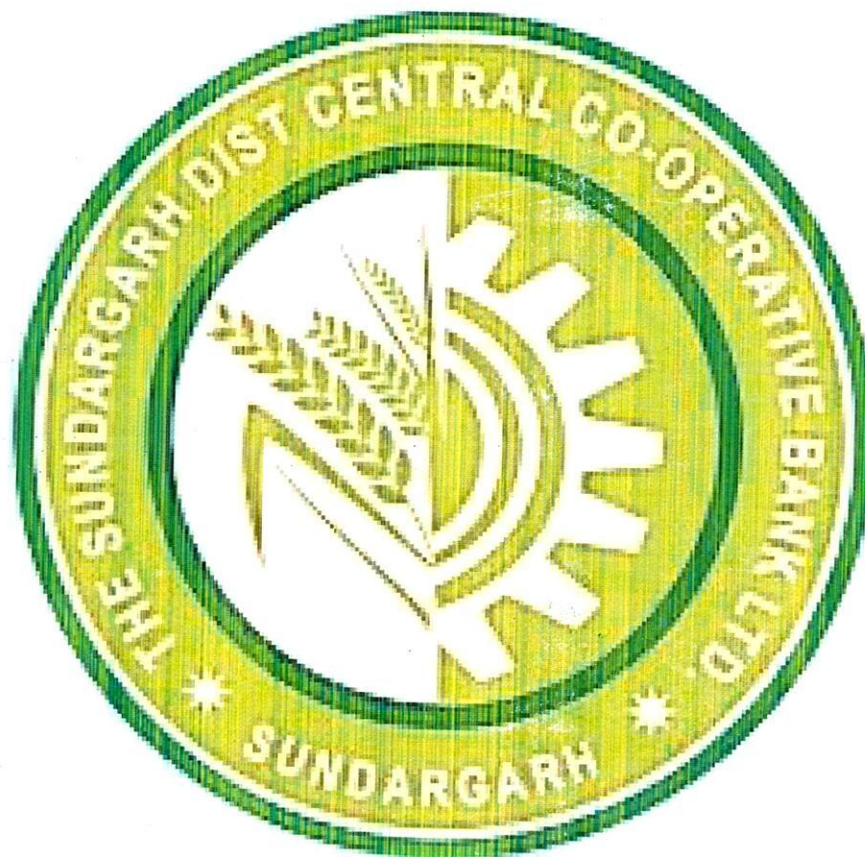


# **BUSINESS CONTINUITY POLICY (BCP)**

**Prepared on: 29<sup>th</sup> January, 2025**



**The Sundargarh District Central Co-operative Bank Ltd.,  
AT – REGENT MARKET, PO/DIST. – SUNDARGARH  
PIN – 770001, ODISHA**



### **Version Control**

Date	Version	Description of change		Owner	Approved by
29-Jan-2024	1.0	Initial Draft		SDCCB	Management Committee





## **1. Introduction:**

In the backdrop of growing complexity of financial products and the increased leveraging of technology and its heightened sophistication, operational risks have assumed critical importance in recent times. The treatment of operational risks as a distinct risk category along with credit and market risks in the Basel II framework is a manifestation of the vital role played by operational risks in impacting risk profile of a bank. Operational risks can also have a systemic connotation in the event of contagion through channels like the payment system and undermine public confidence in the banking system. In order to overcome situations where the interest of the bank and customer is at stake, a pre-emptive planning and preparations are necessary to identify the impact of potential losses arising from an emergency or a disaster.

Business Continuity planning is a key pre-requisite for minimizing the adverse effects of one of the important areas of operational risk – business disruption and system failures.

The policy is prepared based on Bank's Internal Controls and RBI Circulars.

## **2. Objectives of the Policy:**

The main objective of the Business continuity policy is to put in place an effective Business continuity plan mechanism that should be implemented in times of disasters that compromises the interest of the Bank as well as customer. It includes:

- a. Continuity in providing minimum financial services during and after disasters, thereby contributing to business.
- b. Developing processes and procedures for the recovery of critical business functions in order to fulfill business obligations.
- c. Defining the roles and responsibilities at each level in the organization in order to have a systematic procedure to respond to the crisis.
- d. Preventing possible defaults caused by disasters thereby preventing payment and settlement disorder.
- e. Preventing prolonged suspension of operations in a disaster situation, which affects customer service, profit opportunities thereby minimizing the risks associated with it and ultimately detrimental impact on management.
- f. Establishing an efficient control culture in the organization with adequate



awareness and mindset to respond to crisis.

g. Establish succession plan for the purpose of guaranteeing business continuity.

### **3. Organizational Structure:**

Business Continuity management process of the bank shall be driven by a strong organizational culture and sound operating procedures, involving cooperative values, attitudes, competencies, internal control culture, effective internal reporting and contingency planning.

Business continuity plan structure of the Bank shall be as under:

- a) Board of Directors and Top Management/Senior Management
- b) Risk Management Committee of the Board
- c) Business Continuity Planning Committee of the Bank
- d) Business Continuity Plan Coordinator (Bank)
- e) Business Continuity Committee - Head office
- f) Branch Business Continuity Committee

### **4. Roles and Responsibilities during a disruption:**

The roles and responsibilities of the various authorities are as discussed below:

#### **4.1 Board of Directors and Top Management/Senior Management:**

- a. Allocate knowledgeable personnel and sufficient financial resources to implement Business Continuity Plan.
- b. Prioritizing critical business functions.
- c. Designating a BCP committee who will be responsible for the Business Continuity Management.
- d. Reviewing BCP Test results and ensuring maintenance and periodic updation of BCP.
- e. Top Management is responsible for executing Business continuity plan, if contingency arises.
- f. Top management should annually review the adequacy of the Institution's business recovery, contingency plans, and the test results and put up the same to the Board. The Board shall review the same.
- g. The top management should evaluate the adequacy of contingency planning and their periodic testing by service providers wherever critical operations are outsourced.
- h. Review annually adequacy of the Bank's business recovery, contingency plans and the test results.
- i. Ensuring that employees are trained and well aware of their roles in





the implementation of Business continuity plan.

- j. Ensuring the BCP is regularly tested.
- k. Ensuring the BCP is continually updated to reflect the current operating environment. Ensure BCP is reviewed on annual basis.
- l. Review of proceedings of RIMCO.

#### **4.2 Risk Management Committee of the Board (RIMCO):**

- a. Recommend necessary changes to the Business Continuity Policy & Business Continuity Plan as per changing scenarios.
- b. Forecasting all possible risks that may arise and suggesting remedial action.
- c. Review of assets in risk perspective that have been involved in the Business continuity plan.
- d. Set and approve expressions of risk appetite, within overall parameters set by the Board.
- e. Re-enforce the culture and awareness of Business Continuity Plan throughout the organization.
- f. Ensure that the Senior Management establishes and maintains an adequate and effective system of Business Continuity.
- g. To act as a technical committee to the Board of Directors.
- h. Review of proceedings of Business Continuity Planning Committee of the Bank.
- i. The Proceedings of RIMCO shall be placed before Board of Management through Top management/Senior Management.

#### **4.3 Business Continuity Planning Committee of the Bank:**

Business Continuity Planning Committee shall consist of:

- 1. Chief Executive Officer - Chairperson
- 2. All Head of Departments (HO) - Members
- 3. CISO - Members
- 4. DIT- Convener

#### **Roles and Responsibilities of the Committee:**

- a. The committee is empowered to declare disaster considering the all possible circumstances.
- b. Identification of the cause for the crisis.
- c. To exercise, maintain and to invoke business continuity plan for the Bank, as needed.



- d. Ensure that the Business Continuity Plan (BCP) fits with other plans and requirement of concerned authorities.
- e. Allocate sufficient resources for Business Continuity Plan.
- f. Ensure training and awareness on BCP to concerned teams and employees.
- g. Co-ordinate activities of recovery, continuity, response teams and handling key decision making.
- h. Determine the activation of the Business Continuity Plan.
- i. Other functions entail handling legal matters evolving from the disaster and handling public relations and media inquiries.
- j. Review of recommendations made by Business continuity Coordinator of the Bank.
- k. The proceedings of the committee meeting shall be placed before RIMCO.

The quorum of the Business Continuity Committee shall be 7 members i.e., Chief Executive Officer, All Head of Departments (HO), DIT being the convener and the periodicity of the meeting may be once in a quarter or in case of any emergencies.

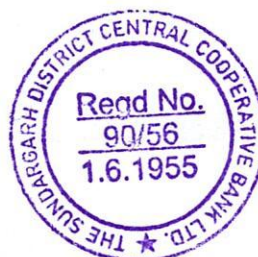
In case Head of Department of any member Department are on leave of absence, concerned department 2<sup>nd</sup> line officer shall represent the Department in the BCP Committee meeting.

#### **4.4 Business Continuity Coordinator of Bank:**

The origin of Business disruptions may not be exclusive and one source may have impact on other Business / Functional areas. DIT shall act as Business Continuity Coordinator of the Bank.

Business Continuity Coordinator of the Bank shall coordinate with Managers as mentioned below in order to oversee Business Continuity/ Recovery process for alternative arrangements at the disaster site:

1. Manager – GAD
2. Manager - FAD
3. Manager – LOAN
4. Manager –Legal
5. Manager – Development
6. System Manager - DIT



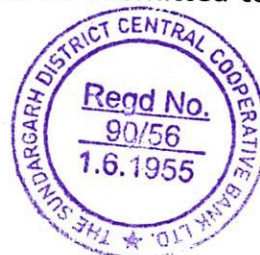


The above members shall assist the Business Continuity Coordinator in:

- a. Preparation and maintenance Business Continuity Plan within their functional area and as decided by the BCP Committee.
- b. Disaster Recovery drills/testing.
- c. Preparation and maintenance of Risk Assessment Plan.
- d. Business Impact Analysis.
- e. Preparation and maintenance of DR (Disaster Recovery) documents.

In addition to above, Roles and responsibilities of Business Continuity Coordinator of the Bank are as under:

- a. In case of absence of the Business Continuity Planning Committee of the Bank, the Business continuity coordinator of the Bank in consultation with all other Managers, declare disaster as a whole or for regions/ branches/ Head office, as the case may be. A detailed note shall be prepared and the same shall be placed before Business continuity planning committee of the Bank and Board of Management.
- b. Business Continuity Coordinator shall be empowered up to the powers delegated by the board for incurring revenue/capital expenditure in case of emergency or shall take up with the higher authority for expenditure beyond the delegated powers.
- c. In absence of BCP coordinator, DIT will assume the responsibility of BCP coordinator (Bank).
- d. Prioritize business objectives and critical operations that are essential for recovery.
- e. Regularly updating Business Continuity Plans based on changes in business processes, audit recommendations, and lessons learned from testing.
- f. Follow a cyclical, process-oriented approach that includes a business impact analysis (BIA), a risk assessment, management and monitoring and testing.
- g. Consider all factors and deciding upon declaring a "Disaster".
- h. Report to regulator on the status of "Disaster".
- i. Assist Business Continuity Committee.
- j. Submission of reports on Business Disruption/BCP to RBI and other such reports which shall be required to be submitted to NABARD.



Review of recommendations received from all the officers from whom the Business continuity coordinator is taking assistance. All the views shall be placed before the Business continuity planning Committee of the Bank.

**4.5 Business Continuity Planning Committee at Head Office & Branches:**

At Head Office i.e., In case of emergency at departments of Head Office, to ensure Business Continuity in the eventuality of any operational disruptions, Manager(s) of the concerned department(s) shall act as Business continuity coordinator for the respective department. Concerned department Managers and Assistant Managers shall assist the respective Manager during the crisis.

The Committee shall comprise of:

1. CEO -Chairperson
2. Manager(GAD) - Member
3. Manager(FAD)-Member
4. Manager (Loan) -Member

At branches, Branch Manager in coordination with the Assistant Manager & other staff shall act upon the crisis as necessary.

**Roles and Responsibilities:**

- a. Identification of cause for crisis and act accordingly.
- b. The proceedings shall be placed before Business Continuity Planning Committee of the Bank.
- c. In cases of branches, the proceedings or minutes shall be communicated to BRCC (HO). Later, BRCC shall place the same before Business Continuity Planning Committee of the Bank with a detailed note after reviewing and analyzing.

**4.6 Succession Planning:**

It is required that a proper succession planning with specific reference to BCP should be in place, to manage the following situations:

In case of absence of first in command/in-charge-

- a. Procedure of second line official/concurrent charge acting as in-charge shall be in place for H.O.
- b. In case of branches and other specialized activities like Treasury/IT etc., concept of second line/overseeing/acting in-charge to handle the activities.





In case of strikes/agitations, to ensure the business continuity, necessary guidelines for branches/offices shall be in place.

**5. Business Function - Assessment and Criticality:**

Business functions are to be arranged in a descending order based on Criticality analysis from the perception of Customers, Branch, etc. as detailed in the BCP framework.

An inventory exercise is to be conducted for various branches and administrative offices (i.e., Priority for resumption, in event of any disaster/disruption). The criticality listing is to be reviewed periodically. The criticality issues/critical documents are to be reviewed as above i.e., at Branch level/ HO departments level/ whole as a Bank committee by testing vis-à-vis different threat scenarios as per Business Impact Analysis.

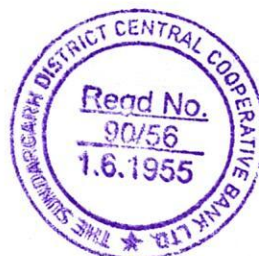
**6. Organizational Environment:**

Proper Organizational environment needs to be created for management and Operation of Critical Business and Functional effectively.

The Bank shall have Business Continuity Plan. The plan should be prepared and updated by involving concerned department heads considering all possible risks that may come, marking conditions, detailed analysis on each and every aspect that is being considered, forecasting all possible events that may arise etc.,

The plan shall be revisited and updated from time to time covering detailed guidelines and action programmes in the event of any disaster (e.g., fire or any other mishap). The existing manuals and testing procedures can effectively take care of events/occurrences e.g.: Fire, Power Outage, Natural calamities, causality evacuation etc. Functional Wings shall review/revisit Business Continuity Plan pertaining to their area of operation for checking/ testing/ drills/ updation.

The Plan should also include nomination of suitable individuals at branch level/ Head office level to organize rescue and relief, asset protection, first aid, interaction with the State Disaster Response mechanism etc. Executives at every level must acquaint themselves with such mechanisms. Ideal Recovery time for incidents based on the nature of incident is to be determined and every effort should be put forth to restore normalcy.



**7. Risk Measurement/Business Impact Analysis:**

Business Impact Analysis (BIA) identifies important business functions and evaluates losses and impacts, in case of disruption. The impact of any disaster/disruption in Critical information shall be covered in Business Impact Analysis (BIA). Business Impact Analysis (BIA) facilitates data flow which serves as foundation for Business Continuity Plan. Identification, Assessment and apprising of BIA output are as defined in BCP framework.

**8. Risk Assessment:**

Risk Assessment shall cover important risk areas within the Bank's Operating environment such as Server, Networks, DNS, e-mail etc. This process shall cover all business/ operating units of the organization. The Bank's operational environment shall broadly consider aspects such as confidentiality, integrity, availability, accountability and customer service at the time of Risk assessment. Risk assessment process shall be conducted across branches/ operating units, technology/ telecom systems and internal controls by functional department. The objective of Risk assessment is to identify individual points of failure. The scope and plan of risk assessment are as per BCP Framework.

**9. Monitoring of Risks:**

Monitoring of Risks and risk assessments are essential part of Business Continuity Planning. All functional Departments/Administrative Offices/Branches in the Bank shall ensure that the bank's BCP remains viable through:

- a. Annual Testing of BCP (through checks/testing/DR drills/Drills).
- b. The Business Continuity Plan is subjected to independent audit and review.
- c. Updation of Business Continuity Plan shall be based on changes in personnel and the internal/external environments (including technological advancements and based on periodic feedback).
- d. The BCP Committee at Head Office shall be responsible for ensuring ongoing monitoring at Branches Level.

**10. Risk Mitigation:**

Bank shall provide adequate human resources and infrastructure for carrying out risk mitigation activities. The details of the same are covered under BCP Framework.

**11. Disaster Recovery Site:**

Bank has a Disaster Recovery site for IT environment located at Bangalore





for CBS systems & at Mangalagiri for non-CBS systems to fulfill the requirements of Business continuity/ Disaster Recovery in case of disaster/ disruption. The Bank shall conduct periodical testing/ Disaster Recovery drills which is a vital part of Business Continuity Plan. The preparedness of the Disaster Recovery Site is to be ensured for effective mitigation of Business disruption. The scope of the coverage in technology area of the bank is covered in the BCP Framework.

**12. Recovery Time Objectives (RTO)/ Recovery Point Objective (RPO):**

RTO and RPO constitute factors which are critical to Business Continuity Plan. RTOs/RPOs in respect of various functions are spelt out in BCP framework.

**13. Documentation:**

Detailed documentation shall be done and made accessible to the staff at the Disaster Recovery Site, both in soft and hard copies. Disaster Recovery Drills shall be undertaken periodically to maintain a state of readiness and the findings of DR Drills are documented as detailed in BCP Framework.

**14. Declaring Disaster & Initialization of BCP/Trigger Mechanism:**

Bank shall define procedure to declare disaster & along with the authority who is vested with power to declare disaster depending on the magnitude & spread of the affected branches. Bank to specify the authority for initiation of Business Continuity Planning with Communication Strategies for BCP as detailed in the BCP Framework.

**15. Recovery/ Resilience:**

The Business Continuity Planning Committee shall monitor and supervise the recovery process of critical business functions caused by equipment breakdown. The Individual Business units (i.e., Branches/Head office and for Integrated Treasury of its IT department) are to assess disaster and activate Recovery procedures in existence. Branches/Offices shall be provided with Disaster Recovery Plan wherein administrative set up is detailed as to who shall assess the emergency, activate and co-ordinate Disaster Recovery Plan (DRP).

The BCP issues relating to technology results in hamper of Disaster Recovery Plan, the issues shall be referred to the Manager (GAD)/Manager (FAD)/DIT by BCP Coordinator. According to the situation, the officials deputed in IT



department shall inspect the disaster area for on-the-spot assessment/supervision and ensure that important Business functions are restored within fixed Recovery Time Objectives.

**Back up /Storage of vital records:**

Resilience and backup services shall be reviewed at regular intervals to ensure Business continuity to meet criteria set for the Disaster Recovery plan. Network resiliency is the ability to recover from any network failure irrespective of whether the same is related to a disaster pertaining to hardware and design or network services. A high-availability network design may be sufficient to handle some minor or local disaster.

In order to maintain back up of vital records, Bank must make an inventory of its Critical records. The critical records should also include application programmes that access them. IT department shall ensure all system-based backup and storage are carried out.

General Administration Department (GAD) shall coordinate with branches/ departments in respect of all non-IT related storage requirements.

The following aspects are to be taken to account at the time of considering back up storage facilities:

- a. Physical security and adequate access controls.
- b. Ensure sufficient protection against probable disasters (for example: fire, flood etc.)
- c. Proper assignment of accountability and documentation of back-up process.

**16. Technology Related Business Disruptions:**

The Bank shall have "DR Solution Architecture Document" which should be a part of Business Continuity Plan. The basic scenarios which shall be considered for technology & non-technology related business disruptions have been listed in BCP Framework.

**17. Drills-Testing and Feedback:**

Business Continuity Plan drills shall be tested periodically, as per calendar provided in BCP Framework– Domestic, through mock exercise/tests, whereby the strategies, tasks and disaster response mechanisms will be refined and restructured, if needed, according to changing circumstances and requirements.

For IT related assets, Bank shall formulate an annual BCP Drill plan which





shall be a part of Business Continuity Plan.

For non-IT assets, BCP Drills/test plans shall be conducted as per the Business Continuity Plan in which fire drill is mandatory. The drill plan shall cover the inspection of various links in the BCP as well as the verification of the effectiveness of BCP the completeness of emergency resources and the adaptability of emergency personnel and to test the resilience of specific activity of the Bank.

The authority for planning / ordering / implementing, types of such drills are as specified in the BCP Framework. A detailed method to analyze the results of the test shall be covered in Business Continuity Plan.

Exception/Ratification:

Inability to comply with Bank business continuity policies will happen from time to time and can occur for a variety of reasons beyond the control of the people involved. As a result, there may need to be an exception of a policy/procedure.

#### **17.1 Handling Exception:**

During the course of conducting business, if there is a need for an exception to any Business Continuity policy and/or procedures, the request shall be made by the related staff or BCP Co-Ordinator. To maintain centralized control of exceptions, exceptions shall be only granted through the BCP coordinator. Other managers shall not be allowed to grant exceptions at their own discretion.

#### **17.2 Exception Process:**

An exception to a business continuity policy/procedure will be submitted to the BCP coordinator for processing. If the exception conditions change, the requestor will notify the BCP coordinator and a decision will be made to determine if another risk analysis is needed.

#### **18. Other Areas:**

Bank shall ensure that the vendors entering into AMC - Annual Maintenance Contracts with the bank must have adequate wherewithal for continuing the activity in case of any emergency. The performances of the vendors should be monitored periodically and the same has to be escalated to the Business Continuity Planning Committee in case of any deficiencies/ issues observed in Business Continuity Plan associated with the vendor.



**18.1 Vendor Call Register & Record of Phone Numbers for use in Emergency:** Records and documents supporting vendor's visit and nature of work undertaken shall be maintained for future guidance.

All key service providers/ vendors may be insisted to have their BCP in place. The record of phone numbers for use in case of emergency is to be mentioned for reference.

Maintenance of a record containing phone numbers of Software/Hardware Vendors, Outsourcing Agencies, members of BCP, BCP committee at Head Office and personal phone numbers of persons who will be of assistance in case of disruption of services, to be kept with the Branch Manager/person in charge. Other than the above, telephone numbers of the nearest Police Station, Fire Station, nearest Branch, Landlord, personal phone numbers, if any, of Branch Manager, System Administrator and Staff have also to be noted in the Telephone Diary and kept in the Branch/Office as a preventive measure.

**18.2 Insurance:**

Disruptions in Business can result in loss either direct or consequential. Insurance mitigates such losses. Past experience and vulnerability to certain risks are vital factors to determine appropriate insurance cover. Manager (GAD) & DIT at Head Office shall evaluate risks inherent to the assets managed/dealt with and assess insurance requirements, after taking into consideration cost-benefit aspects as well. The Insurance cover shall also be taken into consideration as mentioned in Risk Management Policy of the Bank.

**18.3 Disaster Declaration:**

When the disaster strikes, the Business Continuity Planning committee of the Bank shall declare disaster and the same shall be communicate to the customers by the Business continuity Co-Ordinator that till the operations can be resumed at the existing site, minimum service level will be available at the alternate site within predetermined Recovery Time Objectives.

Branch/Head Office should be ready with all the resources needed in the face of serious disruption. In order to cope with such eventuality, the BCP Committee at Head Office/Branch shall take up a parallel operation at the pre-decided alternate site. This "Disaster Recovery Site" is a prepared site, treated with environmental protection (UPS systems, air-conditioning, etc.), stand-by file server, adequate number of computer terminals and printers necessary to move in and get things running quickly.





#### **18.4 Public Disclosure:**

The Information shall be disseminated to the public/ RBI/ Govt./ Local officers, wherever necessary. The Officials shall interact with Public as per the Publicity Policy of the Bank.

#### **18.5 Training and Awareness:**

The Business Continuity Plan shall be laid out in a structured manner by the designated officials in response to disruptions, if any, in critical business functions, which are essential for business continuity. In order to implement this plan successfully, staff members at all levels will be acquainted with the laid-down systems and procedures. Proper training programmes and awareness drills are to be designed and trainings shall be conducted at the Bank's training centers and other forums to maximum number of staff members periodically. Such a process has to be initiated and internalized in the Human Resource and Management Department of the Bank. In contrast to other Training Programmes, the BCP Training programme shall contain Crisis-specific simulation Drills through assignment of role - plays for all participants. External Trainers as may be warranted shall be indented for these programmes. The trainings should be such that creating awareness about the adopted Business Continuity Plan and periodic updates on the same to disseminate information on the roles and responsibilities expected from field functionaries. Each and every person involved in the Business Continuity Plan should adhere to the laid down systems and procedure. Manager (GAD) may advise the Business Continuity Planning Committee in this regard. Members of Business Continuity Planning committee of the Bank shall be provided with periodical training programmes and awareness drills to have knowledge on business continuity plan.

#### **18.6 Audit and Independent Review:**

Internal/external/IS auditors shall review adequacy of the business continuity process. This review should include assessment of business process identification adequacy, threat scenarios, business impact analysis and risk assessments, documentation, testing scenarios, schedules and communication of test results and recommendations to the BCP Committee. In order to discharge these responsibilities, IAD should directly observe tests of the BCP.

IS Audit shall be conducted annually or at a lesser frequency as may be required by the IAD to assess the effectiveness of BCP and its periodic testing





and to determine whether the plan was adhering to the policies and standards. Findings in this regard shall be informed to the Board.

At regular intervals there shall be self-assessment of the subject policy and the same shall be modified in the light of the guidance from the local regulator from time to time, our own requirements and market changes. The service level agreements entered with vendors, level of control and mitigation exercised, DR drills etc. shall be a part of the self-assessment practice and the same shall be reported to the Business Continuity Planning Committee periodically.

#### **18.7 Outsourcing:**

All Outsourcing Agreements should have a clause specifying that the Outsourcing service providers shall have a Business Continuity Plan in place. The User department shall ensure that the clause of business continuity in the outsourcing agreements are entered under precise contracts and service agreements and express provisions on the rights and obligations of all parties. Bank shall explore possibilities of conducting

joint testing/BCP drill with the Outsourcing Service provider. The contract with the service provider shall clearly specify the requirements for ensuring the continuity of the outsourced business function in the event of a major disruption affecting the outsourcing vendor's services. Recovery time objectives (RTO) should be built into the outsourcing contract with provisions for legal liability, in case RTO is not achieved.

The reports/findings of joint testing/BCP drills shall be placed before the Business Continuity Planning Committee of the Bank for review/directions. The functional departments entering into the agreement shall ensure oversight of BCP of service provider.

Business Continuity for Outsourcing activities shall be guided as per the Outsourcing Risk Management Policy of the Bank.

#### **18.8 Reporting to Board & Risk Management Committee of the Board:**

The Minutes of the Business Continuity Planning Committee shall be placed before the Risk Management Committee of the Board for information and directions as may be warranted.

An annual note of various disasters reported during the year shall be placed before Risk Management Committee of the Board and Board of Directors by BCP Coordinator of the Bank, duly consolidating data from all Departments.





**18.9 Updation of Business Continuity Plan:**

A BCP is evolutionary in nature and requires to be updated with change in the supporting business activities and shall be reviewed annually. The policy shall be placed for review to RMC of Board and for adoption on an annual basis.

BCP Framework is the operational guidelines and any modifications/revisions in the framework and inclusion of BCP for any new branches opened during the year, shall be placed before ORMC for approval and adoption.

**19. Review and Modifications:**

Chief Executive Officer is empowered to make suitable changes to the policy subject to guidelines issued by RBI/NABARD/UIDAI/NPCI, Bank's internal conditions from time to time. Policy will be reviewed annually.

  
**Chief Executive Officer**



