
- Staffing plan is prepared and critical operations staff are identified, but it is not verified whether they can be assembled or not.
- ▨ Critical operations staff are identified, but the increase in manual operation workload is not taken into consideration.
- ▤ Estimated the number of critical operations staff (staff have not yet been assigned).
- ▥ Have not estimated the number of critical operations staff (estimation of such staff numbers is a future issue).

2. Workplaces (for those respondents that have backup offices<sup>1 2</sup>)

**【Q20】** How many backup offices do you have in order to carry out critical operations at the time of disasters? Please select the number of backup offices and specify the critical operations that can be performed there.

- Slightly more than 80% of the respondents have backup offices to carry out critical operations at the time of disasters. Regarding the number of backup offices, roughly 30% of respondents replied “3 backup offices or more” and “1 backup office.” Approximately 25% have “2 backup offices.”
- By segment, 80% of major banks have “3 or more” backup offices. Roughly 25% of regional banks did not respond (do not have backup offices).
- As for major critical operations performed at backup offices, the largest number of respondents selected “settlement-related operations” followed by “cash flow operations” and “exchange operations,” etc.



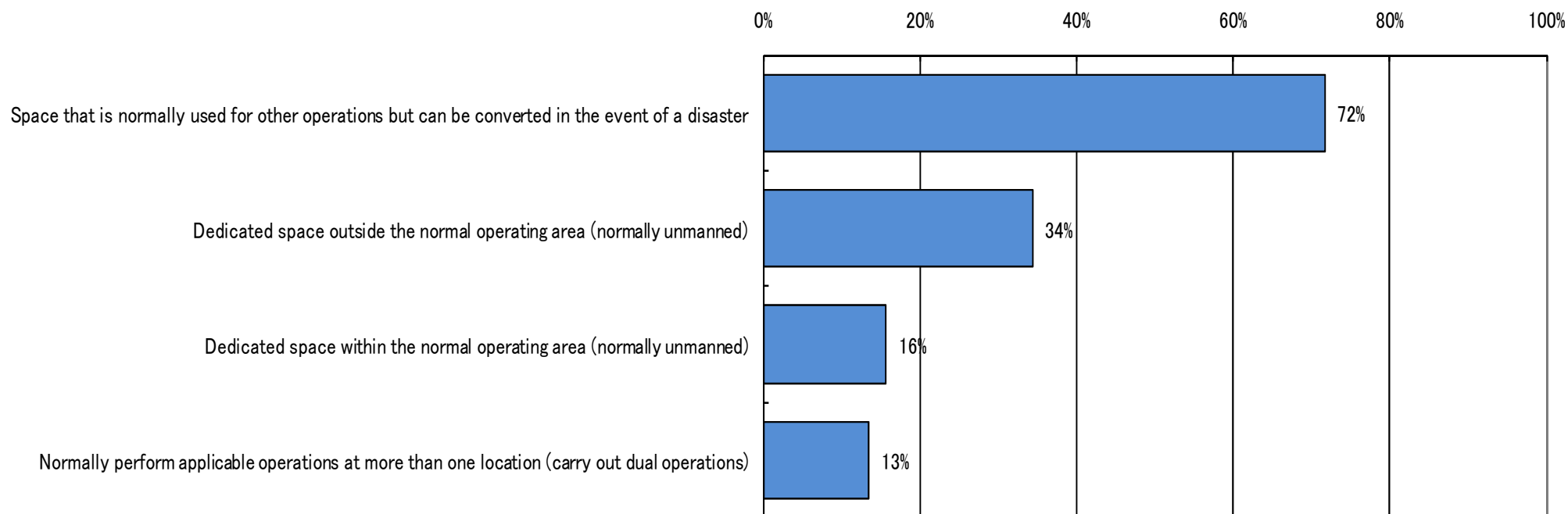
<sup>1</sup> Backup facilities for operation offices

<sup>2</sup> The results for Question 20 show responses (%) from all institutions, and the results for Questions 21 through 24 show responses (%) from institutions that have backup offices.



**【Q21】** What types of backup offices do you have? (Please select all types that apply if you have more than one backup office.)

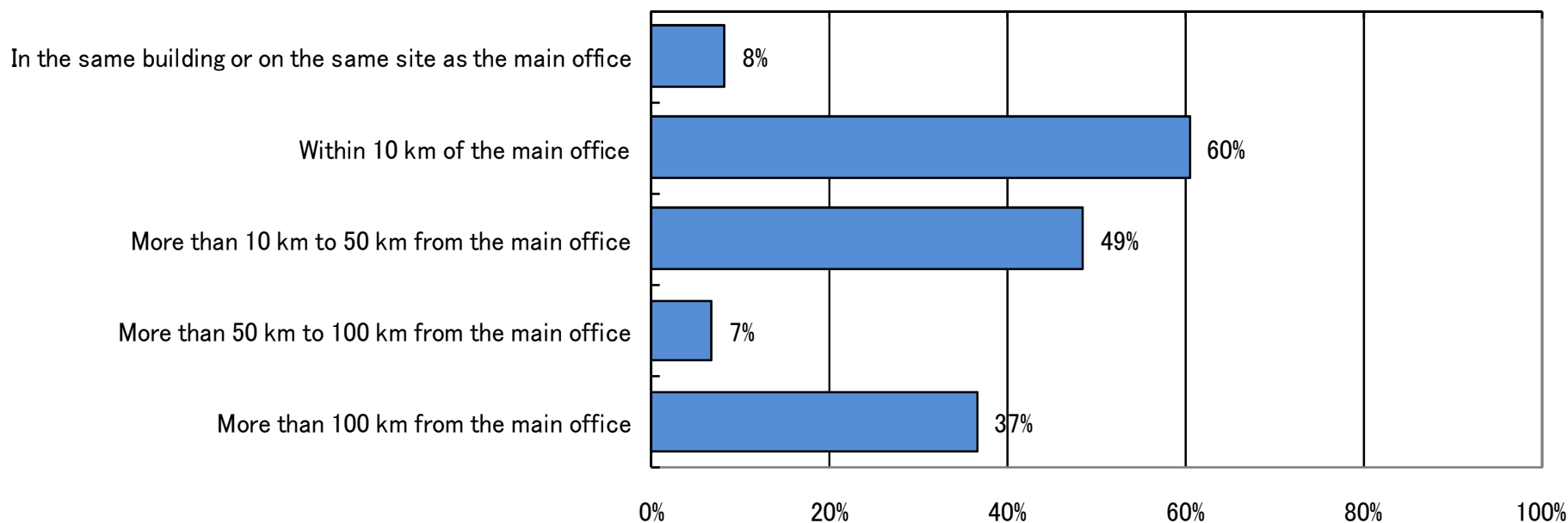
- Slightly more than 70% of the respondents have a “space that is normally used for other operations but can be converted in the event of a disaster,” and approximately 35% have a “dedicated space outside the normal operating area (normally unmanned).”
- By segment, a high percentage of major banks and regional banks have a “space that is normally used for other operations but can be converted in the event of a disaster,” while all Japanese securities firms and almost all foreign banks/foreign securities firms have secured a “dedicated space outside the normal operating area (normally unmanned).” Also, roughly 40% of major banks and foreign banks/foreign securities firms “normally perform applicable operations at more than one location (carry out dual operations).”



	Overall	Major banks	Regional banks	Japanese securities firms	Foreign banks and foreign securities firms	Others
Space that is normally used for other operations but can be converted in the event of a disaster	72%	90%	92%	40%	17%	50%
Dedicated space outside the normal operating area (normally unmanned)	34%	70%	4%	100%	96%	50%
Dedicated space within the normal operating area (normally unmanned)	16%	40%	14%	20%	4%	22%
Normally perform applicable operations at more than one location (carry out dual operations)	13%	40%	3%	0%	39%	17%

**【Q22】** How far is your backup office from your main office? (Which critical operations can be performed at the backup office(s)?) Please select all that apply if there are several backup offices.

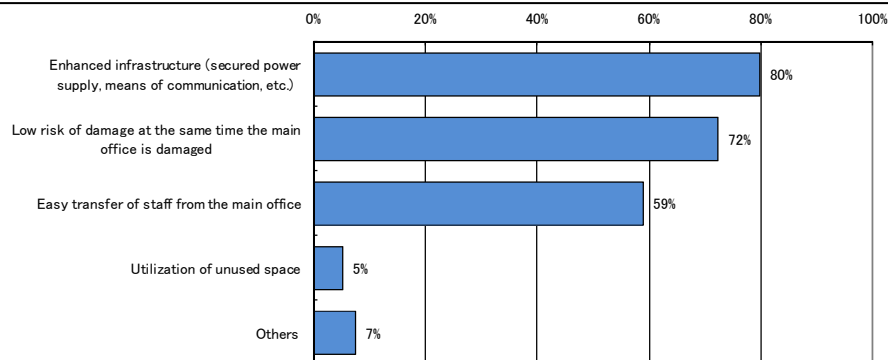
- The highest number of respondents (60%) have backup offices “within 10km” followed by “more than 10 km to 50 km” (slightly less than 50%) and “more than 100 km” (slightly less than 40%).
- By segment, 80% of major banks and almost all foreign banks/foreign securities firms have backup offices “more than 100 km” away as well.
- As for major critical operations performed at backup offices, the largest number of institutions expect to be able to carry out “settlement-related operations” at any location. At backup offices “within 50 km,” a relatively high number of institution plan to perform “cash supply-related operations,” “loan operations” and “crisis center operations” in addition to “cash flow operations” and “exchange operations.” At backup offices “more than 100 km” away, many institutions plan to carry out “cash flow operations.”



	Overall	Major banks	Regional banks	Japanese securities firms	Foreign banks and foreign securities firms	Others
In the same building or on the same site as the main office	8%	20%	9%	0%	4%	6%
Within 10 km of the main office	60%	60%	67%	60%	48%	50%
More than 10 km to 50 km from the main office	49%	90%	40%	80%	48%	56%
More than 50 km to 100 km from the main office	7%	0%	12%	0%	0%	0%
More than 100 km from the main office	37%	80%	17%	0%	96%	33%

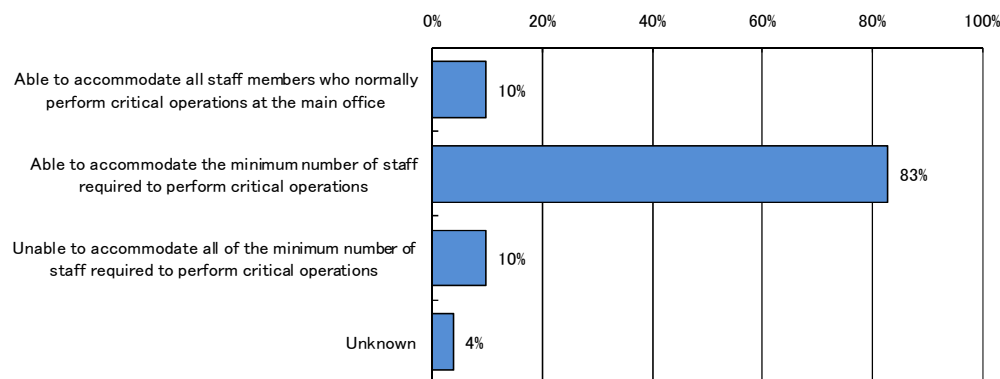
**【Q23】** What are your criteria when setting up backup offices? (multiple responses)

- 80% of respondents selected “enhanced infrastructure,” and slightly more than 70% responded “low risk of damage at the same time the main office is damaged.”



**【Q24】** What is the overall size of your backup office? (Comparison with critical operations assumed to be carried out at backup offices). Please select all that apply if you have more than one backup office.

- Slightly more than 80% responded that their backup offices were “able to accommodate the minimum number of staff required to perform critical operations.” However, some respondents answered that they were “unable to accommodate all of the minimum number of staff required to perform critical operations” or gave the response “unknown.”
- By segment, approximately 15% of regional banks’ backup offices were “able to accommodate all staff members who normally perform critical operations at the main office.” On the other hand, all institutions except Japanese securities firms reported that roughly 10% of their backup offices were “unable to accommodate all of the minimum number of staff required to perform critical operations.”

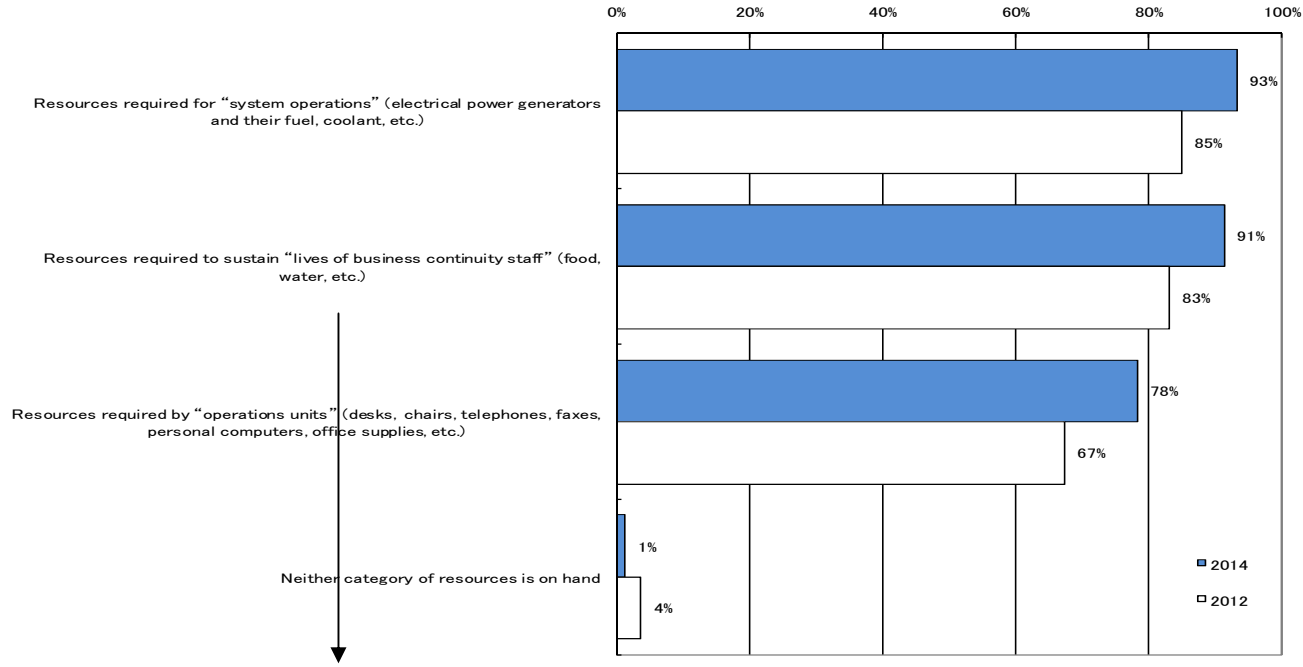


	Overall	Major banks	Regional banks	Japanese securities firms	Foreign banks and foreign securities firms	Others
Able to accommodate all staff members who normally perform critical operations at the main office	10%	0%	14%	0%	9%	0%
Able to accommodate the minimum number of staff required to perform critical operations	83%	100%	72%	100%	96%	100%
Unable to accommodate all of the minimum number of staff required to perform critical operations	10%	10%	10%	0%	9%	11%
Unknown	4%	0%	6%	0%	0%	0%

3. Equipment, office supplies, consumables, etc.

【Q25】 Which of the resources required for business continuity do you have on hand? (multiple responses)

• Compared to the previous survey, the percentage increased for all items. Slightly more than 90% of respondents have secured “resources required for system operations” and “resources required to sustain lives of business continuity staff.” Also, among those that have secured “resources required to sustain lives of business continuity staff,” slightly more than 80% have food and drinking water sufficient for three days or more.

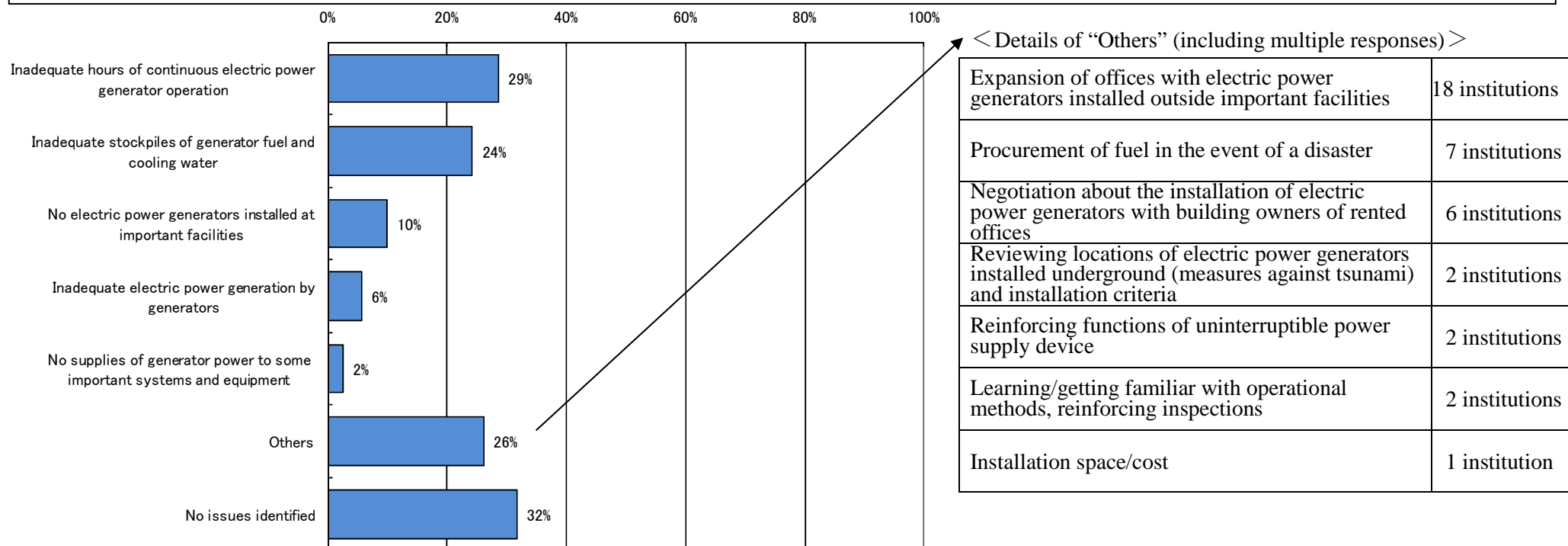


< Stock of food and drinking water, etc. >

		2014	2012
More than 1 week	4 institutions	11%	8%
1 week	8 institutions		
More than 3 days but less than 7 days	4 institutions		
3 days	104 institutions	71%	67%
2 days	12 institutions	8%	12%
1 day	14 institutions	10%	13%

**【Q26】** What have you identified as issues concerning electric power generators? (multiple responses)

- Roughly 20–30% of the respondents identified “inadequate hours of continuous electric power generator operation,” “inadequate stockpiles of generator fuel and cooling water” and “no electric power generators installed/expansion of offices with electric power generators installed.” Some institutions also identified “dealing with building owners of rented offices” and “procurement of fuel in the event of a disaster” as issues.
- By segment, approximately 75% of foreign banks/foreign securities firms responded “no issues identified.”

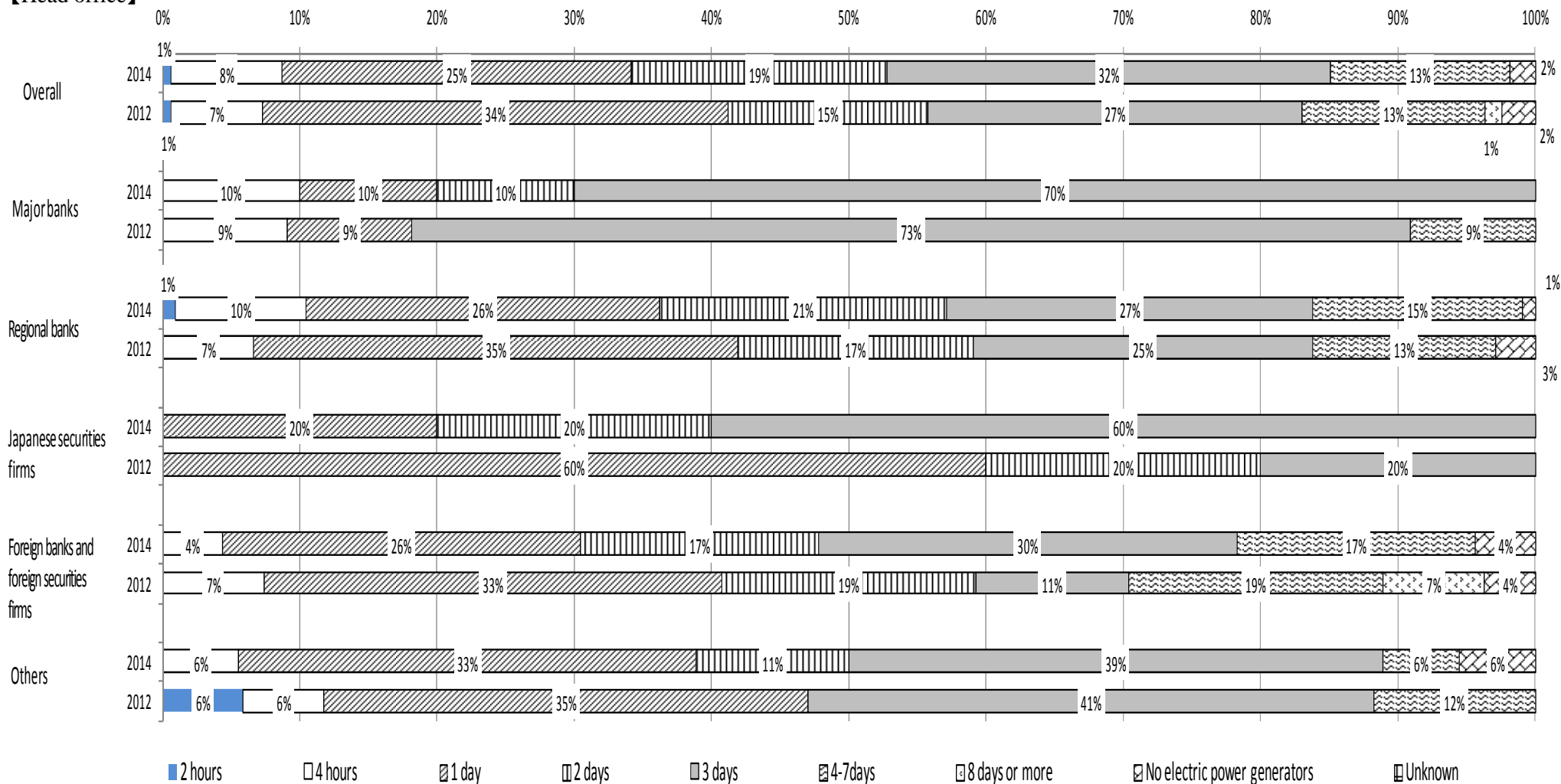


	Overall	Major banks	Regional banks	Japanese securities firms	Foreign banks and foreign securities firms	Others
Inadequate hours of continuous electric power generator operation	29%	40%	31%	60%	9%	22%
Inadequate stockpiles of generator fuel and cooling water	24%	30%	31%	20%	4%	6%
No electric power generators installed at important facilities	10%	0%	13%	20%	4%	0%
Inadequate electric power generation by generators	6%	0%	6%	0%	0%	17%
No supplies of generator power to some important systems and equipment	2%	0%	2%	20%	0%	6%
Others	26%	10%	30%	40%	22%	17%
No issues identified	32%	30%	19%	20%	74%	56%

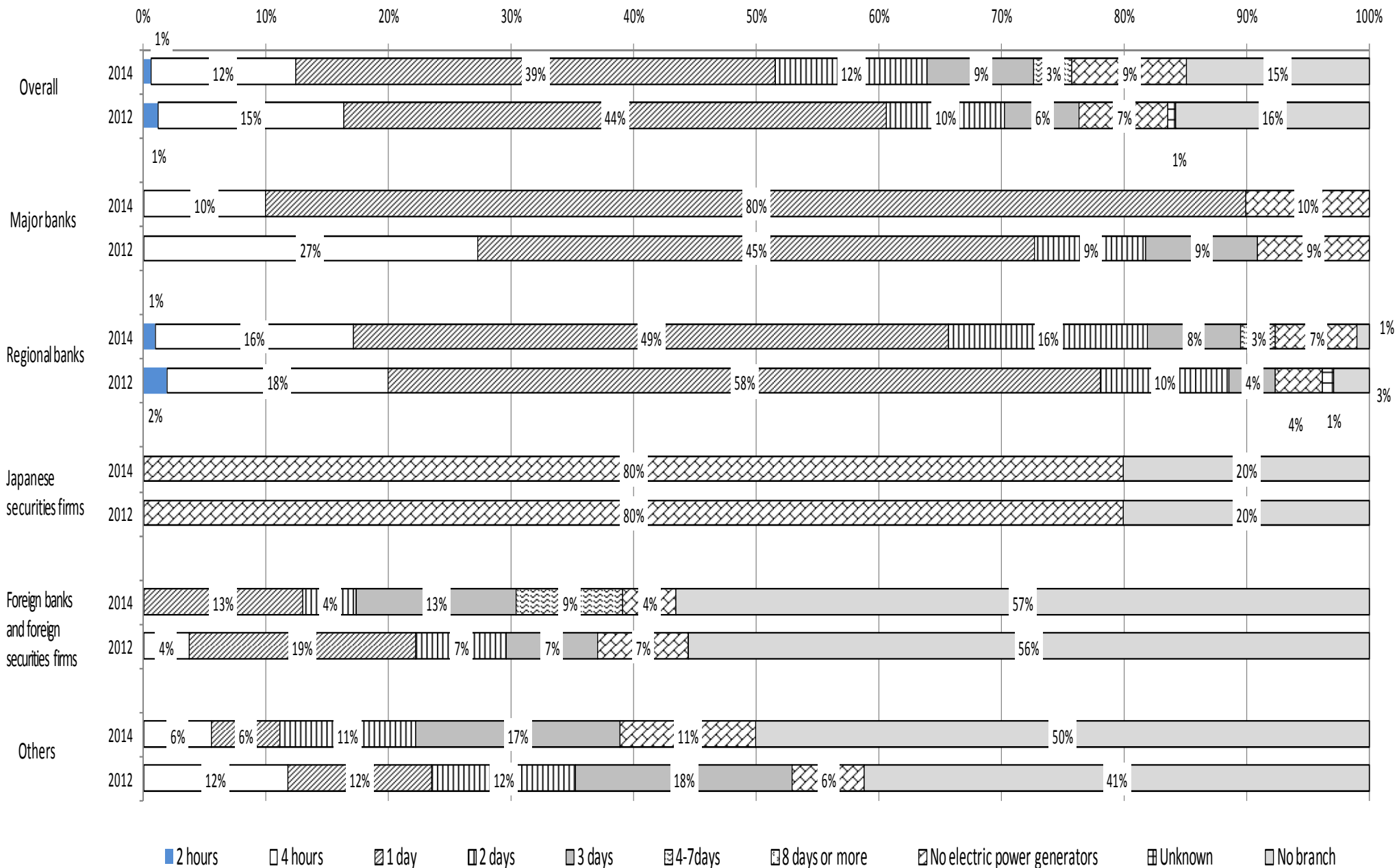
**【Q27】 Which best describes your stockpiles (operation hours) of generator fuel?**

- Approximately 45% responded “3 days or more” for stockpiles at head office, while only slightly more than 10% responded “3 days or more” and slightly less than 40% indicated “1 day” at major branches.
- By segment, 60–70% of major banks and Japanese securities firms responded “3 days” for their head offices, while stockpiles at regional bank head offices varied in size. As for major branches, major banks and regional banks mainly responded “1 day.”

**【Head office】**



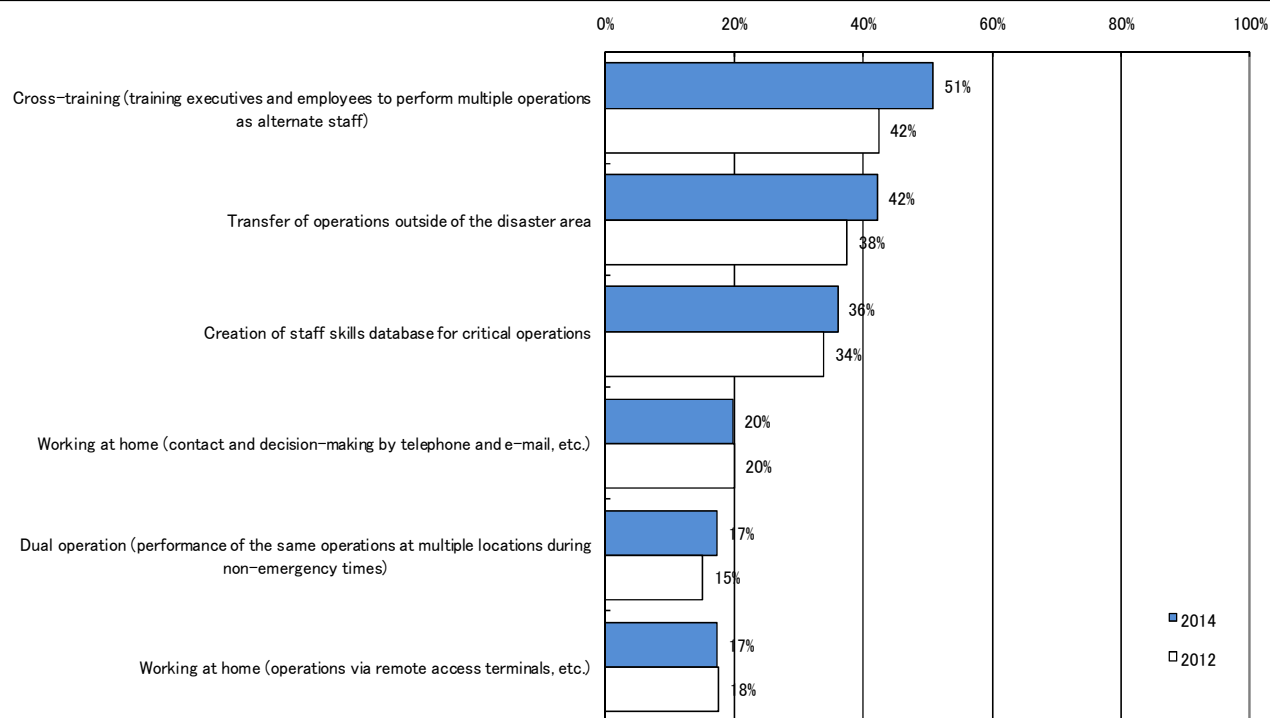
【Major branches】



#### 4. Other measures

【Q28】 Which of the following have you introduced as means of ensuring continuity of “critical operations,” primarily in the event of an earthquake? (multiple responses)

- A relatively high number of respondents selected “cross-training,” “transfer of operations outside of the disaster areas” and “creation of staff skills database for critical operations,” with each of these measures showing an increase since the previous survey.
- By segment, all major banks perform “cross-training” and 60% carry out “dual operation.” All foreign banks/foreign securities firms have already introduced a system to “transfer of operations outside of the disaster area” and slightly less than 90% have already adopted the “working at home” system.



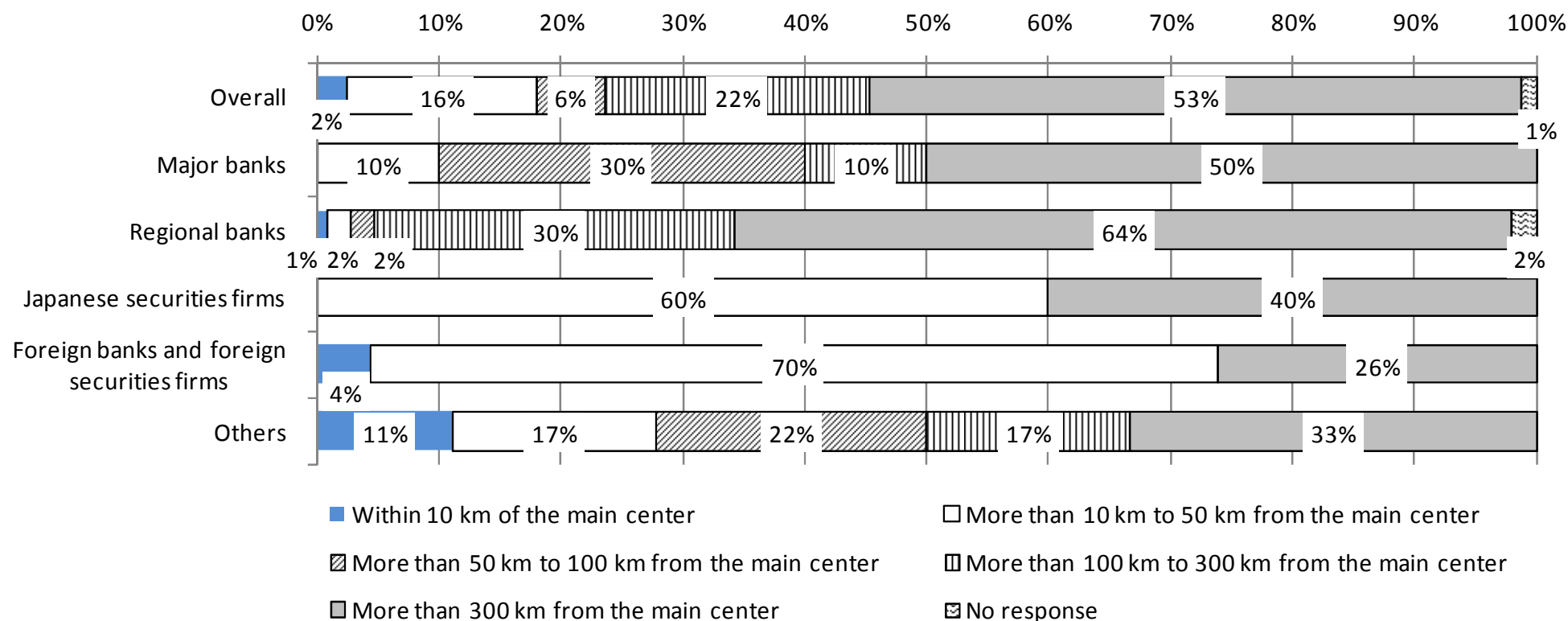
	Overall	Major banks	Regional banks	Japanese securities firms	Foreign banks and foreign securities firms	Others
Cross-training (training executives and employees to perform multiple operations as alternate staff)	51%	100%	39%	40%	61%	83%
Transfer of operations outside of the disaster area	42%	70%	30%	60%	100%	22%
Creation of staff skills database for critical operations	36%	40%	40%	0%	17%	44%
Working at home (contact and decision-making by telephone and e-mail, etc.)	20%	40%	3%	0%	87%	28%
Dual operation (performance of the same operations at multiple locations during non-emergency times)	17%	60%	7%	40%	43%	17%
Working at home (operations via remote access terminals, etc.)	17%	20%	0%	40%	87%	22%



B. Securing off-site backup system (for those respondents that have secured off-site backup systems<sup>1</sup>)

【Q29】 How far is the backup center (a building where the off-site backup system is installed) from the main center (a building where the main system is installed)?

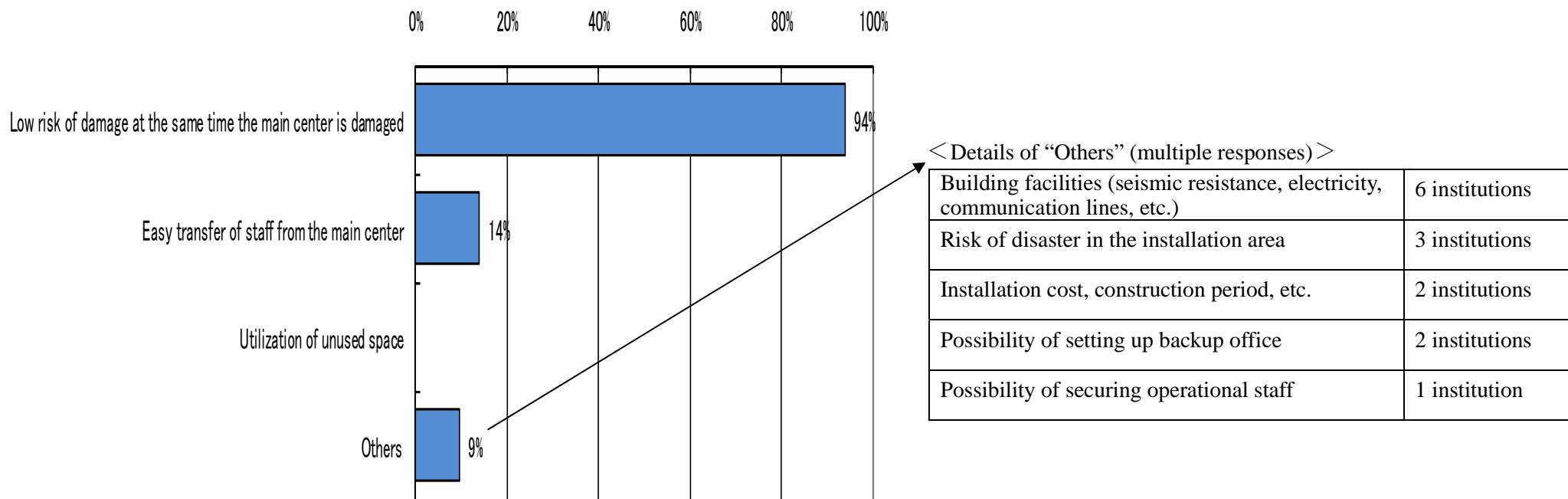
- Almost all institutions have secured off-site backup systems. Regarding the distance between the backup center and the main center, slightly more than 50% responded “more than 300 km,” while slightly more than 20% indicated “more than 100 km to 300 km” and approximately 15% said “more than 10 km to 50 km.”
- By segment, a number of regional banks, many of who are joint center members, and major banks responded “more than 300 km.” On the other hand, the main response from Japanese securities firms and foreign banks/foreign securities firms was “more than 10 km to 50 km.”



<sup>1</sup> The results for Question 29 show responses (%) from all institutions, and the results for Questions 30–33, 35 and 36 show responses (%) from institutions that have off-site backup systems.

**【Q30】** What are your criteria when setting up your backup centers? (multiple responses)

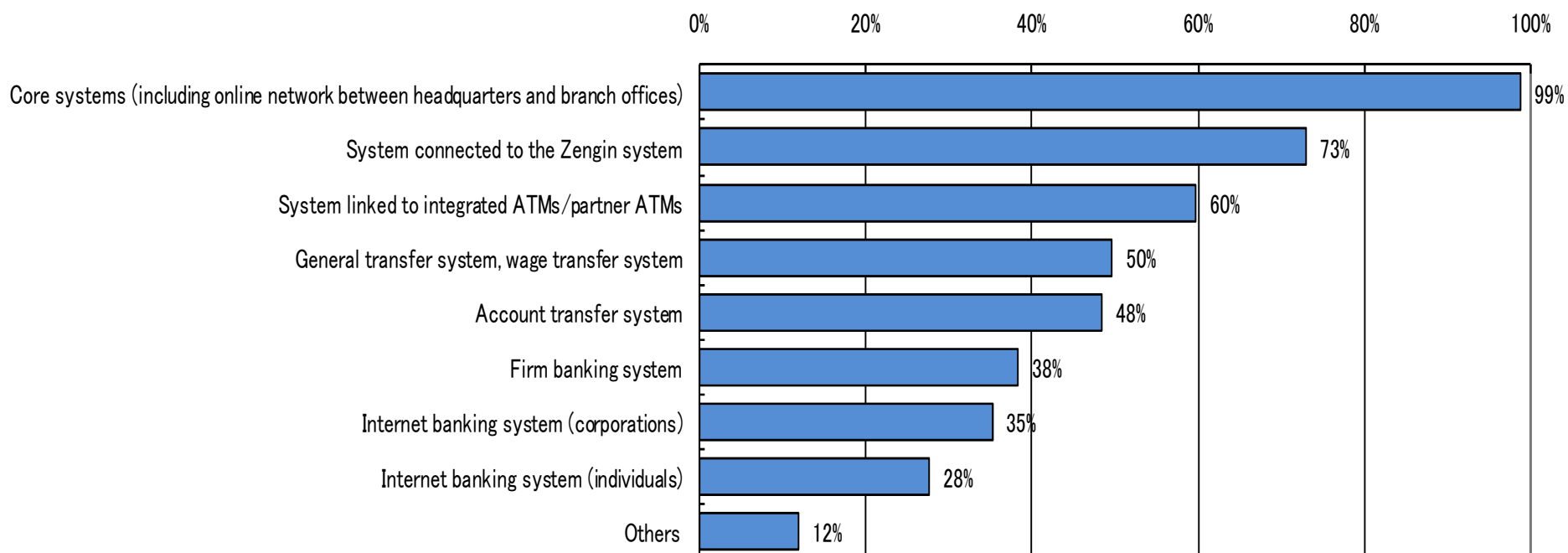
- Approximately 95% listed “low risk of damage at the same time the main center is damaged.” Also, some respondents indicated “easy transfer of staff from the main center” and “building facilities (seismic resistance, etc.).”



	Overall	Major banks	Regional banks	Japanese securities firms	Foreign banks and foreign securities firms	Others
Low risk of damage at the same time the main center is damaged	94%	100%	95%	100%	91%	83%
Easy transfer of staff from the main center	14%	10%	6%	0%	52%	17%
Utilization of unused space	0%	0%	0%	0%	0%	0%
Others	9%	10%	6%	20%	13%	22%

【Q31】 For which of the following systems do off-site backup systems exist? (multiple responses)

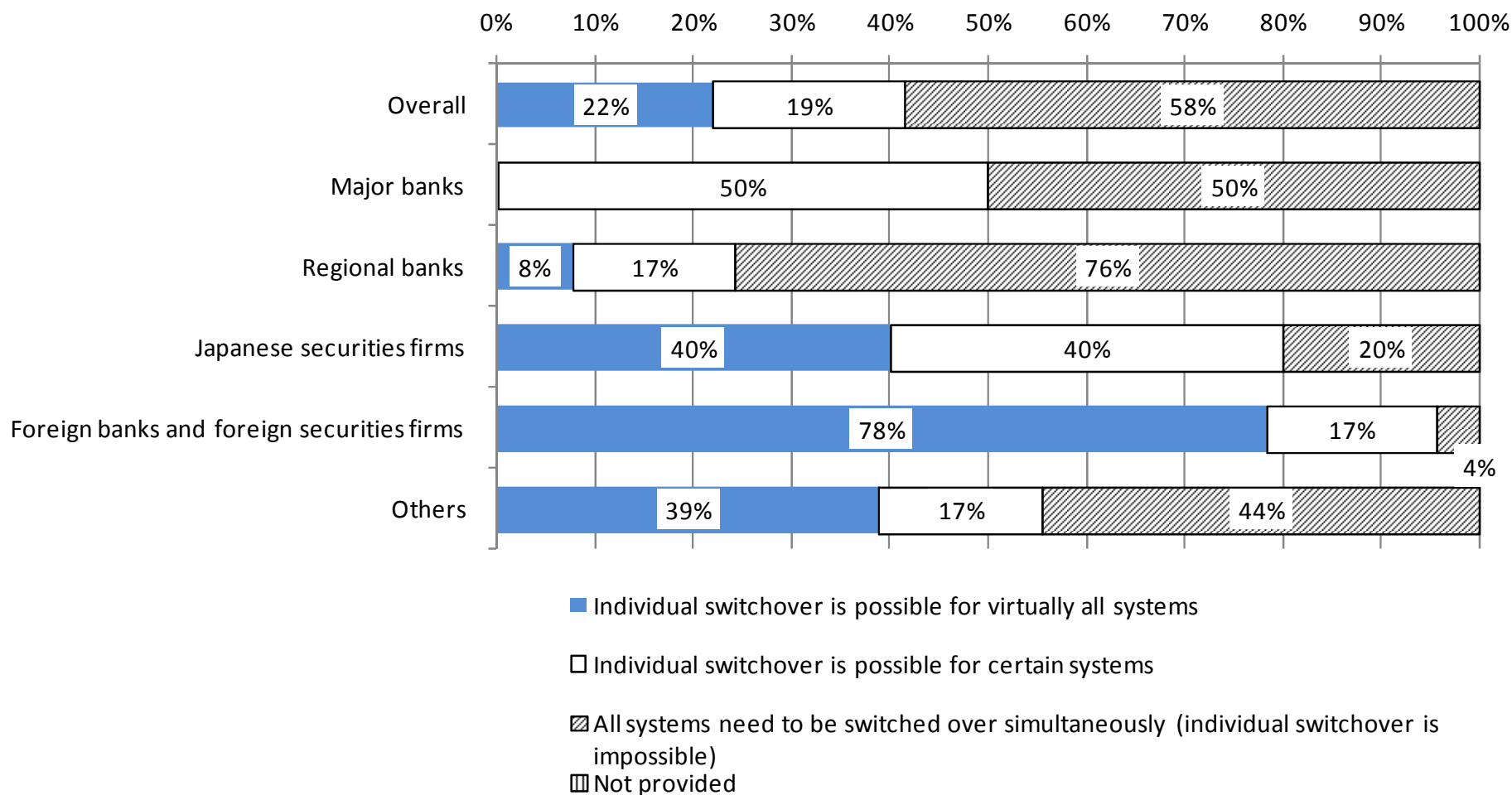
- Almost all respondents have secured off-site backup systems for “core systems.”
- By segment, only slightly more than 70% of regional banks have secured off-site backup systems such as “system connected to the Zengin system” and “system linked to integrated ATMs/partner ATMs.”



	Overall	Major banks	Regional banks	Japanese securities firms	Foreign banks and foreign securities firms	Others
Core systems (including online network between headquarters and branch offices)	99%	100%	99%	80%	100%	100%
System connected to the Zengin system	73%	100%	71%	60%	74%	72%
System linked to integrated ATMs/partner ATMs	60%	100%	73%	20%	9%	39%
General transfer system, wage transfer system	50%	90%	53%	0%	30%	44%
Account transfer system	48%	90%	45%	0%	52%	56%
Firm banking system	38%	90%	40%	20%	17%	33%
Internet banking system (corporations)	35%	60%	34%	0%	48%	22%
Internet banking system (individuals)	28%	70%	29%	20%	9%	22%
Others	12%	60%	4%	40%	9%	28%

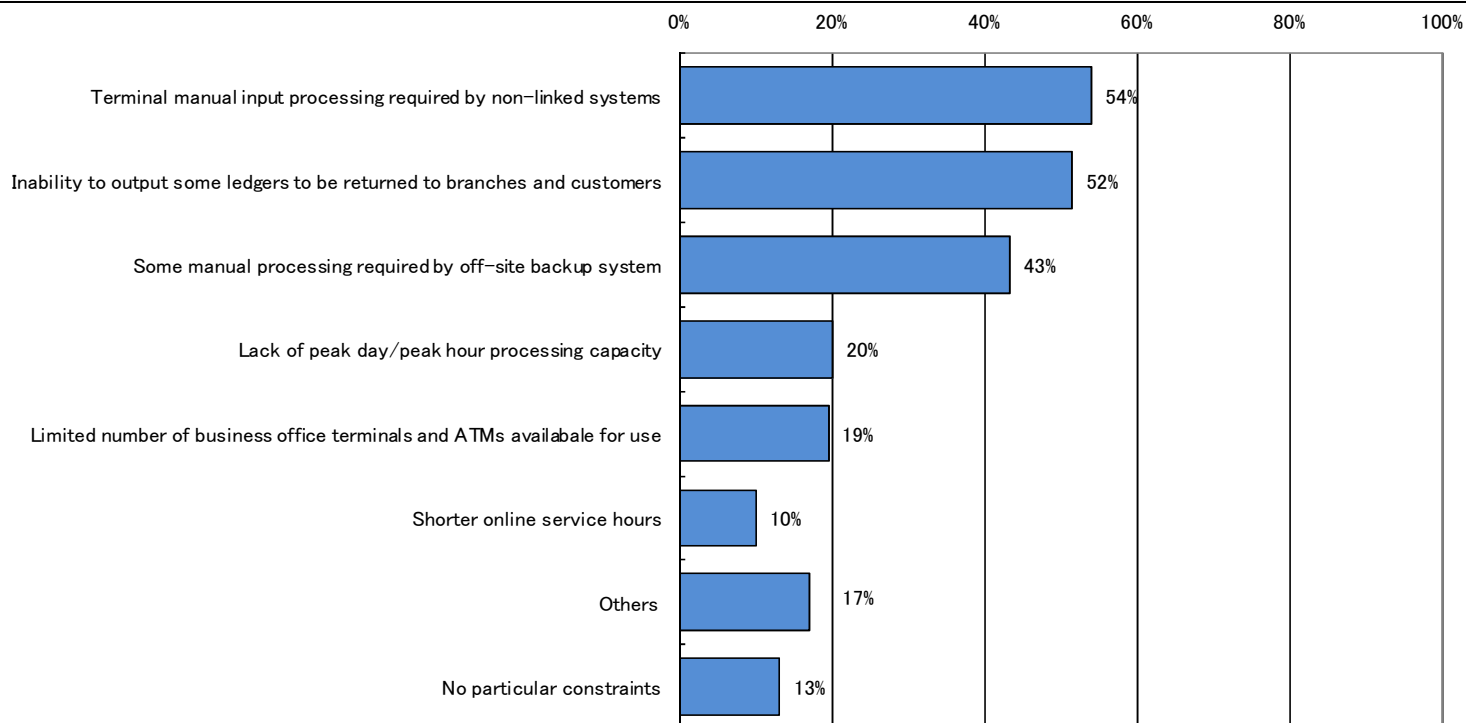
**【Q32】** How do you switch over to the off-site backup system?

- No institution responded that switchover procedures are “not provided” for the off-site backup system.
- As for the switchover method, slightly less than 60% selected “all systems need to be switched over simultaneously (individual switchover is impossible).”
- By segment, responses of major banks were divided equally between “individual switchover is possible for certain systems” and “all systems need to be switched over simultaneously (individual switchover is impossible).” Most of the regional banks have indicated that simultaneous switchover is necessary.



**【Q33】** Which operational constraints have you identified on the use of off-site backup systems? (multiple responses)

- Roughly 50% responded “terminal manual input processing required by non-linked systems” and “inability to output some ledgers to be returned to branches and customers,” respectively.
- By segment, as many as 60% of Japanese securities firms responded that they had a “lack of peak day/peak hour processing capacity.”



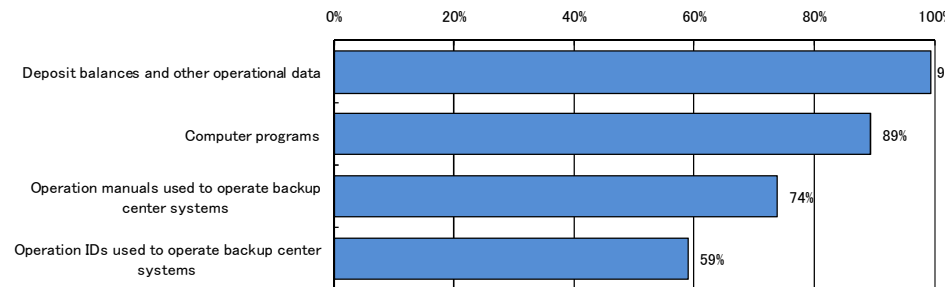
	Overall	Major banks	Regional banks	Japanese securities firms	Foreign banks and foreign securities firms	Others
Terminal manual input processing required by non-linked systems	54%	80%	60%	60%	30%	33%
Inability to output some ledgers to be returned to branches and customers	52%	60%	66%	40%	4%	28%
Some manual processing required by off-site backup system	43%	80%	44%	40%	39%	28%
Lack of peak day/peak hour processing capacity	20%	20%	23%	60%	4%	11%
Limited number of business office terminals and ATMs available for use	19%	10%	24%	40%	4%	11%
Shorter online service hours	10%	0%	12%	0%	9%	11%
Others	17%	10%	17%	60%	9%	17%
No particular constraints	13%	0%	5%	0%	43%	33%

C. Securing data backup for important systems, etc.

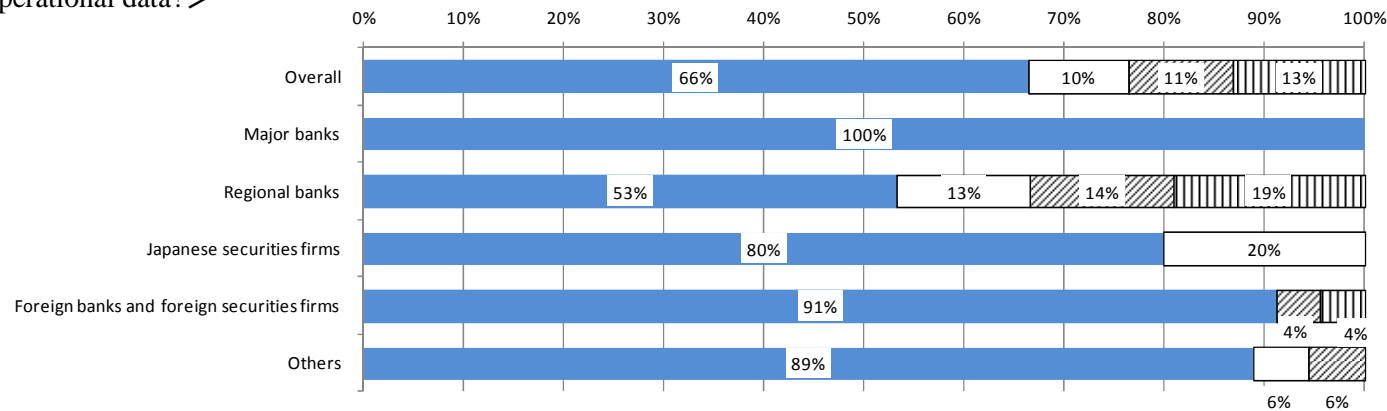
1. Remote storage of data backup

【Q34】 For which items do you provide remote storage? (multiple responses)

- Virtually all institutions provide remote storage for “deposit balances and other operational data” and slightly less than 90% for “computer programs.” On the other hand, roughly 30–40% do not implement remote storage for “operation manuals” and “operation IDs” used in the operating systems for the backup center.
- With respect to storage methods, roughly 75% of respondents perform “data transfer online.”
- By segment, many major banks, Japanese securities firms and foreign banks/foreign securities firms perform “data transfer online (reflected in database in real time or regularly),” while slightly less than 50% of regional banks implement remote storage using other methods.



<How do you store operational data?>

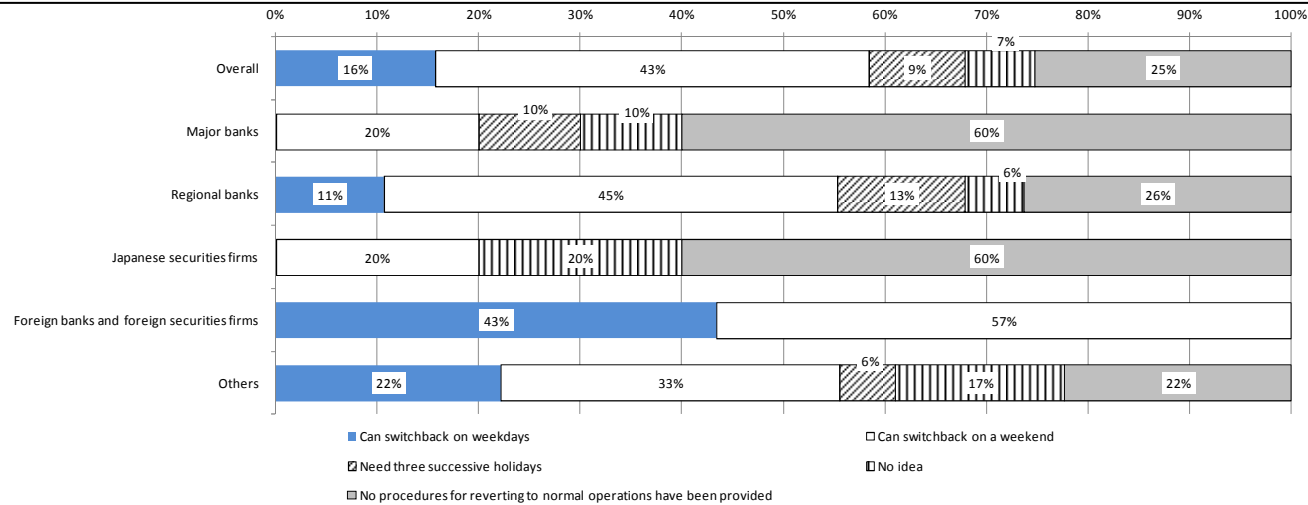


- Data transfer online (reflected in database in real time or regularly <every specific period, every specific amount>)
- Data transfer online (reflected in database after disaster)
- ▨ Remote transfer through medium such as MT (stored in a backup center or nearby)
- ▩ Remote transfer through medium such as MT (stored in remote location other than “a backup center or nearby”)
- Operational data is not stored in remote location

2. Switchback (for those respondents that have secured off-site backup systems)

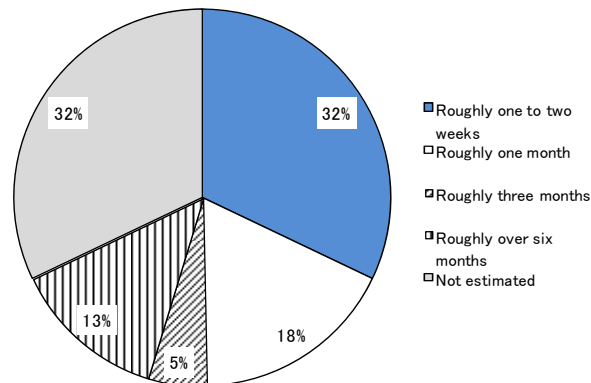
**【Q35】** Have you identified how long it will take to perform switchback (such as the period during which online service is suspended, etc.) upon clarification of operational procedures concerning the reversion (switchback) from the offsite-backup system to the main center after recovery?

- Slightly less than 60% responded that they could switch back “on weekdays” or “on a weekend.” However, roughly one-third responded “no idea” or “no procedures for reverting to normal operations have been provided.”
- By segment, 60% of major banks and Japanese securities firms responded that “no procedures for reverting to normal operations have been provided.”



**【Q36】** Have you made a rough estimate of how long it will take to revert from the off-site backup system to the main center after recovery (including preparation for switchback)?

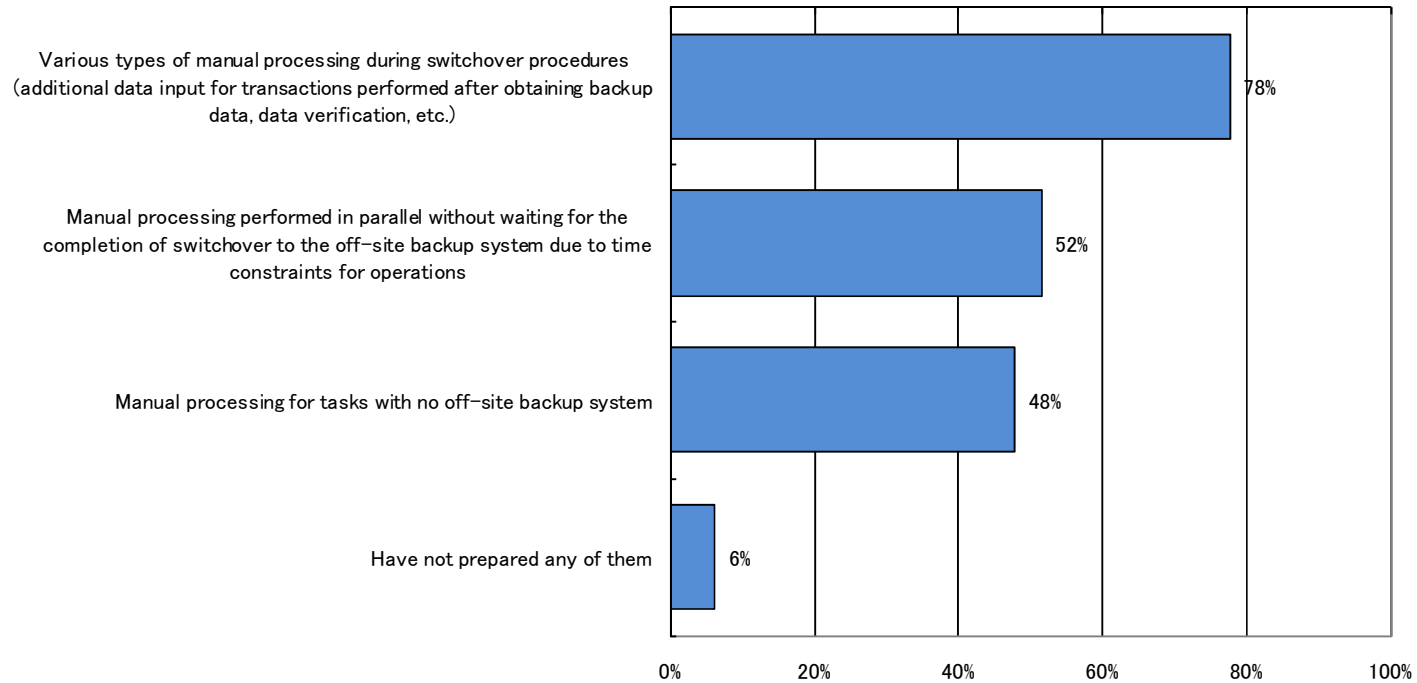
- Although half of the respondents indicated “roughly one to two weeks” or “roughly one month,” roughly one-third responded that they had “not estimated.”



#### D. Securing manual processing systems

【Q37】 For which item have you identified the operational scope where manual processing would be necessary at the main center in the event of a disaster, and prepared the required business resources and operational procedures? (multiple responses)

• Slightly less than 80% have prepared the business resources and operational procedures required for “various types of manual processing during switchover procedures.” Also, some respondents “have not prepared any of them.”



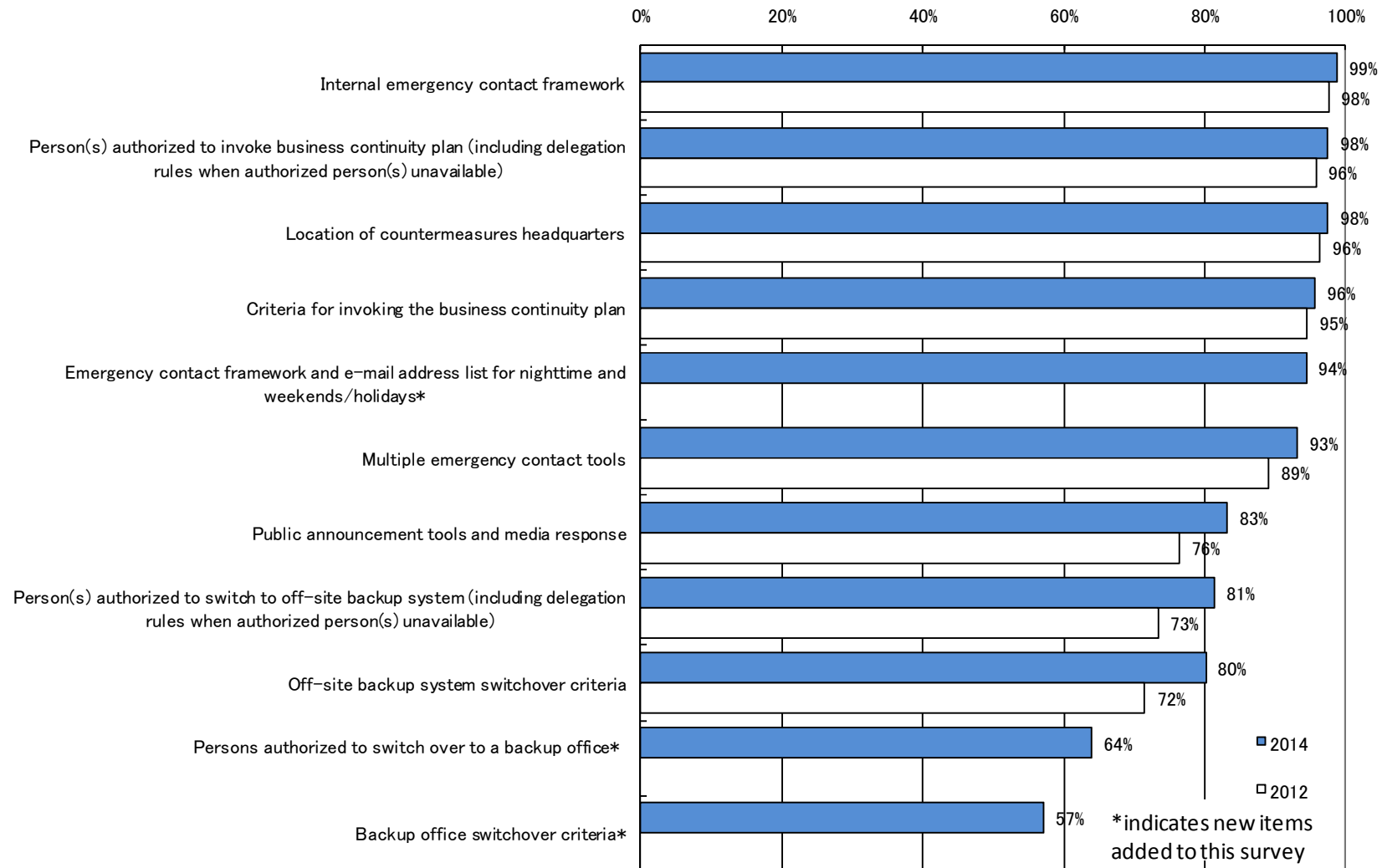
	Overall	Major banks	Regional banks	Japanese securities firms	Foreign banks and foreign securities firms	Others
Various types of manual processing during switchover procedures (additional data input for transactions performed after obtaining backup data, data verification, etc.)	78%	80%	77%	60%	74%	89%
Manual processing performed in parallel without waiting for the completion of switchover to the off-site backup system due to time constraints for operations	52%	70%	47%	60%	61%	56%
Manual processing for tasks with no off-site backup system	48%	90%	51%	20%	26%	39%
Have not prepared any of them	6%	10%	5%	40%	0%	11%



V. Status of decision-making and communication systems

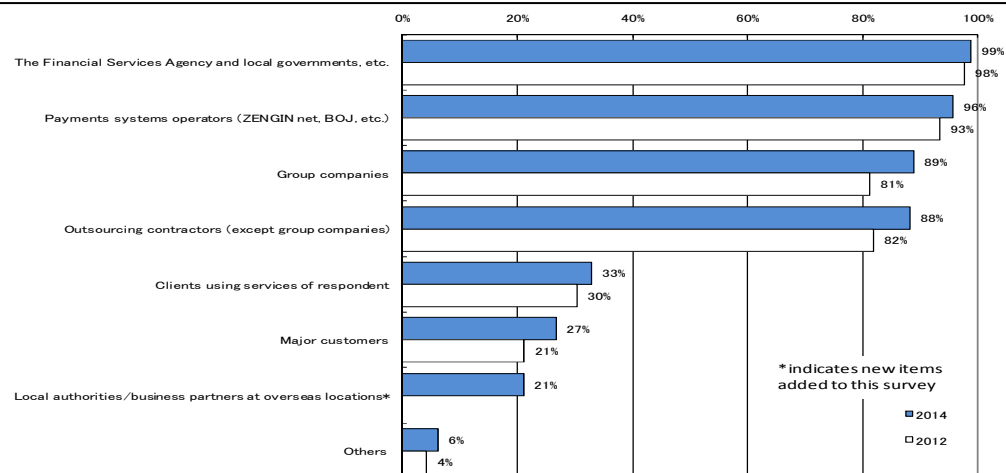
【Q38】 Which of the following are completed concerning decision-making and communication systems when carrying out business continuity plans? (multiple responses)

- For many items, decision-making and communication systems are generally completed, and the completion percentages are increasing compared to the previous survey.
- However, among items newly added for this survey, only around 60% responded that they have completed “backup office switchover criteria” and “persons authorized to switch over to a backup office.”



【Q39】 Among “important parties” outside of the institution, for which of the following have emergency contact information and information to be given been identified? (multiple responses)

- Compared to the previous survey, the percentages increased for those that have identified emergency contact information and information to be given to each party (including outsourcing contractors).
- Almost all respondents have identified contact information, etc. for “the Financial Services Agency and local governments, etc.” and “payments systems operators.” Slightly less than 90% have identified contact information, etc. for “group companies” and “outsourcing contractors (excluding group companies).”

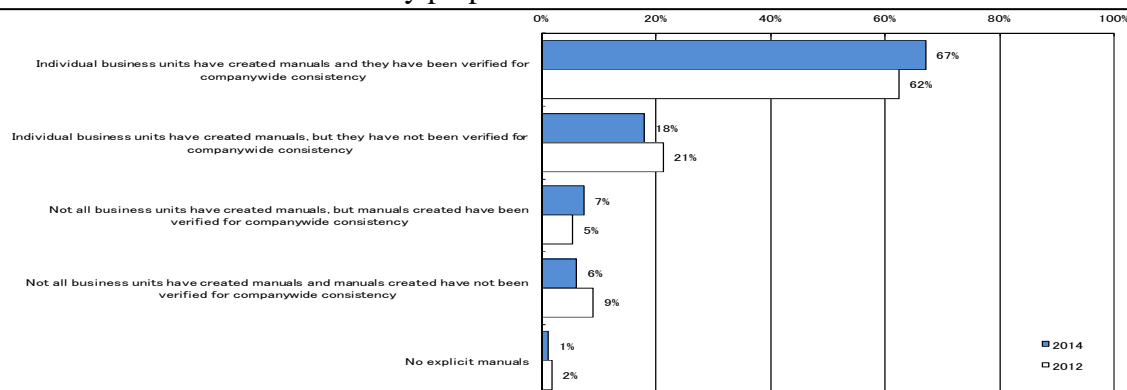


## VI. Formulation of manuals

### A. Status of manuals

【Q40】 What is the preparation status of your manuals for “critical operations” that are utilized when carrying out business continuity plans?

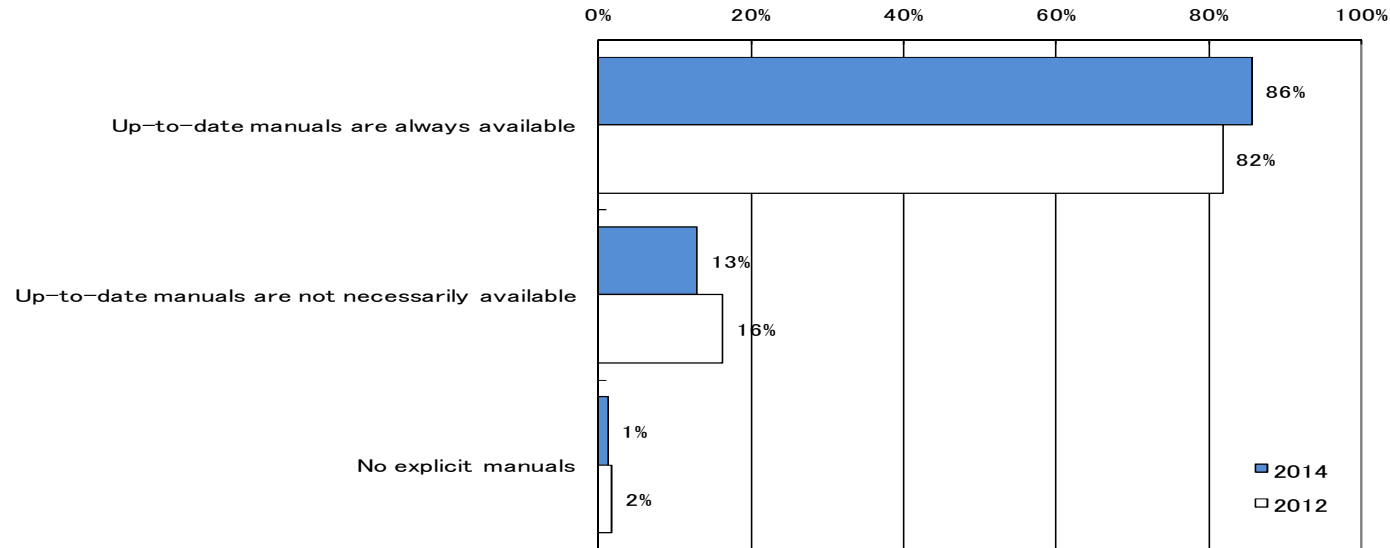
- Compared to the previous survey, the percentage of those that responded “individual business units have created manuals and they had been verified for companywide consistency” increased to slightly less than 70%. However, slightly more than 30% responded “consistency throughout the company has not been verified” or “some manuals have not been fully prepared.”



B. Assurance of manuals' effectiveness

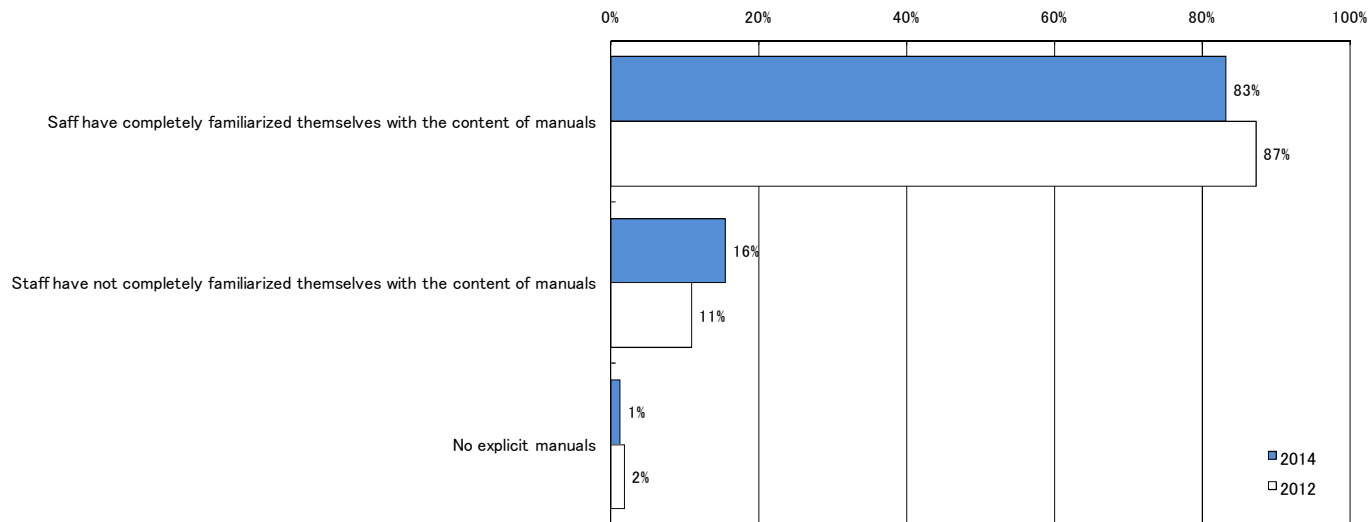
**【Q41】** What is the upgrade and retention situation regarding various manuals used when carrying out business continuity plans?

• Compared to the previous survey, the percentage of those that responded “up-to-date manuals are always available” increased to approximately 85%.



**【Q42】** To what degree are staff aware of the content of various manuals that are used when carrying out business continuity plans?

• While the formulation and revision/storage of various manuals are progressing compared to the previous survey (Questions 40 and 41), the percentage of those that responded “staff have completely familiarized themselves with the content of manuals” decreased a little to slightly more than 80%.

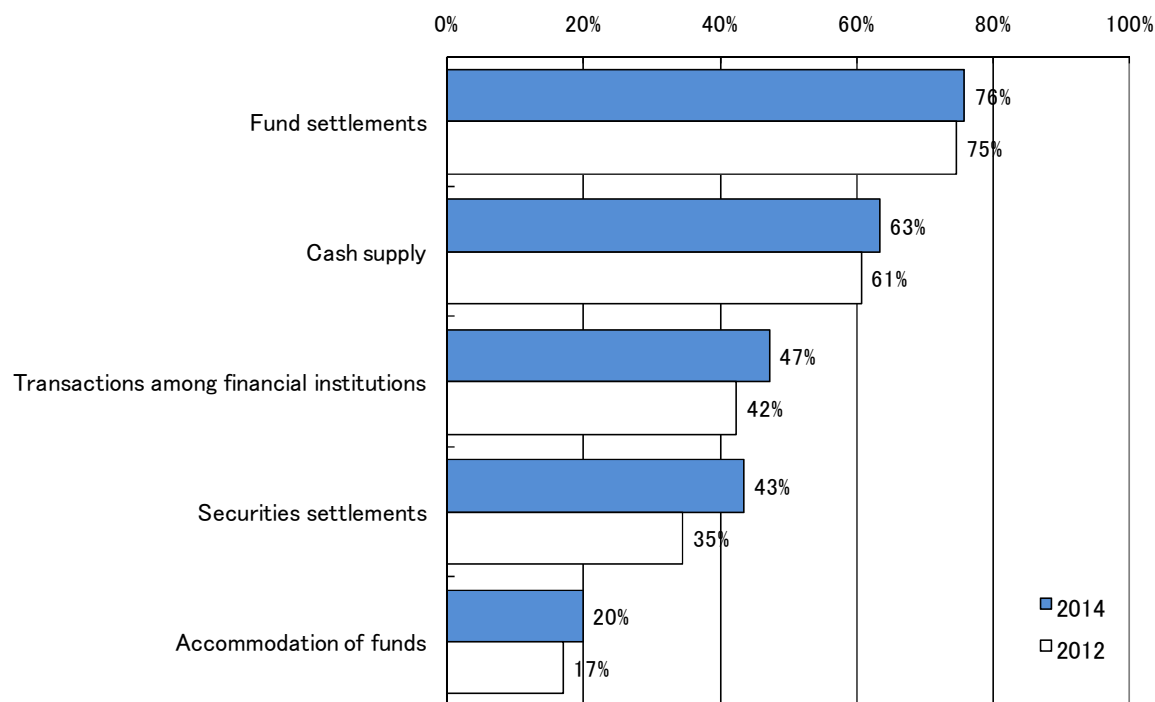


## VII. Training and review of plans

### A. Status of training

【Q43】 For which operations do you regularly provide training at least once a year? (multiple responses)

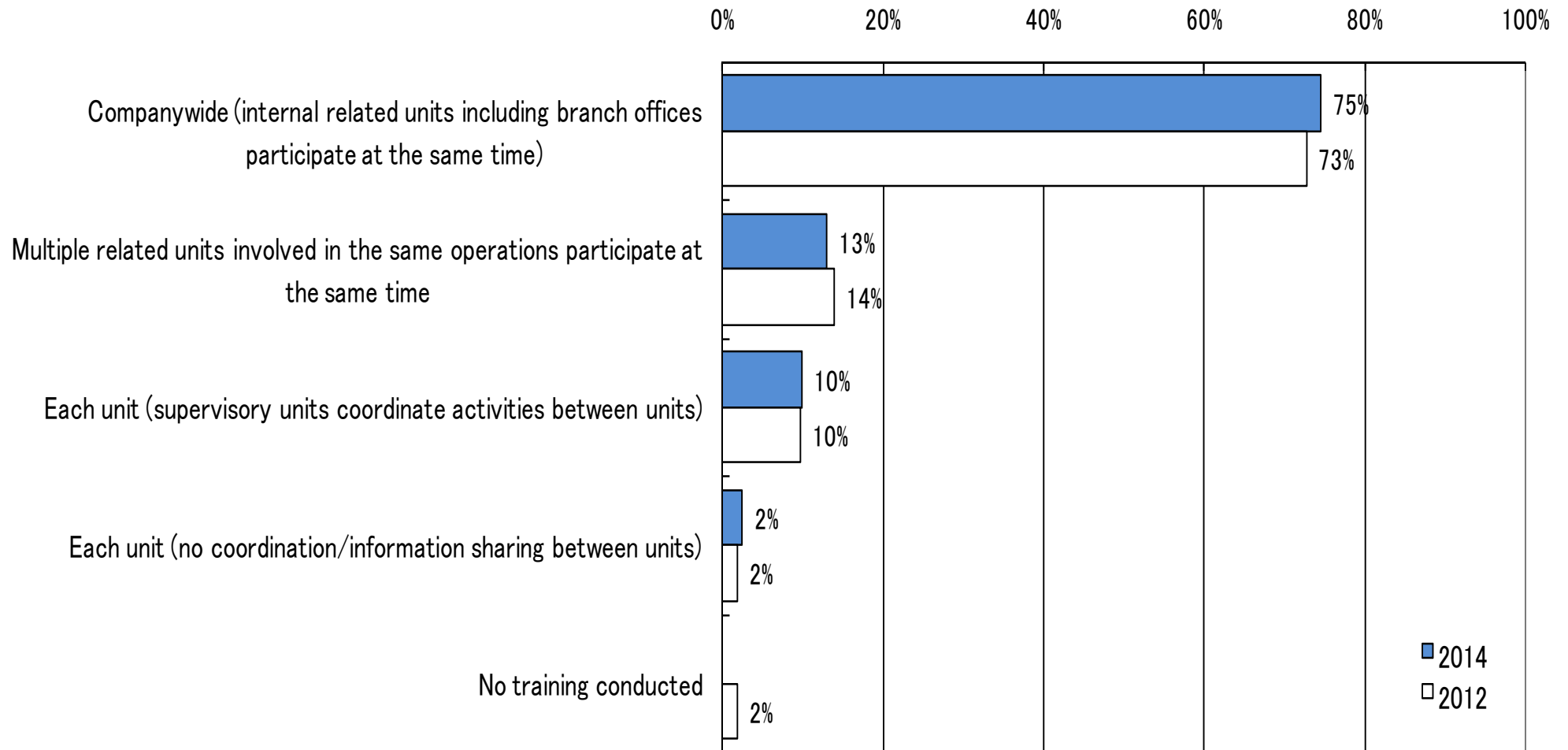
- Compared to the previous survey, the percentage increased for each operation for which respondents provide regular training at least once a year.
- By segment, among the various options, the percentage is highest among major banks and foreign banks/foreign securities firms that provide training on “fund settlements.” Also, the percentage is highest among regional banks that provide training on “cash supply” and the same applies to training on “securities settlements” among Japanese securities firms.



	Overall	Major banks	Regional banks	Japanese securities firms	Foreign banks and foreign securities firms	Others
Fund settlements	76%	100%	68%	80%	91%	89%
Cash supply	63%	80%	77%	60%	17%	33%
Transactions among financial institutions	47%	70%	36%	80%	74%	56%
Securities settlements	43%	70%	25%	100%	83%	72%
Accommodation of funds	20%	70%	7%	0%	52%	33%

**【Q44】** What is the scope of your training?

• Compared to the previous survey, the number of respondents that provide “companywide” training increased slightly to 75%, and no institution selected “no training conducted.”



**【Q45】** Which of the following forms of training have you conducted over the past 2 years? (multiple responses)

- Around 90% of the respondents provided “safety confirmation system communication training,” “countermeasures headquarters establishment training” and “backup center switchover training” for information technology units, and participated in “training provided by industry groups.” Also, two-thirds carried out “assembly training” for critical operation staff at the countermeasures headquarters and “manual operations training” for branch staff.
- On the other hand, only roughly 20–30% have provided “assembly training (critical operation staff at branch offices),” “backup center switchover training (operation units)” and “backup office assembly and switchover training.”
- By segment, roughly 70–80% of major banks, Japanese securities firms and foreign banks/foreign securities firms have provided joint training in conjunction with group companies.

[Coloring of bars on the graph indicate 50% or higher]



(Japanese securities firms)

(Foreign banks/ foreign securities firms)

(Others)

0% 20% 40% 60% 80% 100%

0% 20% 40% 60% 80% 100%

0% 20% 40% 60% 80% 100%

Emergency communication training

Assembly training

Backup center switchover training

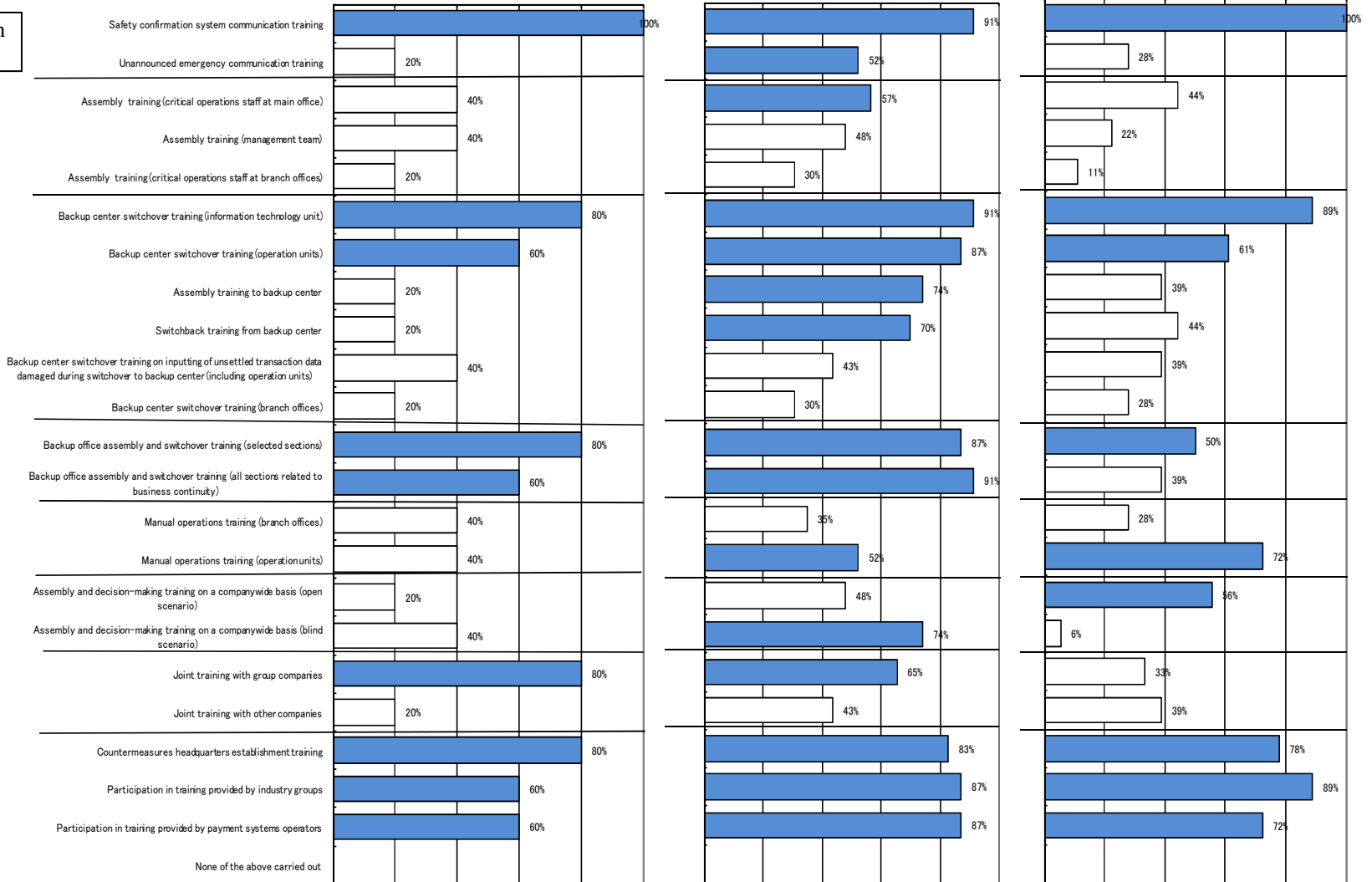
Backup office switchover training

Manual operating training

Companywide training

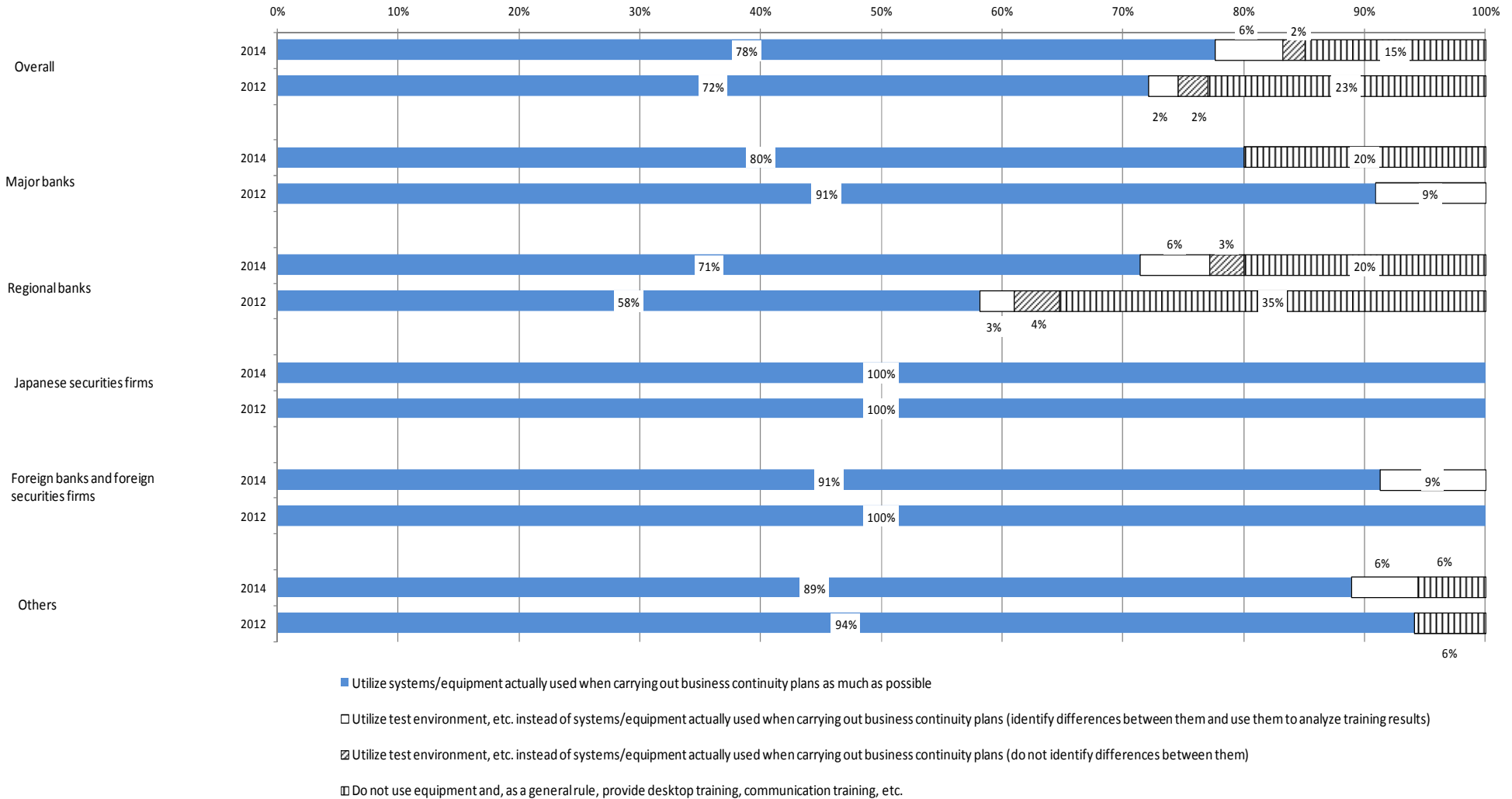
Joint training

Others



**【Q46】 What is your training environment?**

- Compared to the previous survey, more respondents selected “utilize systems/equipment actually used when carrying out business continuity plans as much as possible” and the percentage is slightly less than 80% overall.
- By segment, the percentage for this response is high among Japanese securities firms and foreign banks/foreign securities firms. On the other hand, 20% of major banks and regional banks responded “do not use equipment and, as a general rule, provide desktop training and communication training, etc.”

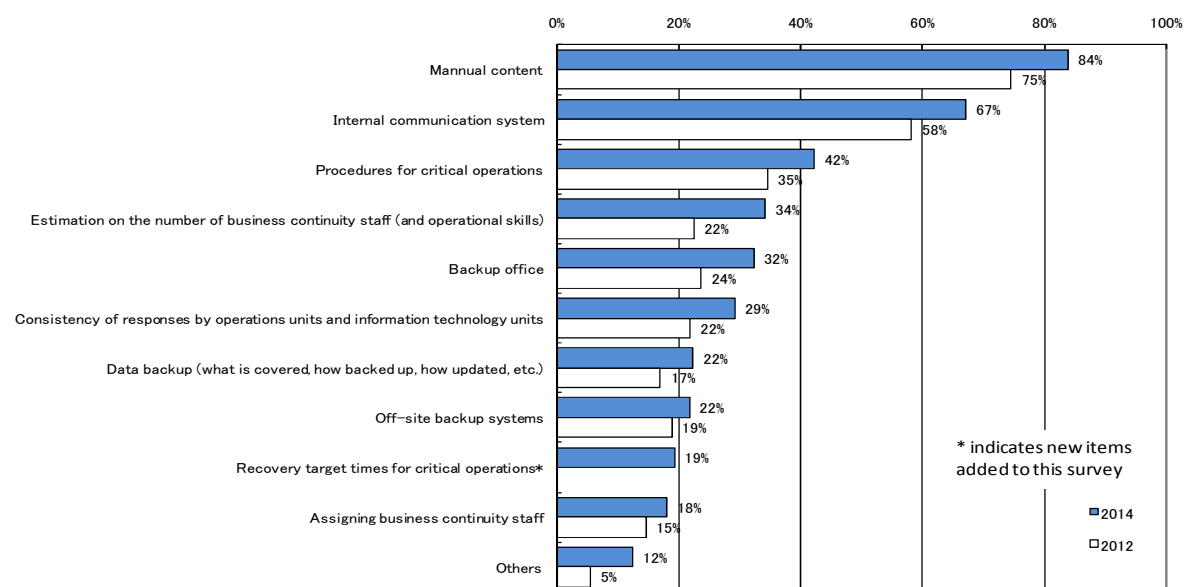




## B. Analysis and reporting of training results, modification of business continuity plans

### 【Q47】 Which items have you modified after analyzing training results? (multiple responses)

- Compared to the previous survey, the number of respondents that undertook modifications increased for all items. Approximately 85% modified “manual content,” slightly less than 70% modified “internal communication system” and slightly more than 40% modified “procedures for critical operations.” Also the percentage of respondents that modified “estimation on the number of business continuity staff (and operational skills)” increased to roughly one-third overall.
- By segment, roughly 20–30% of regional banks modified “procedures for critical operations” and “estimation on the number of business continuity staff (and operational skills).”



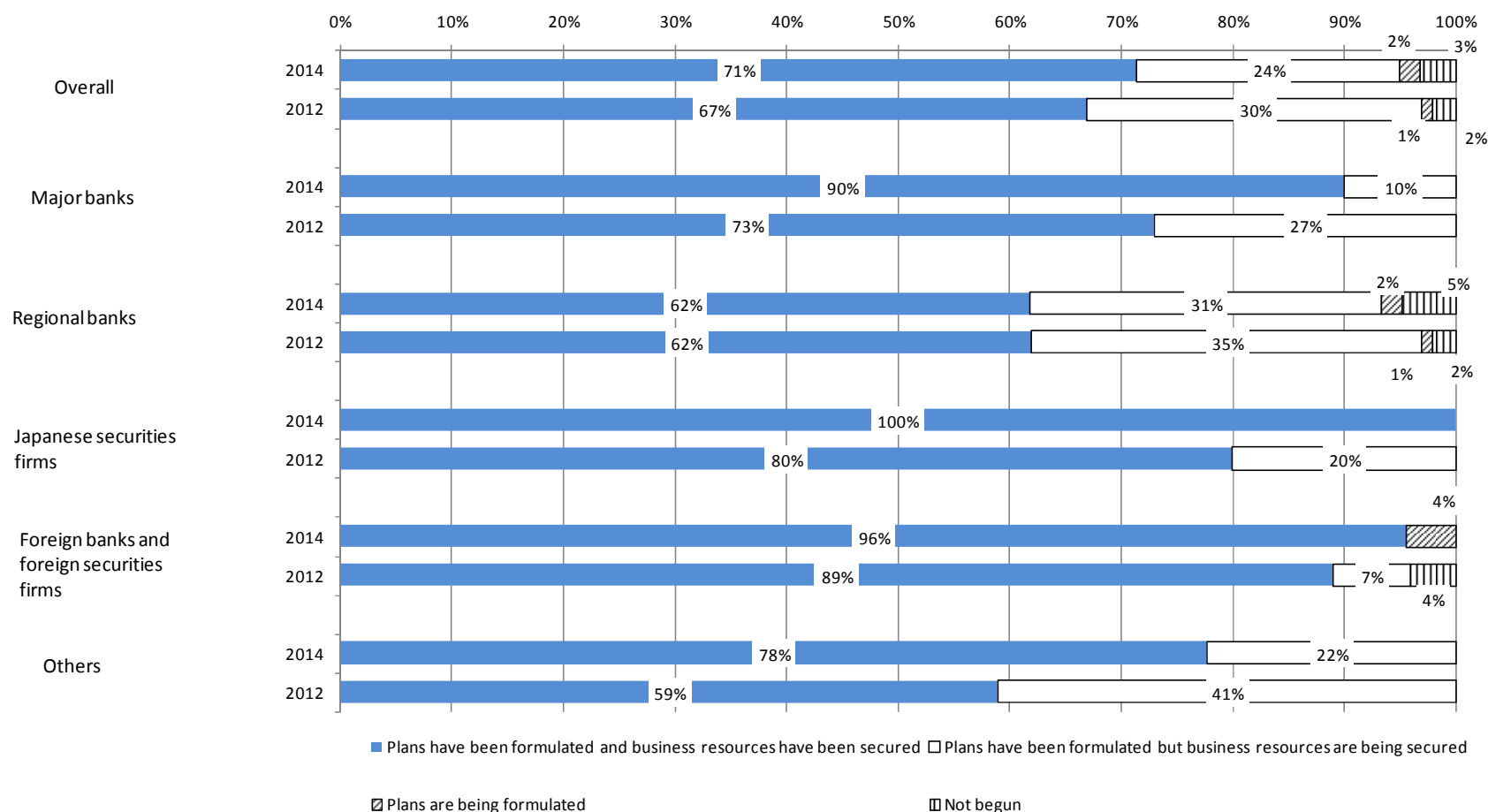
	Overall	Major banks	Regional banks	Japanese securities firms	Foreign banks and foreign securities firms	Others
Manual content	84%	100%	86%	100%	74%	72%
Internal communication system	67%	80%	65%	80%	65%	72%
Procedures for critical operations	42%	80%	30%	60%	70%	56%
Estimation on the number of business continuity staff (and operational skills)	34%	80%	22%	20%	61%	50%
Backup office	32%	50%	15%	60%	87%	44%
Consistency of responses by operations units and information technology units	29%	40%	22%	20%	48%	44%
Data backup (what is covered, how backed up, how updated, etc.)	22%	20%	17%	40%	35%	33%
Off-site backup systems	22%	40%	10%	60%	48%	39%
Recovery target times for critical operations	19%	30%	14%	20%	35%	22%
Assigning business continuity staff	18%	60%	9%	0%	30%	39%
Others	12%	0%	16%	20%	4%	6%

## VIII. Response to outbreaks of new strains of influenza<sup>1</sup> and other infectious diseases

### A. Formulation of business continuity plan

**[Q48]** Have you formulated business continuity plans that take into account “a certain period of time where staffing is short because of an outbreak of a new strain of influenza” in light of guidelines, etc. published by the government?

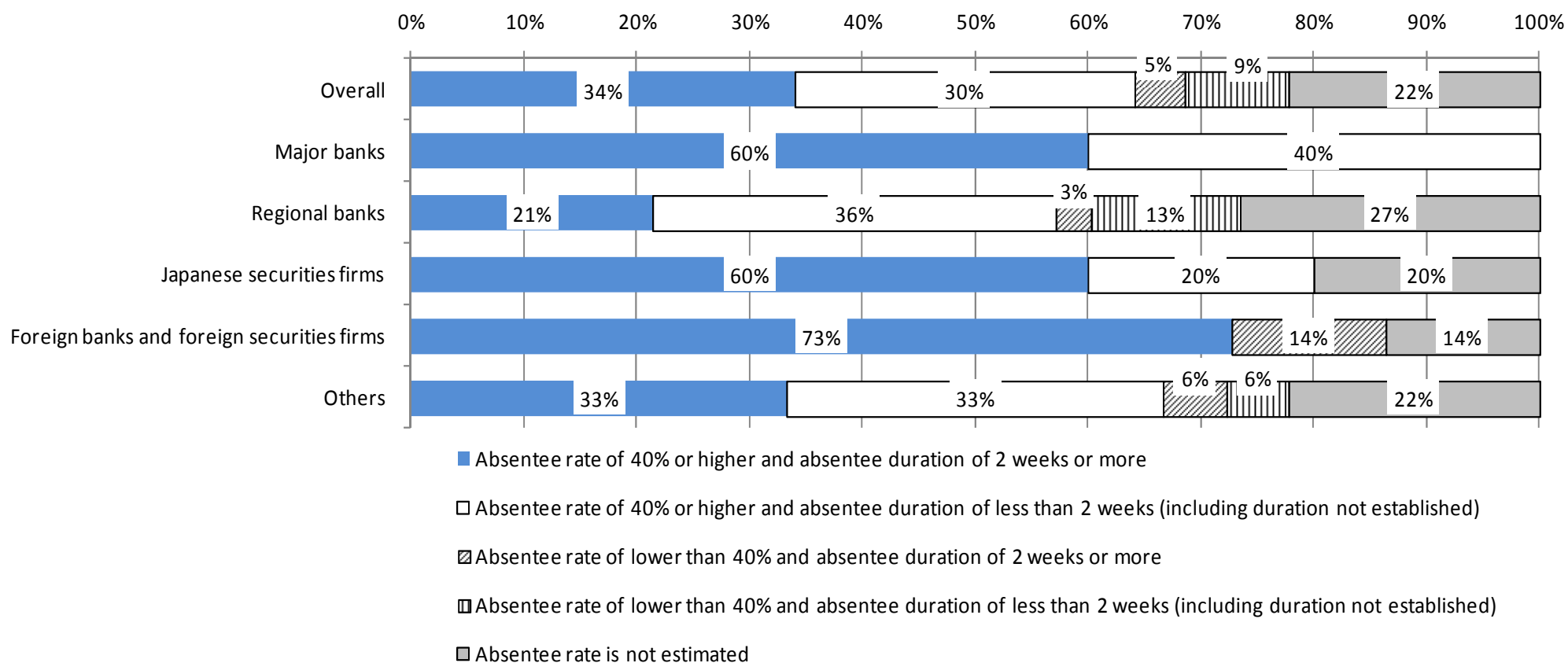
- Almost all institutions responded “plans have been formulated.” Compared to the previous survey, the percentage of those that responded “business resources have been secured” increased to slightly more than 70%.
- By segment, the percentage of major banks, Japanese securities firms and foreign banks/foreign securities firms that “business resources have been secured” increased to more than 90%.



<sup>1</sup> Highly pathogenic influenza. Increases companywide absentee rate to the point that operations are impacted and it is difficult to perform all operations normally.

**【Q49】** (Only for those that selected “plans have been formulated and business resources have been secured” or “plans have been formulated but business resources are being secured” for Question 48) As a worst case scenario concerning insufficient staff, what assumptions have you made regarding absentee rates and absentee duration?

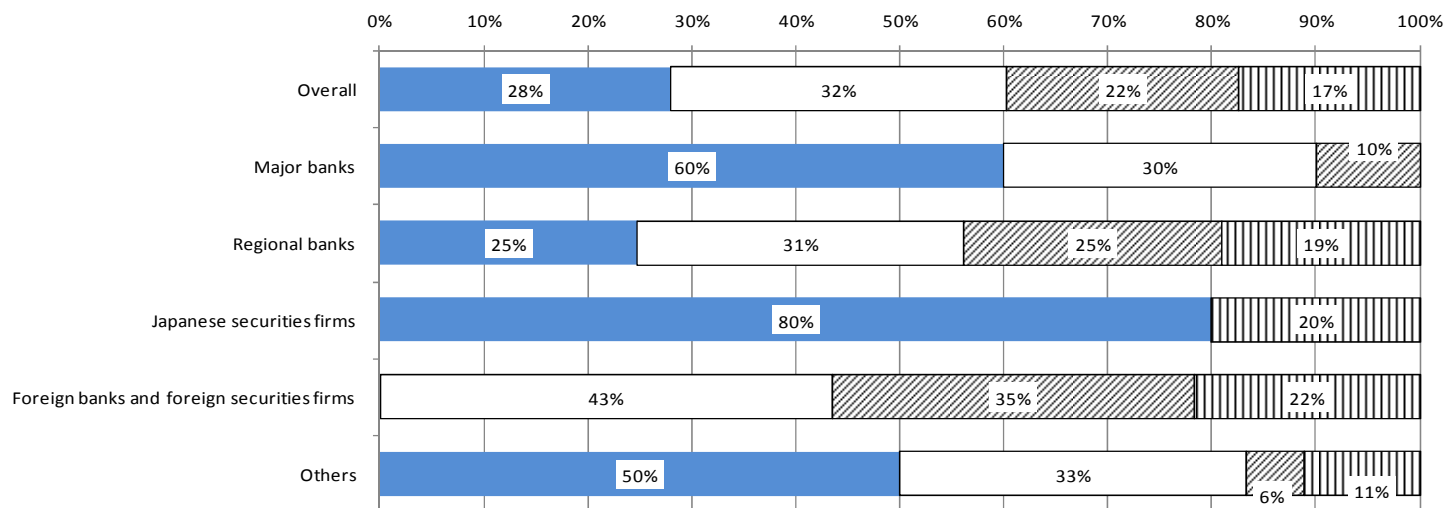
- The percentage response to “absentee rate of 40% or higher and absentee duration of 2 weeks or more” and “absentee rate of 40% or higher and absentee duration of less than 2 weeks (including duration not established)” was roughly 30% for both statements. Slightly more than 20% reported that “absentee rate is not estimated.”
- By segment, roughly 60–70% of major banks, Japanese securities firms and foreign banks/foreign securities firms assume an “absentee rate of 40% or higher and absentee duration of 2 weeks or more.”



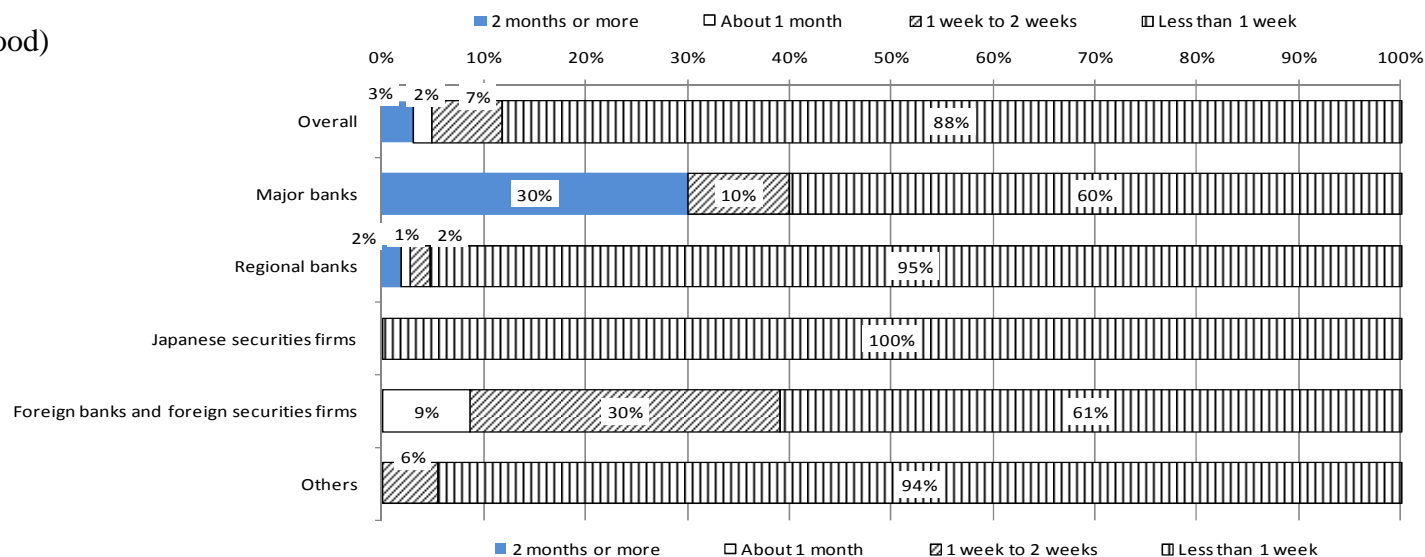
**【Q50】** What are your stocking levels for consumables in preparation for outbreaks of new strains of influenza?

- As for stocks of hygiene/medical supplies, 60% have secured sufficient supplies for “about 1 month or more.” By segment, the percentage is the highest for “2 months or more” among major banks and Japanese securities firms.
- As for stocks of beverages/food, slightly less than 90% responded “less than 1 week.” By segment, however, roughly 40% of major banks and foreign banks/foreign securities firms have secured sufficient stocks for “1 week or more.”

(Hygiene/medical supplies < masks, disinfectants, etc. >)



(Beverages/food)



B. Operational continuity for “critical operations”

【Q51】 Which “critical operations” do you expect to continue even during the outbreak of a new strain of influenza? (multiple responses)

- With respect to “critical operations” assumed to continue even during the outbreak of a new strain of influenza, it is assumed that a wider variety of operations will continue in addition to “critical operations given the highest priority for restoration” indicated in Question 16, partly because it is unlikely that any physical damage will have occurred, including that to buildings and equipment, etc..
- Overall, more than 80% designated “BOJ current account payment and settlement,” “individual transfers and remittances,” “withdrawals of liquid deposits and MRF/MMF funds” and “domestic payment and settlement” as critical operations.
- In addition to the above, more than 90% of major banks listed “foreign exchange yen settlement,” “yen/foreign-currency cash flow,” “general transfers” and “wage transfers.” More than 80% of regional banks indicated “bill and check clearing system,” “withdrawals of time deposits,” “general transfers” and “wage transfers.”

[Coloring of bars on the graph indicate 50% or higher]

Cash payment/acceptance

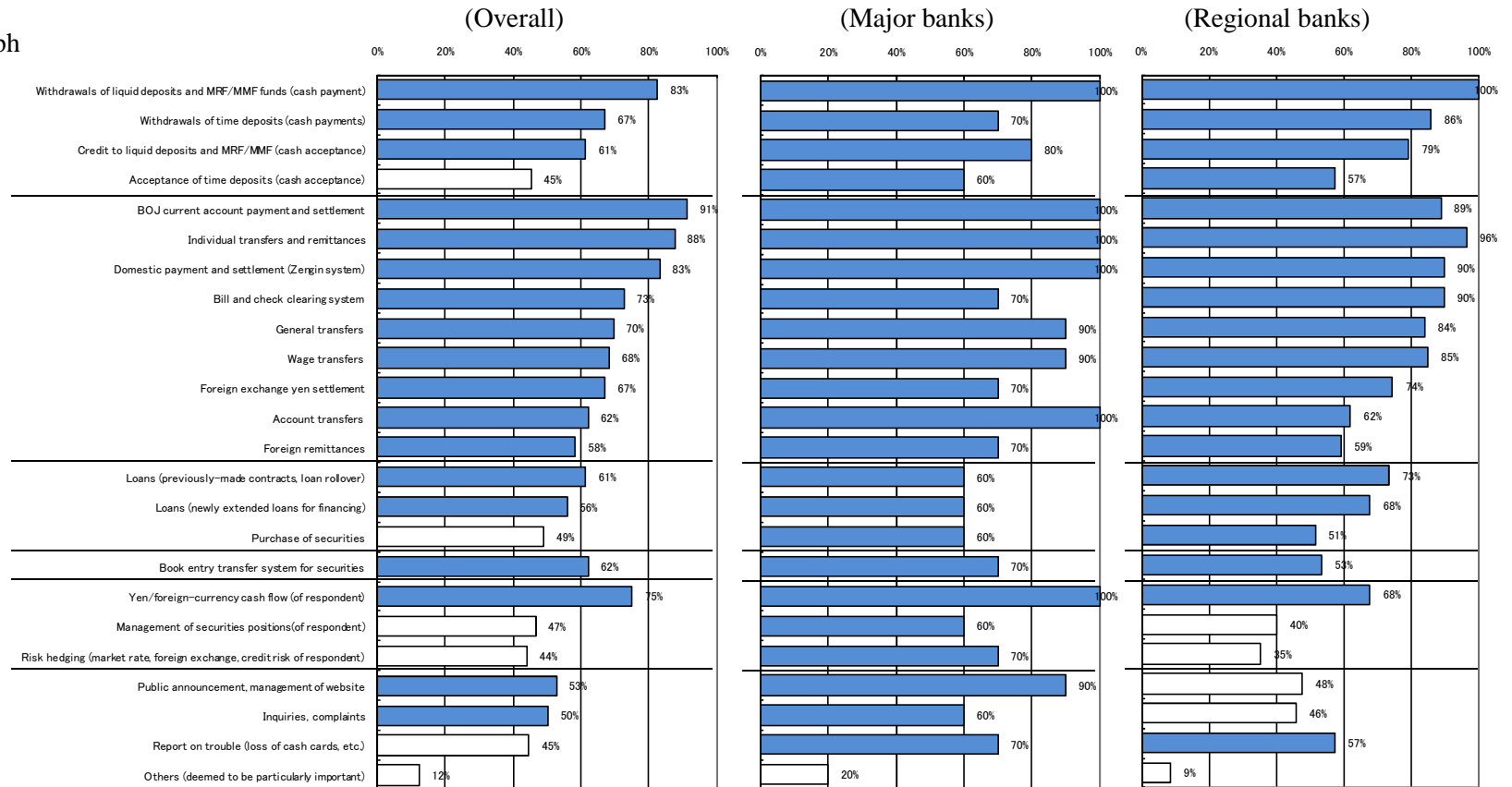
Fund settlements

Accommodation of funds

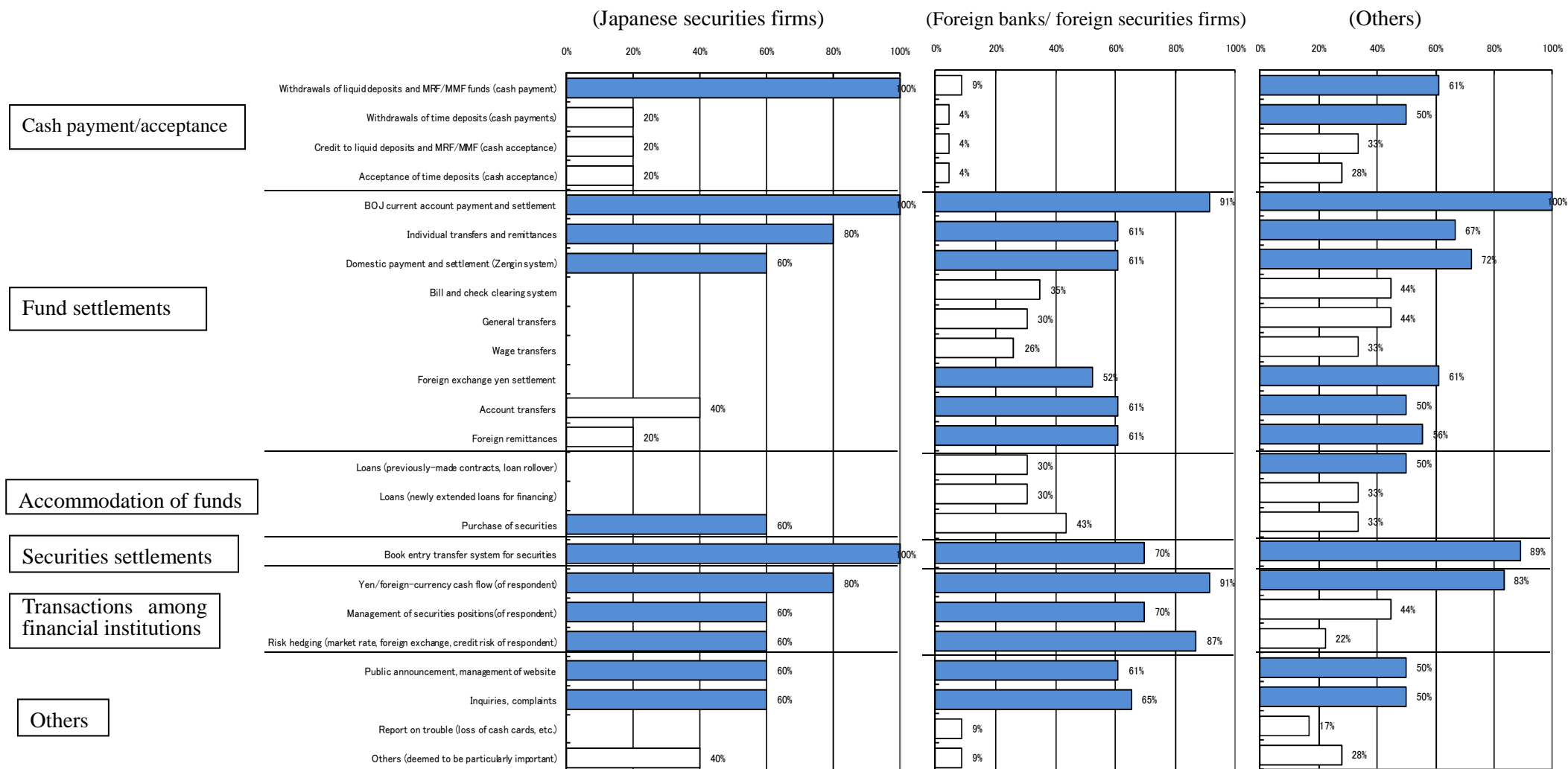
Securities settlements

Transactions among financial institutions

Others

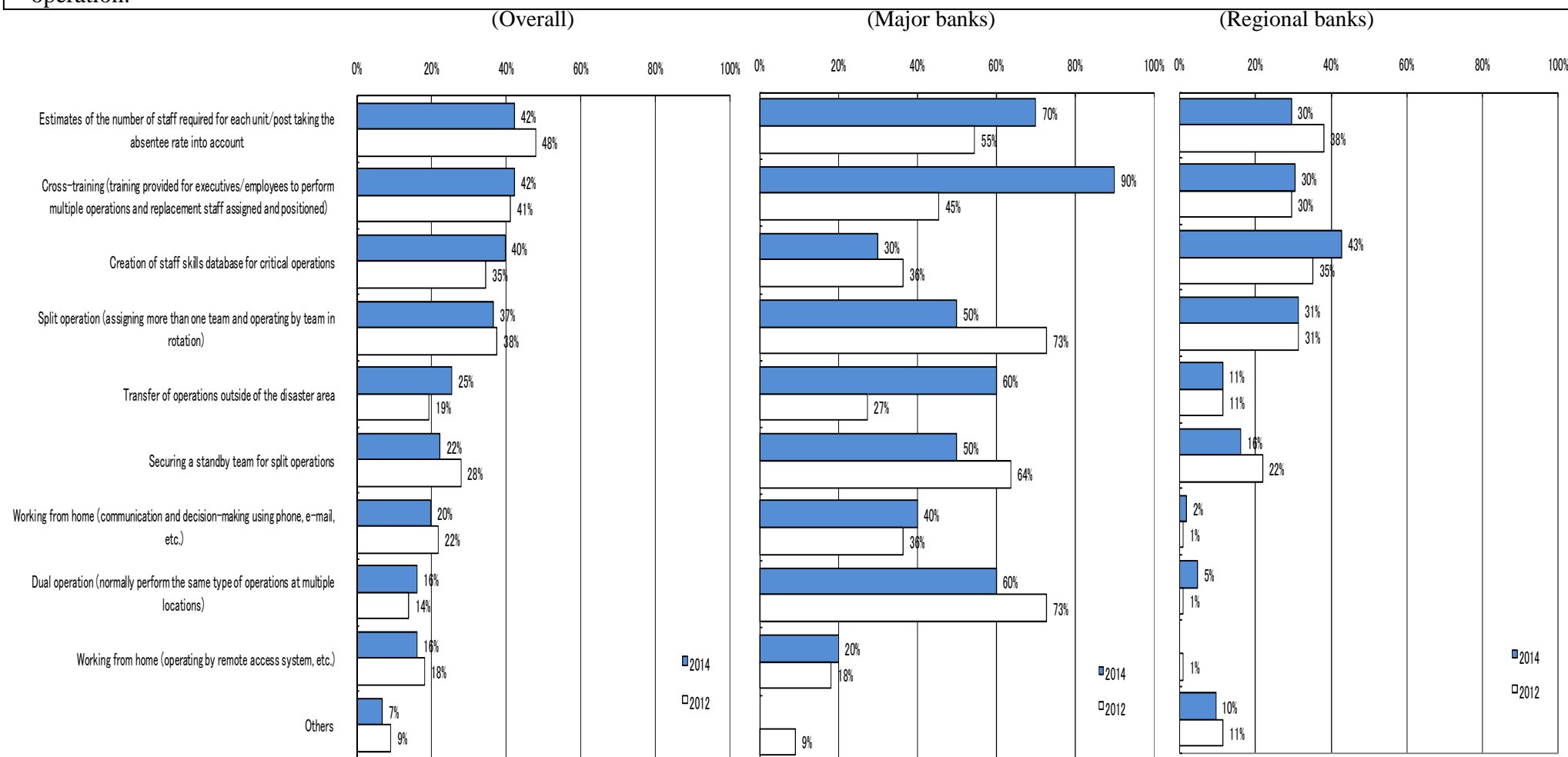


• All Japanese securities firms listed “withdrawals of liquid deposits and MRF/MMF funds,” “BOJ current account payment and settlement” and “book entry transfer system for securities.” Around 90% of foreign banks/foreign securities firms indicated “BOJ current account payment and settlement,” “yen/foreign-currency cash flow” and “risk hedging” as critical operations.



**【Q52】** Which of the following have been prepared as measures to continue “critical operations” during the outbreak of a new strain of influenza? (multiple responses)

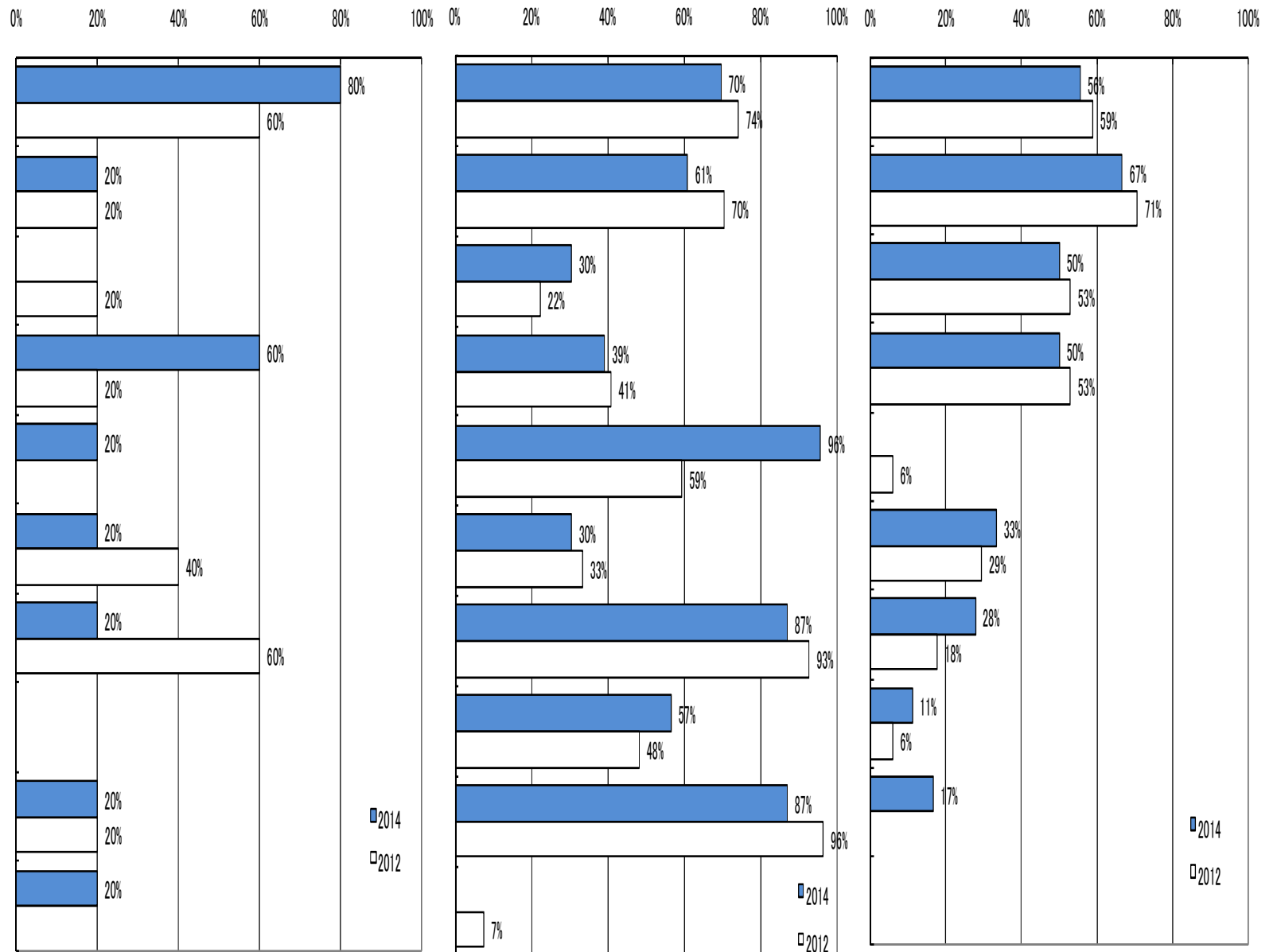
- Roughly 40% have completed preparations for “estimates of the number of staff required for each unit/post taking the absentee rate into account,” “cross-training,” “creation of staff skills database for critical operations” and “split operation (assigning more than one team and operating by team in rotation).” Also, the number of respondents that have prepared for the “transfer of operations to outside of the disaster area” increased primarily among major banks, Japanese securities firms and foreign banks/foreign securities firms.
- Also, there was a substantial increase in the number of major banks indicating “cross-training” and Japanese securities firms that responded “split operation.”



(Japanese securities firms)

(Foreign banks/ foreign securities firms)

(Others)

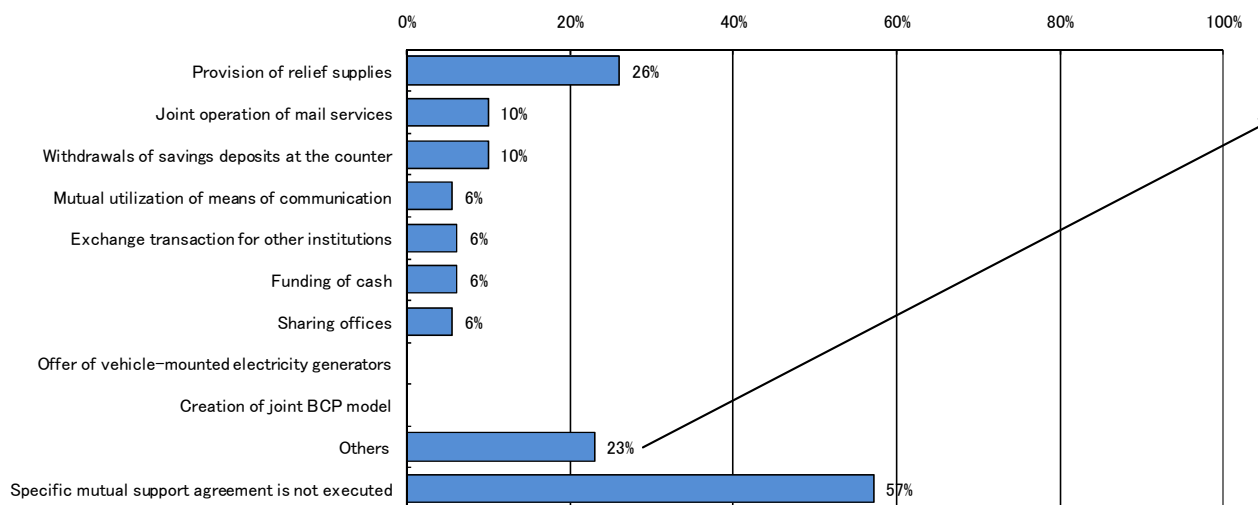




IX. Establishing a partnership with other financial institutions, etc.

【Q53】 What specific type of mutual support agreements do you have with other financial institutions, etc. in preparation for a large-scale disaster, etc.?  
(multiple responses)

• Overall, slightly more than 40% of respondents (mainly regional banks) have established some type of cooperation system with other financial institutions. Specifically, most respondents indicated “provision of relief supplies” followed by “joint operation of mail services” and “withdrawals of savings deposits at the counter.” Also, some institutions listed “dispatching staff” and “protection of human lives, provision of evacuation accommodation facilities, etc.” as “others.”



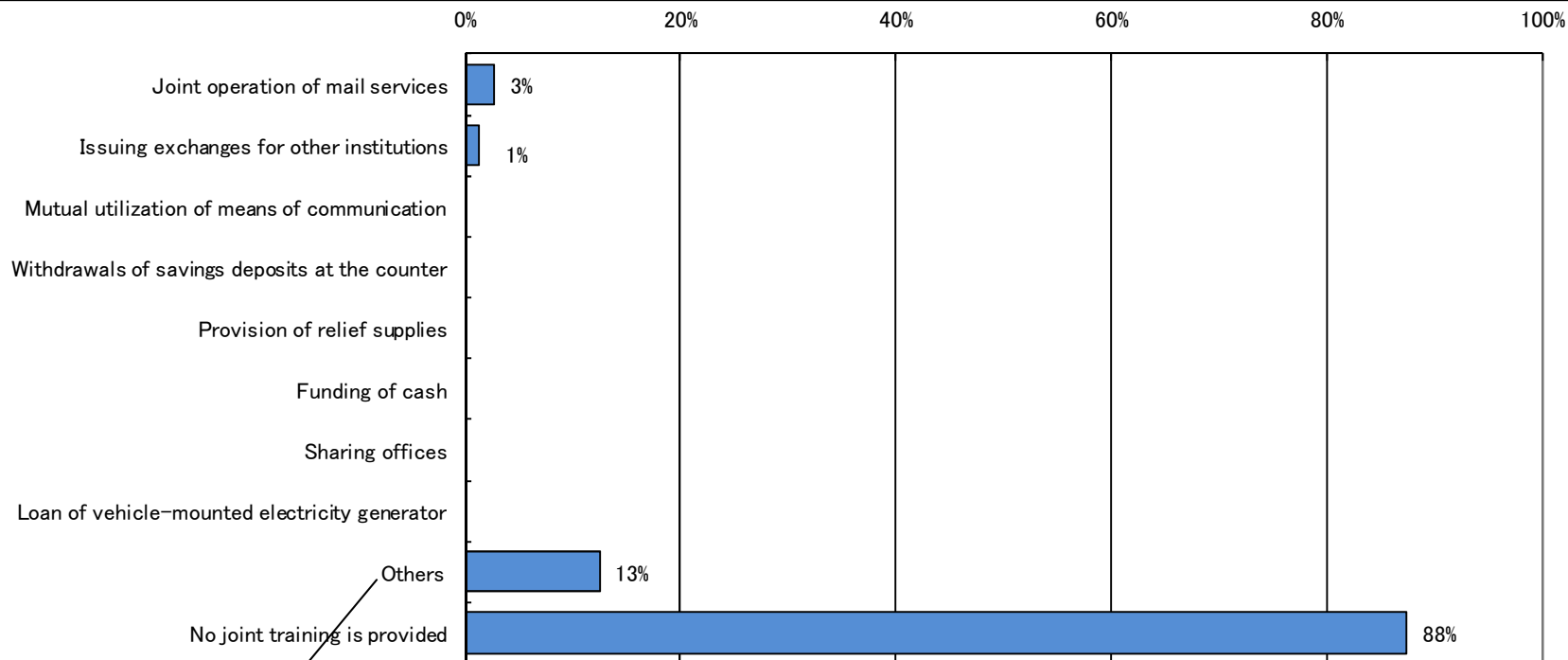
< Details of “ Others” (including multiple responses) >

Dispatching staff	14 institutions
Protection of human lives, provision of evacuation accommodation facilities, etc.	13 institutions
Depositing/entrusting cash, important items, etc.	8 institutions
Depositing/entrusting institution’s vehicles, vehicles for sales, mail service cars, etc.	6 institutions
Providing communication measures	5 institutions
Sharing information during normal times and during/following a disaster	5 institutions
Supporting clients	3 institutions
Complete cooperation among group banks	3 institutions
Support for funding, etc.	2 institutions

	Overall	Major banks	Regional banks	Japanese securities firms	Foreign banks and foreign securities firms	Others
Provision of relief supplies	26%	0%	38%	0%	9%	0%
Joint operation of mail services	10%	0%	14%	0%	0%	6%
Withdrawals of savings deposits at the counter	10%	0%	15%	0%	0%	0%
Mutual utilization of means of communication	6%	0%	9%	0%	0%	0%
Exchange transaction for other institutions	6%	10%	8%	0%	4%	0%
Funding of cash	6%	0%	9%	0%	4%	0%
Sharing offices	6%	0%	7%	0%	9%	0%
Offer of vehicle-mounted electricity generators	0%	0%	0%	0%	0%	0%
Creation of joint BCP model	0%	0%	0%	0%	0%	0%
Others	23%	20%	30%	0%	13%	6%
Specific mutual support agreement is not executed	57%	70%	43%	100%	78%	94%

**【Q54】** (Only for those that selected any of the items between “provision of relief supplies” and “others” in Question 53) As to the items selected above, for which of them have you implemented joint training with partners for mutual support agreements, etc.? (multiple responses)

- Not many respondents have performed joint training with partners for mutual support agreements, etc.
- Some institutions have carried out training for “joint operation of mail services” in addition to “various forms of joint training among group banks” and “council establishment training among financial institutions” as “others”.



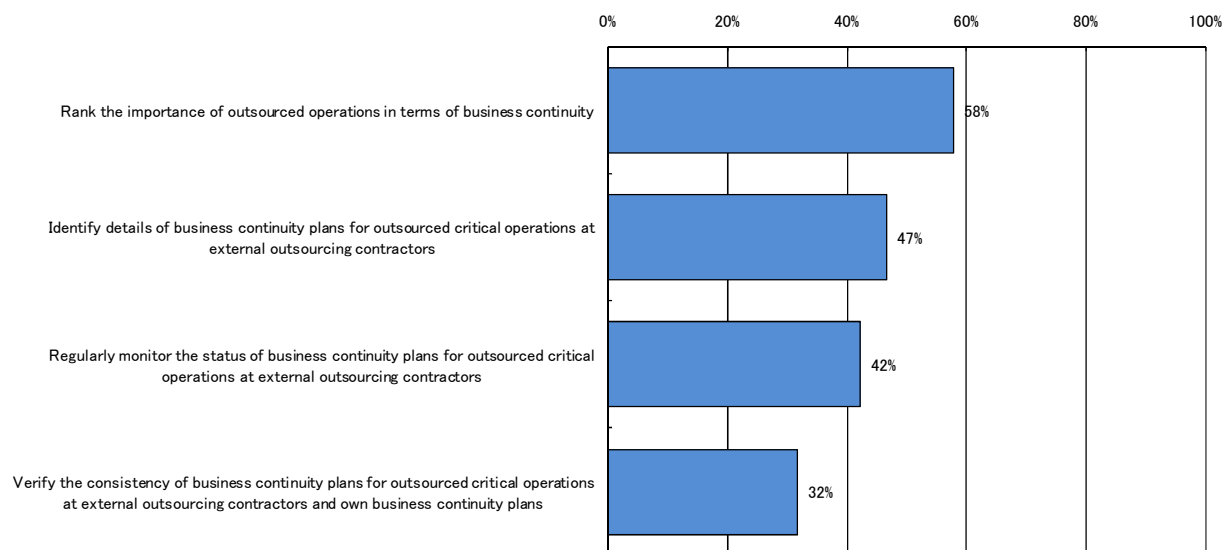
< Details of “Others” >

Various forms of joint training among group banks	4 institutions
Council establishment training among financial institutions	2 institutions

X. Building a relationship with external outsourcing contractors consigned with operations

【Q55】 What have you implemented concerning external outsourcing contractors (including those within the group) to which critical operations have been consigned? (multiple responses)

- Slightly less than 60% responded that they “rank the importance of outsourced operations in terms of business continuity” and slightly less than 50% indicated that they “identify details of business continuity plans for outsourced critical operations at external outsourcing contractors.” Only slightly more than 30% indicated that they “verify the consistency of business continuity plans for outsourced critical operations at external outsourcing contractors and own business continuity plans.”
- By segment, the percentage of respondents that perform “verification of consistency” is 60% among major banks. However, it is roughly 20% among regional banks and Japanese securities firms.



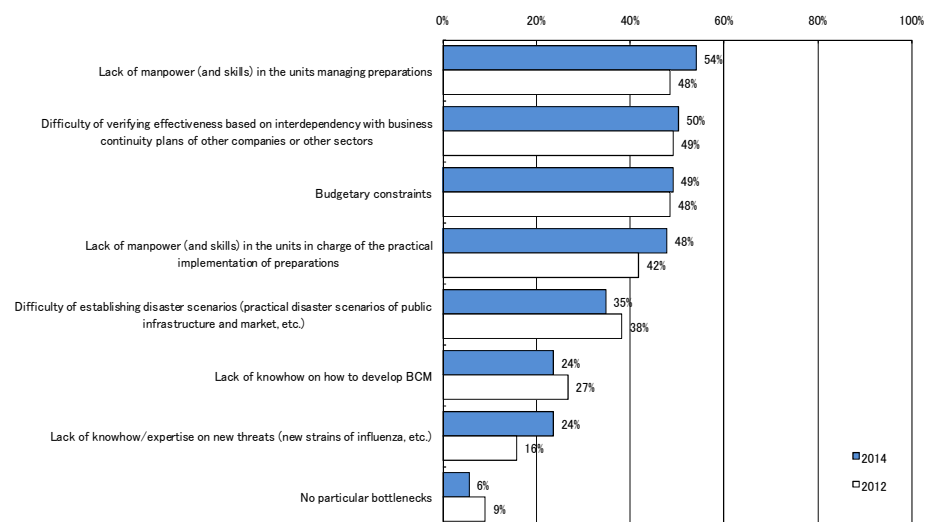
	Overall	Major banks	Regional banks	Japanese securities firms	Foreign banks and foreign securities firms	Others
Rank the importance of outsourced operations in terms of business continuity	58%	90%	50%	60%	96%	39%
Identify details of business continuity plans for outsourced critical operations at external outsourcing contractors	47%	60%	39%	40%	61%	67%
Regularly monitor the status of business continuity plans for outsourced critical operations at external outsourcing contractors	42%	50%	34%	80%	61%	50%
Verify the consistency of business continuity plans for outsourced critical operations at external outsourcing contractors and own business continuity plans	32%	60%	25%	20%	39%	50%

## XI. Future tasks

### A. Bottlenecks

【Q56】 What are the bottlenecks to enhancement of BCM? (multiple responses)

- About a half of respondents selected “lack of manpower (and skills) in the units managing preparations or the site units in charge of the practical implementation of preparations,” “difficulty of verifying effectiveness based on interdependency with business continuity plans of other companies or other sectors” and “budgetary constraints.”
- Compared to the previous survey, the percentage decreased for “difficulty of establishing disaster scenarios” and “lack of knowhow on how to develop BCM.” On the other hand, the percentage increased for “lack of manpower (and skills) in the units managing preparations or the site units in charge of the practical implementation of preparations” and “lack of knowhow/expertise on new threats (new strains of influenza, etc.).”
- By segment, the percentage is highest for “budgetary constraints” among major banks and foreign banks/foreign securities firms, and “lack of manpower (and skills) in the units managing preparations” among regional banks.

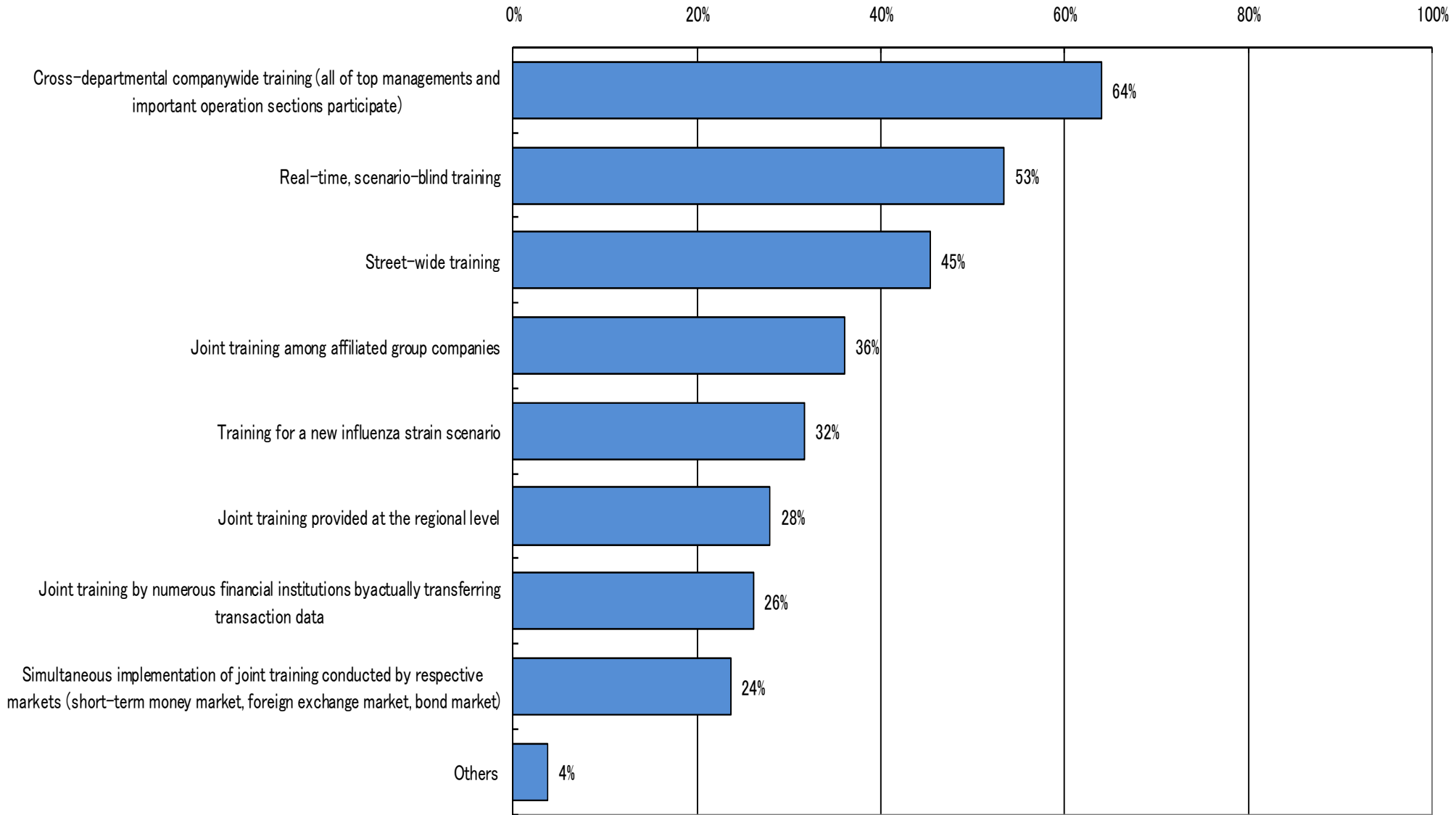


	Overall	Major banks	Regional banks	Japanese securities firms	Foreign banks and foreign securities firms	Others
Lack of manpower (and skills) in the units managing preparations	54%	30%	62%	60%	22%	61%
Difficulty of verifying effectiveness based on interdependency with business continuity plans of other companies or other sectors	50%	50%	46%	60%	57%	67%
Budgetary constraints	49%	80%	47%	60%	61%	28%
Lack of manpower (and skills) in the units in charge of the practical implementation of preparations	48%	20%	54%	60%	17%	61%
Difficulty of establishing disaster scenarios (practical disaster scenarios of public infrastructure and market, etc.)	35%	10%	39%	0%	30%	39%
Lack of knowhow on how to develop BCM	24%	0%	30%	20%	0%	28%
Lack of knowhow/expertise on new threats (new strains of influenza, etc.)	24%	0%	30%	0%	13%	22%
No particular bottlenecks	6%	0%	5%	0%	9%	11%

B. Training to be enhanced

【Q57】 Which of the following forms of training do you consider it desirable to conduct or enhance going forward? (multiple responses)

• The highest number of respondents selected “cross-departmental companywide training” followed by “real-time, scenario-blind training” and “street-wide training.”



(Reference)

【Central payment and settlement institutions, etc.】

- All four of the central payment and settlement institutions, etc. responded that a framework of BCM was “completed and regularly reviewed.” Also, all respondents have identified disaster scenarios, and assumed that disasters could occur on any of “weekdays during daytime (business hours)” “weekends/holidays,” “weekdays during nighttime (non-business hours)” and “weekdays during the early morning (pre-business hours).” All respondents have identified and regularly review critical operations, and have established recovery target times. As to the recovery target times for “critical operations” given the highest priority for restoration, most institutions responded “within four hours.” All respondents have identified “clerical processing flows” and “systems required” for each critical operation. All institutions have established off-site backup systems and most of them responded that “individual switchover is possible for certain systems.” With respect to training, all respondents regularly provide fund settlement training at least once a year. As for training provided over the past two years, all respondents indicated “backup center switchover training” for information technology units and most respondents provided “manual operations training” for operations units and “assembly and decision-making training on a companywide basis.”
- With regard to the effectiveness of business continuity, however, most institutions indicated that “some inadequacies remain.” Specifically, these respondents listed “securing business continuity staff” with some choosing “provision of backup office” and “installation of electric power generators.” With respect to business continuity staff, half of the respondents indicated that they had “estimated the number of critical operations staff (staff have not yet been assigned).” As for backup offices, some responded that they were “unable to accommodate all of the minimum number of staff required to perform critical operations.” Also, half of the respondents indicated “inadequate stockpiles of generator fuel and cooling water.”