

*Summary of evaluation report of the Q-CashRouter*

## **Proof of Concept - Evaluation of Local Recycling of Cash**

For more than one year (2009-2010) a Q-CashRouter (QCR) from BANQIT has been running at Swedbank's branch at Hamngatan in Stockholm, Sweden. The Project that has been conducted jointly by Swedbank and BANQIT, has involved 41 business customers that have deposited their daily cash takings of bank notes in the QCR while private customers have used the QCR for withdrawals. An average of 360 deposits and 8,000 withdrawals have been processed a month, resulting in a balance between the amounts deposited and withdrawn.

The evaluation has shown that local recycling with QCR works very well, and that the depositing customers are very satisfied.

One single installation has reduced the need for transports of banknotes to and from the bank branch with 240 million Swedish Kronor (SEK) p.a. significantly reducing the CIT cost.



*QCR with integrity booth surrounding the deposit area and two attached withdrawal fascias.*

QCR accepts all denominations of Swedish banknotes and has had a high acceptance of different note qualities, making it possible to replace not only one deposit box or deposit ATM but also reduce the number of deposits made over the counter.

Technically QCR has functioned very well with a high availability of approximately 98% during the last six months of the evaluation. QCR has detected and separated out counterfeits and ink-dyed notes. No ink-dyed notes or counterfeits have been recycled.

The technical service of the QCR has not been much different than the service of traditional ATMs. QCR has functioned very well, with a great tolerance for poor quality banknotes and with few note jams compared with other deposit ATM's in the bank.

## Summary of Business Benefits

Since the customers have been able to deposit all denominations of Swedish banknotes in the QCR transactions over the counter have been avoided, compared to if only 100 and 500 SEK notes had been accepted. QCR has been an alternative deposit service offered to business customers that would otherwise have gone to the counter at the branch or to a deposit box with their deposits.

The installation at Hamngatan has functioned in an optimal way since most of the time the number of connected deposit customers have been able to supply QCR with bank notes for the withdrawals made.

## Summary of Customer Benefits

For withdrawal customers, QCR has been equivalent to traditional ATMs. For deposit customers, the benefits have been:

- Deposits have been immediately credited to their accounts, becoming accessible and earning interest. At the same time the customer has received a receipt.
- As deposits via the QCR are self service transactions, customers have been able to control their own time for the deposits.
- The customer has been able to deposit all Swedish note denominations.
- The customer has avoided queuing at the branch office.

The customer survey of depositing customers shows the following:

- The customers made deposits 2-3 times per week. Most customers see QCR as user friendly and appreciate that they do not have to queue when they deposit.
- The customers are satisfied with the QCR's ability to accept all bank notes and with the short time for making the deposit. They are also very satisfied with the design of the receipt.
- The customers highly appreciate the functionality of the integrity booth as they feel safe and secure while making their deposits.
- A marketing survey shows high customer satisfaction; 4.3 points of 5 possible.

## Summary of Profitability

During the project, recycling of deposited bank notes reduced the need for note transports with approximately 4.8 million SEK per week or approximately 240 million SEK p.a. QCR has had balance between amounts deposited and withdrawn. During an 8 week detailed study, QCR was out of recyclable notes only once and then only for 2 hours.

The need for replenishment and collection of cash in a recycling ATM, like the QCR, is different from traditional ATMs and deposit ATMs since only the surplus and deficit needs to be regulated.

With local recycling of cash you can significantly reduce the CIT cost.

The local stock of cash was more than halved in the QCR compared to an ordinary ATM.