

Recovery

Planning:

Getting ready for
the unexpected



pwc

May 2020

Background

Recovery Planning is aimed for Banks to better plan their responses in severe crisis and avoid having to rely on government bailouts. Bank Negara Malaysia (“BNM”) recently issued an Exposure Draft on Recovery Planning in January 2020 (ED) that provides the requirements

on Recovery Planning for all the licensed banks (“Banks”) in Malaysia. Based on this Exposure Draft, Banks would need to draw up a detailed recovery plan and submit the plan together with the required data to BNM within 12 months from issuance date of the final guideline.

What do Banks need to do?

The Banks need to integrated recovery planning into its existing risk management framework and not treat it as a compliance exercise.

This effort cannot be underestimated. We encourage Banks to start early and have a dedicated multi-disciplinary team to undertake this.

We recommend the following approaches to be taken by the Banks to develop their recovery plans:



Project initiation

- Creation of project team with dedicated resources and adequate participation from business units
- Meeting with respective departments to educate, agree timelines and set responsibilities.



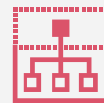
Assessment

- Assessment for the essential components of the recovery plan
- Identification of the necessary work and measures for closing the gaps and for preparing the recovery plan



Development

- Development of the recovery plan on the basis of the previous collected information
- Review of the recovery plan chapters by the respective involved departments



Implementation

- Establishment of governance structures for recovery situations
- Implementation of the defined recovery indicators and stress scenarios in the risk management system and regular reporting

What are the core elements of the recovery plan in the BNM ED?



Helping you get ready



Implementation support

Provide technical advice

We can provide you with advice on the detailed implementation requirements of the critical areas within your recovery plan. For example, conducting a strategic analysis assessment of the group or integration of recovery indicators into your current risk appetite.

Provide project management assistance

We can assist in setting up the project management office to coordinate execution of the required activities in developing your recovery plan. We can assist in tracking key project milestones and coordinate required activities.

Draft recovery plan

We will work with key stakeholders, obtain required information and assist in conceptualisation of your recovery plan. We will then assist in drafting and putting together the full submission required for the recovery plan.

Independent review & training

Independent review

We can conduct review of recovery plans which you have drafted and provide feedback over:

- (1) Methodology and processes in developing the plan
- (2) Data and information provided in the plan.

Quality review over internal programme

Where the independent review has been performed by your internal audit function, we can review the overall quality of the internal programme and provide recommendations for improvements, if any.

Training

Via workshops, we can share technical requirements of the required content in the recovery plan and detailed explanations over the template requirements.

We can help



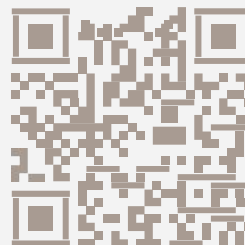
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