

Speech by Mr David Conner for the Official Opening of the Cash Processing Centre on 9 September 2008 at Certis CISCO Centre

Good evening

Mr Lim How Teck Chairman of Certis CISCO, and
Distinguished Guests

It's my pleasure to join you all here today. And on behalf of The Association of Banks in Singapore, it's an honor to congratulate Certis CISCO on the opening of your new Cash Processing Center.

As I arrived just now I couldn't help but remember the famous response the notorious American bank robber, Willie Sutton, gave when asked why he robbed banks. His answer was crisp, "That's where the money is." Entering this center, it is quite clear Willie was wrong. The money is here with Certis CISCO!

From any bank's standpoint, the availability of cash throughout their branch and ATM network is an important service component in their overall product offering to their customers. Moreover, as our customers become more and more demanding for increasing convenience, and are becoming less and less tolerant of service lapses, banks are faced with the dual challenge of maintaining high levels of service availability while, at the same time, keeping running costs low. As in any business, banks must continue to deliver service to customers at a low price as well as deliver healthy returns to shareholders.

Over the years, we have had quite a bit of success migrating customers to electronic channels to reduce cash handling costs. But in spite of the rising acceptance of a diverse range of cashless payment systems and instruments, the demand for physical cash remains resilient. Total cash in circulation has grown 25% from S\$13 billion in 2002 to nearly \$17 billion in 2006, of which the portion held by banks has risen 42% from S\$1.18 billion to S\$1.67 billion over the same period. Notes and coins continue to be favored as settlement instruments in many instances because of the certainty of acceptance, immediate settlement, as well as the ease and anonymity of use.

Going forward, the demand for cash is expected to continue to grow significantly, especially with the opening of the two integrated resorts in Marina South and Sentosa. The experience in Macau supports this view, where cash in circulation increased 112% from MOP\$86 billion in 2001 to MOP\$183 billion in June 2008 after the entry of foreign casino operators.

The expected growth in the tourism industry is also expected to give a further boost to the amount of cash in circulation in Singapore. Visitors to Singapore have grown steadily through the years, and in 2007, Singapore welcomed 10.3 million visitors. This is the highest visitor arrivals ever recorded in a single year in Singapore. If the tourist traffic to Singapore continues to expand, which is highly likely given the opening of the two IRs and the advent of Singapore's Formula 1, transactions in physical banknotes and ATM withdrawals will also increase significantly.

Therefore, Certis CISCO's role as a logistics partner providing secure cash transportation, ATM replenishment and cash processing services, is an important one to not only banks and retailers, but also the cash economy and the economy as a whole. As we banks continue to improve our service delivery to our customers, we count on partners like Certis CISCO to help us extract greater efficiency and effectiveness from our processes, so as to achieve win-win outcomes for both your business and ours. The opening of this new Cash Processing Centre is a step in the right direction, with its improved processes and audit trails, tightened security and the latest technology.

In closing, I applaud you for your efforts toward improving your service delivery standards, and we certainly look forward to more great ideas and improved offerings from Certis CISCO in the years to come.

Once gain, I offer you hearty congratulations on the opening of this Cash Processing Center. Thank you.