



NOKAS

Has the point of no return been reached in Sweden?

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Nokas Group

Nokas Group in brief

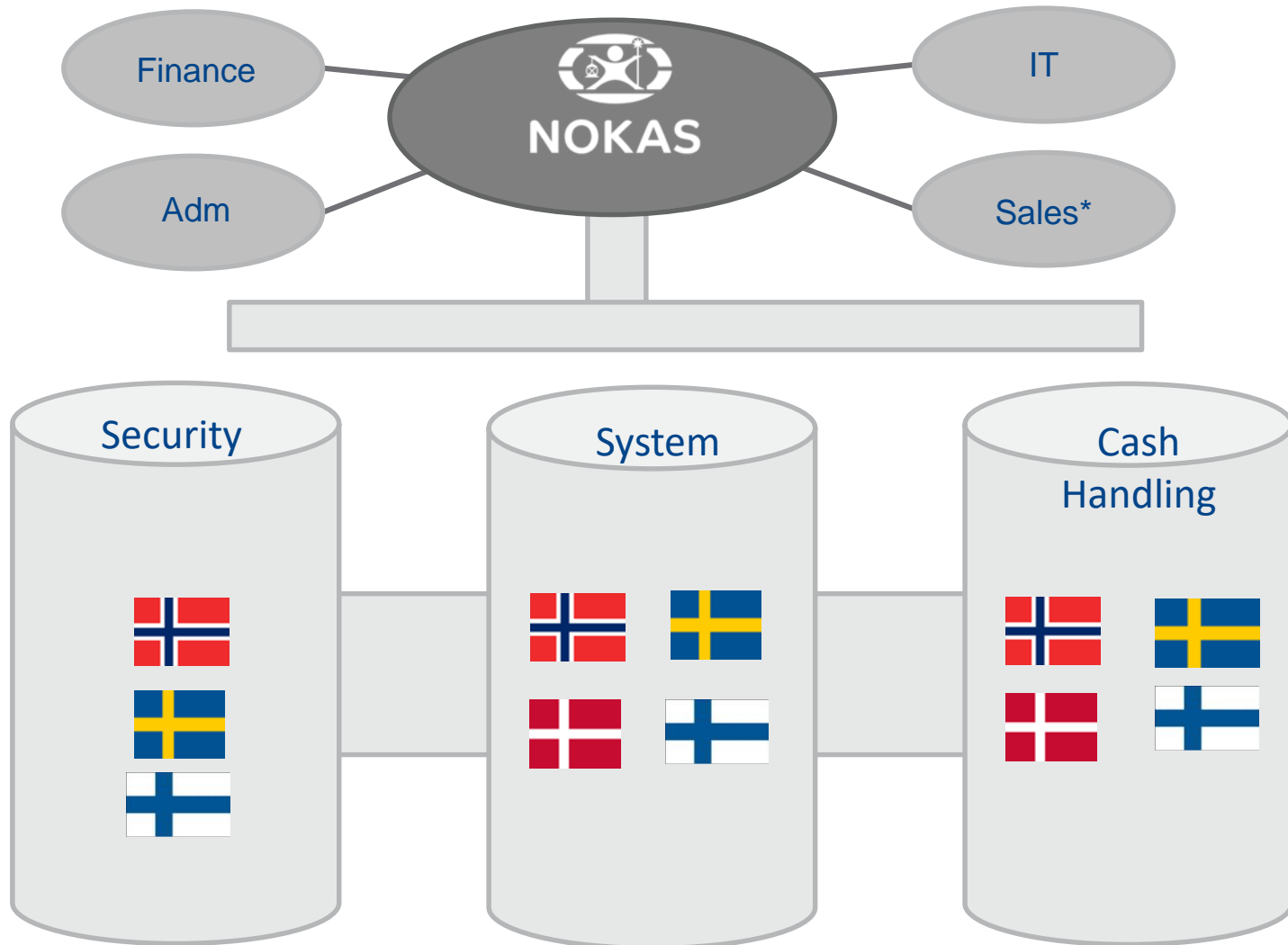


NOKAS

- Multi service Security company in the Nordics
- Established in 1987
- Completed more than 80 acquisitions
- 2019 (run rate) gross turnover of MEUR 800
- Cash handling services in Norway, Sweden, Finland and Denmark
- Shareholders: Strong financial shareholders and management of Nokas

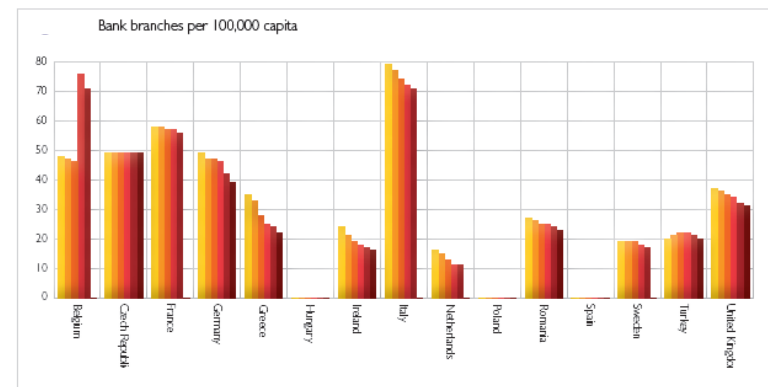
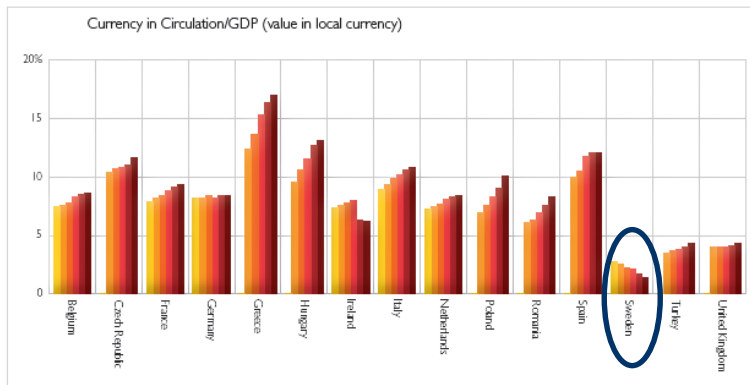


Nokas organisation



Cash is growing on a global basis. Cash use and handling in society will change. The Nordic countries are leading the way

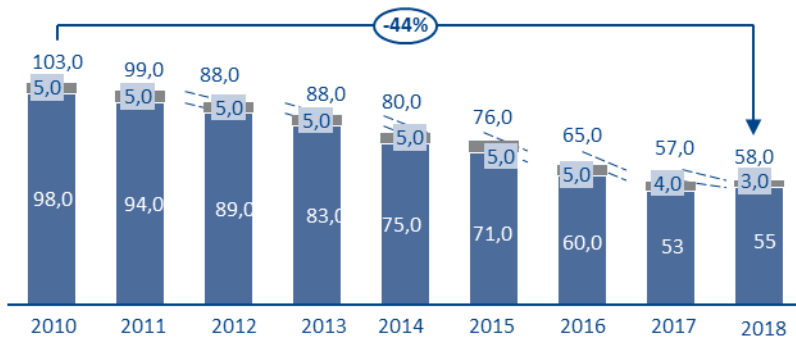
- Cash remains the most widely used payment instrument in the world and on all continents
- National banks and increasingly also commercial banks are withdrawing from operational participation in the cash cycle, leaving these activities more and more to specialized 3rd parties



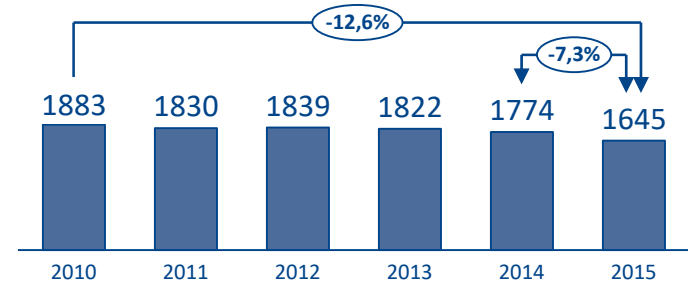
Currency in Circulation (CiC) has increased by an average of 39.5% in local currency value across selected European countries in recent years (7.9% per annum). One notable exception is Sweden, which reported a decline in the absolute value of Currency in Circulation (local currency) of 34.9% over the past five years

In Sweden cash volumes, # bank branches and ATMS per capita show a downward trend. Card payments per capita have increased by 35 per cent. Supply or demand driven?

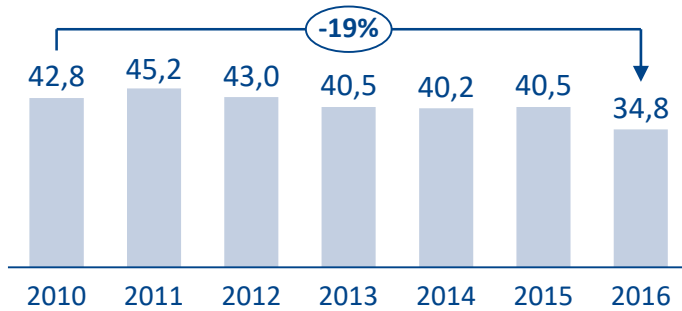
Cash in circulation, SEK



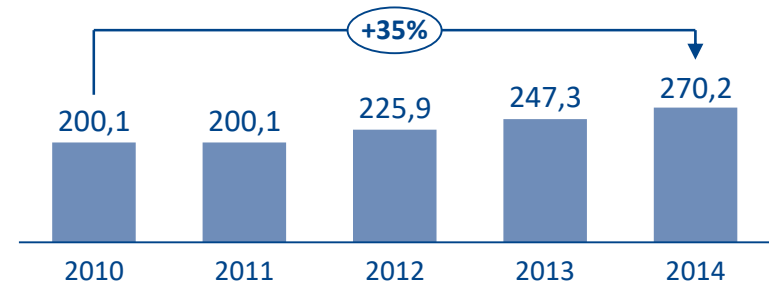
Number of bank branches in Sweden 2010 – 2015



Number of ATMs per. 100 000 (adults) from 2010 – 2016



Average card payments per capita 2010 – 2014



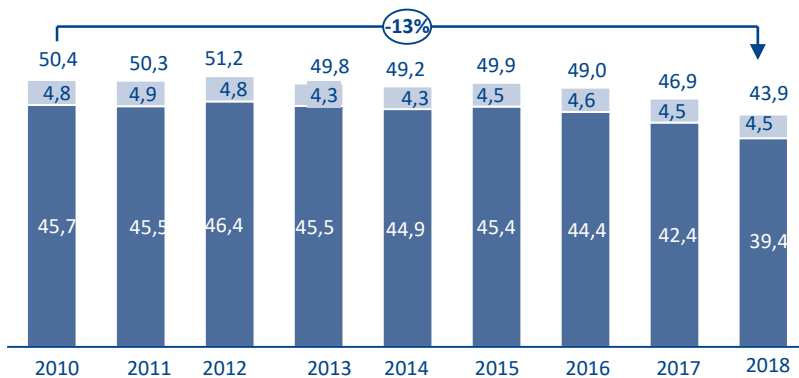
Kilde: ECB, Svenska Riksbanken

Cash volumes are growing in Denmark and the Eurozone*, strong reductions in Sweden and marginal reduction in Norway.

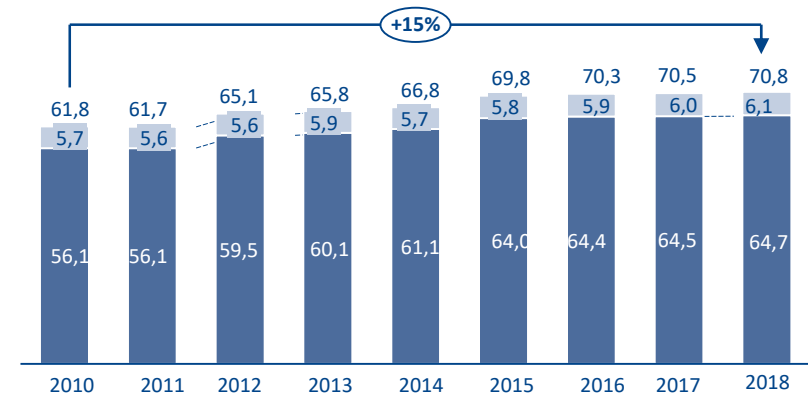


Coins Notes

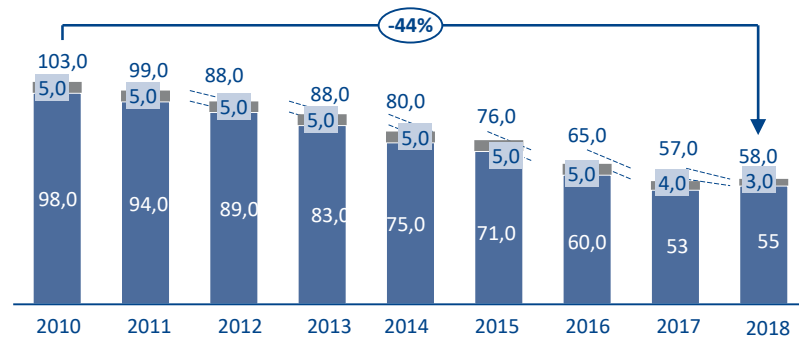
Norway, NOK



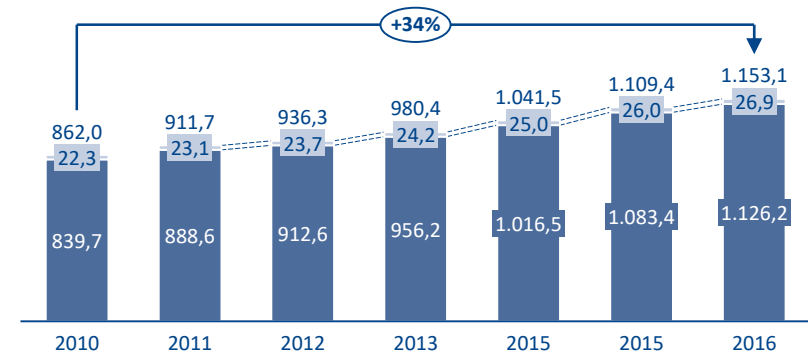
Denmark, DKK



Sweden, SEK



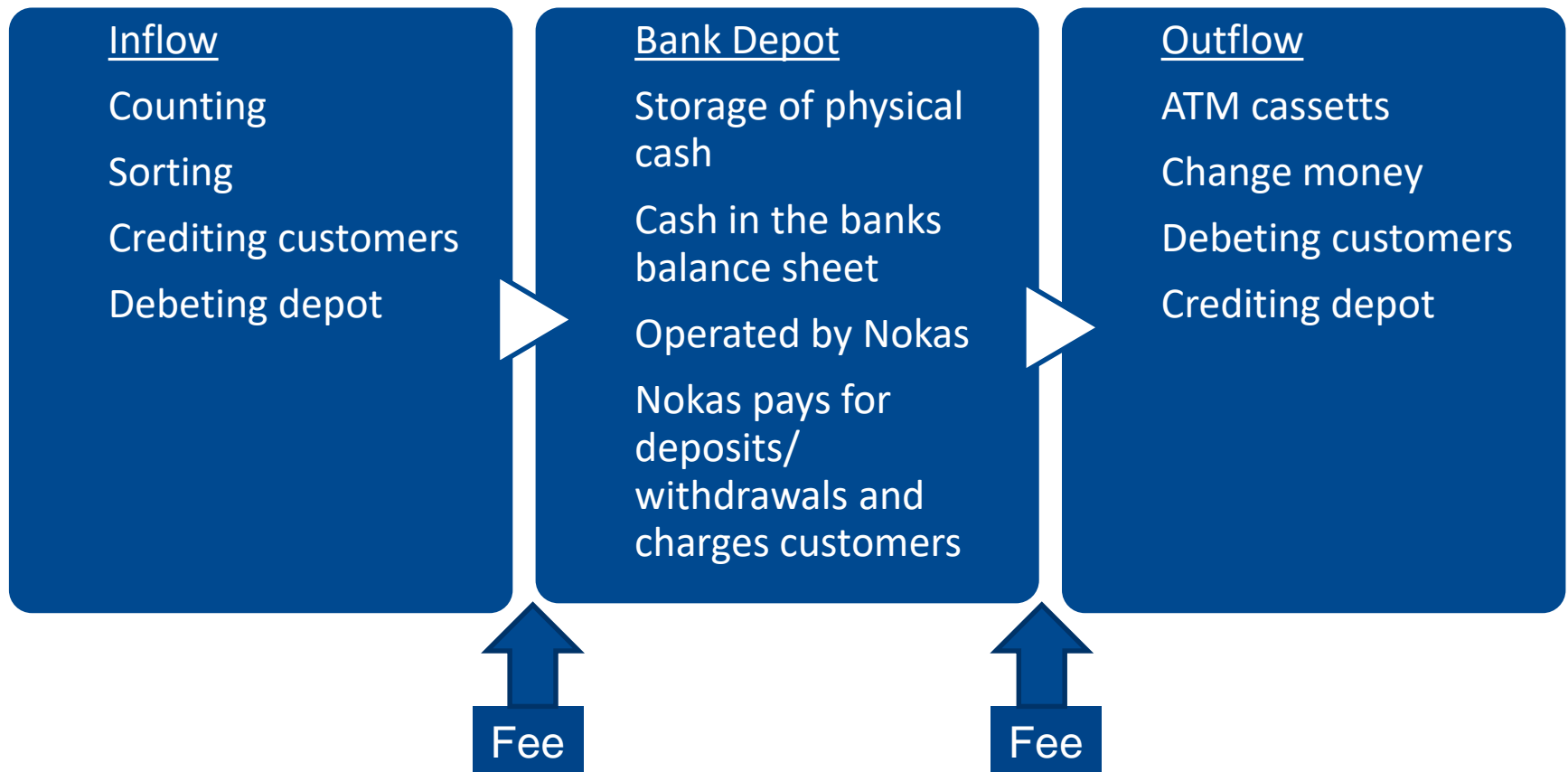
EUROZONE



* Not adjusted for growth in Euro countries

Kilde: ECB, Norges Bank, Danmarks Nationalbank, Svenska Riksbanken.

Cash Centre model in Sweden – how banks transfer their cost to retail.

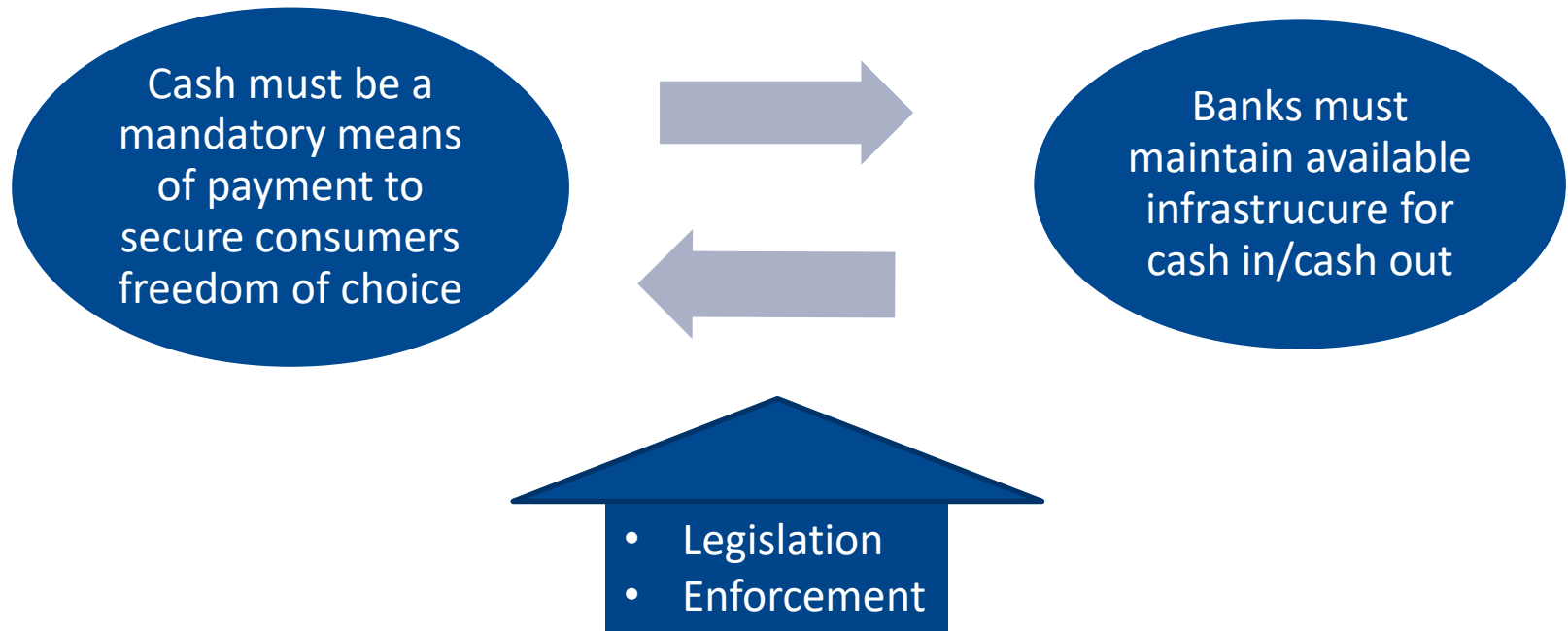


Challenges going forward (1)

- The banks have closed infrastructure, making cash unavailable in large parts of the country.
- The banks are in the driving seat influencing the cost of cash for retailers (depot model).
- Many retailers have stopped accepting cash payments because of cost and since cash is not a mandatory means of payment. The authorities do not seem willing to address this issue.
- The CM companies are reducing infrastructure with considerable speed to match demand and maintain profitability.
- Nevertheless, the unit fixed cost is increasing, threatening profit margins going forward
- With a waning infrastructure and rising cost of cash, the banks must be laughing all the way to the.....

- A survey (Sifo: 2019) shows that 72 per cent of Swedes want to be able to pay with cash in the future. This is an increase from 68 per cent in 2018. The share of Swedes who want a cashless society has decreased from 25 to 21 per cent since 2018.
- The Swedish authorities are now addressing the need for cash as a contingency.....too late!
- **Lesson: Do not let commercial banks take charge of the whole national infrastructure for cash handling!**

Two interdependant pillars necessary to preserve cash as a means of payment



Thank you for your attention!