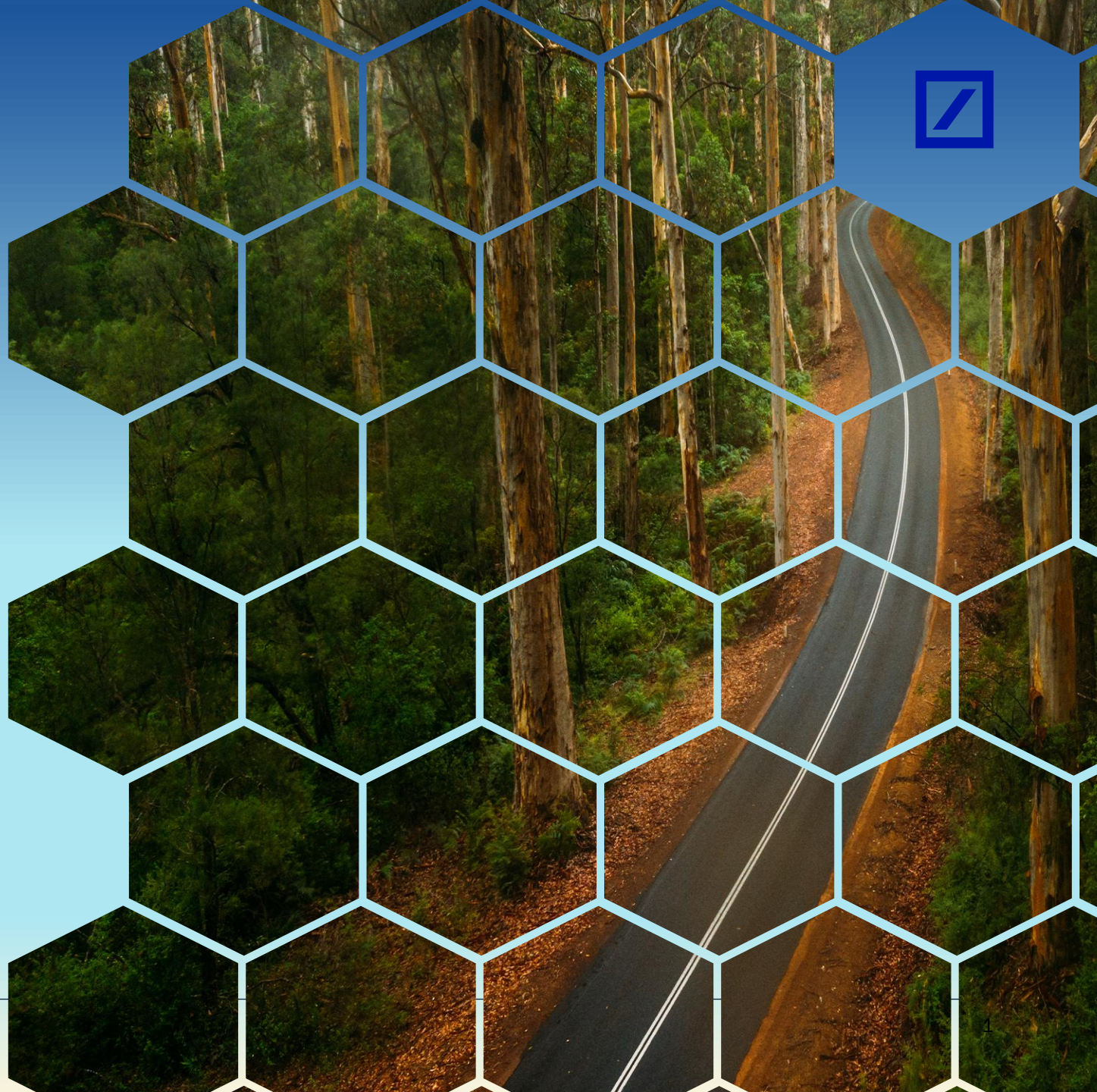
Hellios

A guide to Financial Supplier Qualification System (FSQS)

Streamlining our collaboration with Third Parties

Third Party Management (TPM) is committed to introducing responsible business practices that ensure that the Bank is protected from the risks of suppliers doing business with us. To support this commitment, we have joined the Hellios Financial Supplier Qualification System (FSQS).

This partnership will support TPM to easily manage the portfolio of Suppliers, in line with the Regulatory requirements and better understand the risks posed by working with Suppliers and other Third parties.



A mutually beneficial arrangement

A single online process to submit assurance and compliance data – reducing duplicate requests from Deutsche Bank and other financial customers the suppliers provide goods and services to.

Controls are proportionate to the products and services being provided.

An online supplier profile which can be updated throughout the year to demonstrate ongoing compliance with our policies.

How can a third party gain qualification?

There are two levels of qualification and one level of deep assessment.

Stage 1 Qualification collects basic information about third party's organization and is used to determine whether
Stage 2 Qualification is necessary, based on the nature of the goods or services being supplied.
Stage 3 Review/Onsite audit, might be requested by Deutsche Bank , depending on the nature of the relationship and the associated risks.

On the next three pages, we'll go into more details about each one of the stages.

Stage 1:
Profiling questionnaire

Once internal scope defined; to gain a Stage 1 qualification, third parties will need to complete an online questionnaire. The email invitation will be sent out by Hellios on Deutsche Bank's behalf.

The questionnaire should take around one hour to complete. This information will allow Hellios to either provide qualified status or to determine if we need more details by undertaking Stage 2 qualification.

Stage 2: Compliance questionnaire

For Stage 2, the third party will need to provide more details through an additional questionnaire. The third party may also need to provide additional supporting evidence.

To make the process as efficient as possible, most of the questions have selectable answer options rather than requiring lengthy written responses.

No proprietary, contractual, or pricing information will be asked. This stage typically covers Supplier policies and practice in areas such as:

Stage 3: Pooled Audit

1 What is FSQS Stage 3

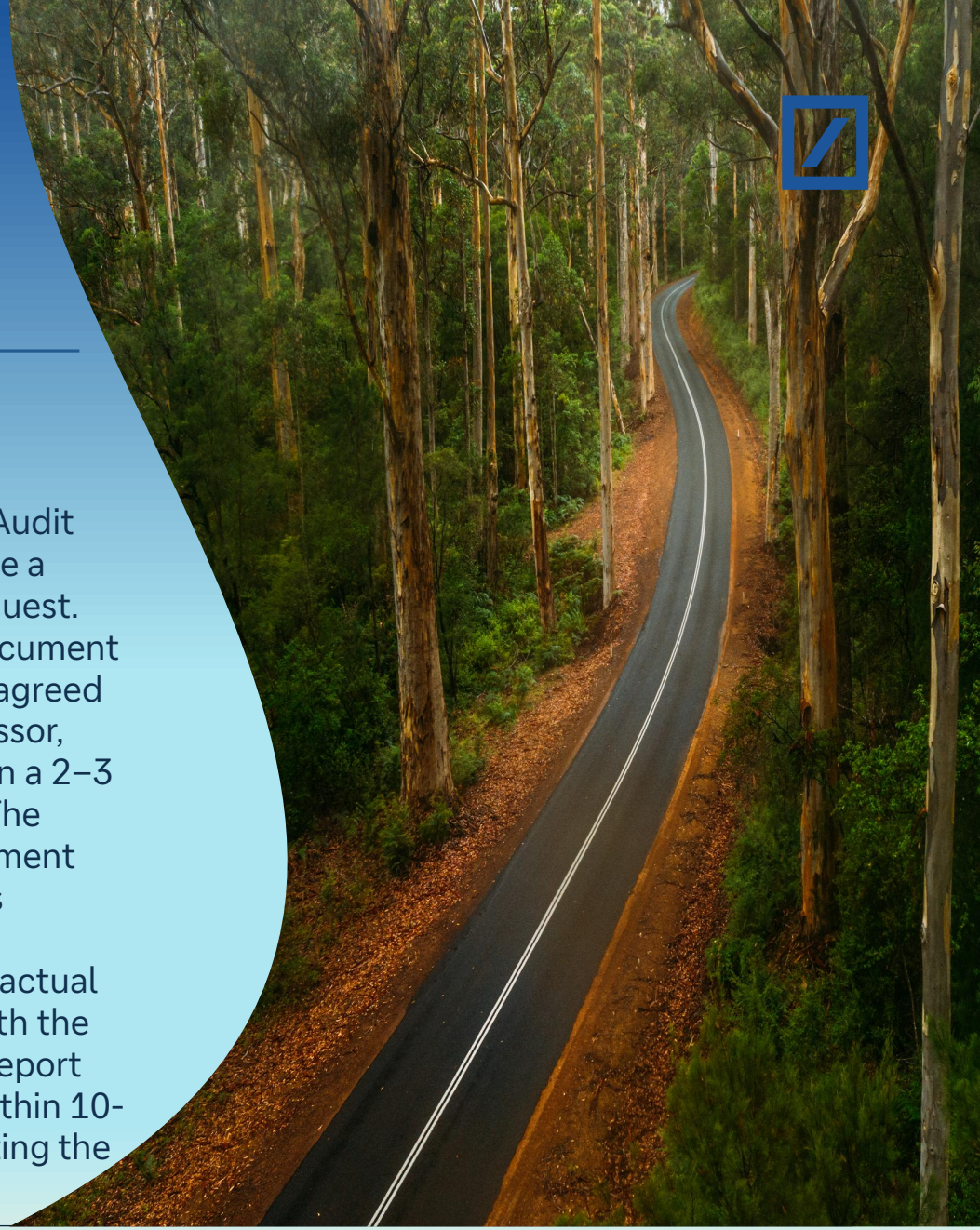
Where Stages 1 and 2 are a questionnaire to get a comprehensive overview of your company and policies, Stage 3 tests your operational resilience and governance framework via online meetings, documentation reviews and continuity tests.

2 How do you benefit?

- Stage 3 is aligned to the regulations that require buyers to take a closer look at their suppliers.
- Stage 3 acknowledges external assessments such as ISO 27001 and SOC2, reducing the amount of testing needed.
- Stage 3 identifies areas of improvement within the report.
- Only one stage 3 report is required, and you decide who can see it.

3 Timeline

Following the Pre-Audit Call, you will receive a documentation request. The timeline for document submission will be agreed upon with the assessor, typically resulting in a 2–3 week turnaround. The subsequent assessment phase usually takes another 2-3 weeks, concluding with a factual accuracy review with the supplier. The final report will be delivered within 10-15 days of completing the assessment



Funding

Funding of FSQS is shared by Deutsche Bank and the other Financial Services organizations that will use the system, together with the larger and medium suppliers who pay the annual fee. If your organization is an autonomous small, or micro-sized enterprise (SME), then registration on FSQS is 100% subsidized (i.e. there is no charge).

How long does the process take?

On average, it takes up to 8 weeks to attain qualification for a Deutsche Bank third party. In case of changes in timeline, the third party will be notified by Deutsche Bank accordingly.

Frequently asked questions (1)

1. Why has Deutsche Bank introduced a Financial Supplier Qualification System?

The Bank has a regulatory obligation to understand the risks present in its Supplier relationships and Hellios is part of the that approach through their FSQS subscription-based service.

2. What are the benefits of FSQS to Deutsche Bank?

By sharing resources with the other members, we are able to achieve far more than we possibly could in isolation. The Hellios team expedites and quality controls supplier responses, as well as ensuring supplier artefacts such as BCPs and insurance policies are kept up to date. We also have access to the combined experience of Hellios and other FSQS members in building our due diligence questionnaires.

3. What Information is collected through FSQS?

The system is designed to gather due diligence information appropriate to the supply relationship. All suppliers are required to complete a Stage 1 questionnaire which collects basic information about the nature of the supply and risk controls. Depending on their responses to Stage 1 questions, suppliers may be asked to complete a Stage 2 questionnaire that focuses on specific risks identified at Stage 1.

4. Who pays?

The community principle extends to costs. All member banks and FIs – including Deutsche Bank – contribute substantially to the cost of operating the system. Participation for Small and Micro sized suppliers is free. Click here for more information.

Frequently asked questions (2)

5. What if a Supplier 'Fails' FSQS?

FSQS is a mechanism for gathering accurate, up to date information from suppliers. Information gathered through FSQS is provided to Deutsche Bank to support our own evaluation of supplier risks and controls. It is not possible therefore to 'Pass' or 'Fail' FSQS.

6. What Financial Services organizations are Members of FSQS?

At present Lloyds Banking Group, Santander, Nationwide, Monzo, Bank of England, Metro Bank, Bank of Ireland and RSA Insurance Group are members of FSQS, along with many others. Discussions with a significant number of other banks and FIs around joining are progressing well.

7. What communication do Suppliers receive?

Once invited onto the system all suppliers receive a letter on Deutsche Bank letterhead and a Deutsche Bank FSQS brochure document. The letters are followed within 14 days by registration links from Hellios.

8. Why do I need to do this, I'm already a supplier?

As a regulated entity, it's important that Deutsche Bank holds consistent, high-quality data on our suppliers. We therefore need all our suppliers to complete the same process.

Frequently asked questions (3)

9. What happens if I can't answer a question/can't provide a document requested?

Deutsche Bank uses the information obtained through FSQS to assess the risk presented by supply relationships. As such, suppliers should provide whatever documentation they are able to. Any residual risks will need to be managed by the Deutsche Bank business owner.

10. Why do I have to pay?

Our intent is that FSQS should be a community. Suppliers benefit through reducing their due diligence burden and making pre-qualified information available to a range of potential customers. Banks benefit from pooling resource in collecting the data. The cost of the System is shared: all banks pay a substantial contribution, small suppliers participate for free and larger suppliers are asked to pay an annual fee of £1,975+VAT. The supplier fee is proportionately much smaller than the cost paid by the banks.

11. Can I have a waiver?

Costs are agreed with the community, there is no process for waiving fees.

12. Why do I have to do it every year?

Deutsche Bank needs to hold up to date information on our suppliers; one of the benefits of FSQS is that data is regularly updated – for example expired insurance certificates, BCPs are renewed – so the activity is ongoing. A benefit for suppliers is that FSQS information is pre-populated at renewal, significantly reducing renewal workload.

Frequently asked questions (4)

13. What if the supplier refuses to participate?

It is vital for Deutsche Bank to hold appropriate, high-quality information on our suppliers. Our mechanism for collecting this consistently is through FSQS. Should a supplier refuse to participate, the Bank will consider other options to come to the same outcomes and engage with the supplier further.

14. Why am I being asked to complete Stage 2?

Stage 1 of the questionnaire elicits information from suppliers about the services they perform and their controls. Some of the questions in Stage 1 identify specific risks or areas for further investigation, which then trigger the appropriate parts of Stage 2. Suppliers will only ever be sent the parts of Stage 2 relevant to the services they perform, never the whole question set.