

Swisscom (Switzerland) Ltd

“Telehousing metro (THM)”

Basel, Geneva, Lausanne,
Zurich Enge and Zurich Herdern

Statement in regards to the support of the
adherence to the FINMA-Circular 08/7
(Outsourcing - banks)

For the period July 1, 2012 through June 30, 2013

August 30, 2013

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1 Initial situation

EY as the independent auditor performed procedures concerning the assessment of the design and implementation of controls in regards to the service "Telehousing metro (THM)" at the service organization Swisscom (Switzerland) Ltd. (henceforth „Swisscom“). The results of these procedures are documented in the ISAE 3000 report „Description of Swisscom (Switzerland)' "Telehousing metro (THM)" Service (Basel, Geneva, Lausanne, Zurich Enge and Zurich Herdern) for the period July 1, 2012 through June 30, 2013 with the Independent Service Auditor's Report including Tests Performed and Results" dated 30th August 2013 (henceforth „ISAE 3000 report“).

Within the scope of this statement, we analyzed these results in regards to the support of the adherence to the regulatory requirements set forth below, which arise out of the FINMA-Circular 2008/7 (FINMA-Circ. 08/7, "Outsourcing – banks") for banks, financial groups and conglomerates as well as Securities Dealers (henceforth "regulated organizations"). Thereby, we assessed the controls under the responsibility of Swisscom and in particular the effects of identified deviations regarding the effectiveness of the support of the adherence to these requirements.

2 Statement in regards to the support of the adherence to the FINMA-Circ. 08/7

As service provider for the regulated organizations it is the responsibility of Swisscom, on the basis of the service contracts pertaining to the service Telehousing metro, to support the adherence to the FINMA-Circ. 08/7 where the operational responsibility of in this regard relevant controls is assumed by Swisscom. Not considered in this statement are controls, complementary to those of Swisscom, which are performed by the regulated organizations with regard to the complete implementation of the principles of the FINMA-Circular.

Hereinafter, we comment for each FINMA-RS 08/7 principle on the effectiveness of the audited controls performed by Swisscom.

FINMA-RS 08/7 Principle	Statement by EY
PRINCIPLE 1: Determination of the Business Area to be outsourced	In the course of our audit we did not observe any indication that the adherence to principle 1 is not effectively supported.
PRINCIPLE 2: Selection, Instruction and Control of Service Provider	In the course of our audit we did not observe any indication that the adherence to principle 2 is not effectively supported.
PRINCIPLE 3: Responsibility	Swisscom does not perform controls which could support the adherence to the principle 3. The warranty of this principle is solely governed by the regulated organizations themselves.
PRINCIPLE 4: Security	Control deviations noted. For a detailed description of the deviations as well as the associated management responses see column "Test results" in chapter 5 („Description of Control Objectives, Controls, Tests performed, Results of tests") of the ISAE 3000 report.
PRINCIPLE 5: Business and Banking Secrecy, Data Protection	In the course of our audit we did not observe any indication that the adherence to principle 5 is not effectively supported.
PRINCIPLE 6: Informing Service Clients	Swisscom does not perform controls which could support the adherence to the principle 6. The warranty of this principle is solely governed by

FINMA-RS 08/7 Principle	Statement by EY
	the regulated organizations themselves.
PRINCIPLE 7: Audit and Supervision	In the course of our audit we did not observe any indication that the adherence to principle 7 is not effectively supported.
PRINCIPLE 8: Outsourcing Abroad	According to the system description, there is no outsourcing abroad of relevant data or systems subject to THM. See chapter 2 ("Description of Swisscom (Switzerland)' "Telehousing metro" System") of the ISAE 3000 report.
PRINCIPLE 9: Contract	In the course of our audit we did not observe any indication that the adherence to principle 9 is not effectively supported.

3 Use of this statement

The present statement was prepared for the attention of Swisscom as provider of IT services for regulated organizations. This statement constitutes a complementary report to the aforementioned ISAE 3000 report. Swisscom is allowed to use this statement in respect to the communication with regulated organizations for which the aforementioned FINMA-Circular 08/7 is relevant.

30th August 2013

Ernst & Young Ltd.



Jürg Brun
Partner



Reto Aeberhardt
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