



For Immediate Release

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BITS RELEASES FINANCIAL SERVICES IT OUTSOURCING GUIDELINES
Revised *BITS Framework* Covers Cross-Border Relationships, Disaster Recovery,
Vendor Management and Security Audits and Assessments

WASHINGTON, DC, November 10, 2003 -- BITS, a nonprofit consortium of 100 of the largest financial institutions in the US, announced the release of the 2003 *BITS Framework for Managing Technology Risk for IT Service Provider Relationships*. Created by representatives from the nation's largest financial services organizations, the *Framework* is a groundbreaking document establishing practices for financial services outsourcing, including detailed considerations for disaster recovery, security audits and assessments, vendor management, and cross-border relationships.

Originally published in 2001, the revised and updated 2003 *Framework* is a unique resource for financial services companies, IT service providers, and audit and assessment organizations. As financial institutions engage in outsourcing relationships, the 2003 *Framework* provides a standardized method of evaluating existing and potential outsourcing partnerships. A chart included in the *Framework* compares its language to financial regulatory requirements, including OCC 2001-47 and 2002-16.

"In the current business environment, financial services companies must manage increasingly complex outsourcing relationships—including evaluating service-provider security and disaster recovery practices, as well as managing relationships around the globe," said BITS CEO Catherine A. Allen. "The *Framework* is an indispensable resource for financial institutions, IT service providers and audit and assessment organizations, as it provides a common understanding of what we as an industry look for."

"Our customers rely on financial institutions to provide secure services," said James E. Rohr, Chairman and Chief Executive Officer of The PNC Financial Services Group and Chairman of the BITS Board of Directors. "Because the safety and soundness of the financial services we deliver is paramount, the relationships we hold with our outsourcing partners must meet financial industry standards."

The *Framework* was released publicly on November 6 at the BITS/American Banker Financial Services Outsourcing Conference in Washington, DC. More than 150 executives representing financial services, regulatory agencies, and IT service providers attended the event, where outsourcing experts from FleetBoston Financial Corporation, Wells Fargo & Company, ABN Amro, The Department of the Navy, IBM, Gartner, and other organizations spoke on critical outsourcing topics.

"The Framework is an outstanding example of collaboration to create consistent, tangible processes for use across our industry and among our business partners," said Rhonda MacLean, Senior Vice President and Director of Corporate Information for Bank of America and Sector Coordinator for the Financial Services Sector Coordinating Council. "The strength of our nation's critical infrastructure depends on collaborative efforts like this to ensure systems are secure and sound."

"With the increased complexity of outsourced services and relationships, the financial services industry needed to establish industry guidelines for service provider partners," said Lari Sue Taylor, Senior Vice President at FleetBoston Financial Corporation and co-chair of the BITS IT Service Providers Working Group. "Outsourcing issues have intensified as technologies have become more sophisticated, start-up vendors have entered this lucrative market, and financial regulators have increased their scrutiny of outsourced relationships."

The 2003 *Framework* was developed by members of the BITS IT Service Providers Working Group. The group helps financial services companies identify and mitigate the risks associated with outsourcing and satisfy regulatory requirements. Members include financial services companies of all sizes, as well as representatives from the American Bankers Association, America's Community Bankers, Credit Union National Association, and the Independent Community Bankers of America. Co-Chairs of the Working Group are Viveca Ware, Independent Community Bankers of America, and Lari Sue Taylor, FleetBoston Financial Corporation.

The *BITS Framework for Managing Technology Risk for IT Service Provider Relationships* is the leading document in a series of BITS publications created to help financial services organizations evaluate IT outsourcing risk. It is available at the BITS website, www.bitsinfo.org, at www.bitsinfo.org/wp.html.

About BITS

BITS was created in 1996 to foster the growth and development of electronic financial services and e-commerce for the benefit of financial institutions and their customers. A nonprofit industry consortium that shares membership with The Financial Services Roundtable, BITS seeks to sustain consumer confidence and trust by ensuring the security, privacy and integrity of financial transactions. BITS works as a strategic brain trust to provide intellectual capital and address emerging issues where financial services, technology and commerce intersect, acting quickly to address problems and galvanize the industry. BITS' activities are driven by the CEOs and their appointees—CIOs, CTOs, Vice Chairmen and Executive Vice Presidents—who make up the BITS Executive Committee, BITS Advisory Group and BITS Council. For more information about BITS, go to www.bitsinfo.org.

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