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THE PRATAP COOP BANK LTD

I T POLICY

Version 4.0

APRIL 2022

The Pratap Cooperative Bank Ltd

Review Information Technology Policy 2021-22

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Revisions, if any, to this plan will be sent to each person holding a copy . Comments , suggestions or queries will be addressed to the document owner

Version Control

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1. Bank Profile:

The bank named after Shri Maharana Pratapji has strong roots deeply formed in the cooperative sector. Inspiration behind this cooperative movement was Ex President Mrs. Pratibha Patil. This bank was inaugurated by then Maharashtra Chief Minister Late Mr. Vasant Dada Patil on 9th April 1983. . Its first Founder Chairman was the late Mr. Ayodhya Singh Chauhan. Its origin can be traced way back in 1983 when it was established by the founder member Shri. Vasant Dada Patil. The journey of the bank commenced with a solo branch at Nagdevi Street on 9th April 1983. In the initial stages the Bank could overcome all the teething problems and hurdles with the cooperation of our well wishers, staff and the Board of Directors. The bank did start to make profits from the very first year itself and has been consistently making profits except in 1994 and has been paying decent dividends to its members. The annual profits announced by the Bank is comparable and even better than its peers. After the successful start, the Bank embarked upon its expansion program by opening new branches and today we have 8 branches. The main objective of our Bank is to help and assist the poor strata of the society by giving loans on surety basis, housing loans on surety basis, housing loans for purchase / construction of the house

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etc. Hence our Bank's priority sector portfolio constitutes 83% of the advance portfolio.

2. IT Organisation Chart

The Pratap Cooperative Bank Ltd

IT Organisation Structure

Executive Management ⇨	Board of Directors
Information Technology Governance ⇨	Senior Vice President
Implementers ⇨	Chief Executive Officer IT Administrators

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3. Purpose

After the implementation of the core banking solution as approved by the Board of Directors in the meeting held on 21/02/2015, the banking business processes of Pratap Bank shifted from a manually operated system to a fully computerised core banking environment. Hence the need for a policy framework was required to be put in place for providing guidance and direction to all the stakeholders to align and optimise the information technology for achieving the Bank's objective and goal. Accordingly the IT policy (version 1.0 of the Bank was placed before the members of the Board in the meeting held on 25/03/2015. The same was accepted and adopted in the said meeting. Presently, the policy has been revised and updated to take into account the extant guidelines from RBI and other compliance requirements. The revised I T Policy (Version 4.0) was placed before the Board on 18.06.2022 and was adopted in the meeting .

As the information technology is constantly evolving and due to the competition among banks, the ever rising consumers' expectation from banks towards leveraging the technology has become a matter of importance for all the banks. Hence IT governance has become important to not only achieve adoption of information technology aligning with banking processes but also to manage and maintain them in order to achieve the bank's business objectives.

4. Scope

The scope of the Bank's IT Policy covers all business processes and applications being run in the bank under Core Banking Solution. The policy is applicable to (a) all departments and all branches of the bank (b) all information technology systems used and © all third party vendors / service providers or any one with whom the Bank is having any contractual relationship.

The policy is framed with the key objective of providing guidelines to (a) align

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information technology with Bank's business strategy (b) monitor and improve quality of IT services © Comply with regulatory guidelines (d) implement IT Governance.

All the employees and other third party stakeholders using the Bank's IT infrastructure shall comply with the IT Policy. The compliance level of the Policy will form part of the scope of audit, when auditing is conducted in the bank.

5. Related Policies

(a) Information System Policy for 2021-22

(b) Cyber Security Policy for 2021-22

6. Stakeholder Departments

As CBS has been implemented 100% in the bank and every staff member works in a computer environment, this Policy is applicable to all the departments and all the staff working in them.

7. Management of IT infrastructure of the Bank

a. A robust, reliable and secured network is the basic and most important need for implementing the IT Plan of the Bank. As the network is maintained by Net Tech Services P Ltd under ASP Model, the Bank will have a close and constant coordination with the company for getting faultless network connectivity within Bank's Wide Area Network

b. The Bank will periodically review the performance of Bank's network and computing infrastructure implementation and factors like obsolescence of hardware.

c. The Bank will standardise computing infrastructure including system software like operating system, networking without impacting competition, performance and cost.

d. Direct connectivity of external networks including internet on Banking systems bypassing security control will not be permitted.

e. Connectivity for accessing Bank's resources from the internet and external network

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shall have security control like Firewalls, VPNs etc.

f. Data centre is established under the ASP Model. Presently the Bank is availing the ASP services from Net Tech Services P Ltd.

8. IT Strategy and Governance

a. IT governance involves addressing the entire IT implementation life cycle starting from the setting of business objectives and then to decision making, execution and compliance, and evaluation of performance against objectives.

b. The Bank will have an administrative framework within the organisation comprising members from Board level and senior management to provide strategic decisions to the Bank on induction of new Information Technology initiatives in the Bank.

c. The IT Governance and Corporate Governance shall both be aligned to achieve the corporate goal.

d. The Bank will monitor and align IT services as per the business requirement of the customers.

e. The Bank will follow the guidelines for outsourcing as per the strategy formulated by the Board.

f. The Bank will adopt Business Continuity Plan in line with the best practices of the industry and as strategised in the Board.

g. The Bank will prepare a road map for technology implementation in the Bank and provider budget allocation.

h. The Bank will implement IT Security in line with the Bank's information Security Policy.

i. The Board will review from time to time on the new technology initiatives of the Bank on the level of implementation and give appropriate directions.

9. Data Storage at ASP

a. The Bank had entered into SLA (Service Level Agreement with Net Tech Services Pvt. Ltd. for providing data centre service under ASP (Application Service Provider)

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model. Accordingly web server, application server, database server and domain servers are housed at Jogeshwari where the ASP's office is situated. (The hardware and applications are owned by service providers and ownership of data rests with the Bank). The ASP has to take due care for the safety of data and backup of the data is to be carried out as per the guidelines provided in IS Policy. The purging of data shall be done as per the policy in a secure manner. Due care shall be taken by ASPfor maintaining the state of preparedness of DR site. DR drills are to be conducted at regular intervals as IS Policy and any divergence found , shall be identified immediately.

b. Bank shall preserve data stored with ASP (presently Net Tech Services Pvt.Ltd) as per business requirement and comply with regular guidelines.

c. Regulatory and legal requirements shall be followed for ensuring archival time period and duration of storage of data.

10. Monitoring of the IT operations in the Bank

a. Bank shall ensure a service environment that is free of unplanned disruptions and respond quickly to unforeseeable incidents that may affect the operational integrity of service platform.

b. IT infrastructure will be maintained and managed as per the IS policy.

11. I T System User Training

a. Training to the staff shall be need based and it shall be provided when new application softwares are introduced.

12. Application management, change management and configuration management

a.As the application is outsourced the management of the application is rested with

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the service provider.

b. Configuration of various I T assets shall be suitably backed up before and after any change management activity.

c. Backup copy of the active configuration shall be safely kept and recorded in a log register.

d. Access to the configuration backup is to be restricted with only authorised persons granted access.

e. Change management process will be initiated in case any modification is required in the application to suit the business needs. In such cases, the entire process will be documented. The changes shall be carefully tested in a test environment before porting them to the production environment.

f. The changes can be rolled back by running a back-out plan if the system functions incorrectly after implementation.

g. System and application software shall be tested before installation in a production environment.

h. Only those requests that are confirmed by the Managing Director and approved by the Board of Directors.

i. All changes /requests from user departments shall be categorised under two heads- those that can be implemented by changing system parameters, and those that need application software changes.

j. All changes in the existing system will be made with the prior approval of the Chairman / Managing Director.

i. The first category shall be handled by the Data Centre Staff. There shall be sufficient notice given to them for this change. This change shall be effected in the test setup first, and on successful test implementation, it shall be ported to the production setup. A log book shall be maintained for all such changes, mentioning the date of the request, source of the request, request description, changes made, person who made the changes, person who tested the changes and date of implementation.

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j. The second category shall be handled by the Data Centre Staff and relevant application / network / hardware /etc. Vendors. The necessary correspondence with the vendors in this regard shall be done by the Data Centre Staff. These changes shall also be routed through the test setup as mentioned in the first category above. Details of such requests shall be maintained in a logbook as mentioned above. Any change in the existing system shall be carried out after getting the Approval from the Managing Director or Chairman.

k. System and application software shall be protected from unauthorised changes.

l. The staff personnel in the Data Centre shall ensure that changes do not introduce any new vulnerability to systems or processes and that changes do not remove important existing features.

m. Work that has a business need has to happen in a rapid fashion either to alleviate a problem with an existing process or system, or a change in configuration. In such events, Data Centre Staff shall inform all users (branches and head office departments). Data Centre Staff shall ensure that such downtimes, as well as their durations, are kept to the minimum. The reason for the downtime and the remedy adopted, shall be sent to the Managing Director by the System Administrator.

n. Proactive work: Proactive work is all work that can be scheduled for some future time. Work that needs to be done to maintain processes and systems in good functional and secure condition can always be scheduled in the upcoming system maintenance schedule due to system down requirements. Proactive work will be scheduled and will be of lower priority than reactive work.

o. Changes done in the parameters of the system, creation or modifications in the products, changes t the Charges parameters, Creation and modifications of the lookups and other important parameters of the system shall be done by the senior officer from the EDP/IT department and shall be authorised by the System Administrator (Head of the Data Centre). In the absence of either one of them, the Junior Officer will do the changes and the other Senior Officer will do the authorisation.

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In such cases, if the change request is a proactive one, this can be accommodated later when both the seniors are present. The changes done shall be communicated to the Chairman/ Managing Director.

13. Technology and Project Implementation Management

a.While inducting new systems, the Bankwill ensure interoperability with the existing systems.

b.The Bank's CBS application is implemented in 3 tier architecture (application, database and web) in line with the guidelines of RBI and /or other regulatory authority.

c.As the Bank has outsourced backend activity to ASP, the implementation of technology initiatives at backend is not directly handled by the Bank.

d. In case of any hardware or software reaching the stage of obsolescence, they need to be replaced , eg., in case the hardware is declared end of support or end of life by the OEM.

Another major indicator of obsolescence would be non-availability of support required to keep the system operational. Deterioration of the level of efficiency delivered by the application shall be the key indicator of obsolescence.

e. Any new project initiatives at the implementation stage will be handled by the Bank's HO IT Department. The department will coordinate with the implementation team of the outsourced vendor after they customise the product for the Bank for a smooth implementation.

14. IT service Providers / Suppliers Management

a.The Bank shall maintain a database for suppliers and their contact details so that they can be reached out, in case of need. The database shall also contain supplier categorisation and risk assessment.

b.After the negotiation and at the time of entering into agreement of contract with the vendor, the Bank shall make use of a set of standard contract terms and conditions

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with clauses that are necessary for protecting the interest of the Bank. The agreement also shall contain a clause for managing contractual dispute resolution.

15. Financial Management and Risk Management

a.The Board shall provide oversight of all planned and unplanned IT expenditure and give approval based on the priority decided by it.

b.Bank shall analyse the IT operation environment and implement processes to identify threats and vulnerability. The observations of IS auditor/ internal / Statutory auditor in their reports will be discussed and suitable remedial measures will be taken promptly by the Bank.

16. Email Usage:

a.The Bank shall provide email facility to all branches for communication in the name of branches of the bank.

b.The bank will employ an email filter (Hardware, Software or third party provided) that works to restrict and eliminate viruses, spyware and other malware.

c.Email IDs shall be created based on the naming standards.

d.The branches owning the email account shall be responsible for the content of email, replied or forwarded from their account to other users inside or outside of the Bank.

e.All users shall ensure that email communications are archived on their PCs once in a month. Users will be solely responsible for the loss document / information / record lying in their mail inbox.

f.Use any email system other than the Bank email system to conduct Bank business is not permitted.

h.Sending nuisance email or other online message such as spam, chain letter / emails is not permitted.

i.Sending offensive or other unwelcome messages is not permitted.

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j.Opening of mail from any unrecognised sender as an attachment or linked website might be having malware which compromises confidentiality or integrity of the Bank's data.

Anti virus software should be installed to scan any attachment before opening it. Users should not open email attachments unless they are sure about its contents and they know the senders well.

Phishing Attacks:

Phishing is a form of cyber attack in which scammers / attackers make internet users divulge sensitive information about their bank accounts and personal details.

The attackers are able to target internet users due to some internet weakness in web browsers and other technical aspects of the internet.

The tactic of using email to solicit sensitive information from users is called phishing. E-mail can be used to obtain sensitive information from unsuspecting users. The information may be passwords for websites, credit card information and online financial information such as bank account numbers.

Incidences of Phishing:

In a typical attack, a user receives an email message from the attacker with the address and logo or image of a bank or financial institution making one to believe that the message has come from that Bank / Financial Institution which tries to convince the user to part with personal information and use them for wrongful purposes.

17. Service Level Management

a.Service level agreement shall be established for services outsourced to vendors,

b.Services shall be monitored as per the terms defined in SLA.

c.In case of deficiency, the vendors have to be approached for correction. d.

Service improvement procedure shall be invoked when appropriate.

e.Incidents shall be investigated in order to find resolution and work around.

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18. Incident Management

a.All incidents and problems shall be recorded and logged. Incidents shall be classified and categorised as per the priority.

b.The priority of the incident shall be determined by accessing its urgency and impact.

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