IT System for Debt Managers
Case Study Slovakia

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SLOVAK REPUBLIC AT A GLANCE

 Territory: 49,035 km²
 Population: 5.4 million
 GDP per capita¹: 72% of EU-27
 Credit ratings: A1 / A+ / A+ (stable outlook)
 Capital: Bratislava

 End of Communist regime
 Slovak Republic founded
 EU accession referendum
 ERM-2 entry
 EUR adoption


 WTO membership
 OECD membership
 NATO and EU membership
 Schengen area membership

DMO POSITION

- Ministry of Finance of the Slovak Republic (MoF) – accounting (ST and ARDAL client)
- State Treasury (ST) – accounting (retail)
- Debt and Liquidity Management Agency (ARDAL) – trading (broker)

• All MoF accounts are held with ST
• MoF has full access to financial market via ARDAL
• Standard market instruments usage
DEBT MANAGEMENT IT SYSTEM IN ARDAL

- Debt Management IT in ARDAL is based on off-the-shelf system Wallstreet Suite.
- Wallstreet Suite delivers to ARDAL single, fully integrated and straight through real-time industry-standard for Debt Management.
- Fields covered by our solution:
  - Debt Management Requirements
  - Liquidity Management Requirements
  - Risk Management Requirements
  - Back Office Requirements
  - Market Data Management
  - Reporting Requirements
  - Accounting Requirements
MAIN CHARACTERISTICS

- Reliable and financial industry standard core system
- All data stored in one database
- Straight-through processing: front office ➔ middle office ➔ back office ➔ accounting activities
- Transaction flow principle
- Single transactions data entry/modification point
- Cashflow based
- Adopted market standard calculations for broadest range of risk figures
- Credit & market risk management through limit functionality and exception handling
MAIN CHARACTERISTICS

- Automated Settlement Instruction assignment to cashflow on deal entry
- Automatic confirmation processing via fax/mail/print/SWIFT
- Payment execution via interface to payment system
- Securities settlement via interface to central depository
- Statement of account reconciliation functionality
- Full accounting functionality (Automatic accounting entry processing based on rules)
MAIN CHARACTERISTICS

• Reporting capabilities using built-in tools (real-time position monitors and on-demand report generator fully configurable on user level)
• Minimized user interventions for processing
• Comprehensive user rights management
• Full audit trail
• Unlimited interfacing capabilities including all leading market data and trading platforms
• Nearly 100% automated integration with other systems (only Reuters auction system data and market data are transferred manually)
AVAILABILITY OF THE SOLUTION

- Continuous availability and a high degree of reliability is achieved by Virtualization technology (VM Ware)
- Continuous system monitoring via SMS
- SLA agreement 24 x 7 x 365 for HW support
  - response time in 6 hours
- SLA agreement 24x7x365 for production system Wall Street Systems support
  - response time in 4 hours
- Business continuity achieved by two back-up offices
  - Office No. 1 – 10 km distance
  - Office No. 2 – 200 km distance
FUTURE PLANS

• Currently in upgrade process where following benefits should be achieved:
  – Rebuild business logic to provide more detailed information on debt, deficit and analytical outputs
  – Reached 100% automated integration with other systems (interfacing of Reuters auctions and Reuters market data)
  – SWIFT connectivity will be established for confirmations
  – Optimization of business processes and interfaces
  – Automation of many daily routines performed by users during data processing
  – Introducing higher standard for management and monitoring the system processes
  – Moving to latest version of operating and database system

• Intention for Financial planning functionality incorporation to Wallstreet Suite
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ADDITIONAL DETAILS

- All available data of the state debt are on the website: www.ardal.sk
- State Treasury: www.pokladnica.sk
- Ministry of Finance: www.finance.gov.sk
- National Bank of Slovakia: www.nbs.sk
- Statistical Office of the Slovak Republic: www.statistics.sk