

Erste Group – 9th Capital Markets Day

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Pushing forward progressive IT modernisation

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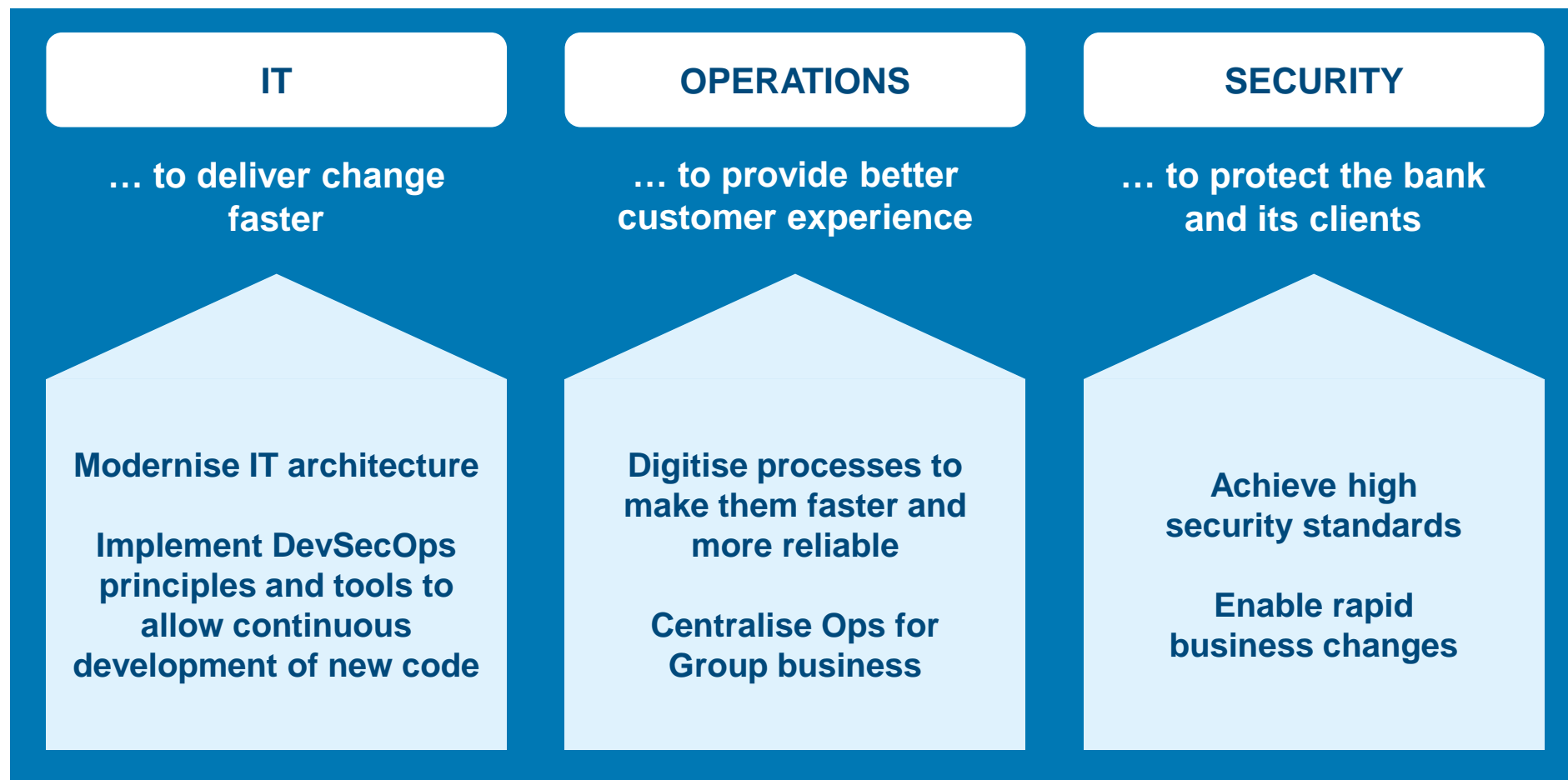
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Presentation topics – Pushing forward progressive IT modernisation

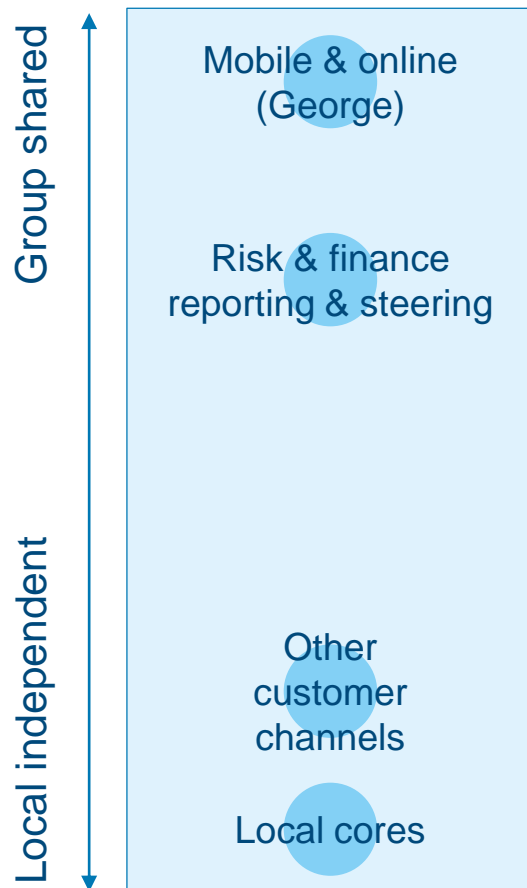
- IT strategy
 - COO top priorities
 - IT architecture today
 - Progressive IT modernisation
- Back office digitalisation of banking operations

COO top priorities – Focus on IT, banking operations and security

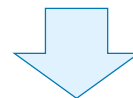


IT architecture today –

Group apps for mobile, online, risk and finance sit on local core systems



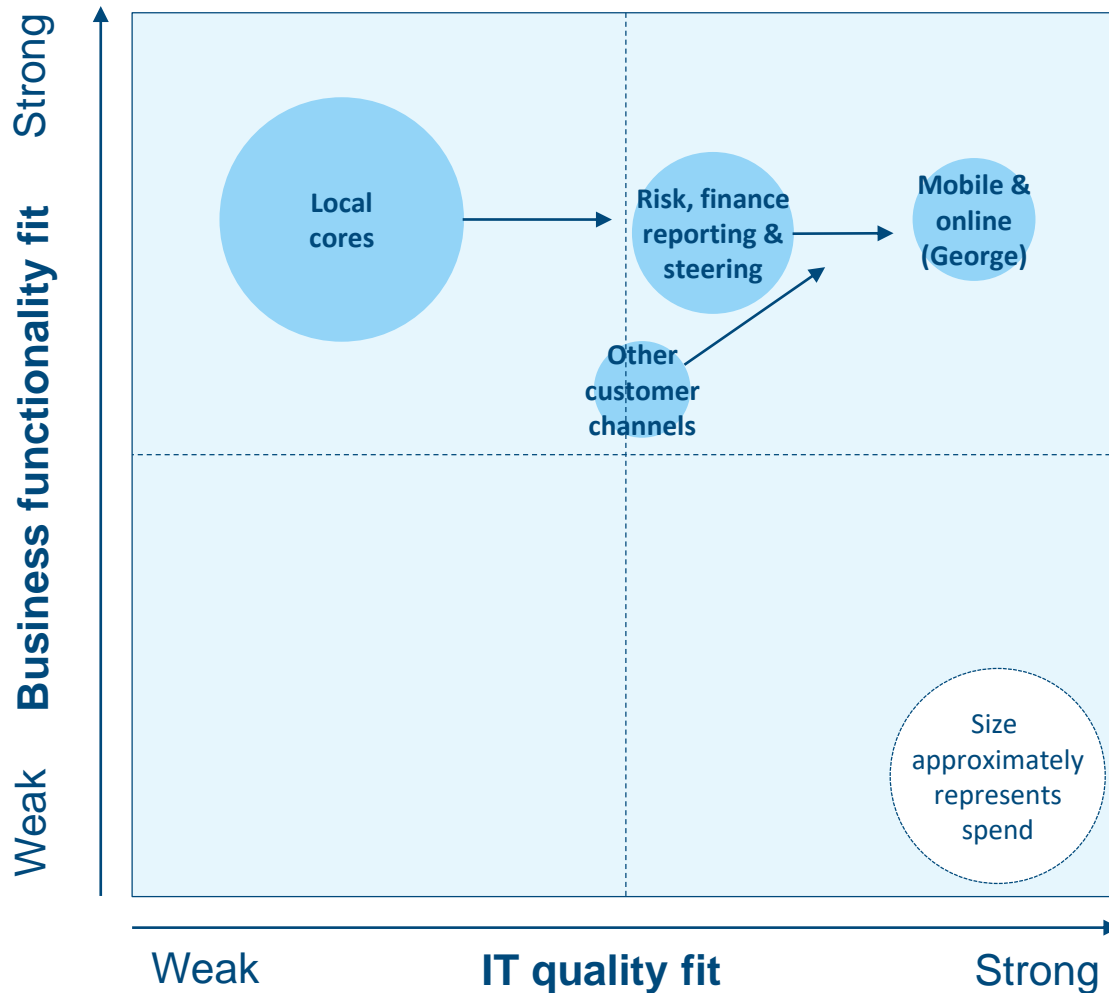
- Client-facing mobile and online delivered through shared apps
- Risk and finance reporting tools also increasingly centralised
- Federated landscape of local core banking systems and supporting applications for core business services



- Gives independence to local business, improving ability to respond to local markets
- Puts the work where the bulk of IT employees are located close to business

Progressive IT modernisation –

Focus will be on improving time to market, efficiency and reliability...



Systems architecture in most countries had been driven by focus on regulatory requirements resulting in postponed modernisation efforts

Progressive IT modernisation – Industry best practices to improve business outcomes



Build for APIs

Flexibility



**Re-architect to
microservices**

Fast time to
market



**Automate &
DevSecOps**

Reliability and
speed



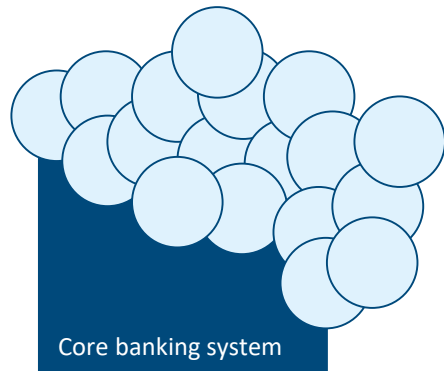
Business benefits

Cost efficiency
Fast time to market
High reliability and security
Enable experimentation

Invest in people and skills

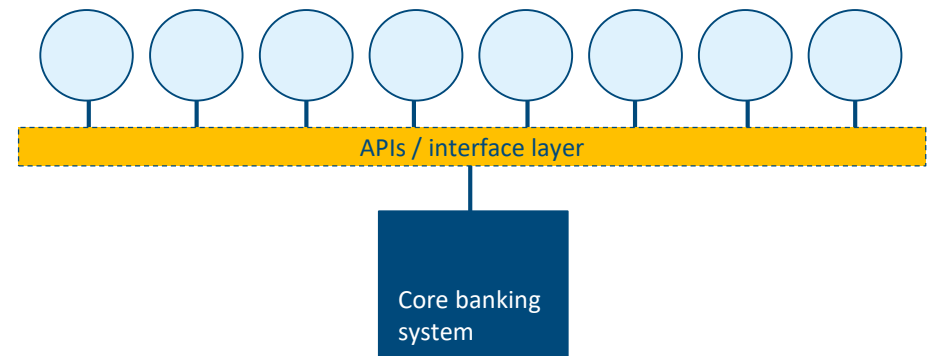
Progressive IT modernisation – Result will be a flexible systems architecture

Legacy architecture



- All applications can only be adapted at the pace of the slowest
- Interdependencies make every change hard
- Data in constant conflict amongst systems – or requires enormous management efforts

Future architecture



- No interdependencies: each system can change at its own speed
- No data conflicts
- Fewer applications & lower cost
- **Core banking systems shrunk but not replaced**, changed to microservices from monoliths

Back office digitalisation –

Improvements are focused on Austria, group businesses, customer experience

Simplify operations
in Austria

- One third of Group operations costs in Austria (including Holding, EBOe & savings banks)
- 3 captive providers in AT give opportunity for simplification

Centralise operations
in support of
Group businesses

- Group businesses (e.g. payments & cards, treasury markets) to be centrally driven but locally served
- Opportunities lie in creating common infrastructure, better pricing for larger scale and centralisation of some services (e.g. custody)

Digitise most important
end to end
customer journeys

- Pilots underway in SLSP & EBOe, BCR already beyond pilot
- Scope is broader than Ops, includes branches, call centres and other sources of customer friction and internal cost
- Target is higher customer satisfaction