

Survey among banks in Slovenia – after the euro introduction

Fieldwork: January 2007

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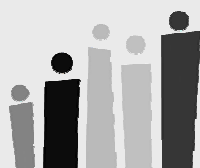
This survey was requested by DG ECFIN-R-4: External Communication and coordinated by Directorate General Communication

This document does not represent the point of view of the European Commission. The interpretations and opinions contained in it are solely those of the authors.

Flash EB Series #201b

Survey among banks in Slovenia

Conducted by
The Gallup Organization, Hungary
upon the request of the DG ECFIN-R-4:
External Communication



EUROBAROMETER

Survey organised and managed by the
Eurobarometer Team of Directorate-General
“Communication”

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THE GALLUP ORGANIZATION

Introduction

This Flash Eurobarometer 201: “Survey among enterprises and banks in Slovenia” (telephone survey) was conducted on behalf of the European Commission, Directorate-General Economic and Financial Affairs. The objective of the Flash 201 survey was to study, from an ex-post perspective, the preparations for the changeover to the euro and the actual changeover of enterprises and banks in Slovenia. This report presents the survey results for branches of Slovenian banks.

The current special target group Flash Eurobarometer survey was organised and managed by the Eurobarometer Team of the European Commission (Directorate-General Communication, Unit A-4).

The interviews were conducted between the 22nd and the 26th of January 2007 by Slovenian CATI d.o.o. partner institute of The Gallup Organization Hungary.

The main themes in the survey were similar to those followed under the Flash Eurobarometer 195b in December 2006, shortly before the changeover:

- frontloading of euro cash
- sub-frontloading
- supplying cash dispensers (ATMs) with euro banknotes
- logistics
- national cash

In this report we briefly present the comparisons of “common” questions. We emphasize that the data under the Flash Eurobarometer were collected in December 2006, i.e. *before* the changeover, while the data under the present Flash Eurobarometer were collected in January 2007, i.e. *after* the euro introduction in Slovenia.

The sample of the bank sector consists of 74 bank branches and 30 bank branches in post offices. The sample lists were developed using an exhaustive list of national bank branches (via IPIS). Selection of banks was carried out randomly.

The person interviewed in each branch was the Branch Manager (90 respondents), or the person designated to Euro-coordinator in the branch or another staff member (14 respondents). Results are not weighted.

Frontloading of euro cash

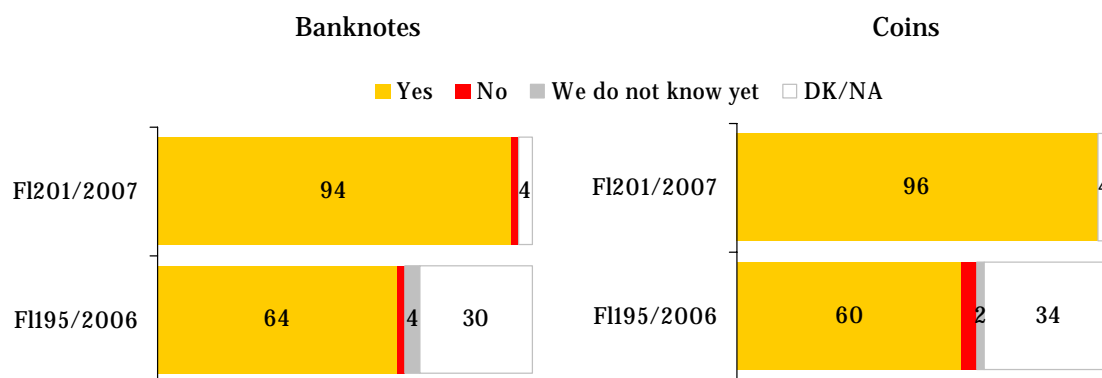
The overwhelming majority of Slovenian branches report that they were supplied with euro banknotes and coins before the 1st of January 2007, the date of the changeover. 94% of branch offices mentioned this in relation to banknotes and 96% with regard to euro coins. Only 2% of respondents reported that their branches were not supplied with euro banknotes before the 1st of January 2007. No one said that this was the case with euro coins. A relatively low percentage of respondents did not know the answer or did not want to respond to the question (4% for both euro banknotes and coins).

Comparing these data with those from December 2006 the major changes we noticed are in the ratio of those who were supplied with euro banknotes and coins and in the ratio of those who could not answer the question. In January 2007 more branches indicated that they were supplied with euro banknotes and coins than in December 2006. While in January 2007 at least nine out of ten respondents reported this, in December 2006 six out of ten respondents reported this.

A lower number of respondents did not know or did not want to respond to the question in January 2007 in comparison to December 2006. In January 2007 “only” 4% of branches’ representatives were undecided in this question, while in December 2006 at least three out of ten respondents did not know the answer or did not want to respond to the question (34% and 36%, respectively, for banknotes and coins).

However, we should note here that the question formulation was not absolutely the same in the two surveys. In December 2006 we asked if the *branch has been supplied or planned to be supplied with euro*, while in January 2007 we simply asked if the *branch was supplied with euro before 1 January 2007*. The results from December 2006 comprise both the answer category “Yes, already supplied” and the category “Yes, it is planned”.

Being supplied with euro banknotes / coins before 1 January 2007, 2006-2007



Source:
FLASH EB 201b
January 2007

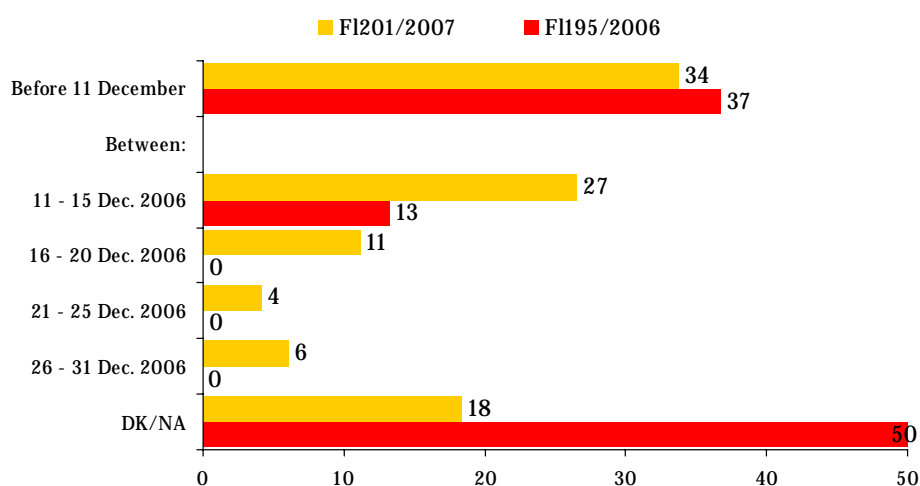
Q1./Q5. (2007) Was your branch supplied with euro banknotes /coins before 1 January 2007?
Q1./Q5. (2006) Has your branch been supplied or is it planned that it will be supplied with euro banknotes /coins before 1 January 2007?
% base: all branches

Respondents who indicated that their branch was supplied with euro cash before January 1st 2007 were asked about **when** they received euro cash.

The largest percentage of representatives of branches supplied with *euro banknotes* before the changeover said that their branches were supplied before 11 December 2006 (34%). 27% said they received euro banknotes between the 11th and 15th of December 2006, and 11% received euro banknotes between 16th and 20th of December 2006. One out of ten branches got the euro banknotes between the 21st and 31st of December 2006. 18% of the respondents did not or could not give the answer for this question, this ratio being the third highest among all mentions.

Looking at the results from December 2006 we notice that half of the respondents (from branches that have already been supplied or planned to be supplied with euro banknotes) did not know or did not want to give an answer to the question concerning the date of receiving euro banknotes (50%). This ratio is the highest among all mentions. In December 2006 slightly more branches reported that they were supplied with euro banknotes before the 11th of December 2006, as compared to January 2007 (37% compared to 34%). Before the changeover fewer branches mentioned the dates 11-15 December 2006 for the supply of euro banknotes (13%), while 27% referred to this period in December 2006.

Timeframe for being supplied with euro banknotes, 2006-2007



Source:
FLASH EB 201b
January 2007
GALLUP

Q2.(2007) When was your branch supplied with euro banknotes?
%, base: those branches which have been supplied with euro banknotes
Q2.(2006) When has your branch been supplied with euro banknotes? /
When will your branch be supplied with euro banknotes?
%, base: those branches which have been/planned to be supplied with euro banknotes

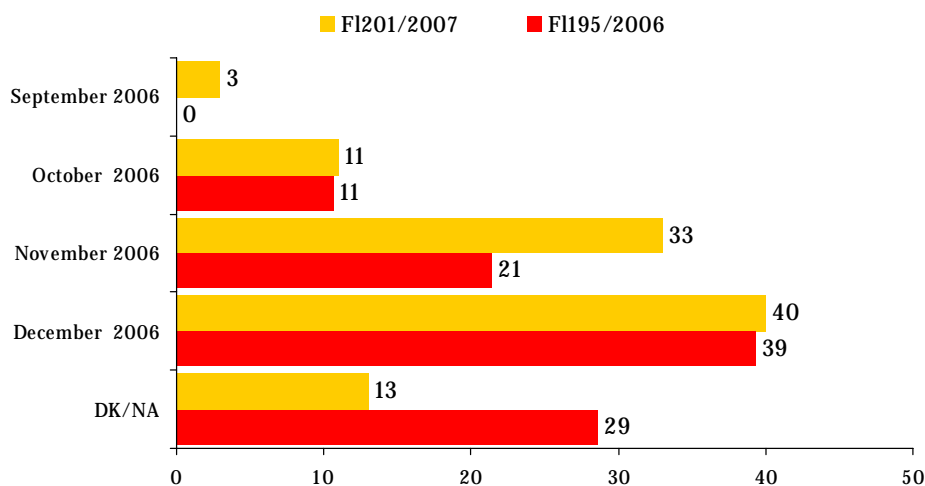
In the questionnaire, the dates for receiving supplies of euro coins were different from the dates for euro banknotes, as the time schedule for the early supply of euro banknotes and coins to banks differed.

If we look at those branches that were supplied with euro coins, the majority of them indicated that this happened in December 2006 (40%). The second highest proportion of them reported receiving euro coins in November 2006 (33%); 11% reported October 2006 and 3% September 2006. The ratio of respondents who did not want or could not answer the question is 13%, the third highest ratio.

There are no substantial changes compared to December 2006 in the ratio of branches which received the coins in December 2006 or in October 2006. However, there is a change in the ratio of those saying their branches were supplied with coins in November 2006 (33% in January 2007 and 21% in

December 2006). There were also fewer respondents who did not want to or could not answer the question in 2007 than in 2006 (13% compared to 29%). In December 2006, no branch already supplied or planning to be supplied with euro coins mentioned receiving the coins in September 2006, while in the January survey this ratio is 3%.

Timeframe for being supplied with euro coins, 2006-2007



Source:
FLASH EB 201b
January 2007
GALLUP

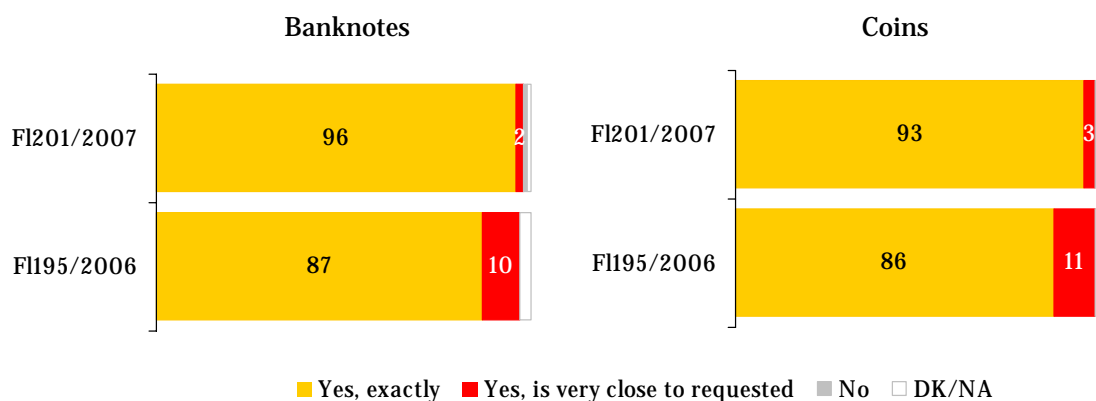
Q6.(2007) When was your branch supplied with euro coins?
% base: those branches which have been be supplied with euro coins
q6.(2006) When has your branch been supplied with euro coins?
When will your branch be supplied with euro coins?
% base: those branches which have been/will be supplied with euro coins

Of those branches that had already been supplied with euro cash, 9 out of 10 branches stated that they *received the exact amount of euro* they requested, both with banknotes (96%) and coins (93%). These ratios were slightly lower in December 2006 (87% and 86% respectively).

We also noted a corresponding change compared to December 2006 in the ratio of those who said they *received an amount very close to what they requested*. While in December 2006 one out of ten branches already supplied stated that they had received approximately the amount they requested in banknotes and coins, in January 2007 these figures were down to 2% and 3% for banknotes and coins respectively.

In January 2007, one branch claimed that it *did not receive the amount* of euro banknotes requested, and 4% of respondents said the same regarding euro coins. No branch reported this in December 2006. (However, more representatives of branches did not know or did not wish to give an answer in December 2006).

Correspondence between the amount of euro banknotes and coins requested and received, 2006-2007



Source:
FLASH EB 201b
January 2007

Q3./Q7. (2007) Did the amount of euro banknotes/ coins you received correspond to the amount you requested?
 %, base: those who has been supplied with euro banknotes / coins
 Q3a./Q7a. (2006) Does the amount of euro banknotes/ coins you received correspond to the amount you requested?
 Q3b./Q3b. Do you have a confirmation that the amount of euro banknotes/ coins you will receive will correspond to the amount you requested?
 %, base: those who has been supplied / plan to be supplied / with euro banknotes / coins/

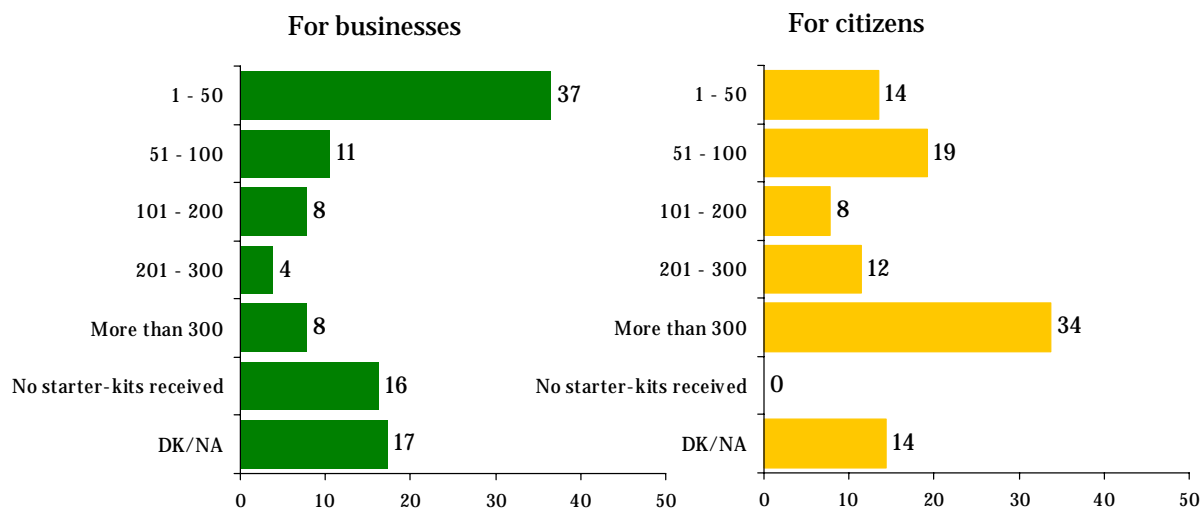
Only two respondents indicated specifically that they did not receive supplies of euro banknotes before the 1st of January 2007.

In January 2007 we asked the banks *how many euro starter - kits they received from the central bank* both for businesses and for citizens. This question was not included in the December 2006 survey.

The highest percentage of banks (37%) received between 1-50 euro coin starter - kits for businesses. 11% of the branches received 51-100 starter - kits, 8% received 101-200 starter - kits, 4 % received 201-300 starter - kits, and 8% received more than 300 starter - kits. 16 of the branches reported that they did not receive starter – kits for businesses.

All branches mentioned to have received starter-kits for citizens. The highest percentage reported that they received more than 300 euro coin starter – kits (34%). 14% of the branches received 1-50 starter - kits, while 19% of the branches received 51-100. 8% reported to have received 101-200 starter-kits and 12% to have received 201-300 of them.

Received euro coin starter-kits from the central bank



Q9. How many euro coin starter-kits for businesses, notably retailers, did you receive (from the central bank)?

Q10. How many euro coin starter-kits for citizens did you receive?
%, base: all branches

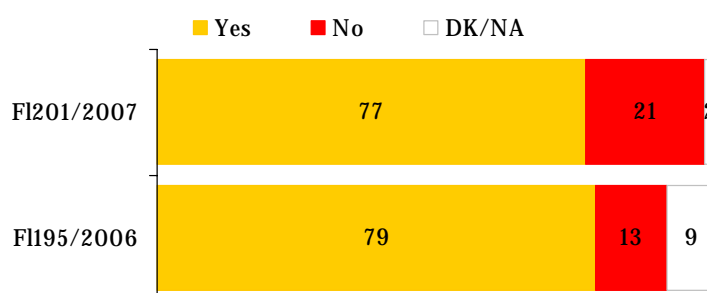
Source:
FLASH EB 201b
January 2007
GALLUP

Proactive sub-frontloading

The majority of branches (77%) contacted their business customers with the objective of supplying them with euro cash before the 1st of January 2007. However, one out of five branches indicated that they had not done so (21%), and 2% could not or did not want to respond to the question.

As compared to the data from December 2006, we noticed that more branches indicated that they had not yet contacted their business customers (21% compared to 13%). In line with this, slightly fewer representatives of branches in January 2007 reported that they had contacted their business customers (77% compared to 79%), and fewer of them could not or did not want to respond to the question (2% compared to 9%).

Contacting business customers in order to supply them with euro cash before 1 January 2007, 2006-2007



Q11. (2007) Did you actively contact the business customers of your branch in order to supply euro cash to them before 1 January 2007?

Q9. (2006) Have you been actively contacting the business customers of your branch in order to supply euro cash to them before 1 January 2007?

% base: all branches

Respondents gave estimates as to what percentage of their clients asked to be supplied with euro cash before January 1, 2007. The majority of representatives of branches said that *less than a quarter of their clients* requested this (56%). This figure is higher than the respective figure in December (45%).. We emphasize the difference between these questions: in January 2007, we asked which proportion of the branches' business customers had actually requested to be provided with euro cash before 1 January 2007, in December 2006, we asked which percentage of their business customers would request euro cash before €day.

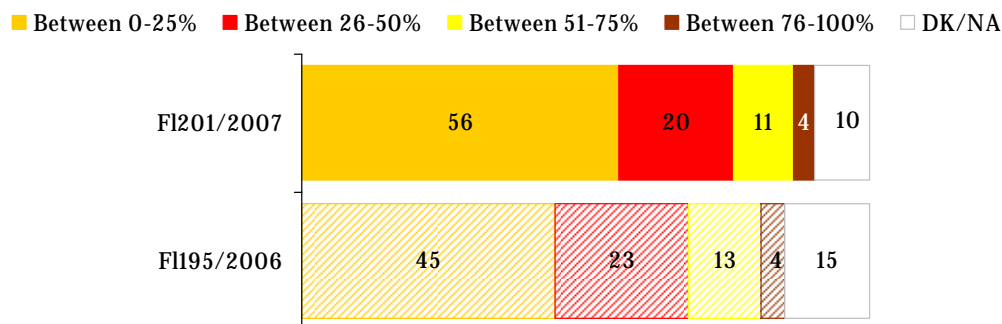
One out of five respondents noted that *less than half but more than a quarter* of their customers asked to be supplied with euro cash (20%). In December 2006, slightly more respondents expected this to be the case (23%).

11% of respondents provided euro cash *for more than half but less than three quarters* of their customers. As regards the expectations in December 2006, 13% of respondents expected that between half and three quarters of their clients would request euro cash.

Relatively few respondents (4%) said in January 2007 or believed in December 2006 that more than three quarters of their customers would make such a request.

In January 2007 the ratio of those who could not or did not want to answer the question was 10%. In comparison, in December 2006 15% of the respondents did not want to or could not estimate the percentage of their customers that would ask for euro cash before 1 January 2007.

Estimated proportion of customers requesting euro cash before 1 January 2007, 2006-2007



Source:
FLASH EB 201b
January 2007
GALLUP

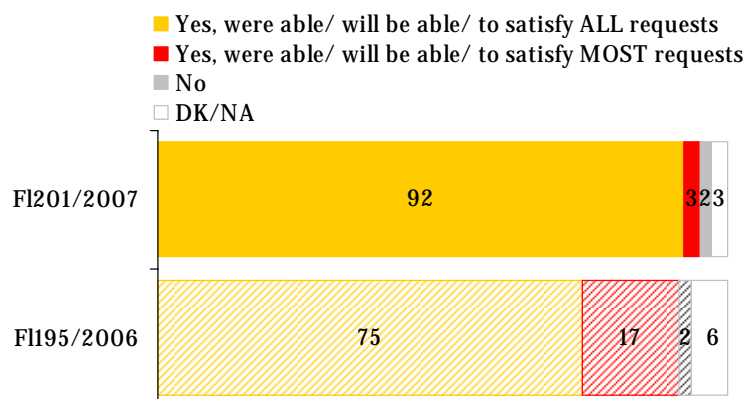
Q12.(2007) What proportion of your business customers requested you to provide them with euro cash before 1 January 2007?
Q10.(2006) What proportion of your business customers do you think will request you to provide them with euro cash before 1 January 2007?
%, base: all branches

The next question we present is also formulated slightly differently in January 2007 than it was in December 2006. Before the changeover, we asked if the branches *would* be able to satisfy all or most of the requests of their customers. In January 2006, we asked if they *were* able to satisfy all or most of the requests for euro cash before €day.

Almost all branches indicated that they were able to fulfil ALL the requests from their business customers (92%), While 2% of respondents said that they could satisfy MOST of these requests. Barely 2% of respondents gave a negative answer, and 3% did not know or did not want to respond to the question.

Looking at the estimates from December 2006, fewer respondents expected to be able to fulfil ALL the requests (75%), while more believed that they could satisfy MOST of the requests by business customers (17%). There was also a slight decrease from December to January in the number of those who did not or were not able to answer the question.

Ability to satisfy customer requests for being supplied with euro cash before 1 January 2007, 2006-2007



Source:
FLASH EB 201b
January 2007
GALLUP

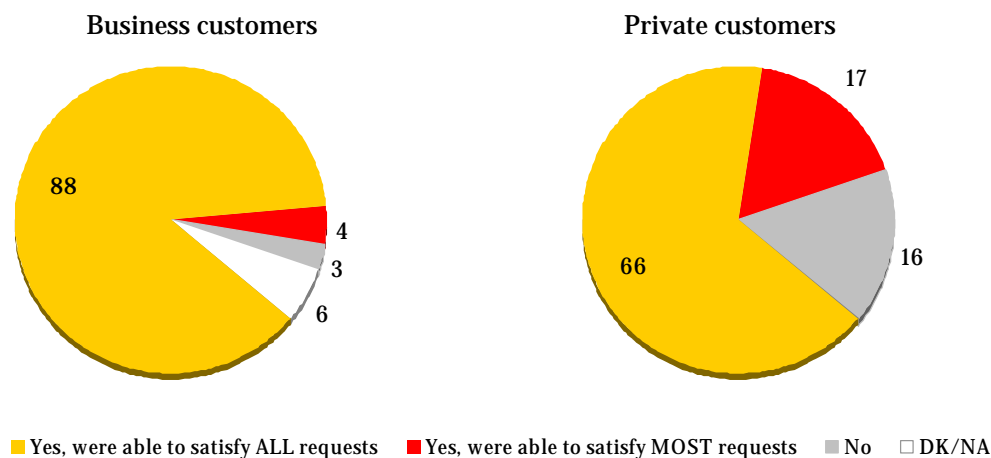
Q12bis. (2007) Q10bis. Were you able to satisfy these requests for euro cash before 1 January 2007?
Q10bis. (2006) Do you think that you will be able to satisfy these requests for euro cash before 1 January 2007?
%, base: all branches

We asked whether or not the banks were able to satisfy all or most of the requests for starter-kits before 1 January 2007 – for both their business and private customers. These questions were not included in the December 2006 survey.

As regarding the requests from *business customers*, eight out of ten branches were able to satisfy ALL the requests (88%) and 4% were able to satisfy MOST requests for starter-kits before 1 January 2007. Only 3% of branches reported that they were not able to satisfy their business customers' requests for starter-kits.

Regarding requests from *private customers*, fewer branches claimed to be able to satisfy the requests in comparison to those of business customers. Two thirds of branches (66%) indicated that they were able to satisfy all requests, and 17% were able to satisfy most of the requests from private customers. Also, more representatives of branches said they were not able to supply the requests of their private customers (16%).

Ability to satisfy customers requests for being supplied with starter-kits before 1 January 2007



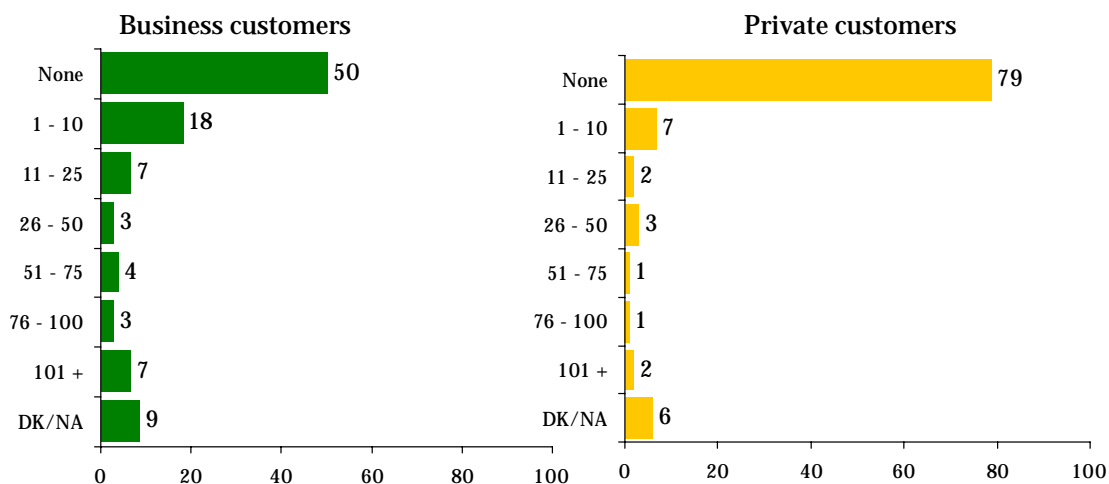
Q13. Were you able to satisfy your business customers' requests for starter-kits before 1 January 2007?
 Q13b. Were you able to satisfy your private customers' requests for starter-kits (for citizens) before 1 January 2007?
 %, base: all branches

Half of the respondents said they didn't have any spare starter-kits beyond what they needed to satisfy their *business customers'* requests before 1 January 2007 (50%). This figure is even higher with regard to *private customers*, 79% of respondents answering the same.

18% of the respondents had 1-10 spare starter-kits beyond those needed by their *business customers*; 7% had 11-25; 3% had 26-50 and 14% had more than 51 starter-kits beyond those needed by their business customers. 9% of branches were unable to answer the question.

With regard to *private customers*, fewer respondents in total reported having spare starter-kits. 7% of respondents said they had 1-10 spare starter-kits and 9% of the respondents said they had more than 11. 6% of branches could not answer the question.

The number of spare starter-kits which were not needed for satisfying the customers' requests before 1 January 2007



Q13a. How many spare starter-kits for businesses did you have which you did not need for satisfying your business customers' requests before 1 January 2007?

Q13c. How many spare starter-kits for citizens did you have which you did not need for satisfying your private customers' requests before 1 January 2007?

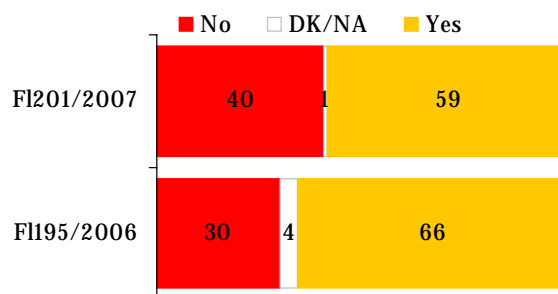
%, base: all branches

Source: **FLASH EB 201b**
January 2007

Cash dispensers

Three out of five branches surveyed operate ATMs (59%). In December 2006 there were more respondents reporting that they operate such cash dispensers (66%). In January 2007 only one branch (1%) did not or could not answer the question (this figure was 4% in December 2006).

ATM switchover to dispensing euros, 2006-2007



Source:
FLASH EB 201b
January 2007
GALLUP

Q14. (2007) / Q11. (2006) Do you operate cash dispensers (ATMs) in your branch (inside/outside)?
%, base: all branches

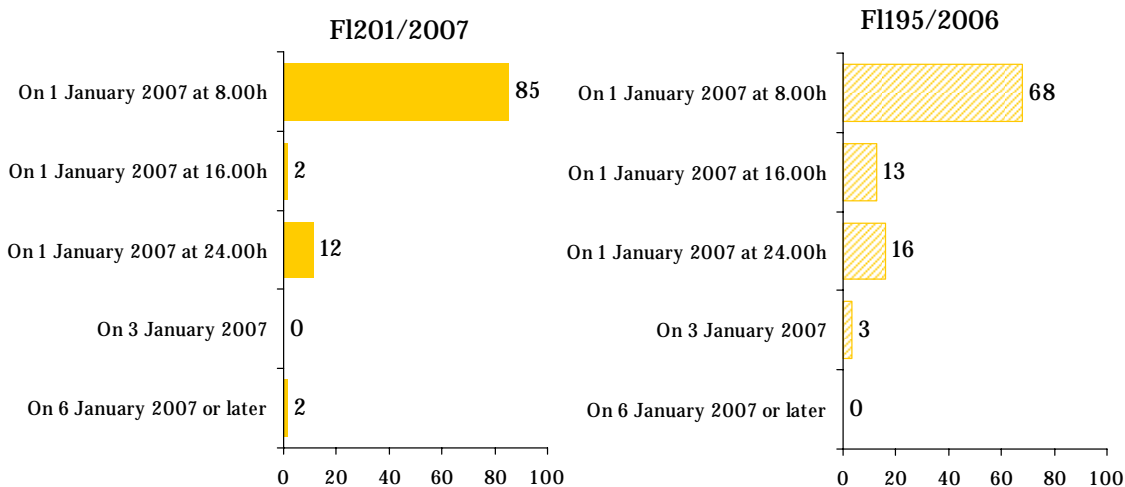
The great majority of branches operating ATMs converted them to be able to dispense euro cash by 8AM on January 1, 2007 (85%). This figure is higher than the figures in December 2006 (68%), when we asked when the branches *planned* to have completed the full conversion.

A negligible number of branches reported filling up their ATMs with euro cash between 8AM and 4PM on January 1st (2%); 12% did it between 4PM and midnight on 1 January 2007. Only 2% of branches supplied their ATM machines with the new cash only by January 6th 2007 or later.

Taking a look at the plans the branches had in December 2006 regarding the conversion of their ATMs, a significantly larger percentage, 13%, planned to fill up their ATM machines with euro between 8AM and 4PM on January 1st (compared to the 2% of branches that actually did it in the period of the day); 16% planned to do it between 4PM and midnight (12% really did); and 3% planned to supply their ATM machines with the new cash only by January 3rd, 2007 (no one mentioned this date in January 2007).

While in December 2006 no branch operating cash dispensers planned the full conversion only on 6 January 2007 or later, in January 2006 2% of them said this was the case.

Completed conversion of ATMs, 2006-2007

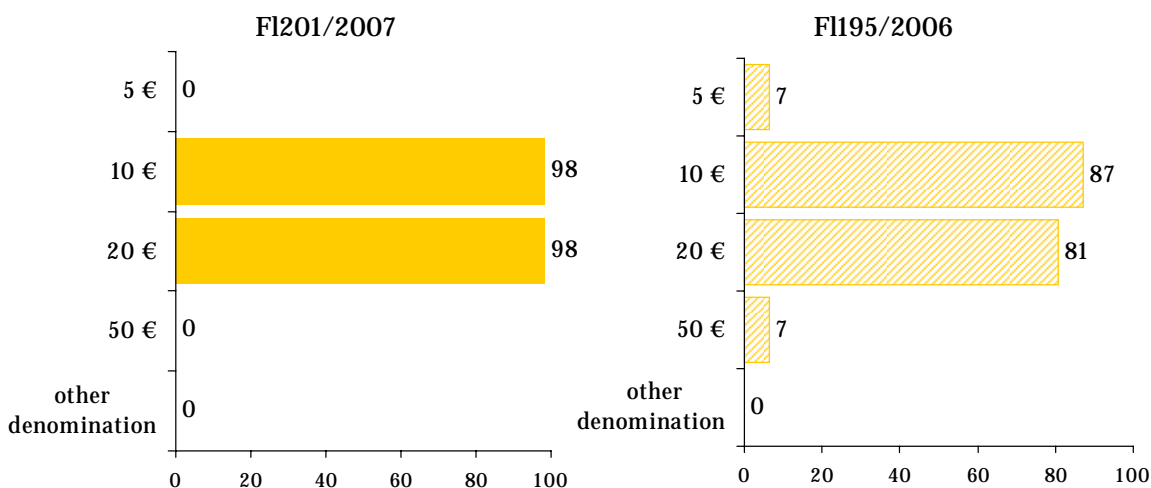


Source: FLASH EB 201b January 2007 GALLUP

Q15. (2007) When was the full conversion to the euro of all your cash dispensers completed?
 Q12. (2006) When do you plan the full conversion to the euro of all your cash dispensers to be completed?
 % base: those who operate cash dispensers

Most branches with ATMs (98%) supplied them with 10- and 20-euro banknotes in the first two weeks of January 2007. The plans in December 2006 were similar, 87% and 81% respectively planning to dispense these denominations in their ATMs. While in December 2006 7% of branches said they planned to supply their ATM machines with 5- and 50-euro banknotes in the first two weeks of January, no one indicated to have done so in January 2007.

Euro banknote denominations be dispensed in the first two weeks of January, 2006-2007



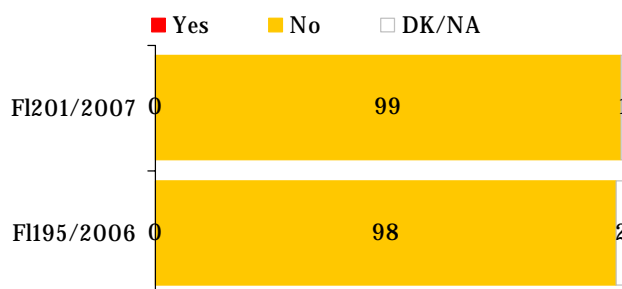
Source: FLASH EB 201b January 2007 GALLUP

Q16. (2007) Which euro banknote denominations were dispensed in your cash dispensers in the first two weeks of January 2007?
 Q13. (2006) Which euro banknote denominations are planned be dispensed in your cash dispensers in the first two weeks of January 2007?
 Base: % those who operate cash dispensers

Logistics

None of branches experienced any logistical problems during the switchover to the euro at the time of the survey, either with the incoming or the outgoing currency. Figures from the December survey were virtually the same as the January results.

Problems of cash logistics related to the changeover, 2006-2007



Source:
FLASH EB 201b
January 2007
GALLUP

Q17. (2007) Did you experience any problems in terms of cash logistics related to the changeover, both concerning euro and tolar cash?
q14. (2006) Did you experience any problems *so far* in terms of cash logistics related to the changeover, both concerning euro and tolar cash?
%, base: all branches

In the next question we would have asked what type of problems the branches experienced – for example, cash transport problems, cash storage problems, handling and packaging problems, security problems or other problems, but as no one indicated any logistical problems, this question was obviously unnecessary.

National cash

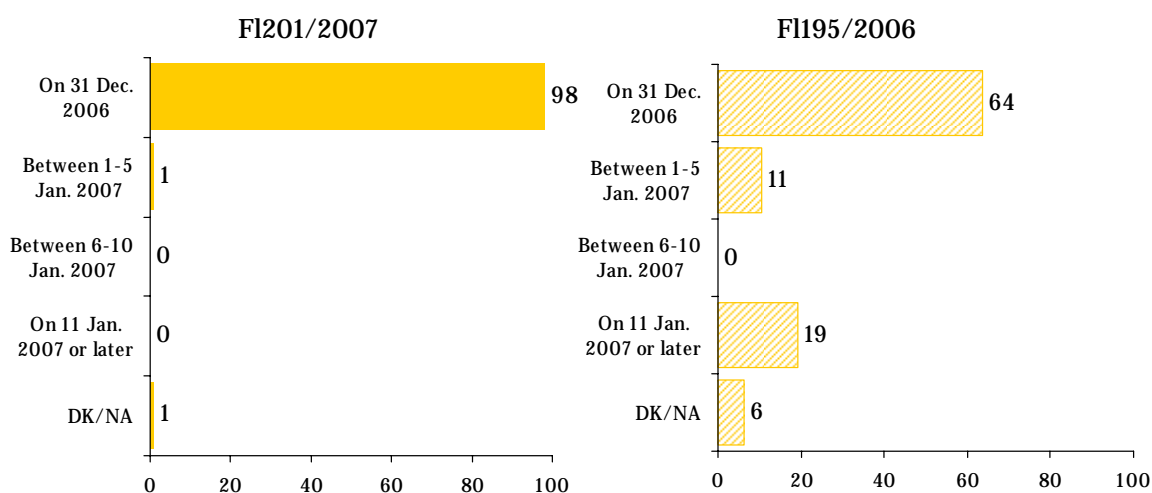
Almost all branches stopped supplying their counters with tolar on December 31, 2006 (98%). In December 2006 only 64% intended to cease issuing national cash by this time

Only 1% of branches indicated that they stopped issuing tolar between the 1st and 5th of January; however, in December 2006 11% of the branches had this intention.

While 19% of respondents said in December that they planned to stop issuing tolar only after January 11th, no branch actually did so in January.

Only 1% of respondents did not know or did not wish to respond to the question (it was 6% in December 2006).

Intention to stop issuing national cash at counters ..., 2006-2007



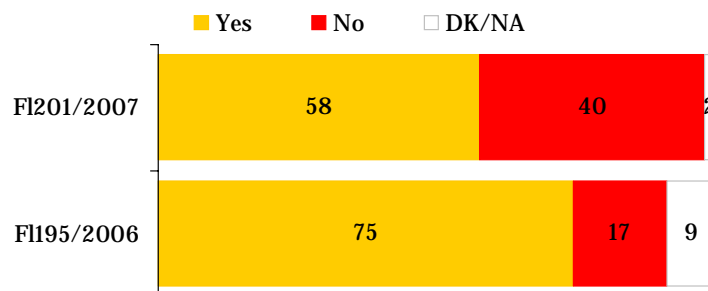
Source:
FLASH EB 201b
January 2007
GALLUP

Q19(2007). When *did you stop* issuing national cash at your counters?
Q18(2006). When do you *intend to stop* issuing national cash at your counters?
%, base: all branches

Three out of five branches made special preparations for dealing with the backflow of the tolar (58%), while two out of five branches made no special preparations (40%).

The question was very similar to that asked in December 2006, so direct comparison is possible between the results of both surveys. After the changeover fewer respondents (58%) report that their branches made special preparations for dealing with the backflow of the tolar, while 75% claimed that they had plans to do so in December. Accordingly, more branches said in January 2007 that they made no such special preparations than in December 2006 (40% compared to 17%). Only 2% of respondents did not know the answer or did not wish to respond in January 2007 (this was 9% in December 2006).

Specific measures taken to cope with the backflow of tolar, 2006-2007



Q20.(2007) / Q19 (2006). Did you take specific measures to cope with the backflow of national cash?
% , base: all branches

Of those branches that had implemented such preparations, most emphasized that they had provided for overtime arrangements (93%). Almost three quarters of the branches specially trained their employees for dealing with the backflow (73%). 60% of branches indicated that they had implemented special packaging to facilitate the counting of coins (60%). Half of them said that they had increased exceptionally the number of staff members dealing with the backflow (52%).

28% of branches implementing special measures indicated that they would be working with extended bank opening hours, and 17% said that they had shifted part of the work to their bank's headquarters. 28% indicated that they had taken other specific measures not mentioned in the survey.

This question was similar to that asked in December 2006, so direct comparison is possible between the results. The majority of measures are mentioned by fewer respondents in January 2007 than in December 2006. The most notable decrease since December 2006 is found in the ratio of respondents saying they extended the bank opening hours (-15 percentage point decrease). Also fewer branches provided specific training for their staff (-7), an exceptional increase of staff (-5) or shifted part of the work to bank headquarters (-3) as compared to December 2006.

On the other hand, more branches made overtime arrangements for their staff than expected in December 2006 (13 percentage point increase). "Other" measures were also taken more than expected by the respondents (+3%).

The special packaging to facilitate the counting of coins was reported in January as being used about as much as had been indicated in December.

Specific measures taken to cope with the backflow of tolar, 2006-2007



Source:
FLASH EB 201b
 January 2007
 GALLUP

Q21(2007). / Q20 (2006). What kind of measures did you take to cope with the backflow of national cash?
 %, base: those who took specific measures