



“Decade of change” for cash puts modernisation at top of agenda

A “decade of change” is predicted for cash use across Europe by G4S, one of the largest cash solutions business on the continent.

Graham Levinsohn, G4S Regional CEO, commented on a “fundamental transition in the use of cash across Europe” which requires “root and branch reform” of how cash is processed by countries in Europe.

His comments follow the publication of a landmark report by the Group examining cash use across 28 European economies.

The report finds that the volume of cash transactions across Europe continues to increase, having previously doubled every ten years. Concurrently the proportion of all payments made by cash has fallen, with 40% of payments across the EU now made by card, electronic and digital payments.

In addition:

- The volume of cash in circulation has increased 11% per annum up to 2015 with cash now making up 60% of all payment transactions
- ATM withdrawals, which are a good indicator of cash spending, increased 14.6% between 2009- 2014, representing an increase in value of €2.188 bn
- In eight European countries, non-cash payments now make up a greater proportion of transactions than cash
- The total volume of non-cash payments has increased to 102.3 billion transactions

Commenting on the report, Graham Levinsohn called on the cash industry to work together to modernise cash:

“What we are experiencing is a fundamental transition in the use of cash across Europe. European consumers and businesses will continue to use cash as part of a multi-payment economy. But we need to modernise how they can use it.

“The cash supply chain is highly fragmented across Europe which creates chronic inefficiency. In the most extreme cases cash could be counted up to 17 times from till to bank. However even in less extreme examples, the same cash is handled and counted multiple times as it is transferred between parties in the cash cycle. This creates an unnecessary cost burden on businesses and banks alike.

“We must work together to drive root and branch reform by streamlining and simplifying the cash cycles of Europe, creating fewer transfers between actors and consequently less duplication of effort. Significant cost efficiencies can be driven through the cash cycle so that cash remains a cost-effective payment mechanism into the future.”

Leading a call to action Graham Levinsohn urged the industry to work with the banking sector, central banks and policy makers to create this modern lean cash cycle. Challenges outlined include:

- Shortening the cash cycle: reducing participants, processes, resources and funding from till to bank
- Realising earlier value: ensuring cash value is credited earlier
- Reducing the cost of cash: minimising handling and processing costs for cash
- 21st century cash: better interface with electronic and digital payment methods

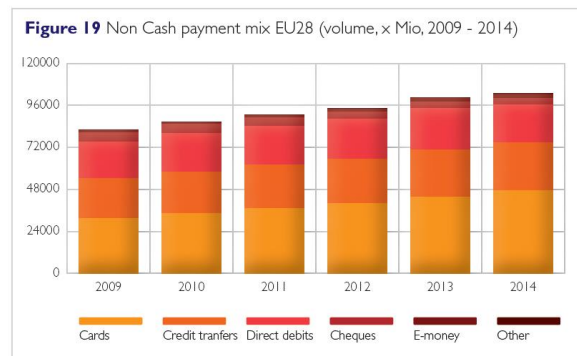
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Notes to Editors

Growth in non-cash payments

Countries in which cash use as a proportion of payments is currently below 50% include: UK (45%), the Netherlands (37%), Denmark (37%), Sweden (38%), Finland (36%), Estonia (44%), France (44%) and Luxembourg (29%)

Cards, credit transfers and direct debits account for 94% of all electronic payments in the EU28. Card payments now represent the highest number of non-cash payments [45% of all non-cash payment transactions 2014]. The total volume of non-cash payments has increased to 103.2 Billion transactions; averaging a 4.3% growth rate per annum since 2009.

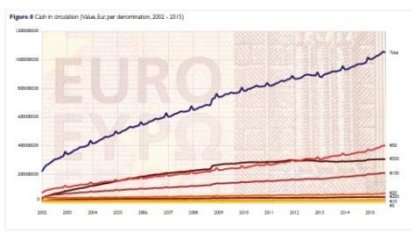


Cash transactions continuing to rise

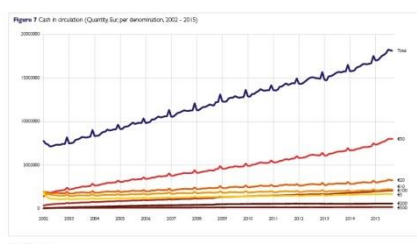
The volume of cash payments is increasing across EU 28 countries. 60% of all payment transactions across Europe are conducted in cash with the value for ATM withdrawals, a proxy for cash payments, having risen by 14.63% between 2009 and 2014. This represents a €2188m increase in the value of ATM withdrawals in Europe in the past five years (since 2009).

ATM withdrawals are directly related to cash transactional activity.

Cash in Circulation (2002 – 2015, Value)
+ 13% per annum

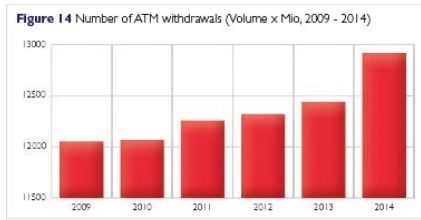


Cash in Circulation (2002 – 2015, Volume),
+ 11% per annum

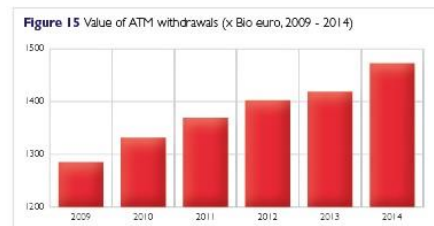


ATM withdrawals (2009 – 2014, Volume)
+ 7,2%

ATM withdrawals (2009 – 2014, Value)
+ 14,6%



Source: ECB statistics



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About the report

G4S' European Cash Report is a descriptive and objective research document, intended to stimulate an open and unbiased discussion for key players within the industry.

Whilst previously G4S has produced versions of this reports orientated to single countries – The Netherlands in 2011, Belgium in 2013 – we are proud to have produced the first pan European Cash Report. By focusing on a European-wide analysis, G4S have filled a growing gap of research and knowledge in the market.

The report was compiled by G4S and utilised a mix of desk research, in-house analysis and exclusive interviews with representatives from the European Central Bank (ECB), European Commission (EC), European Payments Council (EPC), European Consumer Organisation (BEUC), European Retailers Organisation (EuroCommerce) and the Association of Cash in Transit companies (ESTA). A full list of sources is available in the appendix of the report.

This gives us the opportunity to Influence and lead the debate on the future of cash with key stakeholders. And it gives G4S strong pan-European identity and ensures that Cash IP is fully utilised, creating a springboard for future reports. On European level, but also on local level.

About G4S

G4S is the leading global security company, specialising in the provision of security and related services to customers. Our mission is to create material, sustainable value for our customers and shareholders by being the supply partner of choice in all our markets.

G4S is quoted on the London Stock Exchange and has a secondary stock exchange listing in Copenhagen. G4S is active in around 100 countries and has 611,000 employees. For more information on G4S, visit www.g4s.com.

About G4S Cash Solutions

G4S Cash Solutions employs people across Europe. The company is responsible for securely storing processing and transporting hundreds of billions of Euros in cash each year.