

The Future of Cash

2008



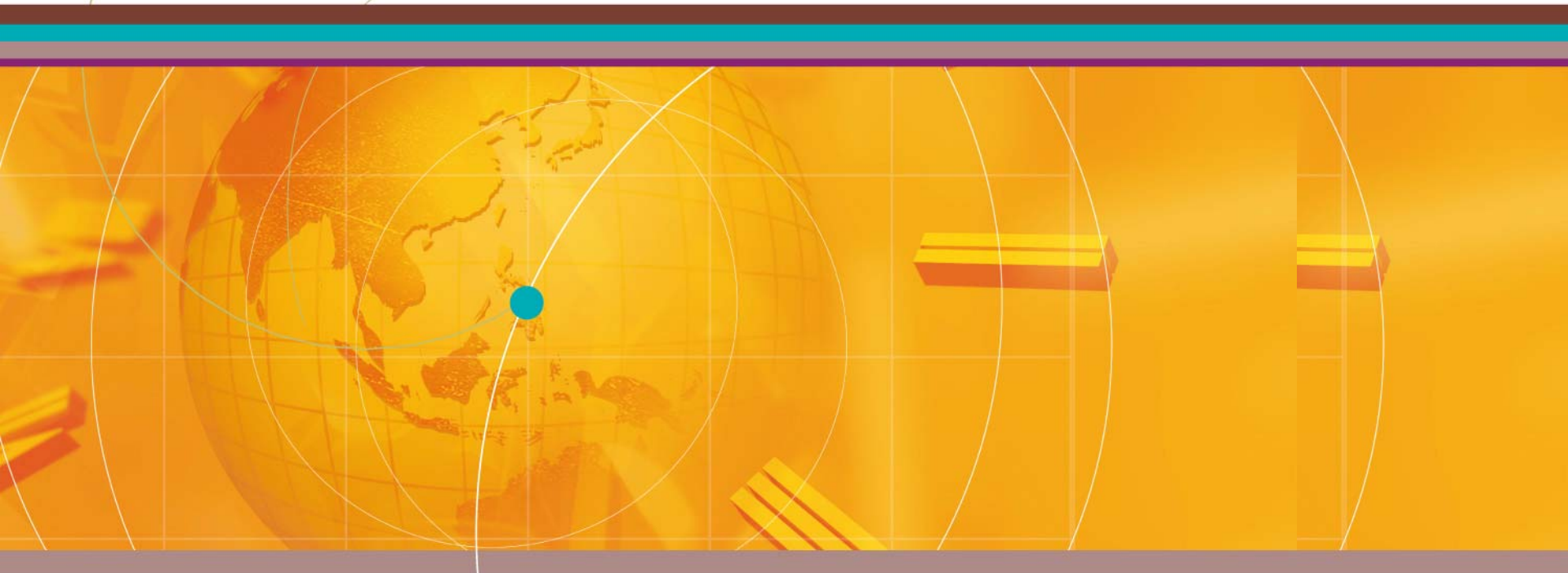
Guillaume Lepecq



Cash in the Economy

Drivers for cash use

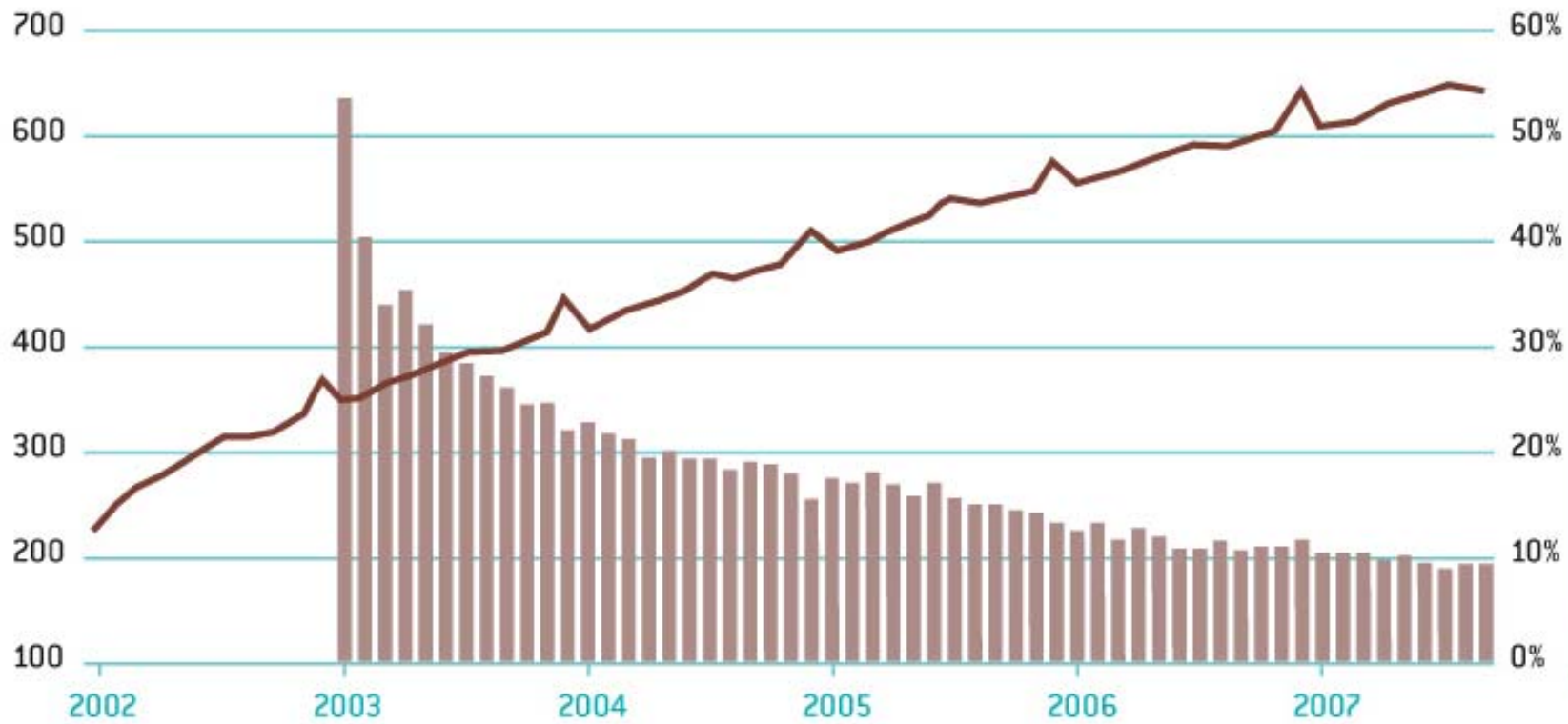
Scenarios for the future of cash





Cash is King

FIGURE 1. EURO BANKNOTES IN CIRCULATION

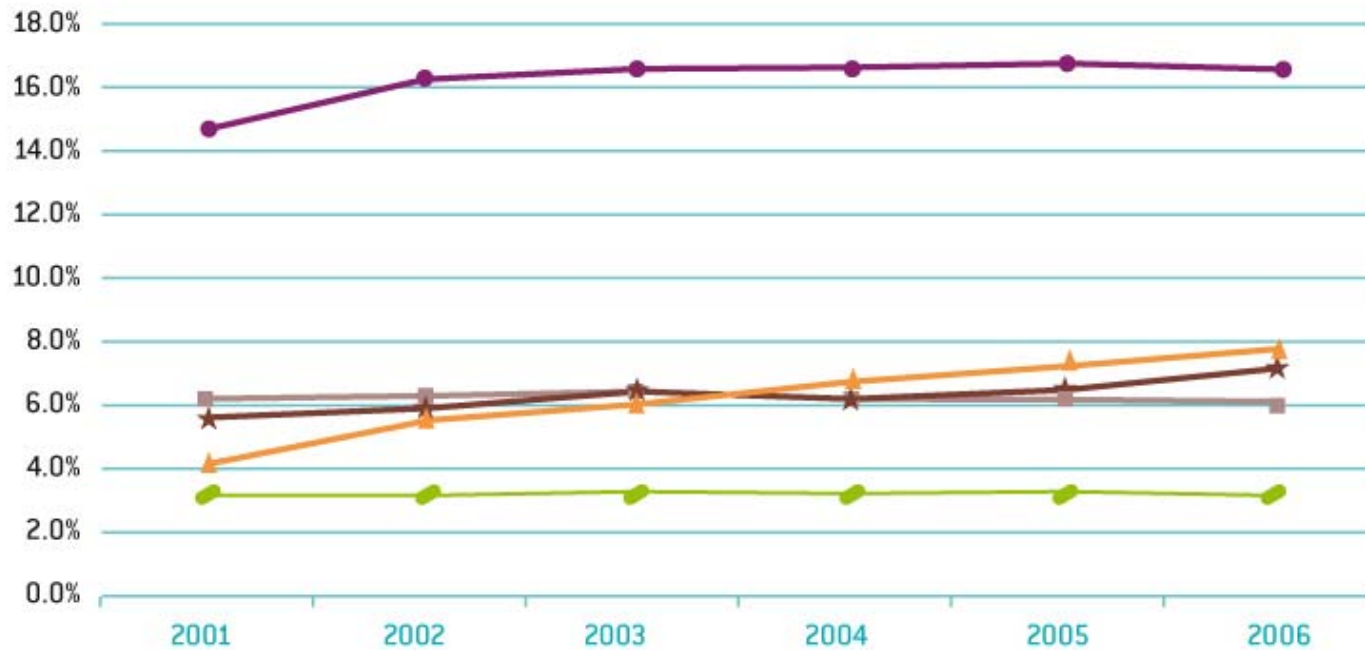


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Weight of cash in developed economies



FIGURE 3. CASH / GDP RATIO



Source: Central Banks



Cash share of transactions

FIGURE 4. SHARE OF CASH IN RETAIL TRANSACTIONS

Number of retail transactions per household 2004, Percent

100% = 1,623 1,423 1,851 1,683 1,393 1,456 999 1,089 1,085 1,193 1,364 1,195 1,311 1,085



- Transfers
- Direct debit
- Cards*
- Cheque
- Cash

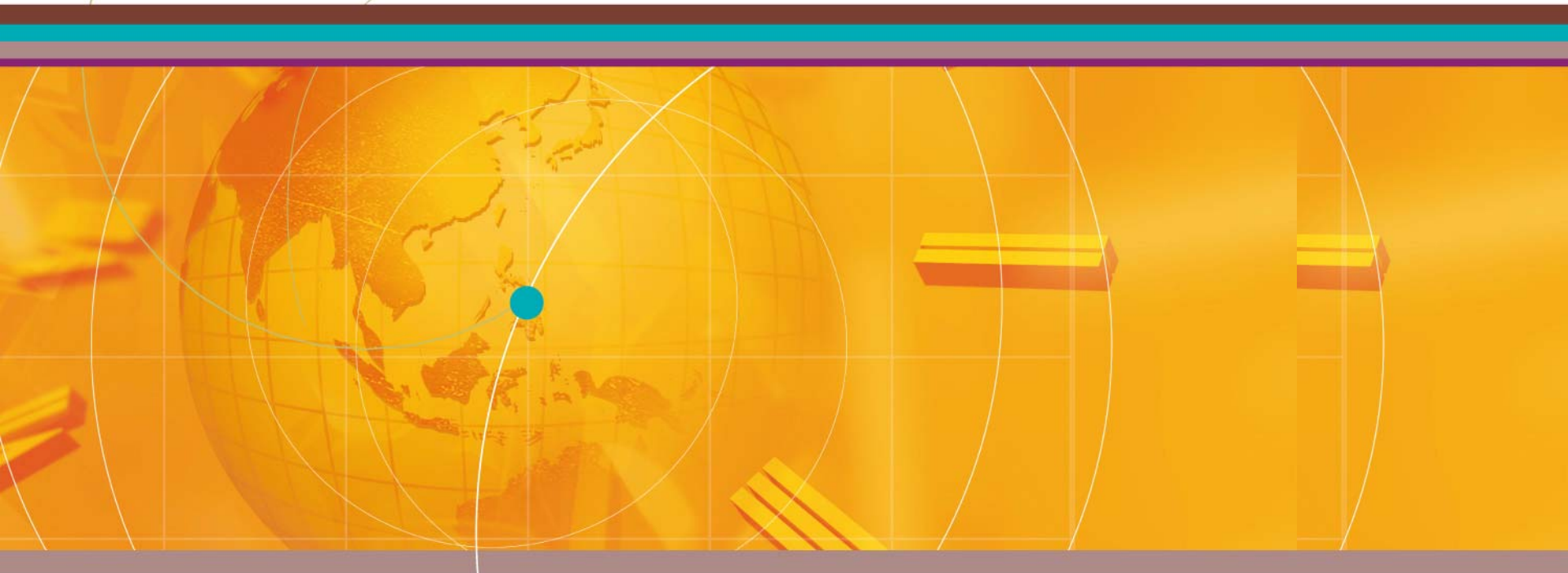
* Including E-Purse

Source: McKinsey Payments Map

Cash in the Economy

Drivers for cash use

Scenarios for the future of cash





Drivers for growth of cash

- Hoarding
- International use
- Low-value transactions

New forms of money



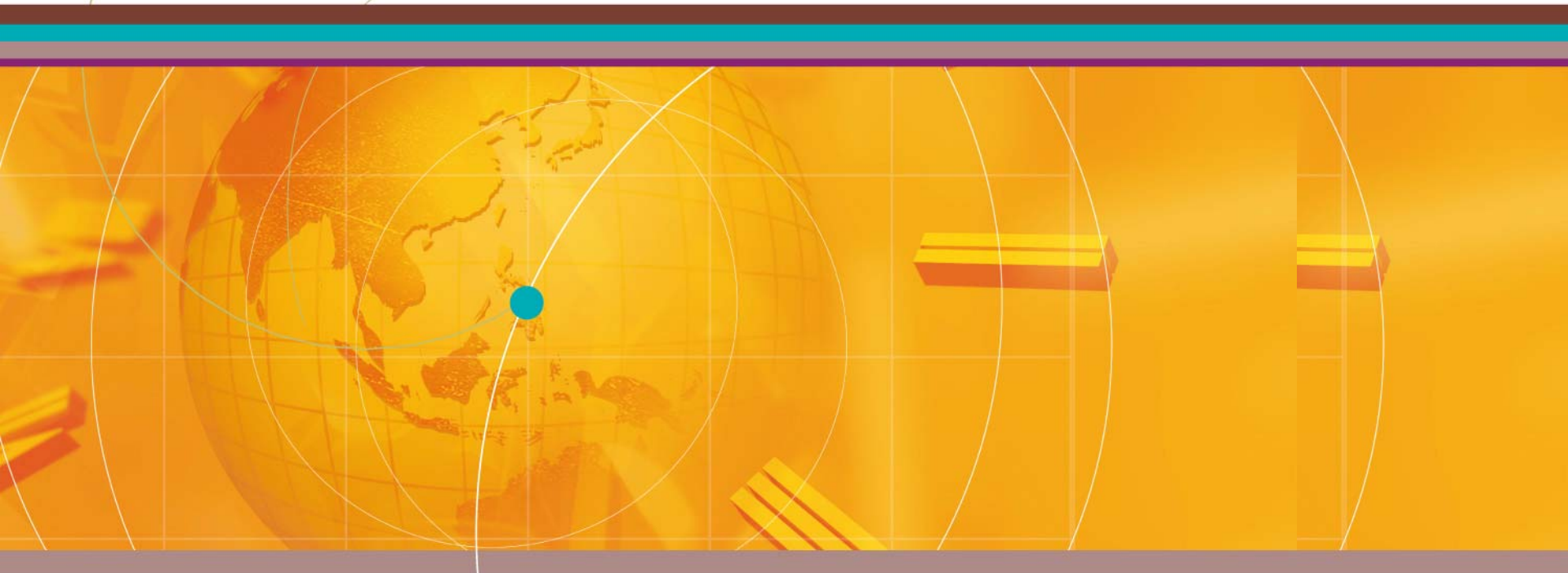
Efficiency of cash

- ✓ Industrialisation
- ✓ Automation of cash distribution
- Supply-chain management
- Recirculation

Cash in the Economy

Drivers for cash use

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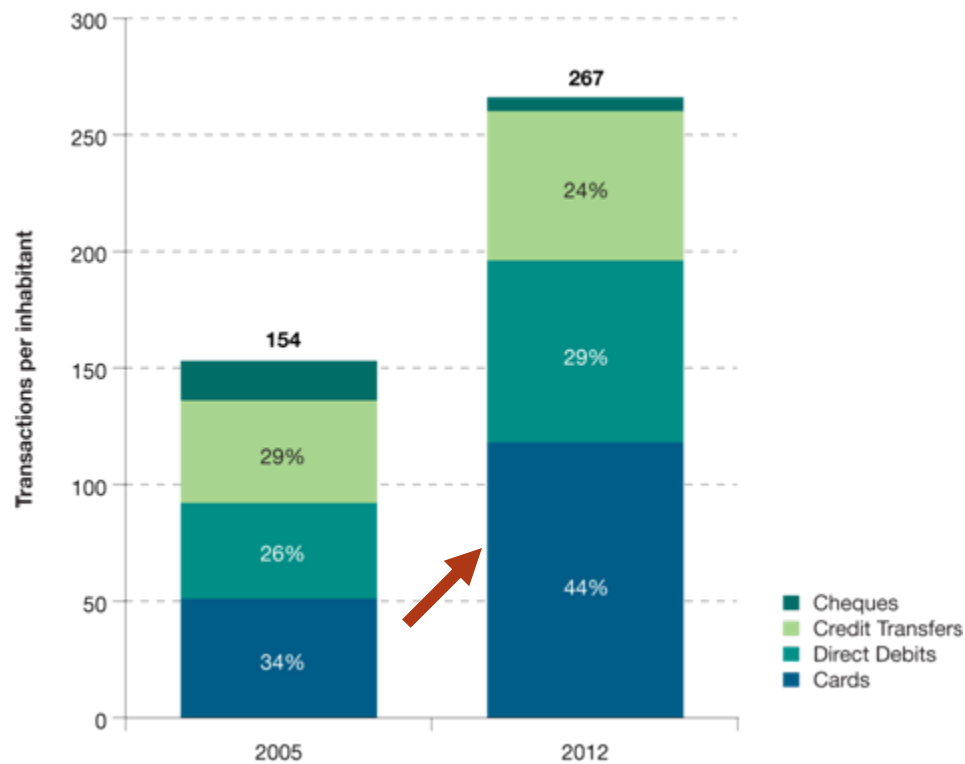


Framing the scenarios



Transactions volumes are increasing

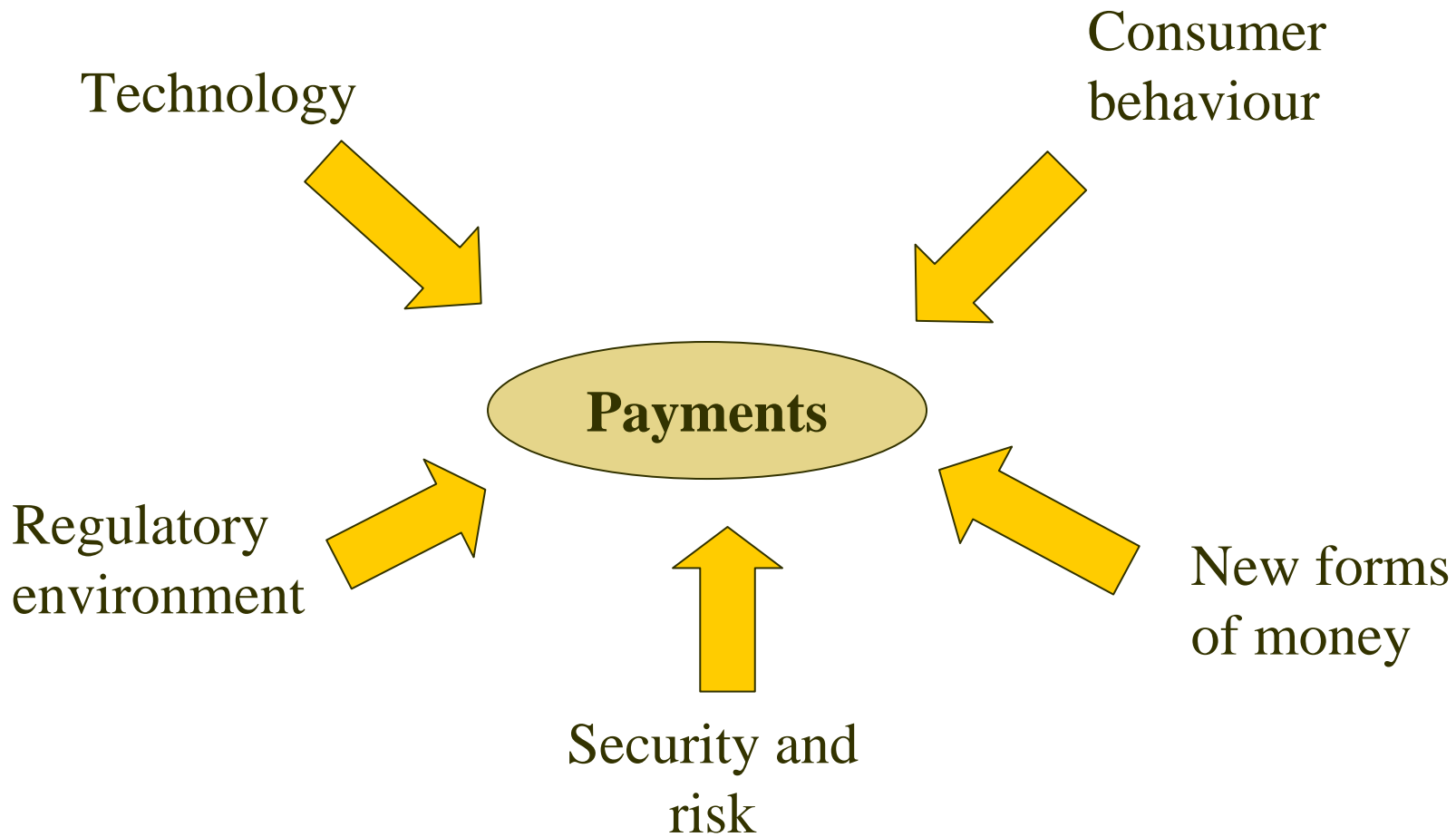
Transactions per Inhabitant in Europe, 2005 vs. 2012



Note: Figures are based on countries covered in this report – see details in the methodology section.

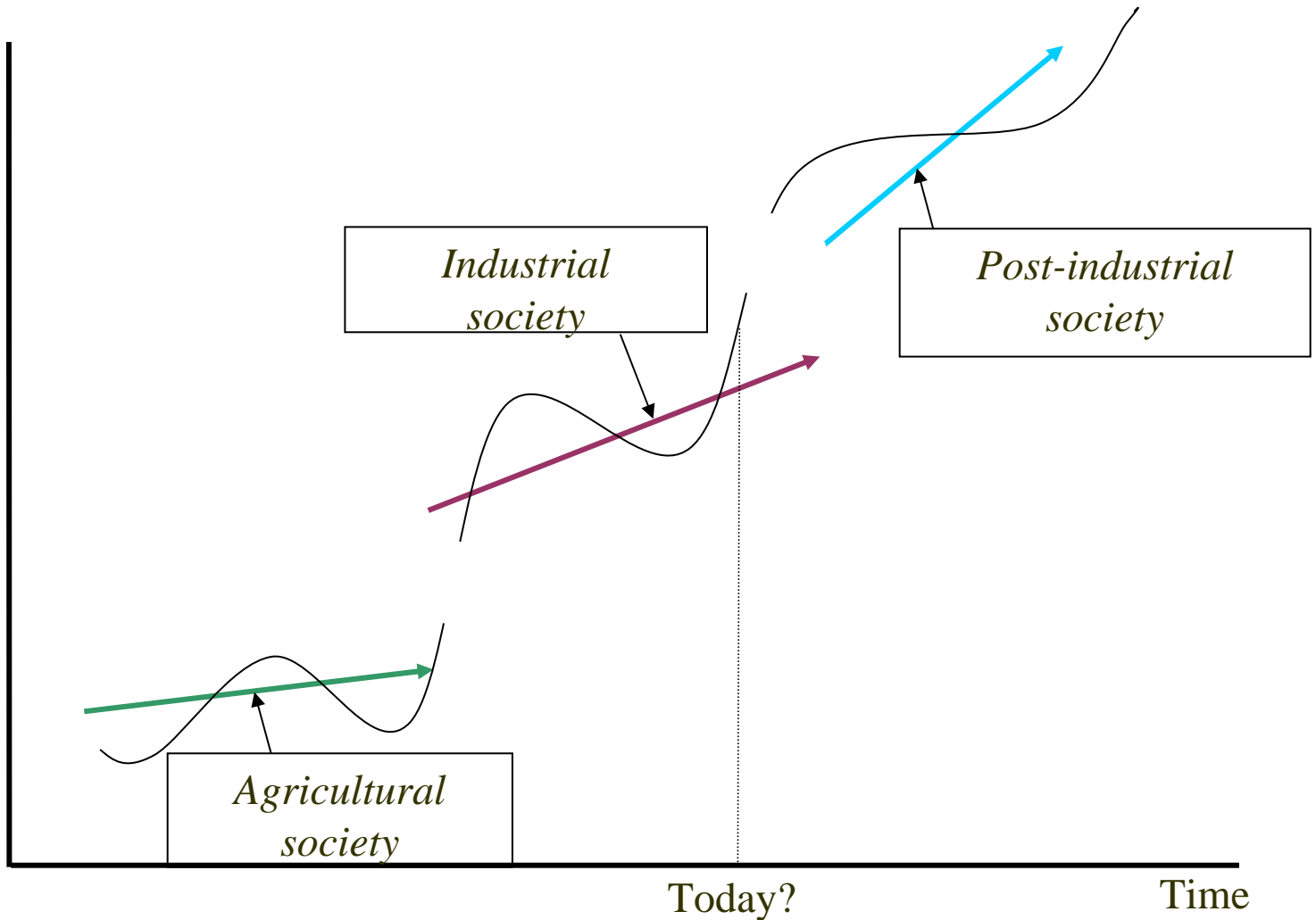
Source: ECB Blue Book – 2005 figures, release Dec. 2006, Capgemini analysis, 2007.

Shaping Scenarios



New transaction spaces

Transactions
Volumes



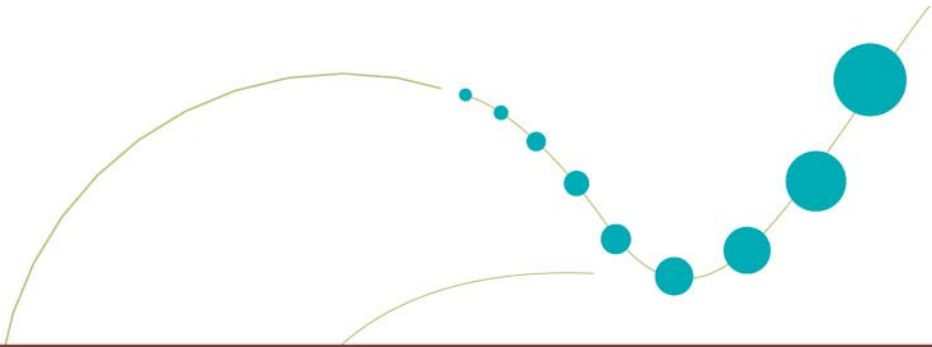


A strategic vision for cash

***Alice came to a fork in the road.
"Which road do I take?" she asked.
"Where do you want to go?"
responded the Cheshire cat.
"I don't know," Alice answered.
"Then," said the cat, "it doesn't
matter."***

Lewis Carroll, Alice in Wonderland

Thank you!



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