# 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**

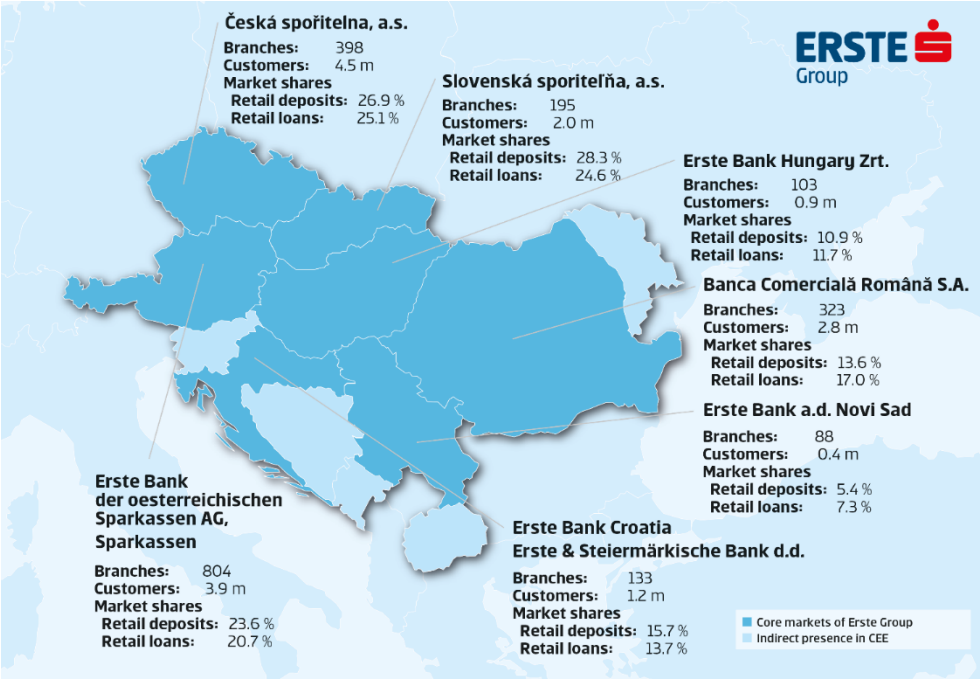
### Key financials for 1-6 2022

| | |
|---|---|
| Net profit | EUR 1,14 bn |
| Total assets | EUR 327 bn |
| Total equity | EUR 23.9 bn |
| CET 1 ratio *(CRR, final)* | 14.2% |
| Loan/deposit ratio | 84.9% |
| Operating result | EUR 1.86 bn |

# 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

**1937**
"Girozentrale" enables **cashless payment transactions**

**1965**
Erste Data Centre & SPARDAT offer **payment automation**

**1968**
Erste introduces the precursor of the **ATM –** the first in AT

**1995**
**Austria joins the EU**

**1997**
Following its IPO, Erste begins the **expansion in CEE**: Acquisition of **Mezőbank** in HU

**2000**
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

# Strategy

## Real customer needs are the reason for our business

### Strategic Objectives

**Customer banking in Central and Eastern Europe**

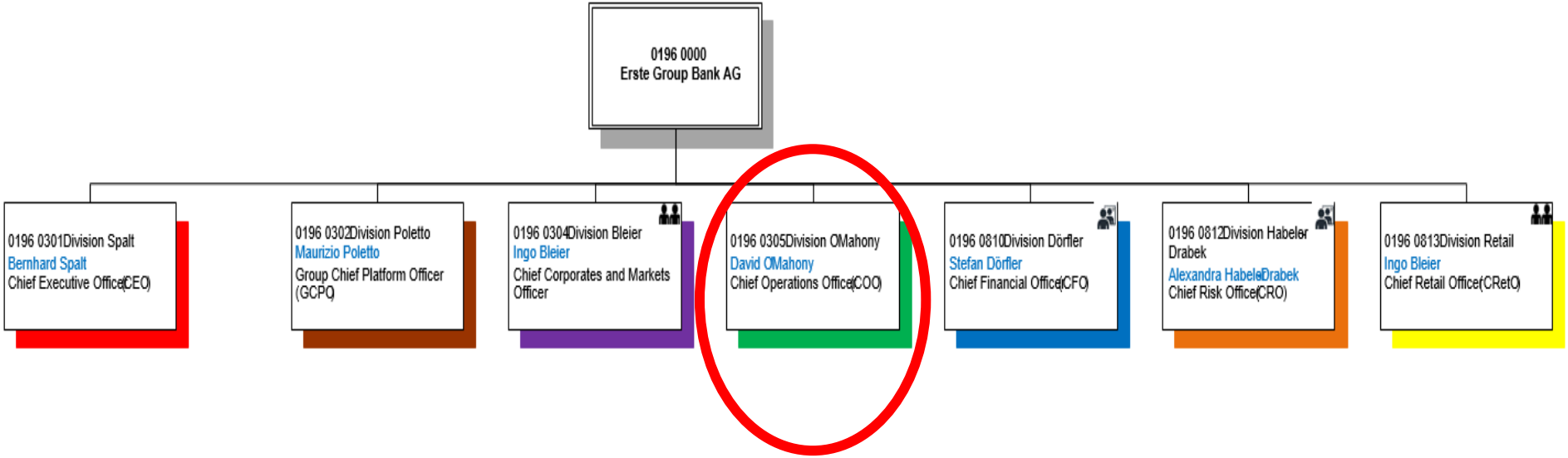
| Eastern part of EU | | Focus on CEE, limited exposure to other Europe | | |
|---|---|---|---|---|
| **Retail banking** | **Corporate banking** | **Capital markets** | **Public sector** | **Interbank business** |
| Focus on local currency mortgage and consumer loans funded by local deposits<br>FX loans only in EUR for clients with EUR income (or equivalent) and where funded by local FX deposits (HR & RS)<br>Savings products, asset management and pension products<br>Expansion of digital banking offering | Large, local corporate and SME banking<br>Advisory services, with focus on providing access to capital markets and corporate finance<br>Real estate business that goes beyond financing | Focus on customer business, incl. customer-based trading activities<br>In addition to core markets, presences in Poland, Germany, New York and Hong Kong with institutional client focus and selected product mix<br>Building debt and equity capital markets in CEE | Financing sovereigns and municipalities with focus on infrastructure development in core markets<br>Any sovereign holdings are only held for market-making, liquidity or balance sheet management reasons | Focus on banks that operate in the core markets<br>Any bank exposure is only held for liquidity or balance sheet management reasons or to support client business |

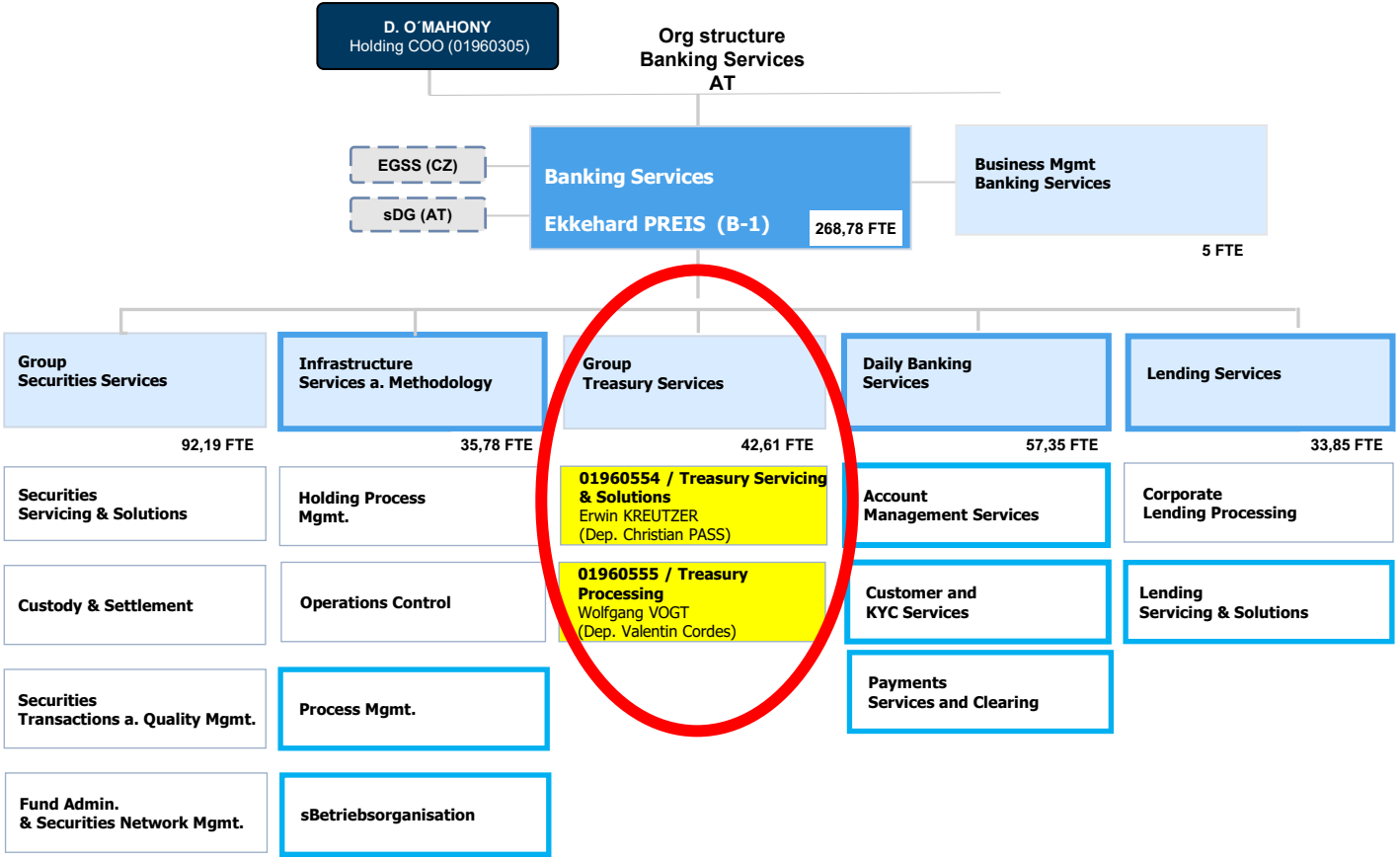
# KPI USAGE Banking Operations Erste Group

Know what you do. Improve now.

# Organisational Chart






D. O´MAHONY
Holding COO (01960305)
Org structure
Banking Services
AT
EGSS (CZ)
sDG (AT)
Banking Services
Ekkehard PREIS (B-1)
268,78 FTE
Business Mgmt
Banking Services
5 FTE
Group
Securities Services
92,19 FTE
Infrastructure
Services a. Methodology
35,78 FTE
Group
Treasury Services
42,61 FTE
Daily Banking
Services
57,35 FTE
Lending Services
33,85 FTE
Securities
Servicing & Solutions
Holding Process
Mgmt.
01960554 / Treasury Servicing
& Solutions
Erwin KREUTZER
(Dep. Christian PASS)
Account
Management Services
Corporate
Lending Processing
Custody & Settlement
Operations Control
01960555 / Treasury
Processing
Wolfgang VOGT
(Dep. Valentin Cordes)
Customer and
KYC Services
Lending
Servicing & Solutions
Securities
Transactions a. Quality Mgmt.
Process Mgmt.
Payments
Services and Clearing
Fund Admin.
& Securities Network Mgmt.
sBetriebsorganisation

**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**

**8,27**
**FTEs**

**DESK**
**FX / MM**

Exchange Traded Derivatives
Settlement of new trades and trade lifecyle 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

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

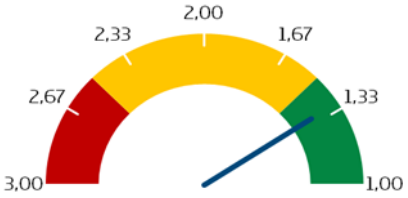
Shared Service Center
- EB – Holding
- EB – Österreich
- Savings Banks

SL: Treasury – September 2022

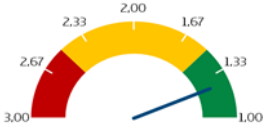
# Performance & Trend

## Overview

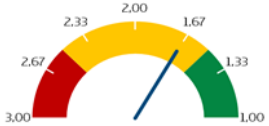
| | |
|---|---|
| KPI-status: green | 14 |
| KPI-status: yellow | 4 |
| KPI-status: red | 1 |
| KPIs not defined | 0 |



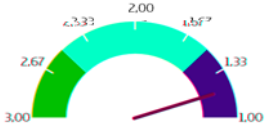

Quality & CX




Efficiency




Digitalization




**KPI-status:**

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 1 | 0 | 7 | 0 | 4 | 2 | 0 | 1 | 4 |

KPIs not assigned 0

## Unit - Overview

| | |
|---|---|
| 554 - Treasury Servicing & Solutions | 1,29 |
| 555 - Treasury Processing | 1,50 |

# KPIs

RED KPI´s to be explained by Management

# IT Systems

| | |
|---|---|
| CALYPSO | ● ○ ○ |
| TWH | ● ○ ○ |
| ABM | ● ○ ○ |
| PAYSIC (680) | ● ○ ○ |

# Issues and Achievements

| Issue / Achievement | Description | Mitigation | Affected KPI |
|---|---|---|---|
| | | | |
| | | | |

# Additional Requests

| Request by | Description | Effected KPI | Quantitative Effect |
|---|---|---|---|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

# Service Line: Treasury

OU 554

| | | | | | 04/22 | 05/22 | 06/22 | 07/22 | 08/22 | 09/22 | Comment Deviation 09/22 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ensure disposition | 554 | # of Managed Nostro accounts | - | E | 10 | 10 | 10 | 10 | 10 | 10 | | - | - | - |
| | 554 | Completeness man. Nostro accounts | P | Q | 100 % | 100 % | 100 % | 100 % | 100 % | 100 % | | < 100 % | - | 100 % |
| | 554 | # B2B-Transfer | - | - | 10 | 10 | 10 | 10 | 10 | 10 | | - | - | - |
| | 554 | STP rate for B2B-Transfers | P | Q | 83,22 % | 81,34 % | 86,70 % | 86,93 % | 85,66 % | 87,37 % | | < 80 % | ≥ 80 | > 83 % |
| Regulatory reporting | 554 | # MIFIR processed transactions | - | - | | | | | | | | - | - | - |
| | 554 | # MIFIR relevant transactions | - | - | | | | | | | | | | |
| | 554 | # MIFIR reported transactions | - | - | | | | | | | | | | |
| | 554 | MIFIR Completeness | P | Q | | | | | | | | | | |
| | 554 | MIFIR Completeness Austria | P | Q | | | | | | | | | | |
| | 554 | MIFIR STP Rate | P | D | | | | | | | | | | |
| | 554 | EMIR Completeness - Austria | P | Q | | | | | | | | | | |
| | 554 | SFTR Completeness - Austria | P | Q | | | | | | | | | | |

ILLUSTRATIVE

# Service Line: Treasury

OU 563

| | | | | | 04/22 | 05/22 | 06/22 | 07/22 | 08/22 | 09/22 | Comment Deviation 09/22 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Manage processes, quality and change | 563 | # sub process models (1960563) | - | - | 10 | 10 | 10 | 10 | 10 | 10 | | - | - | - |
| | 563 | Pc Status "Approved" (1960563) | S | Q | 100 % | 100 % | 100 % | 100 % | 100 % | 80,00 % | | < 80 % | - | ≥ 80 % |
| | 563 | CII FTE Free up (1960563) Potential / realised | S | E | 4,15/ 2,32 | 4,15/ 2,32 | 4,09/ 2,38 | 3,84/ 2,64 | 3,84/ 2,64 | 3,66/ 2,68 | | < 1,72 FTE | 1,72 FTE – 3,43 FTE | ≥ 3,43 FTE |
| | 563 | Rigidity Status (1960563) | S | E | 13,82 % | 14,88 % | 11,72 % | 10,69 % | 10,86 % | 10,33 % | | < 10 %<br>> 20 % | - | ≥ 10 %<br>≤ 20 % |
| Open internal audit findings | 563 | # Internal audit findings (EH) | - | - | 2 | 2 | 3 | 3 | 3 | 3 | | - | - | - |
| Major Loss Case | 563 | # remediation measures - total/open | - | - | 0 | 0 | 0 | 0 | 0 | 0 | | - | - | - |
| Bwise Controls | 563 | # control executions current month | - | - | 8 | 8 | 17 | [illegible] | 8 | 12 | | - | - | - |
| | 563 | control execution status rate | S | Q | 100 % | 100 % | 94,12 % | 100 % | 75,00 % | 100 % | | < 100 % | | 100 % |
| Risk Events | 563 | # open risk cases | - | - | 1 | 1 | 2 | 1 | 2 | 2 | | - | - | - |
| | 563 | # equivalent value open risk cases | - | - | 2.000 € | 2.000 € | 2.000 € | 2.000 € | 2.000 € | 2.000 € | | - | - | - |
| | 563 | # realised loss YTD | - | - | 10 | 10 | 10 | 10 | 10 | 10 | | - | - | - |
| | 563 | # equivalent value realised loss YTD | - | - | 1.000 € | 1.000 € | 1.000 € | 1.000 € | 1.000 € | 1.000 € | | - | - | - |
| | 563 | # closed risk cases YTD | - | - | 1 | 1 | 2 | 2 | 3 | 3 | | - | - | - |
| | 563 | # equivalent value closed risk cases YTD | - | - | 1.000 € | 1.000 € | 1.000 € | 1.000 € | 1.000 € | 1.000 € | | - | - | - |
| | 563 | # raised claims YTD | - | - | 4 | 6 | 8 | 11 | 11 | 11 | | - | - | - |
| | 563 | # equivalent value raised claims YTD | - | - | 1.000 € | 1.000 € | 1.000 € | 1.000 € | 1.000 € | 1.000 € | | - | - | - |

ILLUSTRATIVE

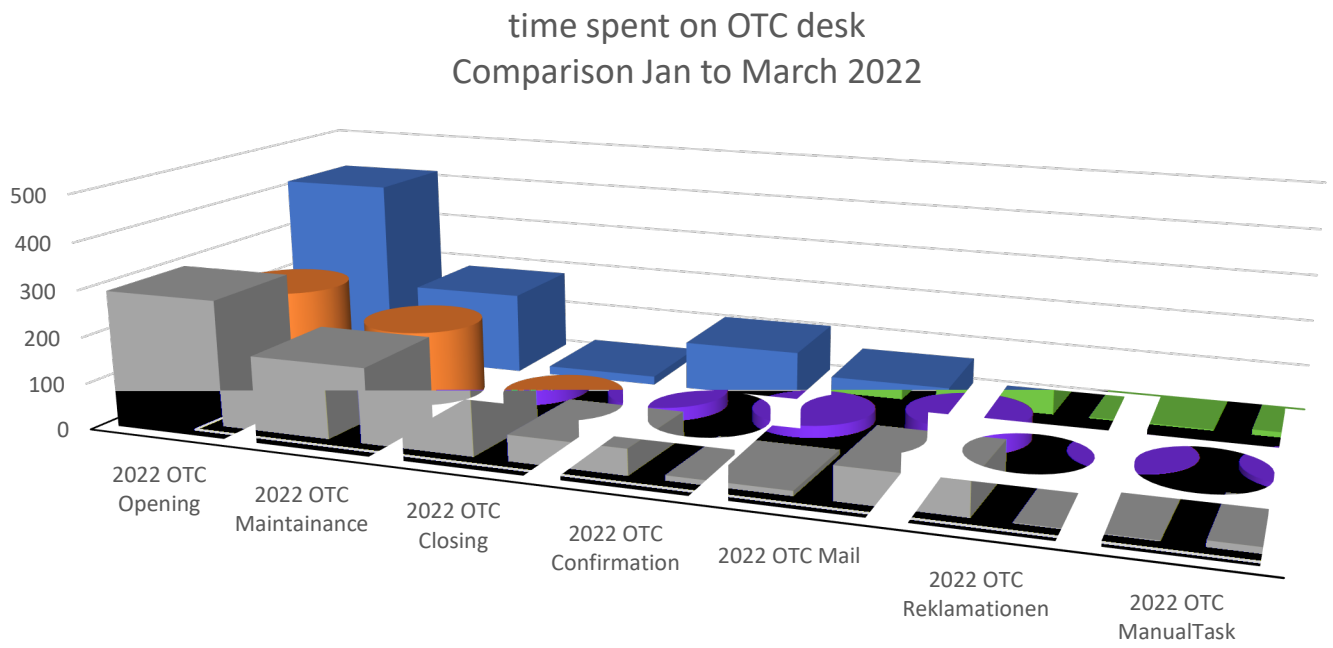
# Metrics for daily steering



- **STP Analysis Database**

Differentiation
1) Asset classes: FX/MM/OTC/ETD
2) Categories
3) Event types (per product)

Metrics
- Number of total events
- Number of Non-STP events (drilled down to product, client, customer type, trade status)
- Time consumed for Non-STP events

| | | | |
|---|---|---|---|
| 1) | **OTC** | 2) **Opening** | 3) New Trade |
| | | | 3) Trade Cancel |
| | | 2) **Maintainance** | 3) Break Clause |
| | | | 3) Call Exercise |
| | | | 3) FXReset |
| | | | 3) PriceFixing |
| | | | 3) Put Exercise |
| | | | 3) RateReset |
| | | | 3) Task |
| | | | 3) Trade Amend |
| | | | 3) Trade Transfer |
| | | 2) Closing | 3) Termination |
| | | 2) Confirmation | |
| | | 2) Mail | |
| | | 2) ManualTask | |

# Metrics for daily steering