



**21<sup>st</sup>**

# **Century Cash**

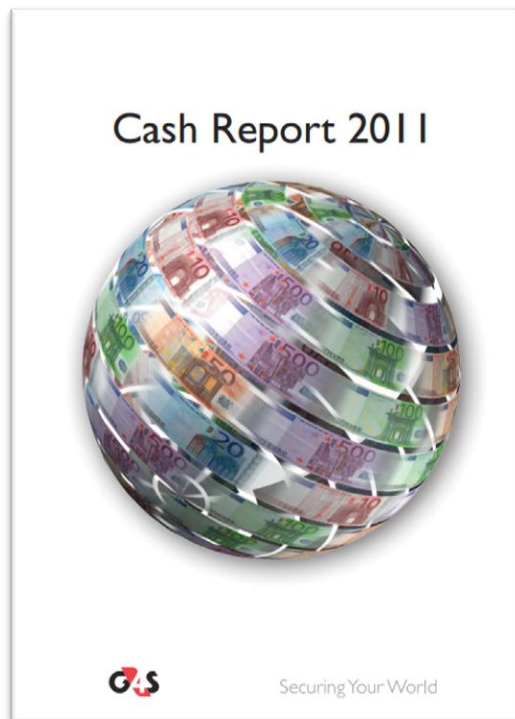
**European Cash Report 2016**

Modernising Cash

# European research

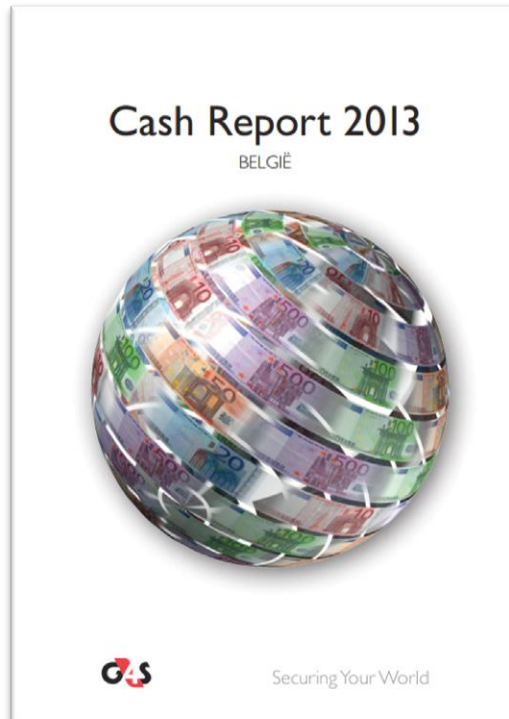
5 years tracking the state of cash

2011

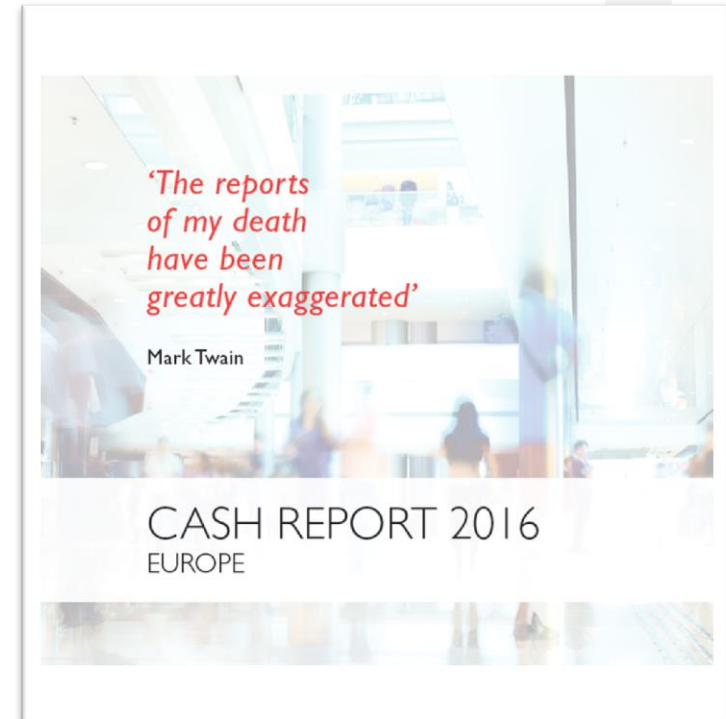


2013

"Future  
Scenario"  
Report



2016 "European Cash Report"



# Why undertake a Cash Study?

Understand & share

Role of cash in  
a changing  
landscape

What makes cash  
special (or not)

Range of cash  
cycles across  
Europe

Cross-country  
trends

Encourage dialogue

Promote supply chain collaboratio

# Cash report structure

## 28 EU countries



## Report Format

1. EU Trends, Objectives & Key Themes
2. EU Statistics
3. Cross Country Comparisons
4. Observations
5. Future Scenarios
6. Key findings & Closing remarks
7. 28 Country Pages

# The State of Cash in Europe

## Key Findings

Cash is growing  
ATM withdrawals and CIC

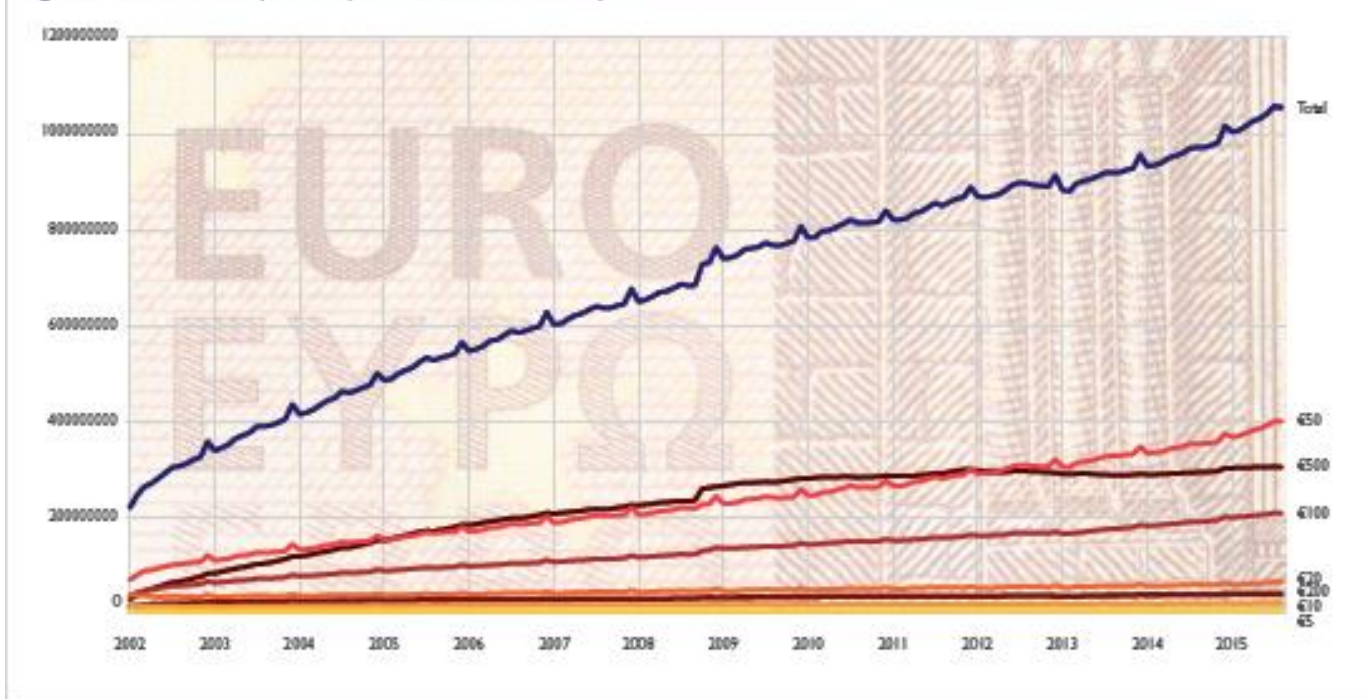
Electronic payments are  
growing faster

New payment methods  
and new ways to buy

A multi-pace Europe,  
with faster expectations

# The volume of cash transactions is increasing

Figure 8 Cash in circulation (Value, Eur, per denomination, 2002 - 2015)



Cash in Circulation is consistently increasing for many years across multiple currencies...

Figure 10 Cash in circulation (x MIO GDB, Value, 1996 - 2015)

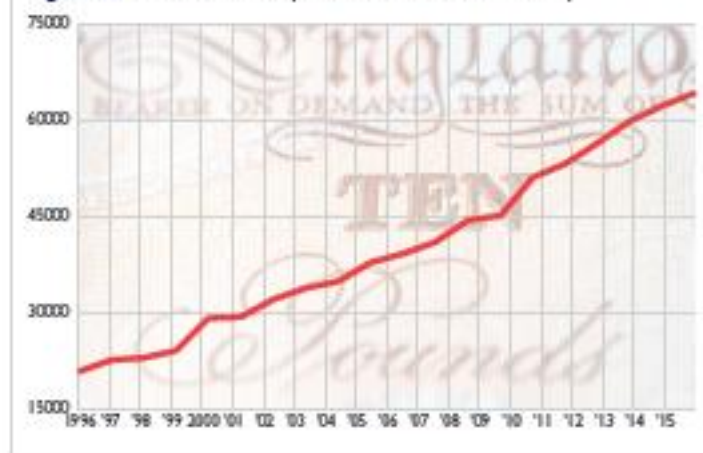
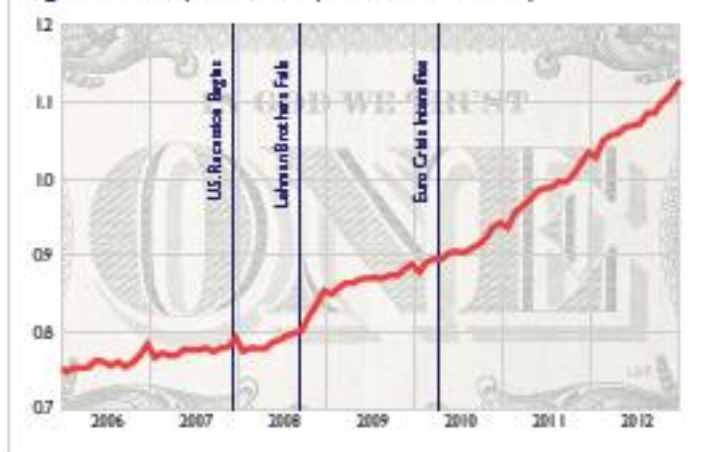
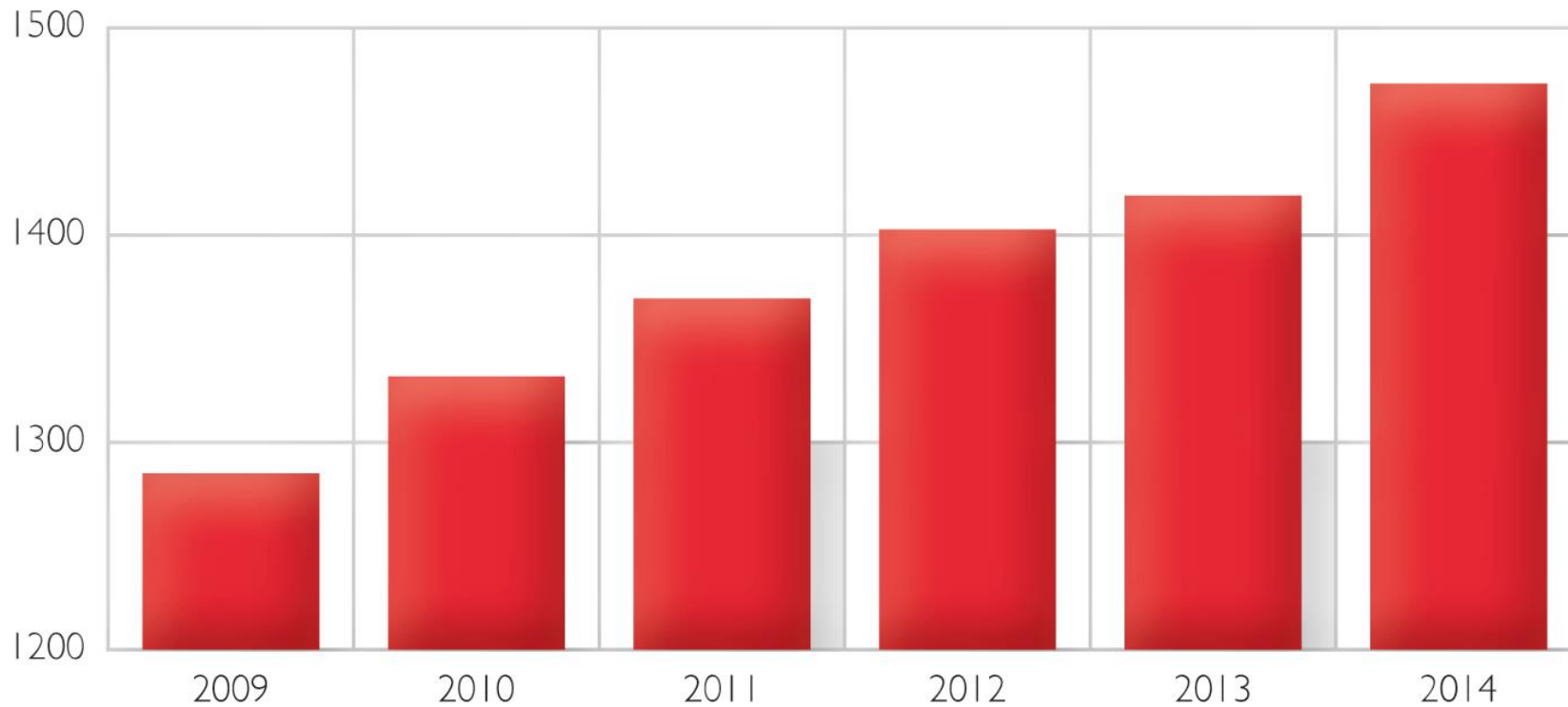


Figure 9 Currency in circulation (Value, USD, 2006 - 2012)



# The volume of cash transactions is increasing

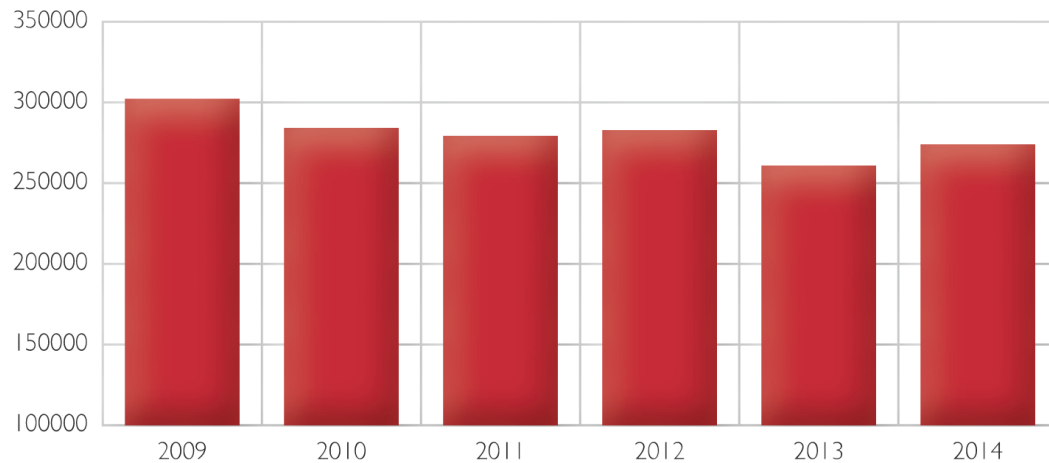
**Figure 15** Value of ATM withdrawals (x Bio euro, 2009 - 2014)





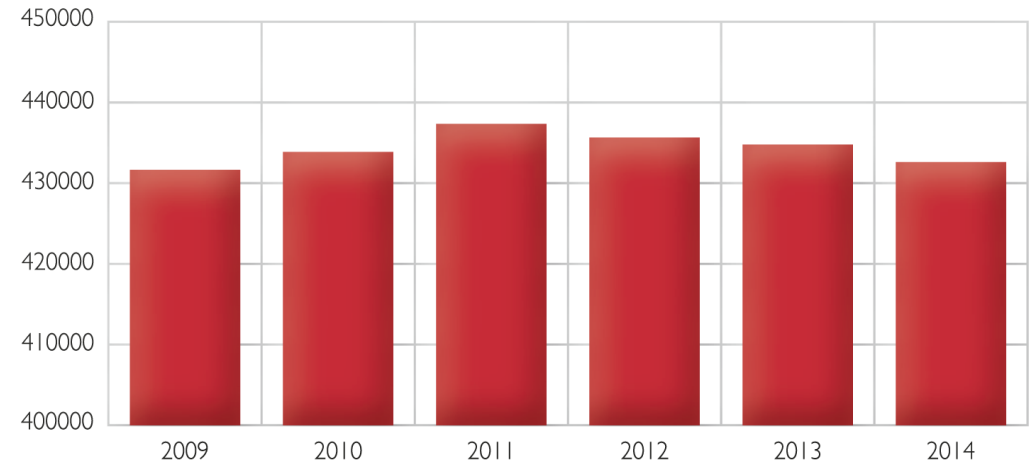
# But Access is Shrinking

**Figure 13** Number of branches of MFIs offering payment services (2009-2014)



Bank Branches Declining

**Figure 12** Number of ATM's (EU28, 2009-2014)



ATM Deployment Declining since 2011



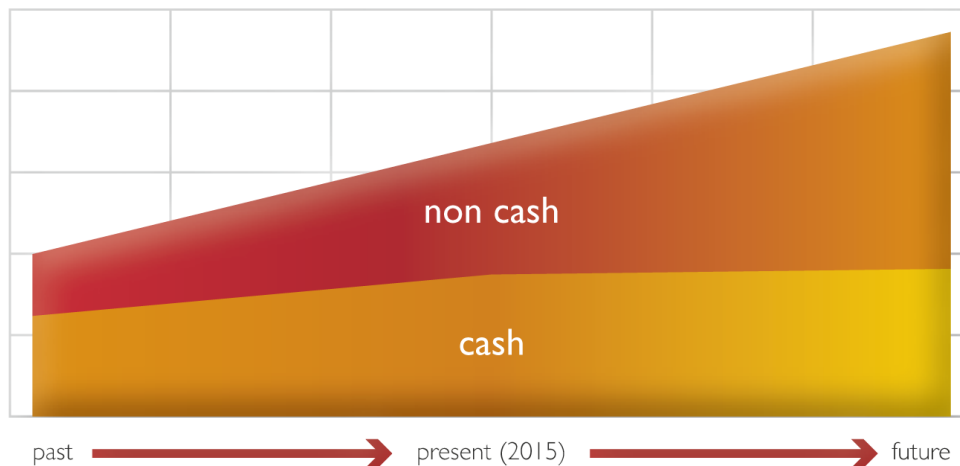
Question:

Why does the one stakeholder that has the least (commercial) interest in promoting cash, still predominantly control access to cash?



# Proportion of non-cash payments is increasing

**Figure 24** Development of payment volumes, cash and non cash



Questions:



Will we come to a natural 'tipping point' at which the share of cash is so marginal that it will become increasingly tempting to fully switch to electronic payments?

How will the industry respond to the apparent fact that its core product is losing relative importance?

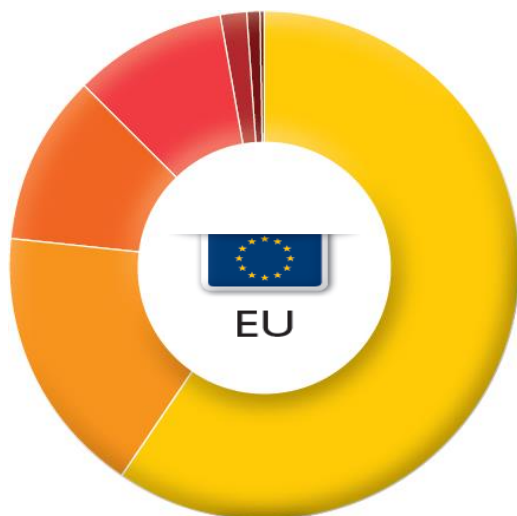
# Yet cash remains predominant

60

%

Of all payment  
transactions  
in Europe are cash

# A two-speed cash Europe?



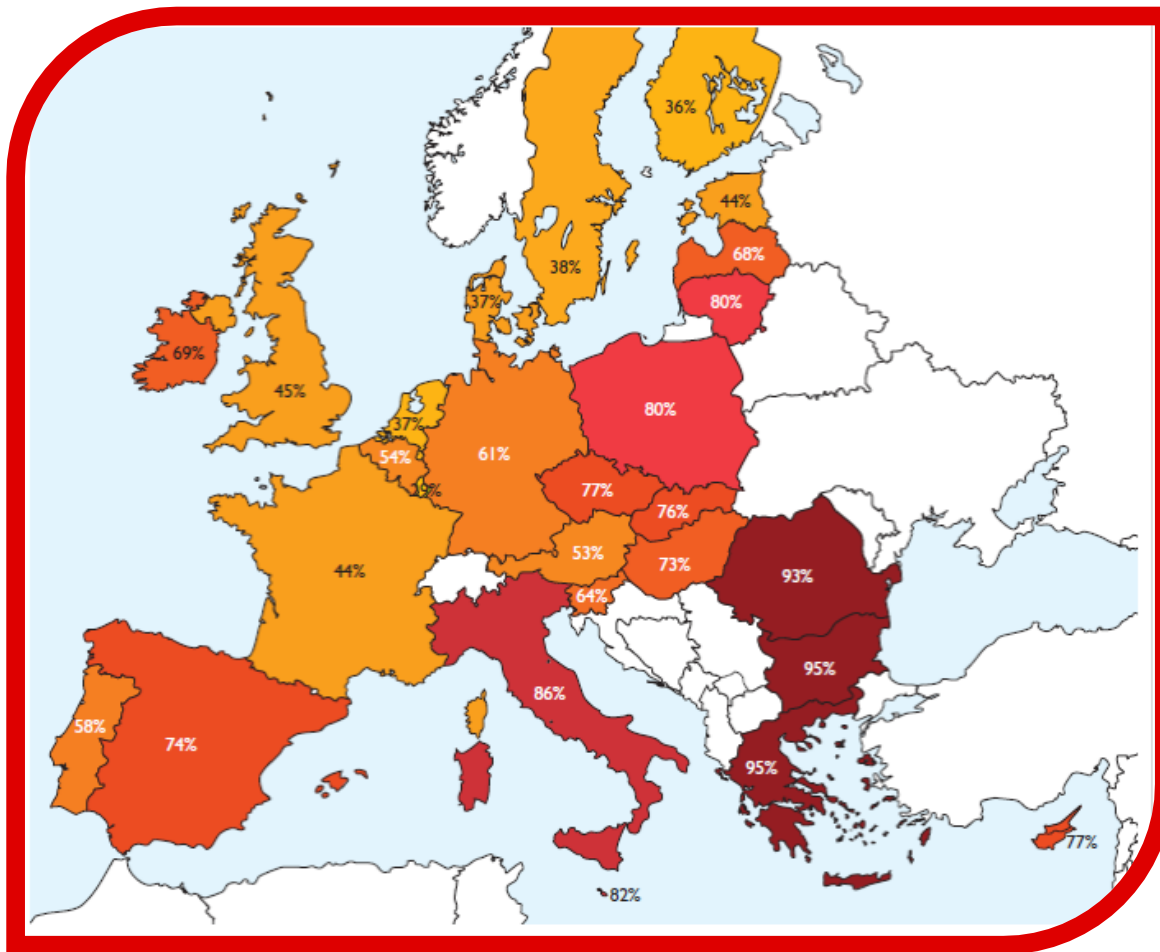
**60% of all payments  
are in cash**

20 out of 28 countries:  
>50% of all payments are in cash

26 out of 28 countries: cash largest  
payment instrument in volume



# A mixed payment Europe



- Cash payments <50%
- Cash payments 50% - 60%
- Cash payments 70-80%
- Cash payments 80-90%
- Cash payments >90%

# The drivers of change



# Will cash disappear?

Key Attributes \ Payment methods	Anonymous	Legal Tender	Secure	Safe Haven/ Fall Back	Direct	Flexible/Budgeting	Remote payment	"Higher" value payment (>5000 EUR)	Availability	Reliability	Efficient	Safe	Convenience
<b>Cash</b>	+	+	+	+	+	+	-	-	+	+	+/	+/	+
<b>Cards</b>	-	-	+/	-	-	-	+	+	+/	+/	+	+	+
<b>Debit Card</b>	-	-	+/	-	-	-	+/	+/	+/	+/	+	+/	+
<b>Credit Card</b>	-	-	+/	-	-	-	+	+	+/	+/	+/	+/	+
<b>Pre paid cards</b>	+	-	+/	-	-	-	+/	-	+/	+/	+/	+/	+
<b>Credit Transfer</b>	-	-	+/	-	-	-	+	+	+	+	+	+	+
<b>Direct Debit</b>	-	-	+/	-	-	-	+	+	+/	+/	+	+/	+/
<b>Cheques</b>	+/	-	-	-	-	-	-	-	+/	+/	-	-	-
<b>Mobile</b>	-	-	+/	-	-	-	+	-	-	+/	+/	+/	+
<b>Internet</b>	-	-	+/	-	-	-	+	+	-	+	+/	+	+
<b>Virtual Currency</b>	-	-	-	+/	+/	-	+	-	-	+/	+/	-	+/
<b>Instant</b>	-	-	+/	-	-	-	+	+	+/	+/	+/	+	+

1. Cash covers many key attributes

2. Cash **uniquely** covers some key attributes

3. Non cash seems to cannibalise each other

# A social role for cash



“The banks have been too quick to reduce cash handling. ....

....If the banks continue to set the pace, there is a high risk that the possibility of using cash will disappear before alternative means of payment have become widespread and generally accepted.

To restrain this development, the Riksdag (the Swedish parliament) should introduce a clear obligation for the banks to provide basic functions that meet customers’ needs.”





**The world cannot  
do without cash...**

**But we do need  
to talk about it**



# Cash trends

Despite the multiple national factors...

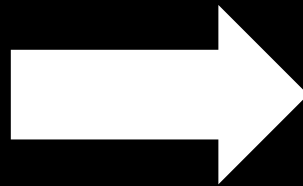
- Shrinking NCB footprint / physical involvement - delegation to commercial banks
- Consolidation of retail banking infrastructure
- Investment in self-service cash transactions
- Increasing Interest in limiting use of high denomination banknotes &/or high value cash transactions

# Shift in thinking

**FROM**

*“Cash will disappear...  
it has a definite  
Shelf Life”*

*“Cashless”*



**TO**

*“Cash will remain:  
Europe cannot do  
without cash”*

*“Less-Cash”*

# From the end user perspective

**There is no competition between cash vs non-  
neither a either-/or proposition**

**Just a need to make payments in all  
circumstances**



# Future of Cash is part of Future of Payments



A photograph of a modern building at night with a large glass facade. The G4S logo is illuminated on the upper right side of the building. A semi-transparent blue arch is overlaid on the left side of the image.

# Thank you

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