The Bihar State Co - operative Bank Ltd.

Head Office: Ashok Rajpath, Patna – 800 004, Bihar

Business Continuity Planning (BCP) Policy

1. BUSINESS CONTINUITY MANAGEMENT (BCM)

- The Bihar State Co-operative Bank (the Bank) in committed to safeguard the interests of its customers, employees and stakeholders in the event of a disaster or significant disruption that may affect its operations and premises.
- The Bank has developed a comprehensive Business Continuity Plan to facilitate the continuity of the critical business processes in the event of defined disaster scenarios.
- The Bank has adopted a three-pronged approach while developing the BCM as given below:
  - ✓ Group specific plans for continuity of business and operations.
  - ✓ Disaster recovery plans for recovery of information technology systems, data backup and networks.
  - ✓ Emergency response procedures addressing the risks of injuries to customers/ employees and damage to the Bank's assets.
- The plan is in line with guidelines issued by the Reserve Bank of India (RBI) in this regard and subject to regular review.
- Bank's BCP is developed to address significant disruptions and endeavor to resume business and operations to an acceptable level within a reasonable time in the event of disaster.

2. ROLES, RESPONSIBILITIES AND ORGANIZATIONAL STRUCTURE

- Bank Board has the ultimate responsibility and oversight over BCP activity of a bank.
- The Board would provide top management clear guidance and direction in relation to BCP.
- The Board fulfils its responsibilities by approving policy on BCP, prioritizing critical business functions, allocating sufficient resources, reviewing BCP test results and ensuring maintenance and periodic updation of BCP.
- The top management is responsible for executing such a BCP, if contingency arises. The top management would annually review the adequacy of the bank's business recovery, contingency plans and the test results and put up the same to the Board. The top management would also evaluate the adequacy of contingency planning and their periodic testing by service providers whenever critical operations are outsource.

3. BCP MANAGEMENT TEAM

- Business Continuing Planning (BCP) will comprise head of bank normally the Chairman, MD/CEO/E/c CEO, all DGMs, EDP Officers (IT) will be the designated members for execution of the Business Continuing Plan.
- Senior Management is responsible for overseeing the BCP process which includes:
  - ✓ Determining how the bank will manage and control identified data.
  - ✓ Allocating Knowledgeable personnel and sufficient financial resources to implement the BCP.
  - ✓ Prioritizing critical business functions.
  - ✓ Designating a BCP committee who will be responsible for the Business Continuity Management.

- ✓ The top management would annually review the adequacy of the bank's business recovery, contingency plans and the test results and put up the same to the Board.
- ✓ The top management would consider evaluating the adequacy of contingency planning and their periodic testing by service providers whenever critical operations are outsourced.
- ✓ Ensuring that the BCP is independently reviewed and approved at least annually.
- ✓ Ensuring employees are trained and aware of their in the implementation of the BCP.
- ✓ Ensuring the BCP is regularly tested on an enterprise-wide basis.
- ✓ Reviewing the BCP testing programmes and test results on a regular basis and
- ✓ Ensuring the BCP is continually updated to reflect the current operating environment.

4. KEY FACTORS

- ➢ Probability of unplanned events, including natural or man-made disasters, earthquakes, fire, hurricanes or bio-chemicals disaster.
- ➢ Security threats.
- ➢ Increasing infrastructure and application interdependencies.
- ➢ Regulatory and compliance requirements, which are growing increasingly comples.
- ➢ Failure of key third party arrangements.
- ➢ Some of the critical interruptions/impacts on the banking business include:
  - Impact on revenue
  - Loss of corporate image
  - Delays in responding to customer requests
  - Inability to process transactions in a timely manner
  - Inability to meet regulatory requirements
  - No availability of premises

5. BCP METHODOLOGY

- ➢ The bank will follow the "Plan –Do-Check-Act Principle"
  - ✓ Identification of critical businesses owned and shared resources with supporting functions to come with the Business Impact Analysis (BIA).
  - ✓ Formulating Recovery Time Objectives (RTO), bases on BIA. It may also be periodically fine-tuned by benchmarking against industry best practices.
  - ✓ Critical and tough assumptions in terms of disaster, so that the framework would be exhaustive enough to address most stressful situation.
  - ✓ Identification of the Recovery Point Objective (RPO), for data loss for each of the critical systems and systems and strategy to deal with such data loss.
  - ✓ Structured risk assessment based on comprehensive business impact analysis. This assessment considers all business processes and it not limited to the information processing facilities.
  - ✓ Risk management by implementing appropriate strategy/ architecture to attain the bank's agreed RTOs and RPOs.
  - ✓ Impact on restoring critical business functions, including customer-facing systems and payment and settlement systems such as cash disbursements, ATMs etc.
  - ✓ Dependency and risk involved in use of external resources and support.
  - ✓ BCP would evolve beyond the information technology realm and must also cover people, processes and infrastructure.

- ✓ The methodology should prove for the safety and well-being of people in the branch/outside location at the time of the disaster.
- ✓ Defined response actions based on identified classes of disaster.
- ✓ Action plans, i.e. defined response actions specific to the bank's processes, practical manuals (do and don'ts, specific paragraph's customized to individual business units) and testing procedures.
- ✓ Establishing management succession and emergency powers.
- ✓ Compatibility and co-ordination of contingency plans at both the bank and its service provider.
- ✓ Having specific contingency plans for each outsourcing arrangement based on the degree of materiality of the outsourced activity to the bank's business.
- ✓ Periodic updating to absorb changes in the bank or its service providers.
- ✓ Date Recovery Strategies-
  - Recovery Point Objective (RPO) – The acceptable latency of data that will be recovered. It must ensure that the Maximum Tolerable Data Loss for each activity is not exceeded.
  - Recovery Time Objective (RTO) – The acceptable amount of time to restore the function. It must ensure that the Maximum Tolerable Period of Disruption (MTPD), for each activity, is not exceeded.

6. STEPS TO IMPLEMENT BCP

- ➢ BCP is a 'process not a project':- BCP does not stop at insurance, or documentation of a plan on paper. Ongoing updation and pre-defined business continuity teams are some of the elements of a successful BCP.
- ➢ **Holistic approach:-** BCP evolves beyond the information technology realm and should cover people, process and infrastructure.
- ➢ **Focus:-** The plan should focus on critical business processes and their dependencies.
- ➢ **BCP Governance:** Commitment, control and guidance from management, clearly documented roles and responsibilities and formal governance process ensures that the BCP is updated regularly.
- ➢ **Resilience:** The recovery procedure should not compromise on the control environment at the recovery location.
- ➢ Involvement of business:- All critical business partners should be considered at the time of plan preparation including testing.
- ➢ **Media Management:-** It is important to maintain corporate image during a disaster. A media management strategy enables the organization respond to media coverage proactively/ systematically.

7. AUDIT

- ➢ Audit to be carried out by internal and external auditor as and when felt necessary.

8. COMPLIANCE

- ➢ The bank will follow all regulatory requirements that compliance RBI, Gujarat State Co-operative Societies Act, ICAI guidelines and any other acts concern to the bank.

9. REVIEW OF THE POLICY

- ➢ The policy will be reviewed as and when felt necessary by the Board.