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The Chairman
All Regional Rural Banks

The Managing Director / Chief Executive Officer
All State Cooperative Banks / District Central Cooperative Banks

Madam/Dear Sir

COVID-19- Operational and Business Continuity Measures

As you are aware, the World Health Organization (WHO) has declared the recent outbreak of the novel coronavirus disease (COVID-19) a pandemic indicating significant and ongoing person-to-person spread in multiple countries, with the uncertainty about the extent of spread and the likely impact on the global economy. Several confirmed cases have also been detected in India, which highlight the need of a co-ordinated strategy for handling the emerging situations for protecting the resilience of the Indian financial system.

2. The Government of India, in co-ordination with the state machineries is already taking steps for preventing and controlling the local transmission of disease. Further steps, including the indicative list presented below, are required to be taken by the respective banks/financial institutions as a part of their existing operational and business continuity plans:

- i. Devising strategy and monitoring mechanism concerning the spread of the disease within the organisation, making timely interventions for preventing further spread in case of detection of infected employees including travel plans and quarantine requirements as well as avoiding spread of panic among staff and members of the public;
- ii. Taking stock of critical processes and revisiting Business Continuity Plan (BCP) in the emerging situations/scenarios with the aim of continuity in critical interfaces and preventing any disruption of services, due to absenteeism either driven by the individual cases of infections or preventive measures;
- iii. Taking steps of sharing important instructions/ strategy with the staff members at all levels, for soliciting better response and participation and sensitizing the staff members about preventive measures/steps to be taken in suspected cases, based on the instructions received from health authorities, from time-to-time;

राष्ट्रीय कृषि और ग्रामीण विकास बैंक

National Bank for Agriculture and Rural Development

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iv. Encourage their customers to use digital banking facilities as far as possible.

3. Besides taking steps as above for ensuring business process resilience, supervised entities should also assess the impact on their balance sheet, asset quality, liquidity, etc. arising out of potential scenarios such as further spread of COVID-19 in India and its effect on the economy, contagion from wider disruption in the global economy and the global financial system, etc. Based on the above studies, they should take immediate contingency measures to manage the risks under intimation to us.

4. As the situation requires to be monitored closely, both from business and social perspective, a Quick Response Team may be constituted for the purpose, which shall provide regular updates to the top management on significant developments and act as a single point of contact with regulators/outside institutions/agencies.

5. Please acknowledge receipt of this circular to our Regional Office concerned.

Yours faithfully

(K. S. Raghupathi)
Chief General Manager