

Fit For the Future -
Efficient Implementation of the
Recycling Framework

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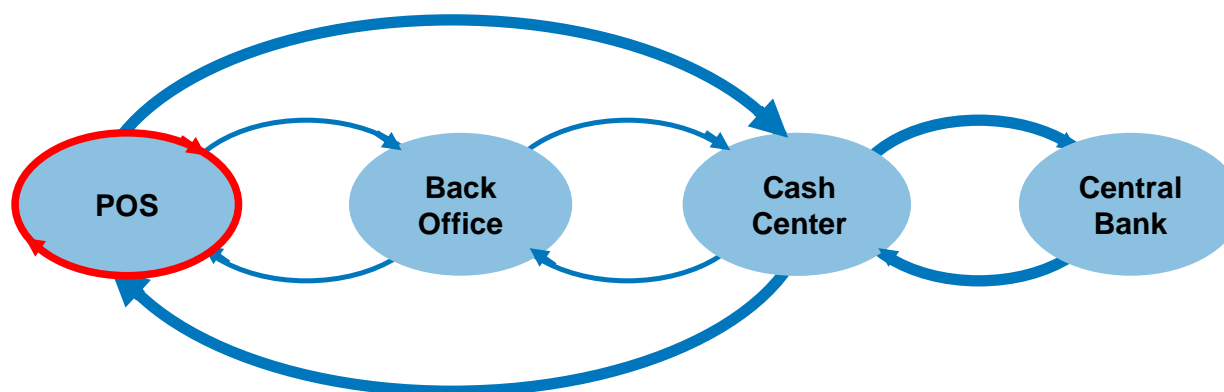
Impact of the ECB Recycling Framework

Impact on:

■ POS

■ Back office / Branches

■ Cash Centers



Impact of the Use of Recycling Machines

Recycling Machines CoB

- Recycling machines are currently used primarily as cash-in devices
 - CoB aim to reduce manual handling at teller
 - CoB aim to replace night drops
- Initially no change in CIT volume
- With "real" Recycling, banknote volumes in cash centers will decrease with approx. 1/3

Recycling Machines Retail

- The cash positive retail try to reduce the cash circulation by implementing recycling systems
- This will significantly reduce the cash volume processed by CIT
- Opportunity for CIT to completely manage recycling systems (replenishment, forecasting, monitoring, service)

⇒ Reduction of cash volumes for CIT, however opportunities for additional services

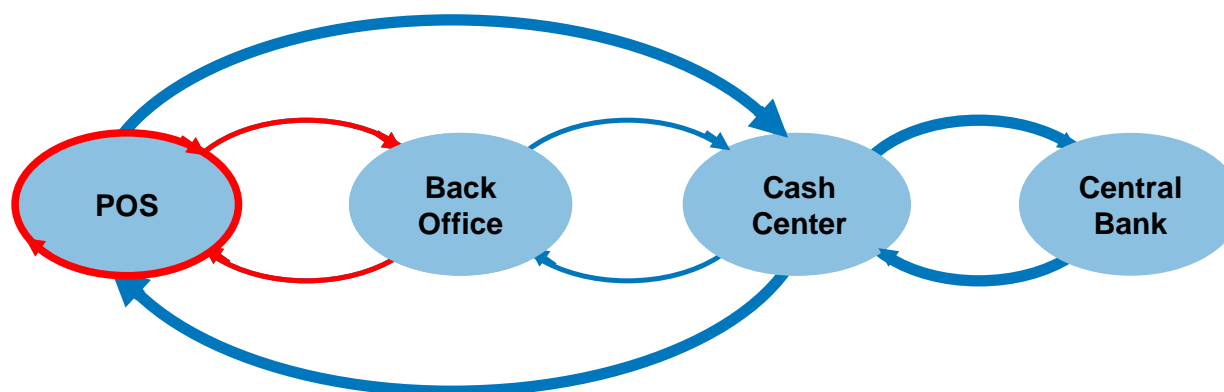
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Arguments For and Against Branch Recirculation

Pro Branch Recirculation (BO Recycling)

- Savings in cash logistics
 - Use of internal cash stock
 - Minimize transport costs
- Commissioning: More flexible in servicing ATM-machines
- Investment in small tabletop sorters is enough to enable branch recirculation

Pro CIT Cash Center

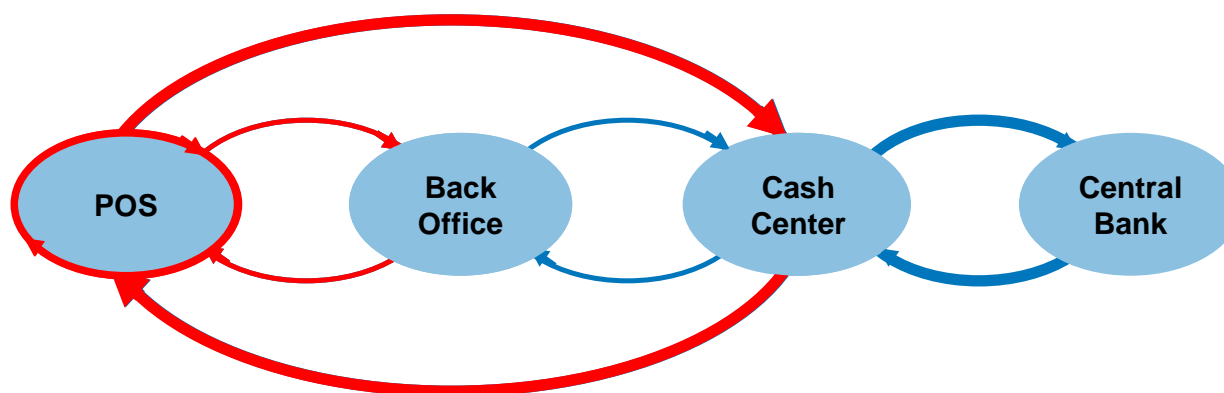
- Personal costs are higher in a branch
- Use of synergies and volumes
- Leveling of cash positive and cash negative customers
- Higher security
- Branches don't have to invest in new technology
- Branches don't have to introduce new processes

⇒ Savings primarily for small bank branches to introduce recirculation

Impact of the ECB Recycling Framework

Impact on:

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Investment into Process Automation

■ Organization

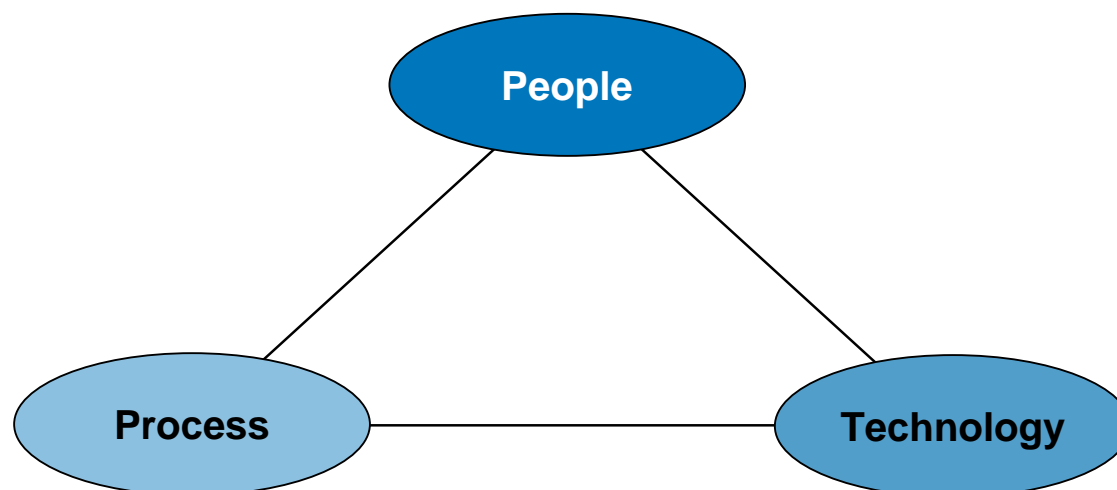
■ Banknote Processing

■ Cash Management System

Implementation

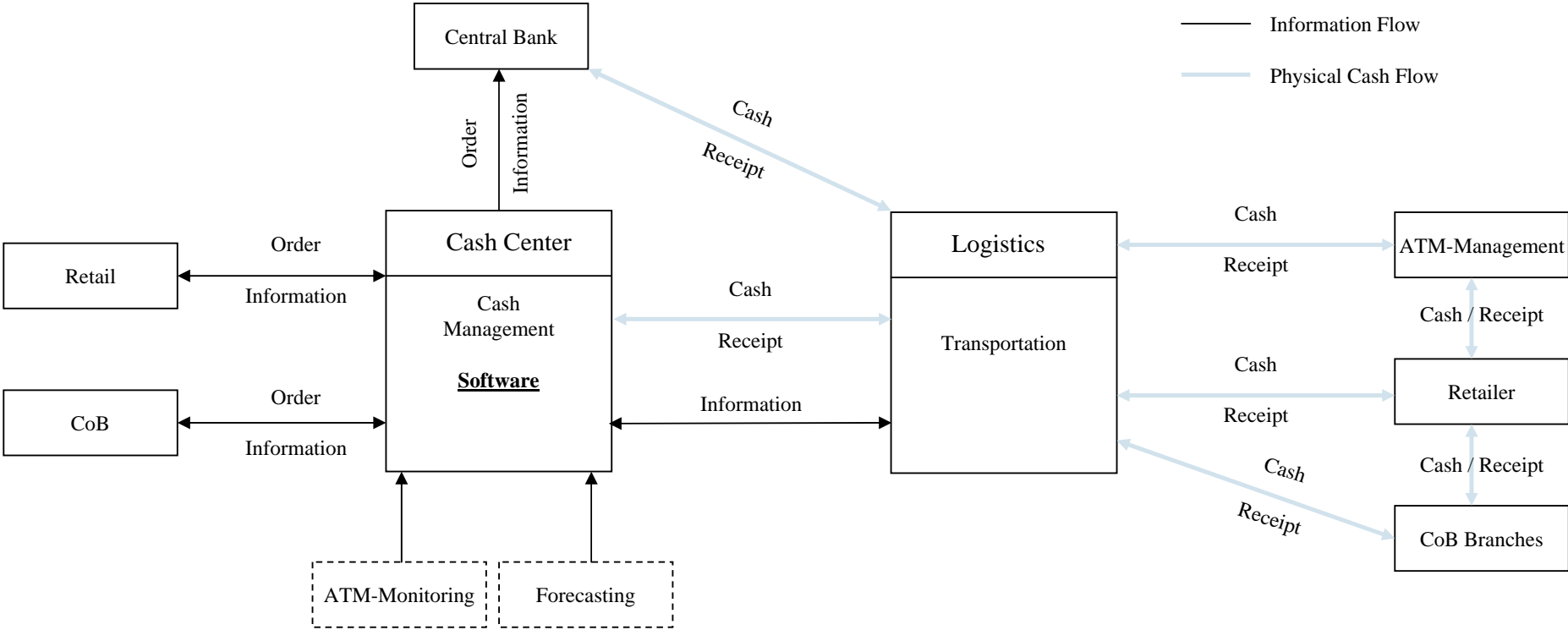
Hardware

IT-Tools



⇒ Investments and process changes are necessary to meet new ECB requirements

Cash Center Data Interfaces

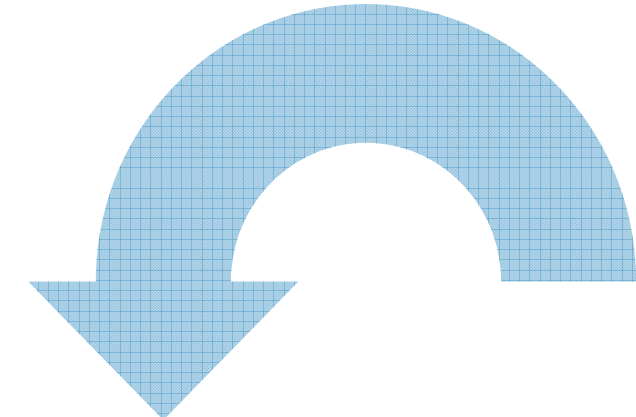


⇒ Automation at POS and cost pressure lead to introduction of real time IT interfaces

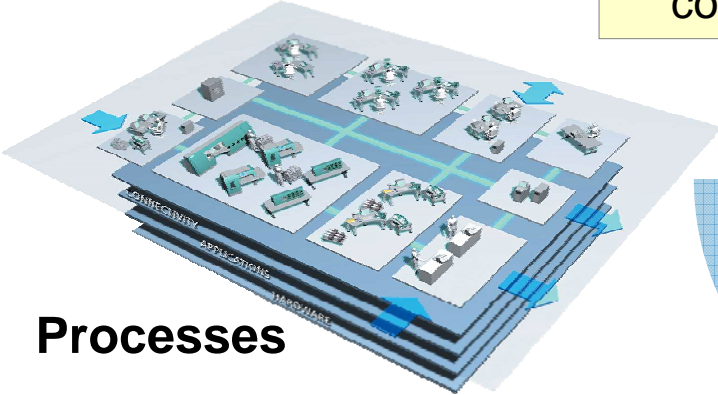
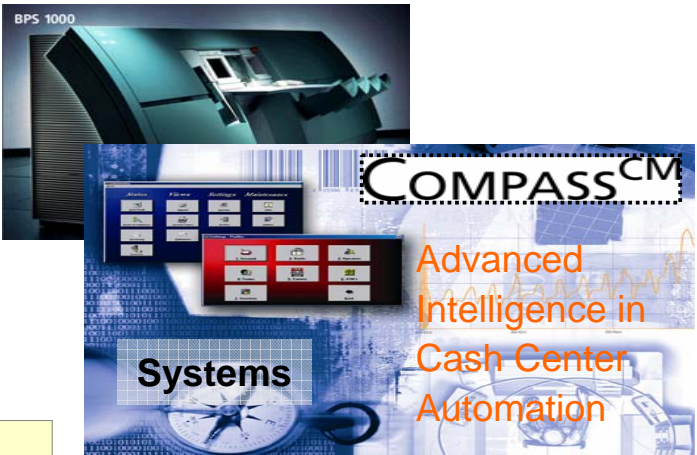
Still Same Strategic Objective of Cash Processing!

Systems

- Technical solutions
- IT operation solutions
- Monitoring / Controlling

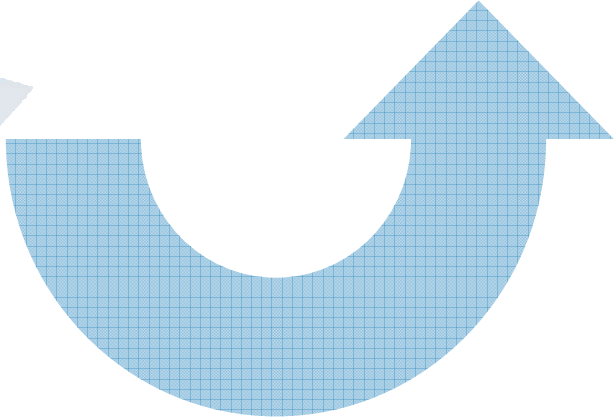


⇒ In-time delivery of right and correct information



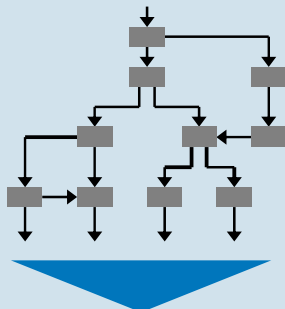
Processes

- Automated
- Efficient
- Secure



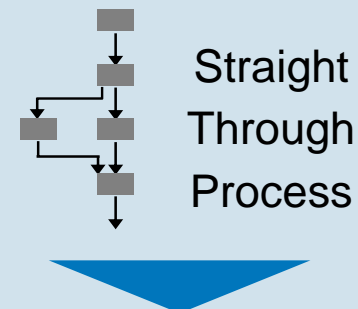
Process-Oriented use of Technology in the Cash Center

Current Situation



- Individual work stations (tabletop counting machines)
- Low capability of authenticity detection and fitness sorting
- Manual interfaces
- "Vanishing cash"
- Accounting differences

Framework Concept

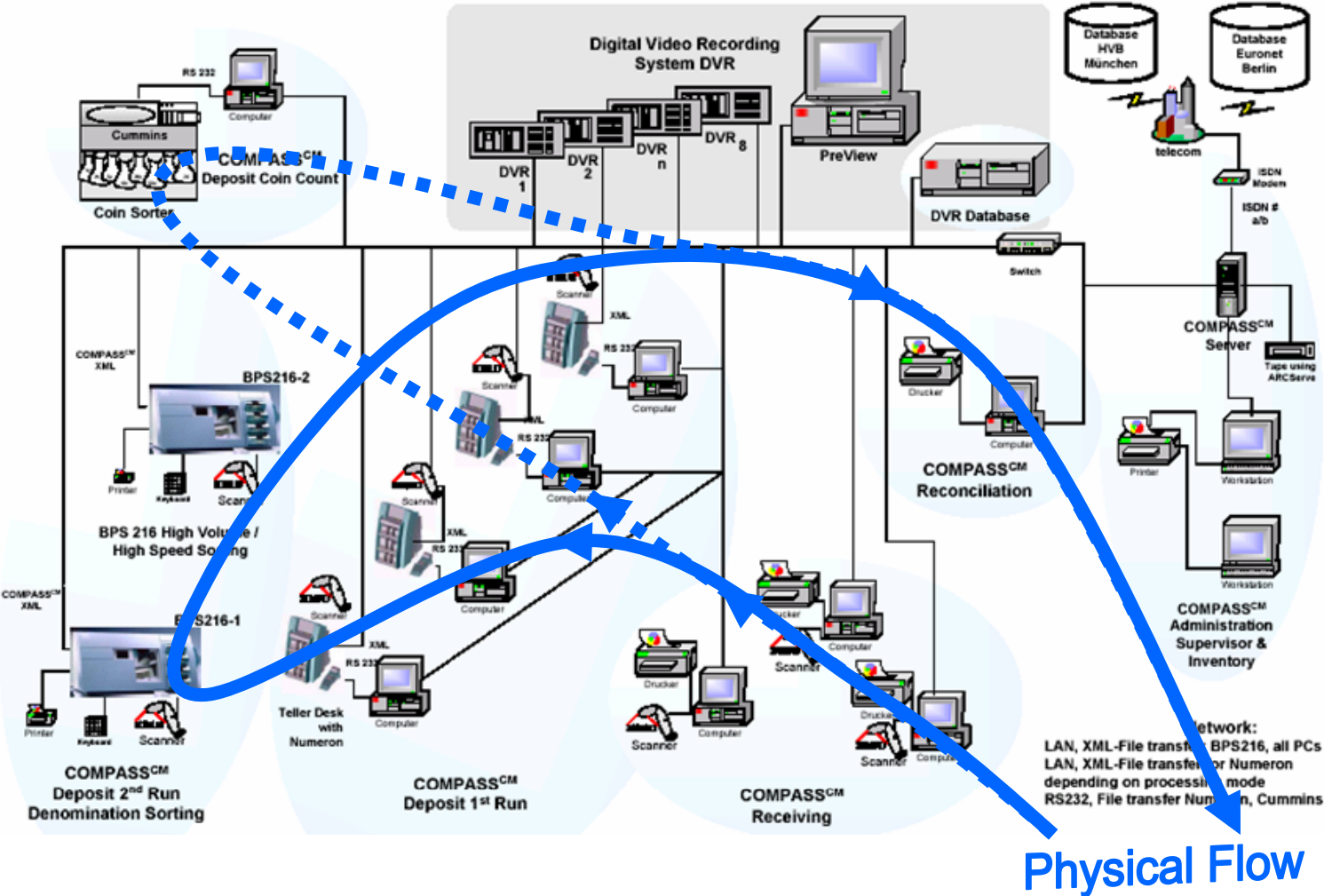


- Processing automation to meet framework regulation
- Cash Management Software
- IT interfaces to CB, CoB and retail

Aim: Take manual work out of processing

⇒ Process optimization is necessary to stay competitive

Process Oriented Cash Center Layout





security at work.

Thank you.



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