Metrics and KPI usage

Treasury Services
Wolfgang Vogt
Erste Group at a glance
Customer banking in the eastern part of the EU

- Founded in 1819 as the **first savings bank** in Austria and Central and Eastern Europe.
- Around **45,000 employees** serve ca. **16 million customers** through **2,044 branches** in **7 countries**.
- One of the **leading financial providers** in the eastern part of the EU in terms of clients and total assets.
- Among the **TOP 3 banks** in our core markets in Austria, Czechia, Slovakia, Romania, Hungary and Croatia.
- Leader in **digital banking** in our home market Austria.
- **George** is the leading pan-European banking platform with well over **8 million users in 6 countries**, onboarding around **5,000 users a day**.

### Key financials for 1-6 2022

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit</td>
<td>EUR 1,14 bn</td>
</tr>
<tr>
<td>Total assets</td>
<td>EUR 327 bn</td>
</tr>
<tr>
<td>Total equity</td>
<td>EUR 23.9 bn</td>
</tr>
<tr>
<td>CET 1 ratio</td>
<td>14.2%</td>
</tr>
<tr>
<td>Loan/deposit ratio</td>
<td>84.9%</td>
</tr>
<tr>
<td>Operating result</td>
<td>EUR 1.86 bn</td>
</tr>
</tbody>
</table>
Erste Group at a glance
Providing banking services for the real economy

• Core activities of Erste Group – besides the traditional strength in serving private individuals and SMEs – include advisory services and support for corporate clients in financing, investment and access to international capital markets, public sector funding and interbank market operations.

• Erste Group plays advancing role in region’s capital markets and is strongly focused on digital innovation.
More than 200 years of Erste
Securing prosperity for all since 1819

1819
Founding of “Erste Spar-Casse”, first savings bank in CEE

As of 1823
Hundreds of savings banks are founded from Bregenz to Lviv

1825
Founding of the “General Pension Institute”, a prototype for social insurance

1825
“Girozentrale” enables cashless payment transactions

1837
Erste Data Centre & SPARDAT offer payment automation

1868
Erste introduces the precursor of the ATM – the first in AT

1868
Austria joins the EU

1897
Following its IPO, Erste begins the expansion in CEE: Acquisition of Mezőbank in HU

1900
Acquisition of Česká spořitelna in CZ

2001
Acquisition of Slovenská sporiteľňa in SK

2003
Acquisitions of Riječka banka, Trgovačka banka and Bjelovarska banka in HR, PostaBank in HU

2005
Acquisition of Novosadska Banka in RS

2006
Acquisition of Banca Comercială Română in RO

2008
„Erste Group“ is created by separation of Erste Bank Oesterreich and Holding

2015
„George“ is launched in AT, growing to be the leading pan-European banking platform with over 8 million users

2019
200 years of Erste, serving ca. 16 million customers in 7 countries

December 2022
Strategic Objectives

Customer banking in Central and Eastern Europe

<table>
<thead>
<tr>
<th>Eastern part of EU</th>
<th>Focus on CEE, limited exposure to other Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Retail banking</strong></td>
<td><strong>Capital markets</strong></td>
</tr>
<tr>
<td>Focus on local currency mortgage and consumer loans funded by local deposits</td>
<td></td>
</tr>
<tr>
<td>FX loans only in EUR for clients with EUR income (or equivalent) and where funded by local FX deposits (HR &amp; RS)</td>
<td></td>
</tr>
<tr>
<td>Savings products, asset management and pension products</td>
<td></td>
</tr>
<tr>
<td>Expansion of digital banking offering</td>
<td></td>
</tr>
<tr>
<td><strong>Corporate banking</strong></td>
<td><strong>Public sector</strong></td>
</tr>
<tr>
<td>Large, local corporate and SME banking</td>
<td></td>
</tr>
<tr>
<td>Advisory services, with focus on providing access to capital markets and corporate finance</td>
<td></td>
</tr>
<tr>
<td>Real estate business that goes beyond financing</td>
<td></td>
</tr>
<tr>
<td><strong>Focus on customer business, incl. customer-based trading activities</strong></td>
<td></td>
</tr>
<tr>
<td>In addition to core markets, presences in Poland, Germany, New York and Hong Kong with institutional client focus and selected product mix</td>
<td></td>
</tr>
<tr>
<td>Building debt and equity capital markets in CEE</td>
<td></td>
</tr>
<tr>
<td><strong>Interbank business</strong></td>
<td></td>
</tr>
<tr>
<td>Focus on banks that operate in the core markets</td>
<td></td>
</tr>
<tr>
<td>Any bank exposure is only held for liquidity or balance sheet management reasons or to support client business</td>
<td></td>
</tr>
</tbody>
</table>
KPI USAGE Banking Operations Erste Group

Know what you do. Improve now.
December 2022
01960563
Group Treasury Services

01960555/Treasury Processing
Group of Dept. 01960563

Mr. VOGT 17142
Dep. Mr. CORDES 13978

18,65 FTEs
FT Employee: 12 (60%)
PT Employee : 9 (40%)

9,38 FTEs
DESK Derivatives

Exchange Traded Derivatives
Settlement of new trades and trade lifecycle events for
• Exchange Traded Options
• Futures

OTC Derivatives
Settlement of new trades and trade lifecycle events for
• Interest Derivatives
• Credit Derivatives
• FX Options
• Equity OTC

8,27 FTEs
DESK FX / MM

FX-/MM + Banknotes
Settlement of new trades and trade lifecycle events for
• SPOT (FX)
• FX-Swaps
• Outright Forwards
• NDF
• Precious Metals (Spot + Forw.)
• Loans and Depots (Standard/Call/Rollover)
• Repo – internal cash booking part
• Cash Collaterals
• Banknotes

Direct Clearing Member Eurex OTC
General Clearing Member Eurex ETD
Indirect Clearing Member Non-Eurex ETD
Indirect Clearing Member LCH for IRD (OTC)
Indirect Clearing Member ICE for CRD (OTC)
Indirect Clearing Member CDSClear (OTC)
Indirect CLS Member for FX

Shared Service Center
• EB – Holding
• EB – Österreich
• Savings Banks

December 2022
Performance & Trend

Overview

KPI-status: green 14
KPI-status: yellow 4
KPI-status: red 1
KPIs not defined 0

KPIs not assigned 0

Quality & CX

Efficiency

Digitalization

Unit - Overview

554 - Treasury Servicing & Solutions 1.29
555 - Treasury Processing 1.60

Issues and Achievements

<table>
<thead>
<tr>
<th>Issue / Achievement</th>
<th>Description</th>
<th>Mitigation</th>
<th>Affected KPI</th>
</tr>
</thead>
</table>

Additional Requests

<table>
<thead>
<tr>
<th>Request by</th>
<th>Description</th>
<th>Effected KPI</th>
<th>Quantitative Effect</th>
</tr>
</thead>
</table>

December 2022

Page 10
Service Line: Treasury

**Metrics**
- # FX transactions
- # MM transactions
- # OTC transactions
- # ETD transactions
- # of Managed Nostro accounts
- # B2B-Transfers
- MIFIR processed transactions
- MIFIR relevant transactions
- MIFIR reported transactions
- # sub process models (1960563)
- # Control executions current month
- # open risk cases
- # equivalent value open risk cases
- # realised loss YTD
- # equivalent value realised loss YTD
- # closed risk cases YTD
- # equivalent value closed risk cases YTD
- # raised claims YTD
- # equivalent value raised claims YTD

**Performance & Trend**

**Overview**
- KPI-status: green
  - # FX transactions: 14
- KPI-status: yellow
  - # MM transactions: 4
- KPI-status: red
  - # OTC transactions: 1
- KPIs not defined
  - # ETD transactions: 0

**Quality & CX**

**Efficiency**

**Digitalization**

**KPIs**
- Capacity Utilization FX transact.
- STP rate for FX transact.
- Capacity Utilization MM transact.
- STP rate for MM transact.
- Capacity Utilization OTC transact.
- STP rate for OTC transact.
- Capacity Utilization ETD transact.
- STP rate for ETD transact.
- Completeness man. Nostro accounts
- STP rate for B2B-Transfers
- MIFIR Completeness
- MIFIR Completeness Austria
- MIFIR STP Rate
- EMIR Completeness - Austria
- SFTR Completeness - Austria
- Pc Status "Approved" (1960563)
- CII FTE Free up realised (1960563)
- Rigidity Status (1960563)
- Control Execution Status rate

**Unit - Overview**

554 - Treasury Servicing & Solutions
- 1,29

555 - Treasury Processing
- 1,50

**Missing Values**
- n.a.
## Service Line: Treasury

<table>
<thead>
<tr>
<th>04/22</th>
<th>05/22</th>
<th>06/22</th>
<th>07/22</th>
<th>08/22</th>
<th>09/22</th>
<th>Comment Deviation 09/22</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>555</strong> # FX transactions</td>
<td>-</td>
<td>-</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td><strong>555</strong> Capacity Utilization FX transact.</td>
<td>P</td>
<td>E</td>
<td>79,00 %</td>
<td>81,00 %</td>
<td>100 %</td>
<td>85,00 %</td>
</tr>
<tr>
<td><strong>555</strong> STP rate for FX transact. (Grp-KPI)</td>
<td>P</td>
<td>D</td>
<td>99,06 %</td>
<td>99,16 %</td>
<td>99,06 %</td>
<td>99,12 %</td>
</tr>
<tr>
<td><strong>555</strong> # MM transactions</td>
<td>-</td>
<td>-</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td><strong>555</strong> Capacity Utilization MM transact.</td>
<td>P</td>
<td>E</td>
<td>96,00 %</td>
<td>108,00 %</td>
<td>120,00 %</td>
<td>108,00 %</td>
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<tr>
<td><strong>555</strong> STP rate for MM transact.</td>
<td>P</td>
<td>D</td>
<td>97,90 %</td>
<td>97,82 %</td>
<td>97,61 %</td>
<td>98,11 %</td>
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<tr>
<td><strong>555</strong> # OTC transactions</td>
<td>-</td>
<td>-</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td><strong>555</strong> Capacity Utilization OTC transact.</td>
<td>P</td>
<td>E</td>
<td>109,00 %</td>
<td>158,00 %</td>
<td>124,00 %</td>
<td>110,00 %</td>
</tr>
<tr>
<td><strong>555</strong> STP rate for OTC transact.</td>
<td>P</td>
<td>D</td>
<td>71,21 %</td>
<td>90,65 %</td>
<td>93,75 %</td>
<td>94,76 %</td>
</tr>
<tr>
<td><strong>555</strong> # ETD transactions</td>
<td>-</td>
<td>-</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td><strong>555</strong> Capacity Utilization ETD transact.</td>
<td>P</td>
<td>E</td>
<td>70,00 %</td>
<td>76,00 %</td>
<td>114,00 %</td>
<td>86,00 %</td>
</tr>
<tr>
<td><strong>555</strong> STP rate for ETD transact.</td>
<td>P</td>
<td>D</td>
<td>98,06 %</td>
<td>98,07 %</td>
<td>98,16 %</td>
<td>97,95 %</td>
</tr>
</tbody>
</table>

December 2022
## Service Line: Treasury

<table>
<thead>
<tr>
<th>OU 554</th>
<th># of Managed Nostro accounts</th>
<th>Completeness man. Nostro accounts</th>
<th># B2B-Transfer</th>
<th>STP rate for B2B-Transfers</th>
<th># MIFIR processed transactions</th>
<th># MIFIR relevant transactions</th>
<th># MIFIR reported transactions</th>
<th>MIFIR Completeness</th>
<th>MIFIR Completeness Austria</th>
<th>MIFIR STP Rate</th>
<th>EMIR Completeness - Austria</th>
<th>SFTR Completeness - Austria</th>
</tr>
</thead>
<tbody>
<tr>
<td>554</td>
<td>E</td>
<td>P Q</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>04/22</td>
<td>05/22</td>
<td>06/22</td>
<td>07/22</td>
<td>08/22</td>
<td>09/22</td>
<td>Comment Deviation 09/22</td>
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<tr>
<td></td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>-</td>
<td>-</td>
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<td>-</td>
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<tr>
<td></td>
<td>100 %</td>
<td>100 %</td>
<td>100 %</td>
<td>100 %</td>
<td>100 %</td>
<td>100 %</td>
<td>&lt; 100 %</td>
<td>-</td>
<td>100 %</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10</td>
<td>10</td>
<td>10</td>
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<td>10</td>
<td>10</td>
<td>-</td>
<td>-</td>
<td></td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>83,22 %</td>
<td>81,34 %</td>
<td>86,70 %</td>
<td>86,93 %</td>
<td>85,10 %</td>
<td>87,37 %</td>
<td>&lt; 80 %</td>
<td>≥ 80</td>
<td>&gt; 83 %</td>
<td>-</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### December 2022

- Ensure disposition
  - Deviation
    - 09/22

- Regulatory reporting
  - MIFIR processed transactions
  - MIFIR relevant transactions
  - MIFIR reported transactions
  - MIFIR Completeness
    - Austria
  - MIFIR STP Rate
  - EMIR Completeness - Austria
  - SFTR Completeness - Austria
## Service Line: Treasury

<table>
<thead>
<tr>
<th>Metric</th>
<th>04/22</th>
<th>05/22</th>
<th>06/22</th>
<th>07/22</th>
<th>08/22</th>
<th>09/22</th>
<th>Comment Deviation 09/22</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Manage processes, quality and change</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td># sub process models (1960563)</td>
<td>-</td>
<td>-</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td>Pct Status &quot;Approved&quot; (1960563)</td>
<td>S</td>
<td>Q</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>80,00% &lt; 80% -</td>
</tr>
<tr>
<td>CII FTE Free up (1960563) Potential / realised</td>
<td>S</td>
<td>E</td>
<td>4.15/2.32</td>
<td>4.15/2.32</td>
<td>4.09/2.38</td>
<td>3.84/2.64</td>
<td>3.84/2.64</td>
</tr>
<tr>
<td>Rigidity Status (1960563)</td>
<td>S</td>
<td>E</td>
<td>13.82%</td>
<td>14.88%</td>
<td>11.72%</td>
<td>10.69%</td>
<td>10.86%</td>
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<tr>
<td><strong>Open internal audit findings</strong></td>
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<td></td>
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<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Internal audit findings (EH)</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>3</td>
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<tr>
<td><strong>Major Loss Case</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td># remediation measures - total/open</td>
<td>-</td>
<td>-</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Be wise Controls</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td># control executions current month</td>
<td>-</td>
<td>-</td>
<td>8</td>
<td>8</td>
<td>17</td>
<td>8</td>
<td>12</td>
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<tr>
<td>control execution status rate</td>
<td>S</td>
<td>Q</td>
<td>100%</td>
<td>100%</td>
<td>94.12%</td>
<td>100%</td>
<td>75.00%</td>
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<tr>
<td><strong>Risk Events</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td># open risk cases</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>equivalent value open risk cases</td>
<td>-</td>
<td>-</td>
<td>2.000 €</td>
<td>2.000 €</td>
<td>2.000 €</td>
<td>2.000 €</td>
<td>2.000 €</td>
</tr>
<tr>
<td>realised loss YTD</td>
<td>-</td>
<td>-</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>equivalent value realised loss YTD</td>
<td>-</td>
<td>-</td>
<td>1.000 €</td>
<td>1.000 €</td>
<td>1.000 €</td>
<td>1.000 €</td>
<td>1.000 €</td>
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<tr>
<td>closed risk cases YTD</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>equivalent value closed risk cases YTD</td>
<td>-</td>
<td>-</td>
<td>1.000 €</td>
<td>1.000 €</td>
<td>1.000 €</td>
<td>1.000 €</td>
<td>1.000 €</td>
</tr>
<tr>
<td>raised claims YTD</td>
<td>-</td>
<td>-</td>
<td>4</td>
<td>6</td>
<td>8</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>equivalent value raised claims YTD</td>
<td>-</td>
<td>-</td>
<td>1.000 €</td>
<td>1.000 €</td>
<td>1.000 €</td>
<td>1.000 €</td>
<td>1.000 €</td>
</tr>
</tbody>
</table>

December 2022
Metrics for daily steering

**STP Analysis Database**

<table>
<thead>
<tr>
<th>Differentiation</th>
<th>Metrics</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Asset classes: FX/MM/OTC/ETD</td>
<td>Number of total events</td>
</tr>
<tr>
<td>2) Categories</td>
<td>Number of Non-STP events (drilled down to product, client, customer type, trade status)</td>
</tr>
<tr>
<td>3) Event types (per product)</td>
<td>Time consumed for Non-STP events</td>
</tr>
</tbody>
</table>

| 1) OTC | 2) Opening | 3) New Trade | 3) Trade Cancel |
|--------|-------------|--------------|
|        | 2) Maintenance | Break Clause | Call Exercise |
|        | 3) FXReset | 3) PriceFixing | 3) Put Exercise |
|        | 3) Call Exercise | 3) RateReset | 3) Task |
|        | 3) Trade Amend | 3) Trade Transfer | |
| 2) Confirmation | 3) Termination |
| 2) Mail | | |
| 2) ManualTask | | |
Metrics for daily steering

Comparison Jan to March 2022

- 2022 OTC Opening
- 2022 OTC Maintainance
- 2022 OTC Closing
- 2022 OTC Confirmation
- 2022 OTC Mail
- 2022 OTC Reklamationen
- 2022 OTC ManualTask
### Metrics for daily steering

**FTE Allocation**

<table>
<thead>
<tr>
<th>1) OTC</th>
<th>2) Processing</th>
<th>3) Non-processing</th>
</tr>
</thead>
</table>

#### Differentiation

1) Asset classes: FX/MM/OTC/ETD
2) Processing activities
3) Non-processing activities

#### Metrics

- Time due to working time factor (wtf)
- Time in the office (Wtf – absences – non-processing activities + overtime)
- Standard time per manual task
- Capacity utilization
Questions

Thank you!