

To be and how to be – that is the question ?

(where do we go from here)

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ESTA Conference
Sa Coma - Mallorca 23. May 2011

...a great fan of The Rolling Stones



Purpose of presentation

- To give a ***quick update*** on the Norwegian Cash Market
 - WAS
 - AS IS
 - TO BE
- To ***raise*** a couple of ***questions***
 - Threat to cash – war on cash
 - Future development – in general

NORWAY

the Norwegian Market and Services



Norwegian Market and Services

- **FULLY OUTSOURCED**

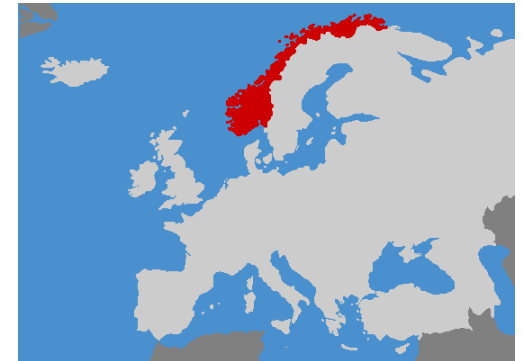
- NB still have some In House services

- **CMS**

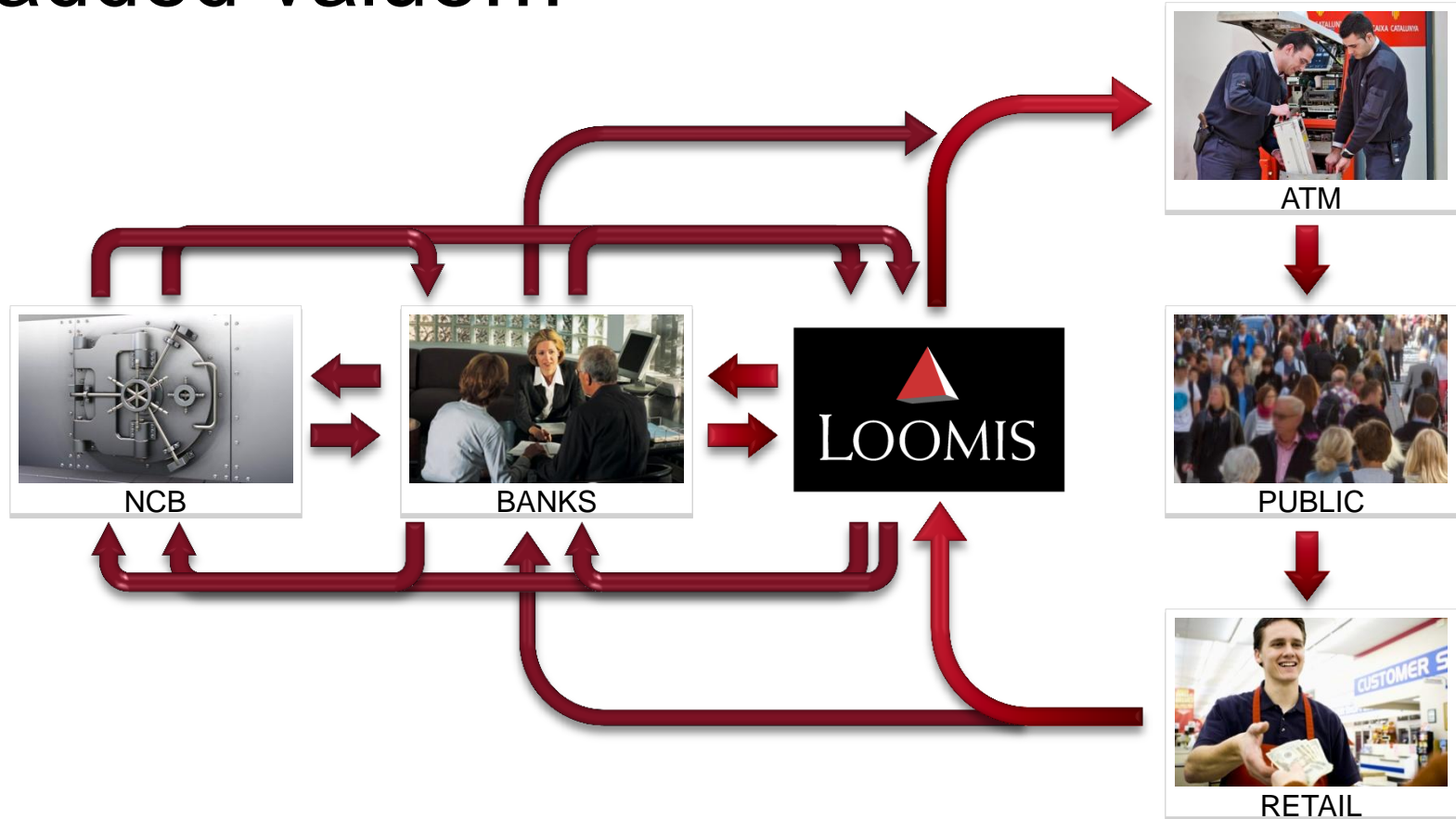
- Semi or fully *automated production* line

- **CIT**

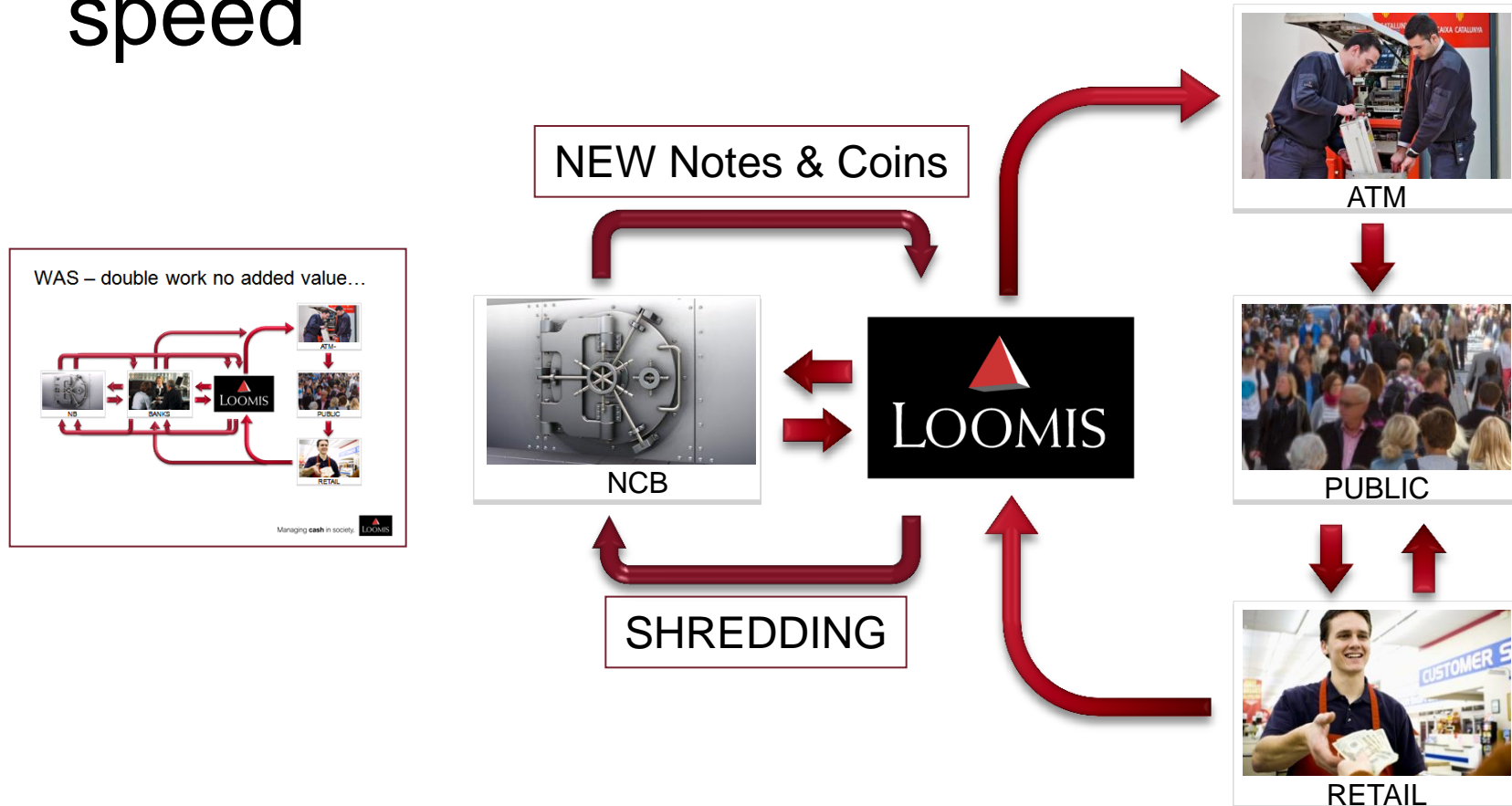
- > **90%** are light *soft skin vehicles* (carbon footprint...)
 - > 60% (and counting) are *1 man crew* vehicles



WAS – double (four times) the work no added value...

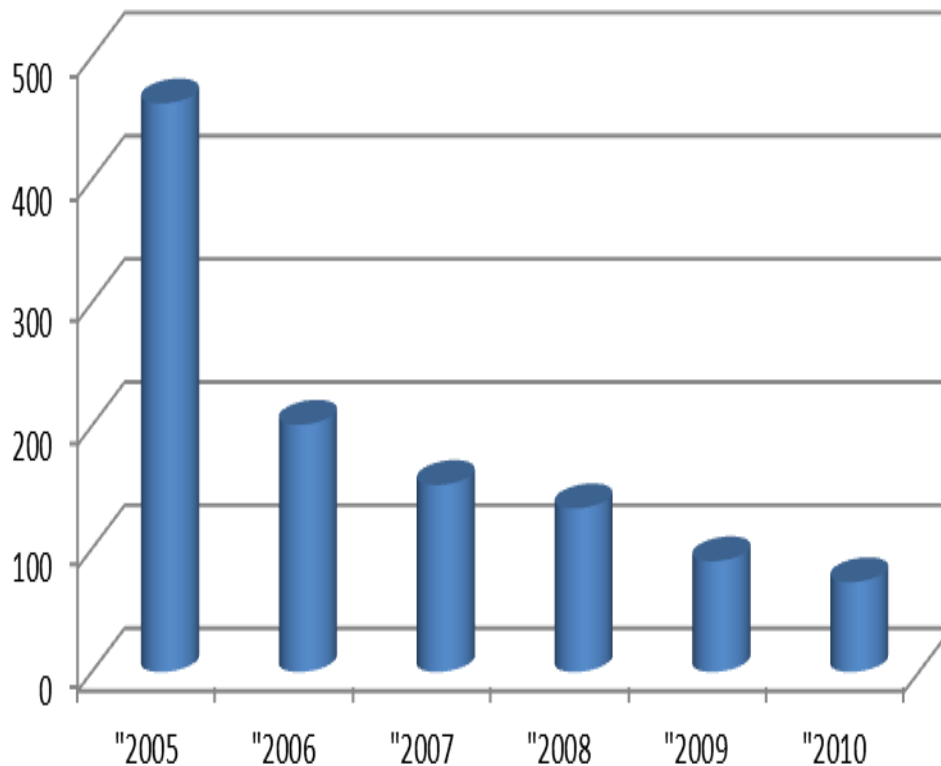


IS – reduced distance and increased speed



So did it work – is there any proof of increased efficiency?

Number of notes returning to NCB
all figs in millions



2005

Private Depots established

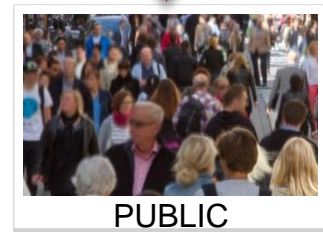
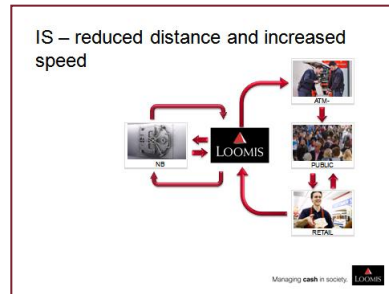
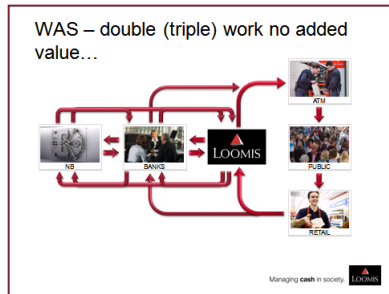
2006

First full year gives a 60 % reduction

2006 to 2010

additional 20 % year on year reduction

TO BE - reduced distance and increased speed, even more



Still room for improvement

- **THREE** major issues:
 - Lack of standardization and access – e.g. IT systems (NB – BANKS – INDUSTRY)
 - Peak day(s) & hour(s) demands costly investments
 - Extended Balance Sheet Relief

EXTENDED Balance Sheet Relief...

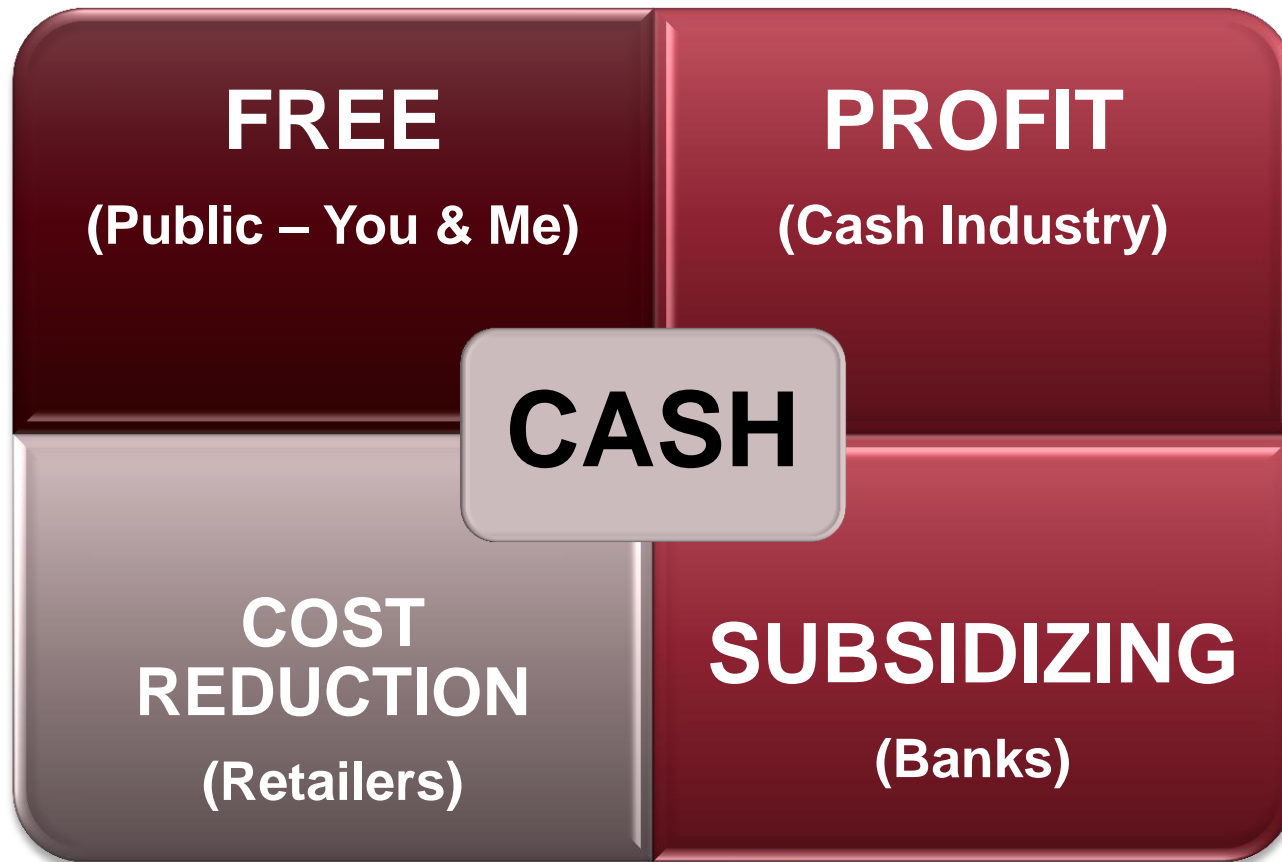


«Could **ATMs** and **SAFE DEPOSITS** be included,
in an extended **BSR**» ?

PART II

CASH is ~~simple~~ complex

(who is paying and who is gaining – from cash)



The biggest threat to cash ?



The biggest threat to cash is...

The biggest threat to cash is – **CASH:**

NOT BEING **AVAILABLE** – OR NOT
BEING AVAILABLE IN THE RIGHT
DENOMINATIONS



“If I can’t get it – I can’t use it” !

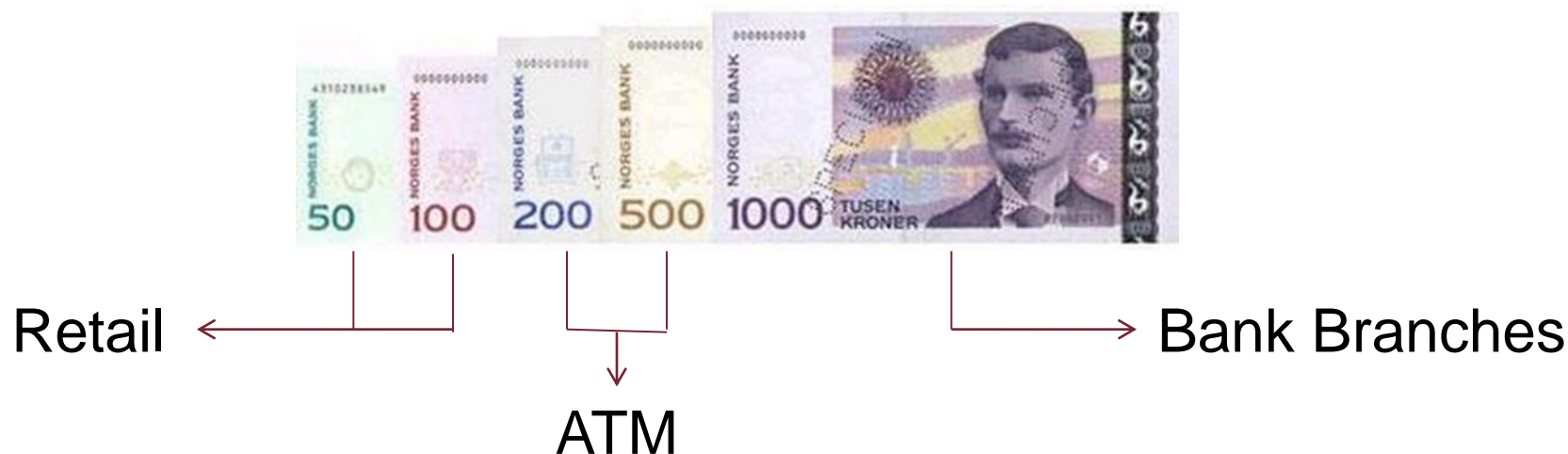
Norwegian Market

- **Lowest cash intensive market (country) in the world***

- Less than 25% of all transactions are made by cash
- A number of Bank Branches have been closed down
- A number of ATMs have been removed

How can we, as an Industry - **prevent** further **reductions** ?

Distribution of cash – in general (100 NOK = 12,50€)



- Only **2 out of 5** denominations are distributed through ATMs
- Average withdrawal is approx. **1.200 NOK**
- Gives a huge deficit in smaller denominations
- ***Increases*** the ***transaction cost of cash***, significantly

A question to reflect upon...

- **WHO** – is responsible for making **CASH** *available* and not only available, but in *adequate* denominations too ?



- ☐ The National Bank ?
- ☐ The Banks ?
- ☐ The Retailers ?
- ☐ The CASH Industry ?
- ☐ Others ?



Managing Cash in Society

**Thank you very much
for your attention**