

Banking 50

26 March 2024

STRENGTHENING PARTNERSHIPS AND
CONTINUITY IN FINANCIAL SERVICES
SOFTWARE



Introductions



Nic Frasse-Sombet

- Sales Director – EMEA
- Member of the Extended Leadership Team
- 20+ years of experience at Escode specialising in Software Escrow.
- 11 years managing third-party supplier exit arrangements for globally systemically important financial institutions
- Focus on FIs headquartered in Europe, mainly UK, Switzerland, Germany and The Netherlands.



Dave Shepherd

- Global Solutions Architect Manager
- Member of the Extended Leadership Team
- 17+ years of experience at Escode specialising in Software Escrow.
- Specialising in the technical aspects of Software Escrow.
- 15 years working directly with independent software vendors, predominately in the EMEA region

Customer Statements



Being proactive and placing security and resilience at the start of any development means that we can confidently explore ideas and push boundaries, safe in the knowledge that we are managing any risk associated with our software supply chain responsibly.

Andy Ellis

Head of NatWest Ventures



NCC Group's Escrow as a Service solution serves as a wonderful tool to satisfy customer requests for independent third-party assurance of our business continuity measures and greatly reduces the need for direct audits by our customers. It, therefore, frees up valuable time and creates true customer value.

Frederik Pfisterer

Chief Operating Officer at Mambu



Case Study

DUTCH BANK BANKING SYSTEM



Case Study

ENGAGEMENT PROCESS


Protection
Required


Part of NCC Group

Create Project
Stakeholder
Team

BANK


1


Part of NCC Group

Project Kick off
(All Stakeholder
Team members)

BANK

2


Part of NCC Group

Technical
Discovery &
Solution
Design

SV


3


Part of NCC Group

Solution
Walkthrough &
Agreement

BANK
&SV

4


Part of NCC Group

Agreed
Solution

BANK


5


Part of NCC Group

SoW

BANK


6


Part of NCC Group

Delivery

BANK

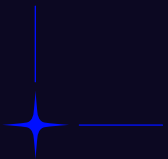
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Part of NCC Group

NCC Report
issued &
debrief

BANK
&SV

8



Case Study

ENGAGEMENT PROCESS

Customer Needs / Discovery

Protection Required


Part of NCC Group

Create Project Stakeholder Team

BANK

1


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Project Kick off (All Stakeholder Team members)

BANK

2


Part of NCC Group

Technical Discovery & Solution Design

SV


3


Part of NCC Group

Solution Walkthrough & Agreement

BANK & SV


4


Part of NCC Group

Agreed Solution

BANK


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Part of NCC Group

SoW

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Part of NCC Group

Delivery

BANK

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Part of NCC Group

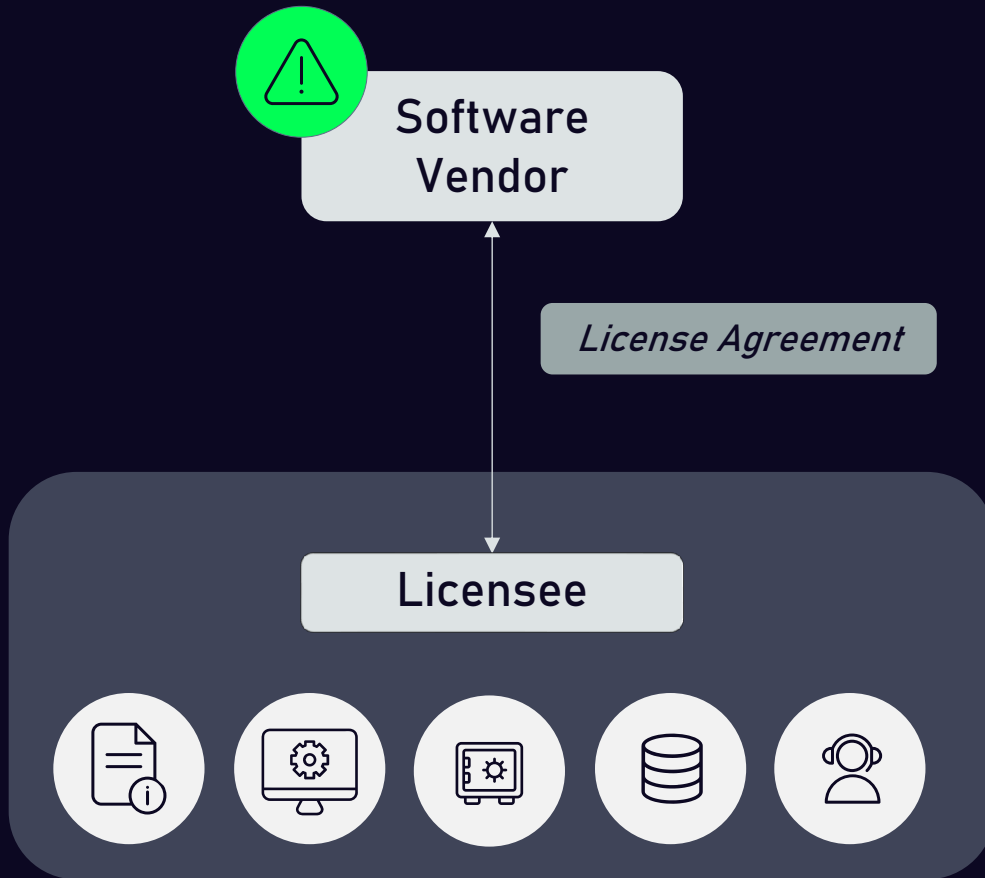
NCC Report issued & debrief

BANK & SV

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Case Study

DISCOVERY / NEEDS

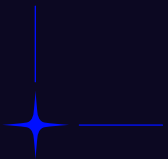
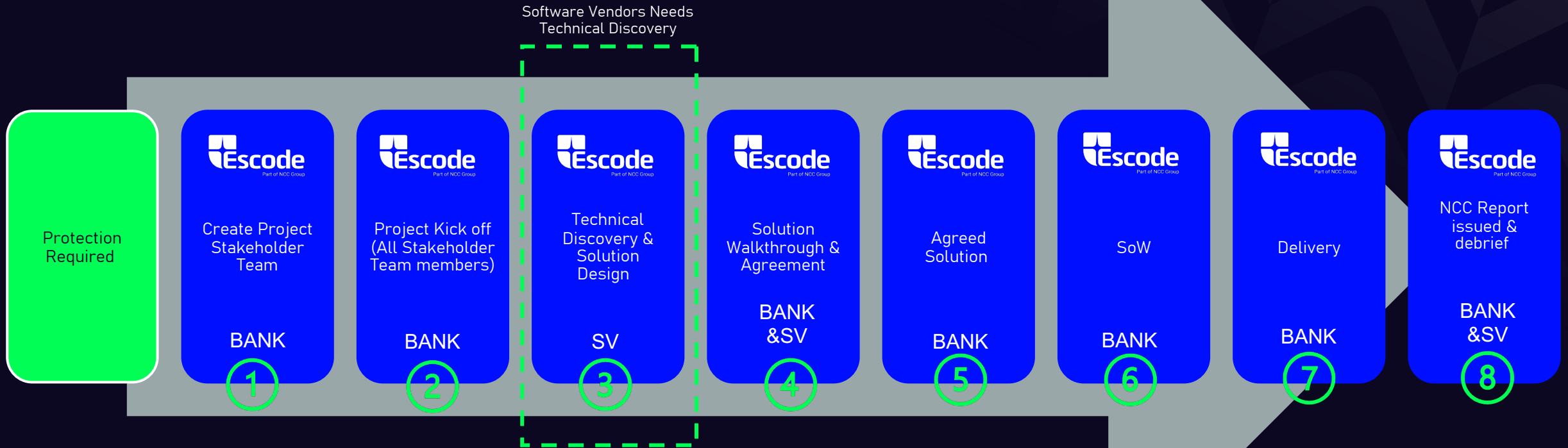


High-level information from the BANK during the discovery phase:

- A modern, real-time, multi-currency, deposit, and loan core banking system
- The BANK needs to be protected from all potential eventualities of **supplier failure, insolvency, administration and failure to uphold its support & maintenance agreement**
- The BANK requested to have the ability to continue to maintain and modify the application in the absence of Supplier
- The BANK requires the perpetual rights to continue using the licensed software in the event of supplier failure
- The BANK needs to be inline with relevant EU Banking Regulations demonstrating it has a tried and tested supplier exit arrangement in place

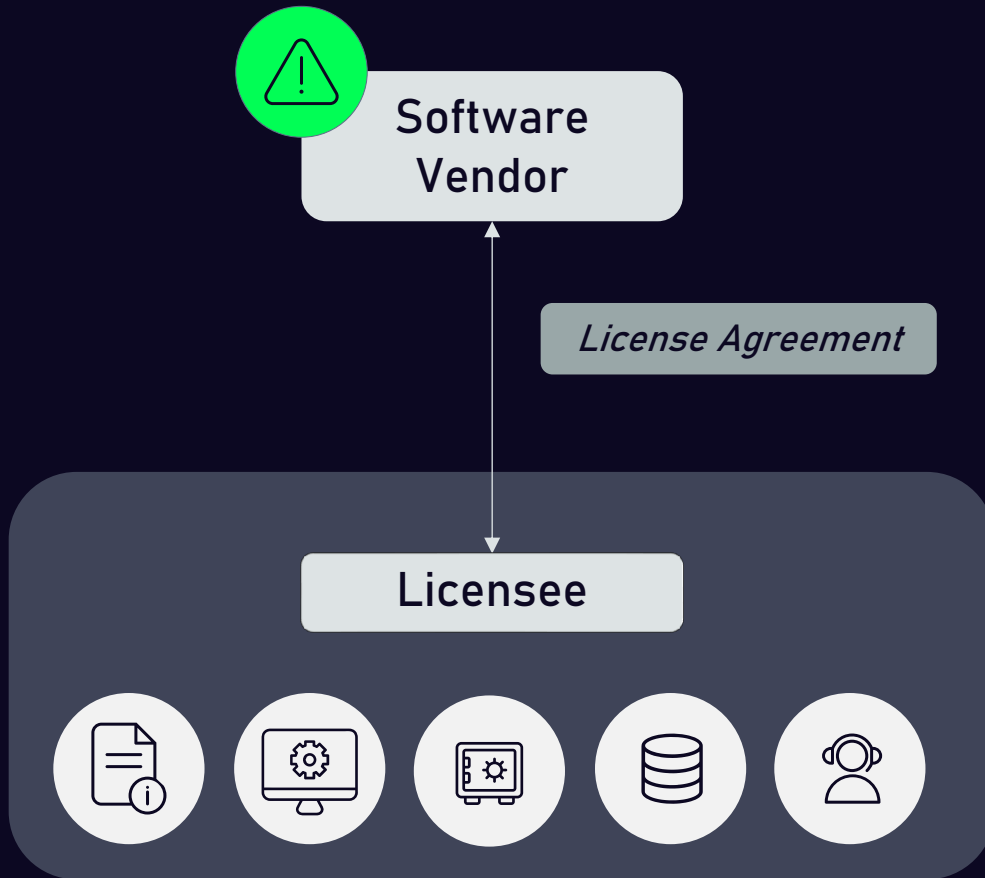
Case Study

ENGAGEMENT PROCESS



Case Study

TECHNICAL DISCOVERY



High-level information from the Software Vendor during the discovery phase:

- Software is hosted on systems owned and controlled by the BANK
- Software is comprised of 17 individual modules, each with its own development process and team of developers in various locations around the world
- The software as a total package is under continuous development and subjected to major releases once per year
- Individual smaller contributions in specific modules on a quarterly basis
- Designed and agreed solution with Software Vendor

Case Study

ENGAGEMENT PROCESS


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Case Study

SOLUTION WALKTHROUGH

Deposited Material	Deposit Type	1	2	3	4	5	6	7	8	9	10	11	12
Source Code	Phase 1												
	Phase 2												
	Unverified Daily												

Legal

- Single Licensee Escrow Agreement
- Release under, liquidation, Bankruptcy, Failure to support & Maintain
- Right to use only for the purposes of continuation

Technical

- Annual 2-phased source code Verification to ensure the source code deposits are complete, correct, and build back to each of the 17 respective components successfully, and independently of the Independent Software Vendor.
 - The long-term viability of the application is assured by securing the uncompiled source code for each of the 17 components.
 - Captured and secured vital compilation knowledge and documents with Escode (ISO).
- Automated unverified daily deposits will be captured into escrow.

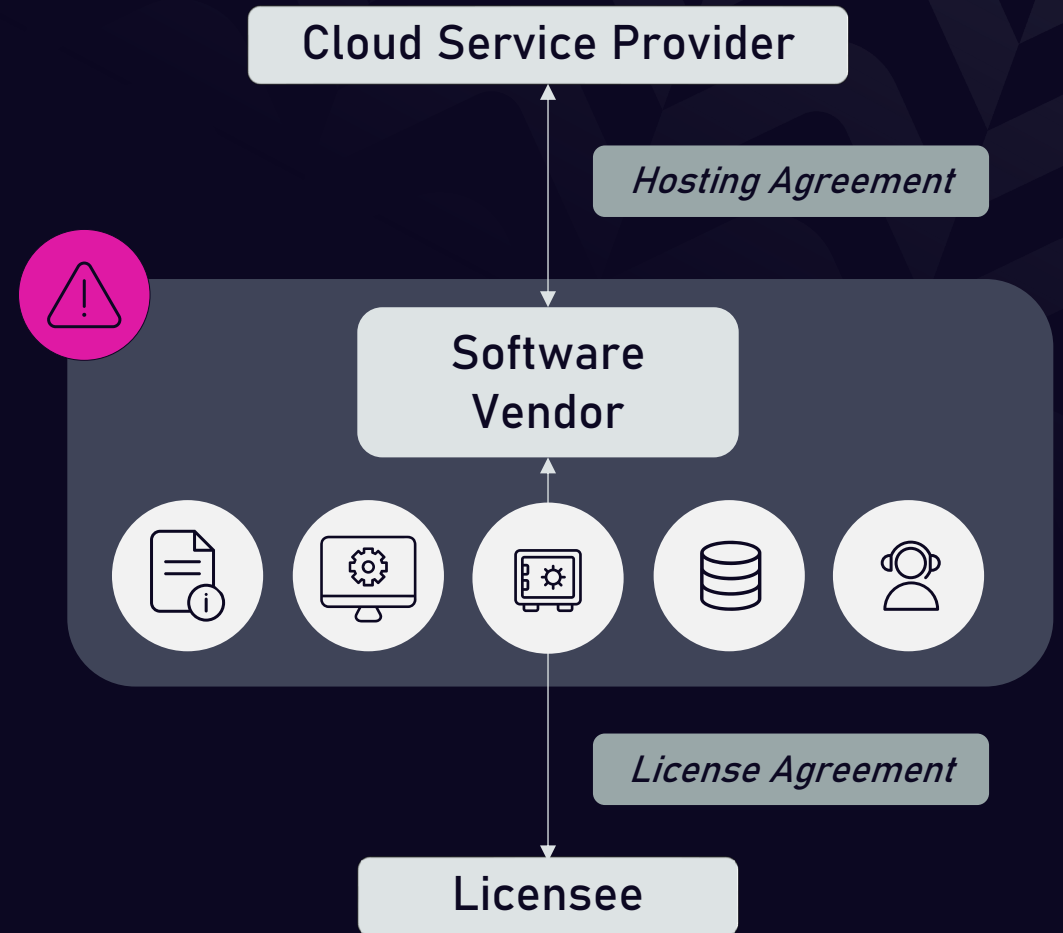
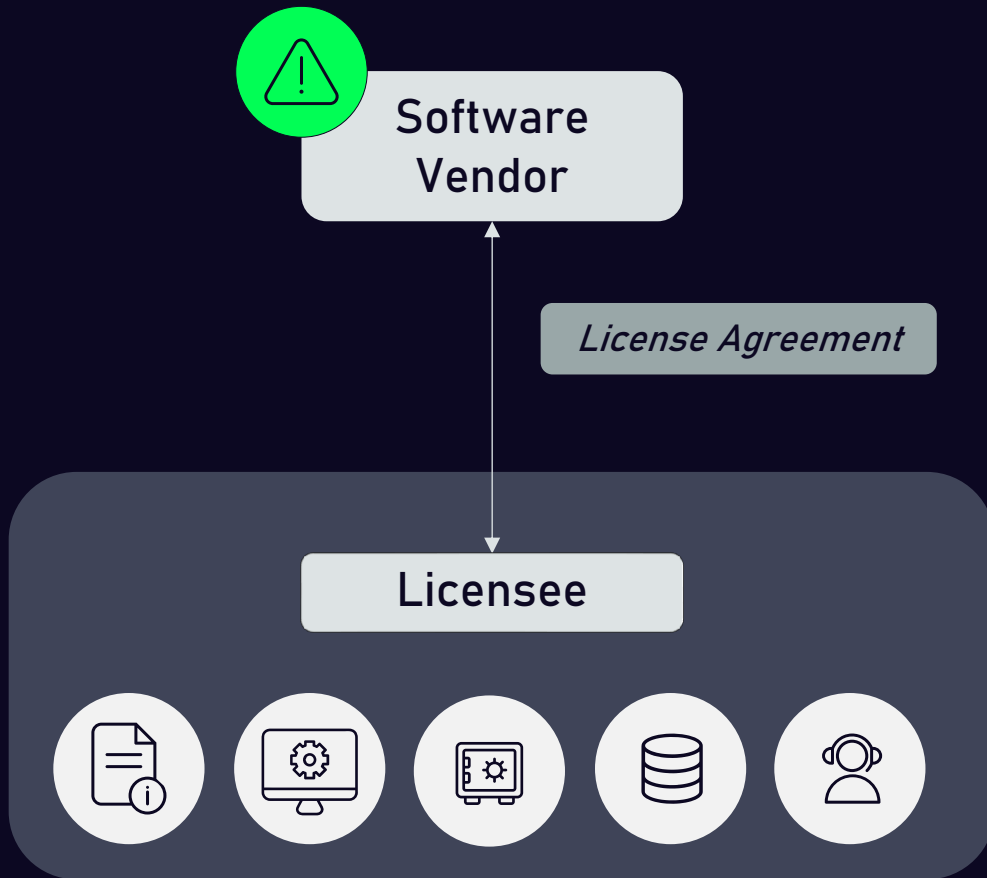


Future Topics

BANKING50 MEMBERS



On Premise vs Cloud Escrow



Meeting regulations – DORA (EU)

Requirements

The EU's Digital Operational Resilience Act means financial institutions in the EU must ensure key requirements to financial entities' contracts, which govern their relationship with third-party providers and include provisions on:

- ✓ Accessibility
- ✓ Integrity
- ✓ Guarantees for access, recovery and return in case of third-party failures
- ✓ Availability
- ✓ Security
- ✓ Verification of 'exit strategies'



How we help

Software Escrow agreements ensure accessibility, availability and recovery in case of third-party failures. And Software Escrow Verification validates a firms' exit strategy to ensure the business continuity plan in place is effective and can be enacted should a third-party provider fail.

Thank you...



Protecting business-critical applications for over

40
YEARS

We protect more than

27,000

software applications and other kinds of proprietary IP

35

offices in Europe, North America, Asia-Pacific & Middle East

Over

32,000

deposits made each year

14,000

customers worldwide

We support escrow in

16

jurisdictions

Our services are used in more than

135

different countries

