

EBA Guidelines on outsourcing arrangements

Trestle Service Offering to achieve compliance to guidelines



Empowering Innovators



Frankfurt Munich Zurich London New York Vancouver Hong Kong

TRESTLE GROUP

EBA Guidelines on Outsourcing Arrangements

Introduction

Dear Outsourcing Responsible,

On 25 February, 2019 the European Banking Authority (EBA) published Guidelines on Outsourcing Arrangements that will enter into force on 30 September 2019

The EBA emphasizes that it is the responsibility of each financial institution's management body to ensure the performance of its responsibilities including overseeing all risks and managing outsourcing arrangements. Outsourcing must not lead to a situation in which an institution becomes an 'empty shell' that lacks the substance to remain authorized

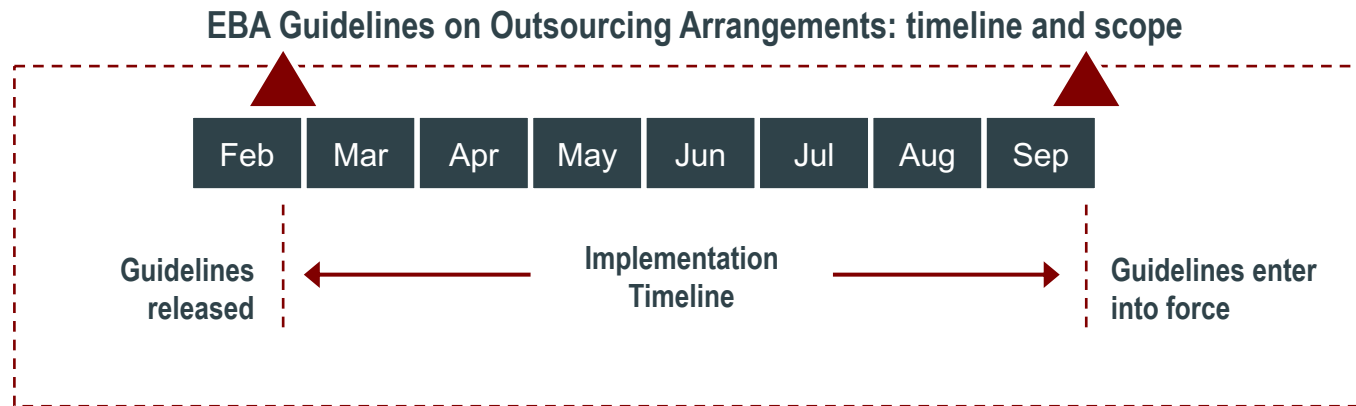
Trestle Group has devised a comprehensive approach to ensure compliance with the new Outsourcing Guidelines using Sourcing Best Practices and a deep understanding of the regulatory framework as a basis

We are looking forward to support you in your outsourcing journey

best regards,
Trestle Group Management Team

EBA Guidelines on Outsourcing Arrangements

Overview of timeline and scope







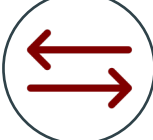
- **The Guidelines** apply to all institutions in scope of the European Banking Authorities
- **The Guidelines** set out specific provisions for the governance framework with regard to outsourcing arrangements and the related supervisory processes and expectations
- **The Guidelines** apply from 30 September 2019 to all outsourcing arrangements entered into, reviewed or amended on or after this date



Trestle Group offers a comprehensive approach to achieve compliance with the EBA Guidelines by applying a proven and **simple approach** and a **best-of-class target operating model** for Outsourcing Arrangements

EBA Guidelines on Outsourcing Arrangements

Trestle approach to achieve compliance, **Step One: Identifying Gaps**

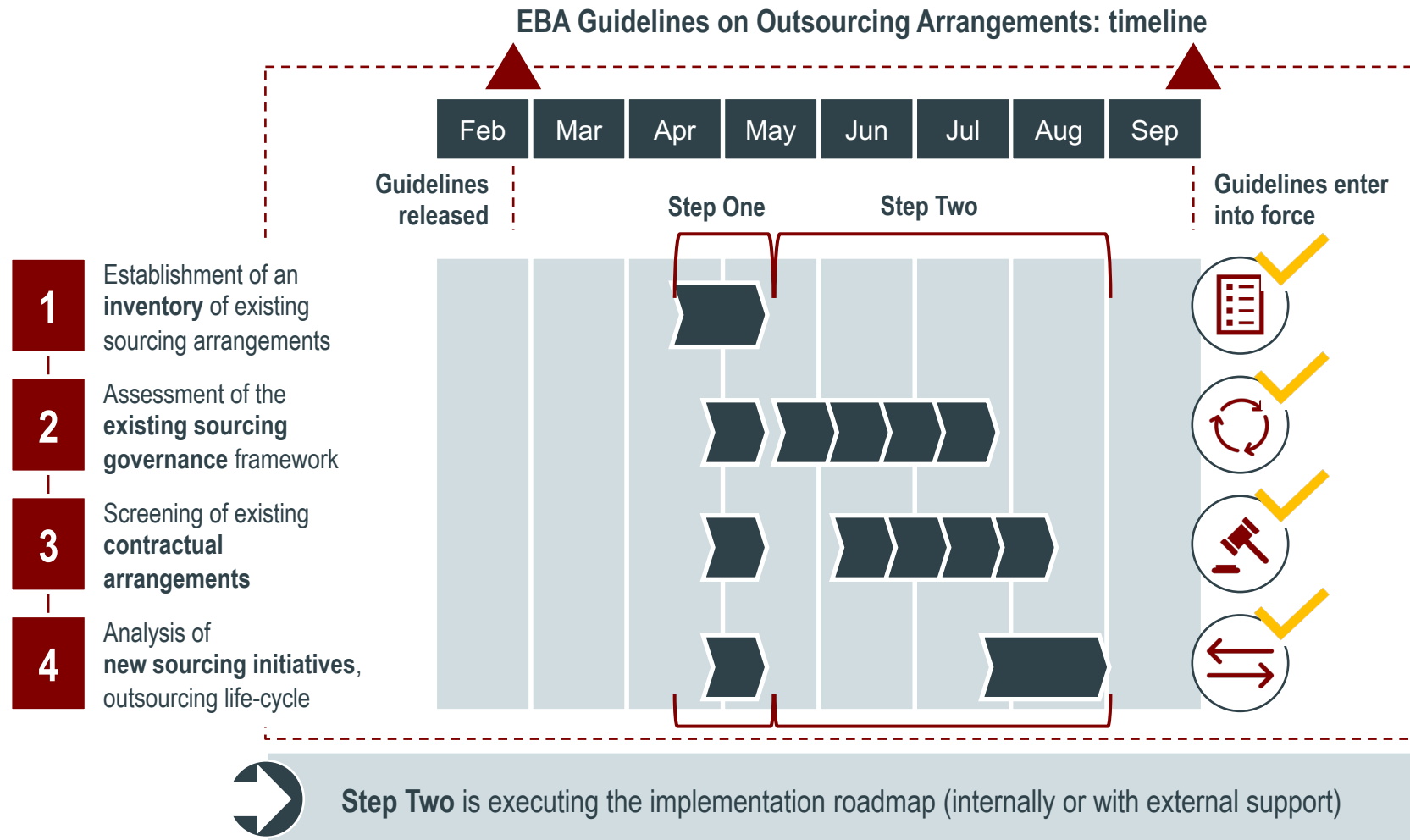
Trestle Approach		Deliverable		Activity	Cost
0	Joint Workshop assessing the specific impact on the organization		Development of roadmap based on existing sourcing scope and number of arrangements	Trestle moderated workshop with sourcing experts from the organization	Free of charge (for 2-3 hour workshop)
1	Establishment of an inventory of existing sourcing arrangements		Structured Inventory of sourcing arrangements	Conducting interviews with sourcing stakeholders; analysis of existing documentation	Pricing based upon findings of joint workshop
2	Assessment of the existing sourcing governance framework		List of gaps between existing and target/ compliant governance framework	Comparison of existing framework through interviews, documentation with best practice approach	
3	Screening of existing contractual arrangements		List of gaps between existing and target contractual structures	Contract comparison against compliant / best practice contracts	
4	Analysis of new sourcing initiatives , outsourcing life-cycle		List of proposed adaptations/ changes to life cycle process	Process walk through with sourcing stakeholders, comparison with best practice	



Step One concludes with the development of a comprehensive implementation roadmap for identified gaps

EBA Guidelines on Outsourcing Arrangements

Trestle approach to achieve compliance, **Step Two: Closing Gaps**



EBA Guidelines on Outsourcing Arrangements

Interested to get in contact with us ... ?

... please contact: b.janischowsky@trestlegroup.com

Appendix

Trestle Group Overview

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Trestle Overview

Quick Facts

The Trestle Vision



We empower innovators to create the future of their industry

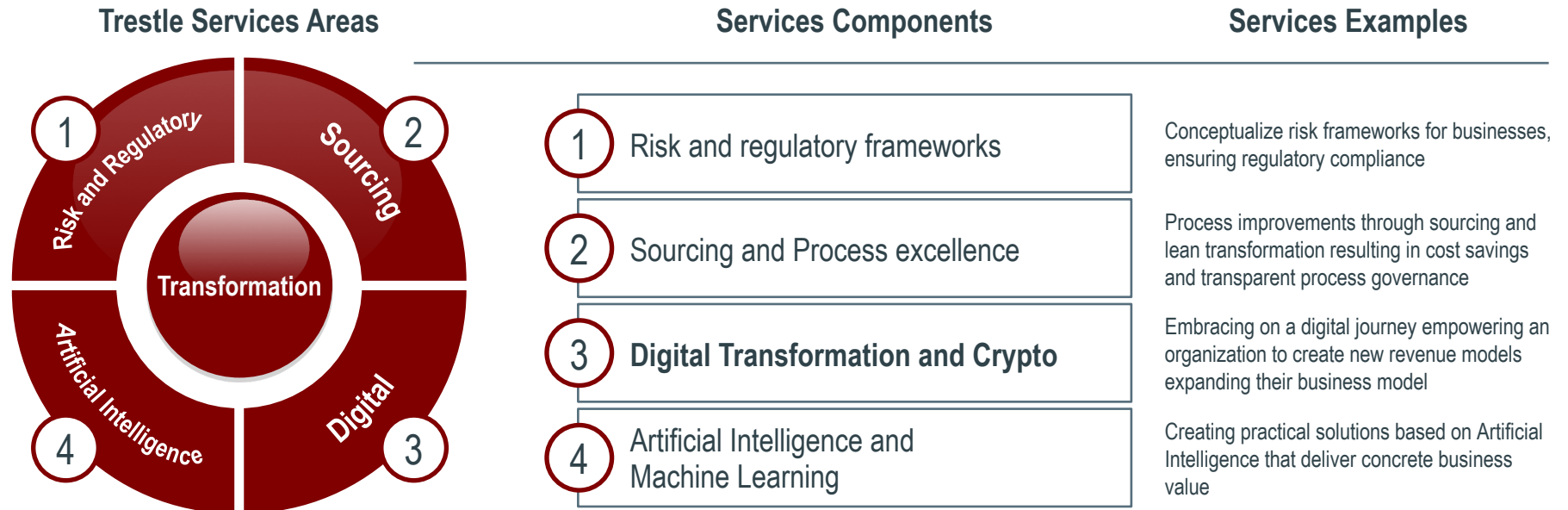
- **Founded in 2003** - in 2019 with around 70 headcount in international locations (see slide 19 for an overview of locations). German locations include Frankfurt and Munich; the company is headquartered in Switzerland.
- Trestle is dedicated to making business better, **building bridges to the future**, with a strong focus on **transformation and delivery**. (see Appendix for an overview of the Trestle service offerings)
- Trestle conducted **risk and regulatory projects** for multiple clients in various industries since 2003. Experienced in all aspects of organizational change based on our Trestle framework.
- Since three years, invested heavily into the **practical application of Artificial Intelligence** with several pilot projects in the Financial Services industry.
- The **Trestle team** consists of consultants that bring a combination of strong personality, process and industry expertise and methodology know-how.



Trestle:
*an open framework
used to support an elevated
structure such as a bridge*

Trestle Overview, Services Areas

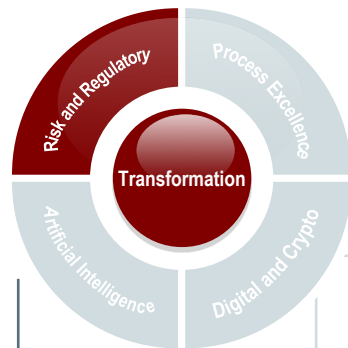
Trestle focuses upon transformation in four key areas including Crypto



All Services are centered around the Trestle **transformation expertise**. Only by implementing the solution and integrating it into the organization, the client will harvest tangible business benefits.

Trestle Services Areas

Empowering Transformation in the Risk and Regulatory Space



Selected Services

- Analyze regulatory demand /expectations and articulate recommendations
- Define Control Framework / process documentation for regulatory filings
- Design the Target Operation Model for Risk and provide training on regulatory topics
- Produce Data Lineage by mapping Processes to Systems to Processes
- Application of Artificial Intelligence and Machine Learning for Risk
- Enterprise Risk Management based on the COSO methodology

Project Examples

- Re-organisation of the risk function to efficiently comply with external and internal requirements for risk management
- Implementation of projects to support regulatory compliance using process excellence methodologies

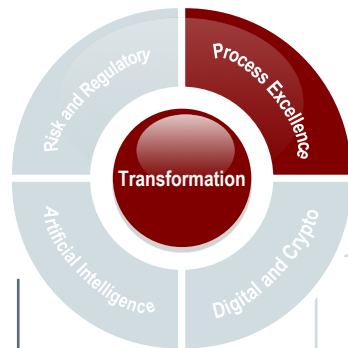
Transforming Operating Models to comply with the regulatory demand

Regulatory Demand topics

- IFRS9, IFRS17
- FRTB
- FATCA
- AEKoi
- CCAR
- GDPR
- Basel III
- SOX
- MIFID
- ICAAP
- BCBS 239
- Dodd-Frank
- Solvency II

Trestle Services Areas

Empowering Transformation in the Sourcing Space



Selected Services

- Business Process Outsourcing including design of retained organization and vendor governance
- Business Process Analysis and (Re-)Design based on the organizations strategic objectives
- Implementation of business governance frameworks including KPIs, SLAs based on a transparent services catalogue structure

Project Examples

- Business Process Outsourcing of securities processing to a third-party provider including identification of scope, selecting the provider, defining the governance framework and transitioning the business
- Internal (lean) transformation of an organization including the identification of internal demand, definition of a service catalogue and service interfaces and re-designing the internal governance

Transforming Operating Models to increase process efficiency and effectiveness

Process Excellence topics

- Business Process Outsourcing
- Process Performance Framework
- Lean Transformation
- Business Process Re-engineering
- Six sigma



Trestle Locations

Around the Globe for our Clients

TRESTLE GROUP

Trestle Group Holding

Trestle Consulting

Germany (Frankfurt, Munich)

Switzerland (Zurich, Zug)

United Kingdom (London)

United States (New York, Bay City)

Canada (Vancouver)

India (Dehli)

China (Hong Kong)

Empowering innovators to create the industry eco-systems of the future



Trestle Foundation

Empowering Innovative Entrepreneurs in Emerging Markets

Trestle Initiatives

Further Trestle Group initiatives



4TH-IR is an organization that focuses upon the development and integration of practical AI solutions. Various solutions in the health care space are being piloted in conjunction with partner organizations out of the health care and nursing care industry



Trestle is a member of the Crypto Valley Association – an independent, government-supported association established to take full advantage of Switzerland's strengths to build the world's leading blockchain and cryptographic technologies ecosystem.



Developed by entrepreneurs, for entrepreneurs, Trestle Group Foundation is an innovative non-profit organization dedicated to creating and expanding sustainable economic opportunities in developing and emerging economies by supporting women-led businesses.

TRESTLE GROUP

empowering innovators

Frankfurt, Germany
Munich, Germany
Zurich, Switzerland
Zug, Switzerland
London, UK

New York, USA
Michigan, USA
Delhi, India
Vancouver, Canada
Hong Kong, China

www.trestlegroup.com
www.trestlegroupfoundation.org
www.4th-ir.com
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