

Banking Automation **BULLETIN**



Cash withdrawal volumes level off in western Europe

All-time high of 357,000 ATMs shipped in 2008

The future of banknote processing – more service for cash

Turbulent future for US payment cards industry

SEPA migration end-dates – the best way forward

Country profile: Sweden



Banking Automation

BULLETIN



Do withdrawal trends provide insights into the future of cash?

The future of cash is one of those recurring topics in financial circles. It is endlessly debated, with protagonists forecasting either its imminent demise or proclaiming its enduring longevity. Such predictions are often based on shaky evidence at best.

Is there a reliable measure that can be used to give better insights into the future of cash? In mature payments markets, such as those in western Europe, ATM transaction volumes provide a reasonable measure, as most cash in such countries is obtained from ATMs. On this basis, RBR's latest study of ATMs in western Europe reveals interesting and relevant insights (see page 2).

The headline figures are dramatic – the number of cash withdrawals in western Europe grew by only 0.1% last year, compared to 2-4% per year in the recent past. Six of the eighteen countries surveyed actually observed a fall in withdrawal volumes. Most notably the Netherlands, which witnessed a remarkable 16% decline, and followed by Greece, France, Sweden, Norway and Finland. With the obvious exception of Greece, this list has a northern European and Scandinavian bias, which correlates with the countries with high payment card usage and greater penetration of other types of non-cash payments.

It is also worth highlighting an apparent contradiction relating to the start of the economic crisis last autumn. At that time, there were multiple reports of increases in cash withdrawals, which it was argued were a reaction by consumers against credit cards and other payment tools. While this may well have been a short-term effect, it is now clear that the overall trend was in the other direction.

It is difficult to ascertain whether this levelling off in transaction volumes is a long-term trend, indicating a maturing of the cash payments market, or more likely a blip, at least in part relating to the economic crisis. Cash withdrawal volumes in 2009 will give further insight, but most likely we will have to wait for the 2010 results to provide more definitive insights into the future of cash in the region.

Dominic Hirsch, Editor

2 WESTERN EUROPEAN ATMS

Cash withdrawal volumes level off in western Europe

6 ATM SHIPMENTS

All-time high of 357,000 ATMs shipped in 2008

8 GIESECKE & DEVRIENT PERSPECTIVE

The future of banknote processing – more service for cash

10 US PAYMENT CARDS

Turbulent future for US payment cards industry

12 EUROPEAN PAYMENTS

SEPA migration end-dates: the best way forward?

14 PREPAID CARDS

Moving beyond traditional business models

15 ROB'S REFLECTIONS

It's nearly cheque-mate in the UK

15 NEWS BULLETIN

Banking, ATM and payments news

17 COUNTRY PROFILE

ATM and cards intelligence on Sweden

21 CONFERENCE DIARY

Upcoming industry events

Editor Dominic Hirsch

Managing Editor Morten Jorgensen

Assistant Editors Tomomi Kimura, Rob Walker

Contributors Rowan Berridge, Daniel Dawson, Felix Kronabetter, Ralf Wintergerst

Subscriptions Manager Susie Lens

Advertising Manager Felix Kronabetter

For all editorial and advertising enquiries:

Telephone: +44 20 8940 1398

Fax: +44 20 8940 1527

Email: bulletin@rbrlondon.com

Advertisers in this issue:

3SI Security Systems www.3SIsecurity.com

EFMA www.efma.com

Equens www.equens.com

Giesecke & Devrient www.gi-de.com

KAL www.kal.com

Spinnaker www.spinnaker.co.uk

Annual subscription (12 issues):

£600 (€720/\$1,080) printed

£950 (€1,140/\$1,710) electronic and printed

ISSN 1748-5304



Retail Banking Research Ltd
304 Sandycombe Road, Kew Gardens
Surrey TW9 3NG, United Kingdom

RECEIVE THIS ISSUE OF BANKING AUTOMATION BULLETIN FOR FREE

We hope you enjoyed reading this editorial.

You can receive this, or another back-issue of the Bulletin for free when you take out a subscription.

To receive your free issue, please complete the order form on the next page, and fax it to +44 20 8940 1527. Please specify on the form, or by email to bulletin@rbrlondon.com, which issue you would like to receive.

Banking Automation **BULLETIN**

Regular topics include:

- ATM hardware and software
- Branch automation
- Biometrics
- Cross-border payments
- e-commerce
- EMV and smart cards
- EFTPOS
- e-purse
- Interchange fees
- Internet banking
- ISO/IAD activity
- Merchant acquiring
- Mobile payments/banking
- Outsourcing
- P2P payments
- Payment and loyalty cards
- Payment systems
- Prepaid cards
- Regulatory changes
- Security and fraud
- Self-service equipment
- Teller automation



A unique source of news and analysis of key issues in banking technology, cards and payments

- Independent and authoritative insights from industry experts
- Detailed country profiles including proprietary ATM and cards market data in every issue
- Exclusive extracts from RBR's industry-leading market research reports
- Comprehensive industry conference diary
- Read by senior executives in over 90 countries worldwide

Published since 1979

The Bulletin keeps you on top of your industry agenda – can you afford not to subscribe?

For more information about subscribing or advertising please visit www.rbrlondon.com/bulletin

PRIORITY ORDER FORM Banking Automation Bulletin

Subscription period

- One year (12 issues)
- Two years (24 issues)
- Three years (36 issues)

Printed only

- £600** (€720/\$1080)
- £1000** (€1200/\$1800)
- £1300** (€1560/\$2340)

Electronic and printed

- £950** (€1140/\$1710)
- £1600** (€1920/\$2880)
- £2100** (€2520/\$3780)

The 'electronic and printed' subscription rate includes three further electronic subscriptions for your colleagues*

* Send email addresses to bulletin@rbrlondon.com

PAYMENT METHOD

Please invoice me or By payment card Visa MasterCard Amex JCB

Card no Expires / Total payable GBP(£)

YOUR DETAILS

Title (Mr, Ms, Dr) _____ First name _____ Surname _____

Position/Department _____ Company _____

Address _____

Tel _____ Email _____

VAT (TVA) no _____ Signature _____ Date _____

The information contained in Banking Automation Bulletin may not be reproduced or copied in any form, or be placed on a company intranet, without prior written permission from Retail Banking Research Ltd.

Please return to **RETAIL BANKING RESEARCH** 304 Sandycombe Road, Kew Gardens, Richmond, Surrey TW9 3NG, UK
Tel: +44 (20) 8940 1398 Fax: +44 (20) 8940 1527 Email: bulletin@rbrlondon.com Web: www.rbrlondon.com/bulletin