Erste Group Bank AG

T+1 – Questions & Answers (Q&A)

1. Market Timeline & Roadmap

1.1. What is your market's confirmed T+1 transition date and overall roadmap?

Austria does not have a separate national T+1 date.
Because Austria applies the EU Central Securities Depositories Regulation (CSDR) directly, the Austrian market will transition to T+1 on the same harmonised EU date: October 11, 2027
Austria follows the EU-wide T+1 implementation roadmap, not a bespoke national plan. The milestones below reflect what applies to OeKB CSD, CCP Austria, Austrian trading venues and participants.

1.2. Have you published or adopted an implementation plan? Outline key milestones and dependencies.

Erste Holding has an internal implementation plan, including milestones and dependencies. However, this plan will not be published externally.

1.3. Are there regulatory consultations or approvals pending that may affect the timeline?

At this stage, we do not anticipate any impact.

1.4. To what extent are all relevant market participants—including brokers, registrars, and clearing houses—aligned and actively engaging in T+1 readiness activities, and are there any identified obstacles or gaps in the market's overall transition plan?

Erste Holding (EH) does not provide any overview on the T+1 readiness of the Austrian market.

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2. Trade Lifecycle & Operational Changes

2.1. What specific changes will occur across the trade lifecycle (execution → matching → settlement)?

There will be changes and once Erste Holding has completed its analysis on the trade life cycle we will publish the changes to our clients.

2.2. Will there be revised cut-off times, matching windows, or sequencing of settlement cycles?

Yes, there will be revised cut-off times and once Erste Holding has completed on the cut-off times we will publish the new requirements to our clients.

2.3. Do you expect any changes to market or sub-custodian deadlines as the market transitions to T+1?

Yes, there will be revised cut-off times and once Erste Holding has completed its analysis on the cut-off times we will communicate the updated requirements to our clients.

2.4. Are there expected changes to inventory management, liquidity, FX, or securities financing processes?

Yes, changes are expected. However, as these primarily relate to internal processes, they will not be described in this Q&A. We assume security financing processes will heavily move to T+0.

2.5. Will time zone differences create challenges for participants operating outside the local market hours once T+1 is implemented?

As we are in the same time zone with our operations, we do not see any challenges at the moment.

2.6. Can you facilitate cross border and local settlement for Bonds?

Yes, we do facilitate cross border and local settlement for bonds in the markets where EH is trading bonds and according to the SSIs published.

3. Trade Lifecycle & Operational Changes

3.1. Will you need to adapt to new formats or STP requirements?

We do not see any new requirements for STP at the moment but our analysis is still ongoing.

4. Testing Requirements

4.1. What testing cycles are planned, and what are the timelines?

We will participate in the overall industry testing phases. We will provide more details with the next version of the FAQs.

4.2. Will you provide structured test cases, test scripts, or simulated environments?

We will participate in the overall industry testing phases. We currently do not intend to publish test scripts or similar information.

4.3. 4.3 Will you engage in industry testing? Will you be testing for specific applications, CUSIPs, Counterparties, etc.?

We will participate in the overall industry testing phases. We will provide more details with the next version of the FAQs.

5. Expectations towards custody clients

5.1. What deliverables or actions do you expect the custody client to complete as part of your T+1 program, and what specific timelines are associated with each?

At the given point in time, we do not have requirements towards our custody clients. However, we expect our custody clients to be T+1 compliant by 11 October 2027., and to check their processes against the industry recommendations.

5.2. Will we be required to adjust workflows, instruction methods, or cut-off times?

Yes, there will be a requirement with respect to cut-off times and affirmation process. Details will be provided once finalized and communicated in the Austrian market.

5.3. Are there new data or confirmation/affirmation requirements for the custody client?

Not at the moment, we will update as soon as we become aware of any such requirements. We are currently preparing CTM integration in our systems.

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6. Post Trade and Settlement

6.1. Does your local market CSD support Partial Settlement with all necessary indicators? Do you as sub-custodian of EH support partial settlement? Is there a default value for a securities account or is it required to instruct always with the partial indicator? (ST-01.3)

OCSD in AT supports all partial settlement requirements as it is a T2S participating CSD. It is highly recommended for our custody clients to always mark their instructions sent with a partial indicator (PART, PARC, PARQ). We do not offer a default value on your client account. NPAR should be only used in case of an exception agreed with the counterpart such as bilateral opt-out, case-by-case justified situations, unilateral opt-out (SECL/SECB, CORP, PORT)

6.2. Are there penalties or controls foreseen for late or unmatched instructions under T+1?

At this stage, we do not anticipate any impact.

6.3. Does your local market CSD support all relevant Transaction Type Identifier with possible indicators? Do you as sub-custodian of EH support the same? (ST-01.6)

Yes, EH does support these transaction type identifiers.

6.4. Will there be changes to matching validation rules (e.g. tolerance levels, mandatory fields)?

At this stage, we do not anticipate any impact.

6.5. If applicable, what affirmation model(s) will be supported, and will affirmation deadlines change?

Yes, the affirmation model will change. We will participate after the T+1 go live in DTCC and will affirm our trades concluded OTC directly and automatically in DTCC. We will also use Alert to provide our SSIs on a broader level and will proceed there with automatic and regular updates on SSI changes for EGB.

6.6. Will error handling, unmatched trade resolution, recalls, or repairs change under T+1?

Yes, the processes will change - we will provide information on the exact changes to our counterparts in the second half of 2026 as there is still key information missing from the market as well as from the custodians/CSDs EH is using.

6.7. Are there expectations for earlier or same-day affirmation?

Currently, we see a lack of a clear regulatory plan for affirmation processes.

6.8. Are there potential impacts to securities lending/borrowing?

We do not have securities lending/borrowing with our custody clients. Generally, we assume the securities lending market will move to T+0.

6.9. In case of active securities lending activity, is the recall process being adjusted or accelerated to ensure timely settlement under the T+1 cycle?

We do not have securities lending/borrowing with our custody clients.

6.10. Will you support the requirements coming from the 'gating event' implementation for the SFT optimization?

We are currently under clarification with our custodians / CSDs on the details per market of the "gating event".

6.11. Are you on CTM for all securities eligible for T+1 settlement? If not, which systems do you use?

We will use CTM for trades concluded against Investment managers where EH is the trading counterpart. Furthermore, we will use CTM for trades concluded against Investment managers where EGB is the trading counterpart for the investment manager.

6.12. If on CTM, are you signed up to AKAS? If not, will you be signing up for AKAS?
AKAS (ALERT Key Auto Select) is a rules-based enrichment service that works with CTM to automatically populate settlement instructions on matched trades.

Yes, we will use the auto enrichment for allocations/confirmations.

6.13. What are your expected cut off times for confirmations? Do you have any internal cut offs vs market?

Yes, we have internal cut off times. Once we received the necessary information, we will update our FAQs and distribute to our custody clients.

7. Pre-Matching

7.1. Is pre-matching required in your market as part of the settlement lifecycle under T+1?
Answer

Since go-live of CSDR3 in Austria the pre-matching obligation is in place. This is currently handled at the CSD OEKB with the instructions from both counterparts.
EH is compliant with this process.

7.2. At what level does pre-matching occur under T+1 (counterparty level vs. beneficial-owner level)?

This depends on the role which EH has in the transaction:
As custodian and settlement agent of the specific instruction, we will send the instruction on Counterparty level, since Austria is not a beneficial owner market.
Trading Partner: Market-dependent when trading globally – beneficial owner applies in markets like Italy (IT) or similar.
Custody business: If the beneficial owner is included in the instruction (INX), we pass it on (subject to matching requirements).
Trading: If required in the respective market, the beneficial owner is included and also validated during pre-matching

7.3. Will the T+1 migration change your market's pre-matching timelines or cut-offs?

Yes, there will be changes in timelines and cut-offs but the information was not published yet in the AT market.

7.4. Will new fields (e.g., buyer/seller codes, BIC-level identifiers) become required for successful pre-matching under T+1?

We have not received any final information from our sub-custodians, CSDs or ICSDs. EH will provide the information once received from our partners.

7.5. Does your pre-matching process need to be completed before an instruction can be transmitted to the CSD?

This depends on the role which EH has in the transaction. As Trading Partner with an investment firm pre-matching of trade details and SSIs will be performed in CTM.
As custodian and settlement agent of the specific instruction, we will send the instruction to the respective CSD or custodian and the matching will take place there.
As trading partner with another broker/dealer the same procedure as for the settlement agent role will be performed.

7.6. Please confirm whether your region relies primarily on affirmation, pre-matching, or both for T+1, and highlight any market-specific differences that you should be aware of.

Affirmation will not be done in EU T+1 participating markets.

7.7. What changes are you planning to implement in the MT515 message format?

EH plans to change the current MT515 message format. We intend to incorporate to the MT515 message also the SSIs for the trade concluded.

7.8. Could you please provide us with a sample MT515 message reflecting the future setup?

We are currently in the definition and analysis phase. As soon as we have valid sample messages, we will share this with our clients.

8. Trading

8.1. Do you intend to implement shaping for bilateral trading and settlement on bond trades in large scale?

EH does currently not intend to use shaping for large scale bond trades as we actively use partial settlement for all our settlement markets supported by our CSD and sub-custodian network. We also have the assumption that in European Settlement Countries where the feature is currently not supported with T+1 Go Live in October 2027 partial settlement will be done.

8.2. Do you support bilateral and multilateral netting (pair-off) to reduce settlement risk and costs with T+1? (ST-03.13)

EH will support bilateral and multilateral netting (pair-off) but only for instructions which are in status not-matched with the CSD/sub-custodian. If the instruction which would be requested to be paired-off/netted EH does not support this service due to the time-criticality and the efforts on our side.

9. Client Impact & Scope

9.1. Do you anticipate any general client or cross-border impacts that custody client should be aware of under a T+1 cycle?

Yes, we do expect changes although the details are under discussion in the Austrian Market Committee with OEKB as the Austrian CSD.

9.2. Are any instruments or transaction types in your market excluded or treated differently? Specify which ones are in or out of scope and detail which instruments will shift to T+1.

Yes. In Austria, EU T+1 excludes derivatives, securities financing transactions, primary-market trades, traditional fund subscriptions/redemptions, FX and internal movements; only secondary-market trades in transferable securities settled via OeKB CSD are in scope.

10. Corporate Actions

10.1. Are there expected changes to any corporate action, income, claims or proxy processing timelines as the market moves to T+1?

Currently no changes are planned to corporate action, income, claims or proxy processing timelines.

10.2. Will there be shorter timelines for elections and instructions on corporate actions?

At this stage, we do not anticipate any impact.

10.3. How will the CSD ensure timely dissemination of event information?

At this stage, we do not anticipate any impact.

11. Client Impact & Scope

11.1. Do you anticipate that the market will have sufficient securities liquidity to support continuous T+1 settlement, and what indicators or assessments guide your view?

Yes, cautiously. We anticipate that the Austrian market should have sufficient securities liquidity to support continuous T+1 settlement, provided that the transition is accompanied by the same operational and behavioural changes expected across the EU (earlier trade affirmation, stronger pre-matching, and reliable SFT/auto-collateralisation support).
This view is guided less by Austria-specific optimism alone and more by structural indicators, empirical settlement data, and EU-wide assessments that explicitly include Austria and OeKB CSD/T2S.

11.2. How will the move to T+1 impact FX deadlines, funding requirements, or liquidity management in your market?

On the custody side, we are currently under clarification with our CSD in Austria on the details.

11.3. Will T+1 impact the delivery of extended services such as funding, credit facilities, securities lending/borrowing, or collateral management?

We do not offer such services to our custody clients.

12. Communication & Points of Contact

12.1. Will you provide updates specific to regulatory changes on short selling, buy-ins, or penalties?

We will provide regular updates to these FAQs as additional information becomes available.

12.2. Will you provide ongoing readiness updates, market watch notices, or impact bulletins?

We will provide regular updates to these FAQs as additional information becomes available.

12.3. Are you participating in industry groups or regulatory workstreams related to T+1?

Yes, we are participating in different industry groups related to T+1.

12.4. Please list your SMEs and contacts for T+1 coordination.

We agreed within EH that all client related questions should be submitted through your dedicated relationship manager.

13. Securities Lending

13.1. Securities lending – changes will be required to the loan recall process and cut-off times. Removing one day from the settlement cycle creates timing challenges for all market participants for allocations, settlement and securities lending due to the reduced number of hours until market cut-off times.

We expect a move to T+0 in this business segment. Also see the industry recommendations (which we intended to follow at this point in time).

13.2. Will there be enhanced integration with lending markets to support T+1?

Enhanced integration is planned to avoid settlement fails because of short coverages.

13.3. How will auto-collateralisation evolve under T+1?

At this stage, we do not anticipate any impact.

13.4. Will there be changes to collateral eligibility, optimisation, or substitution processes? Are new liquidity or inventory management tools planned?

Optimisation related to liquidity and inventory management are under investigation.

14. Inventory

14.1. Do you provide a MT535 with place of safekeeping and with which values are used to reflect the sub-custodian chain? (ST-01.4)

We do not see any impact on MT535 structure and content at this point in time.

15. General

15.1. Will there be any changes in SLAs as a result of implementing changes for T+1? Will your SLAs differ by entity?

At the moment we do not have enough information at the moment. EH will provide an update as soon as we have more information.