



VOLKSBANK Slovensko, a.s.
Practical experiences with €URO-adaptation
as of 01.01.2009

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„EURO in New Member Countries of European Union“

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Agenda

- EURO introduction in Slovakia
 - Basic principles
 - Timeline

- Main areas of impact/activity for the bank
 - EURO: what does it entail?
 - IT systems
 - Cash frontloading and sub-frontloading
 - Business processes
 - External and internal communication

- Organization of the EUR project
 - Project team
 - Project organization
 - HR impact and motivation



VOLKSBANK Slovensko, a. s.

2008 Results:

- Total Assets: 1,53 €
- Employees: 658
- Branches: 47 all over Slovakia
- Number of Clients: 102,000
- Clients Accounts: 124,000
- ATM: 78





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€uro introduction in Slovakia - basic principles -

- **Big-Bang scenario**
 - simultaneously € introduction in both cash and non-cash circulation as of 1 January 2009
- **Short dual circulation**
 - Two weeks during which Slovak banknotes and coins will remain in used as a legal tender
- **Dual pricing period**
 - August 2008 until end 2009
- **Fixed exchange rate**
 - Fixed by ECOFIN in July 2008; 1 EUR = 30,1260 SKK
 - Used for dual pricing and for the conversion alike
 - Strict rounding rules
- **Responsibility**
 - Every entity responsible for preparing and bearing the cost of the euro introduction
- **Continuity of contracts**
- **No harm to the citizen**



€uro introduction in Slovakia - basic timeline -





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€uro: principal goals

- Dual pricing
 - Defined outputs must be dual priced (before conversion and after)
- Conversion
 - All accounts / all products must be converted into EUR
 - Branches and clients must have sufficient EUR cash
 - ATMs and POS terminals must work in EUR
 - All systems must work with EUR as the main currency
 - All interfaces within the bank and with external environment must work with EUR
 - Payment systems must work in EUR
 - All internal processes must be EUR complied
- Clients must be informed
- Employees (all of them) must be trained



IT systems – dual pricing

- Goals / requirements
 - Compulsory on outputs for individual clients/entities as of August 2008 (
 - Non-compulsory in private electronic channels
 - Excluded by law on POS terminals, forms, cash register outputs...
- In Volksbank Slovensko
 - 8 systems involved

IT systems – conversion

- Goals / requirements
 - Conversion all systems in EUR - most of them as of first 5 days of January 2009
- In Volksbank Slovensko
 - 52 systems involved, both external and internal development (almost all bank SW)
 - Each system has a separate sub-project definition (design, development, testing)
 - Integration testing planned for 22 selected systems

IT systems

Cash logistics

Business
processes

Internal and
external
communication

Cash frontloading and sub-frontloading

■ Goals / requirements

- Ensure enough EUR cash in branches
- Ensure sub-frontloading of customers

■ In Volksbank Slovensko

- Total value frontloading: 28,8 MIO EUR
- Sub-frontloading: 6,3 MIO EUR (282 clients)
- Start-up packages: 15.000 pcs. á 500 SKK
- Frontloaded cash = 32,6 tons; 26,4 m3 (!)

IT systems

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Business processes

- **Goals / requirements**
 - Ensure changes in products (retail, corporate / account, credit...);
 - Ensure changes in related processes (branches, payment, treasury, risk management, reporting...)

- **In Volksbank Slovensko**
 - Business tasks with local (departmental) impact driven by the respective department
 - Business tasks with overlap (most of them) dealt with on EUR project basis (typical overlap business – IT)
 - Modification of 50 internal directives
 - 100 pages of methodology in three specific Eurobibles
 - 12 complete contingency plans

IT systems

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Internal and external communication

■ Goals / requirements

- Ensure proper display of prices in all bank materials
- Ensure information flow towards clients and bank employees

■ In Volksbank Slovensko

- Dual display of tariff, all marketing materials
- EURO webpage; EURO help line
- EURO brochures for clients (2 types – one general, one about procedures in the bank)
- Organize workshops for clients (in regions for corporate and micros)
- Organize training for all bank employees (general)
- Organize training for front-office employees (detailed)

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Project Team





HR impact and motivation

- In Volksbank Slovakia about 80 employees actively involved in the project
 - 15 project leaders + 65 project members
 - 700 man-days working load
- Proper planning of HR recourses
 - No vacation periods for individual employees in branches (274/298), and in HQ (79/308)
 - Special needs expectations (e.g. overtime) in branches (121/298) and in HQ (70/308)
- Motivation of employees – Bonus package



Thank You for your attention