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Thursday, 7 May 2026

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CASH SMART LEKGOTLA

Thursday, 7 May 2026
Time: 9:00–16:00



SOUTH AFRICAN RESERVE BANK

Towards a Cash Smart Society

Presented by:
Tumi Sefolo

Position Paper on the Future of Cash in South Africa



Cash in a Hybrid Payments Economy



A Dual Payments Landscape

South Africa's payments system is modernising rapidly yet remains structurally a dual system.

Digital and mobile payments are growing, but cash retains a central role in everyday commerce — especially in the informal sector, rural areas, and communities with limited digital access.

Cash provides immediacy, universal acceptance, and a payment option independent of electronic networks, devices, or infrastructure.



2/3

of transactions still use cash



R90B

annual cost of cash in South Africa



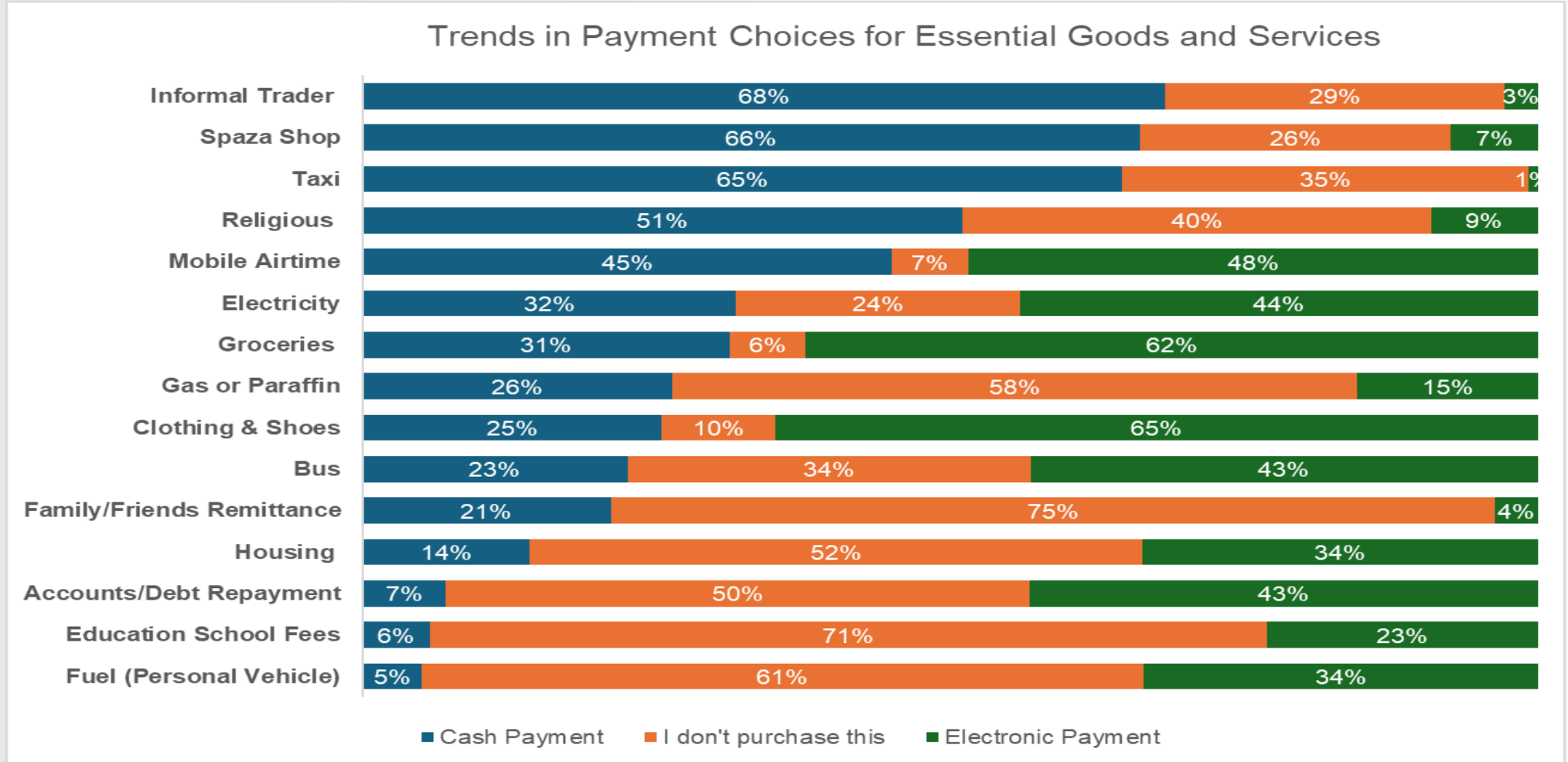
Global trend

cash demand stabilizes after initial digital dip

Cash and digital payments are complementary instruments within a hybrid ecosystem.



Cash in a Hybrid Payments Economy



Source: SARB Cost of Cash Research Study, 2025



The Case for Change: Core Challenges



Cost Escalation

R90 billion annual cost with significant duplication of infrastructure and routes across the value chain



Fragmentation

Multiple independent actors with bilateral arrangements — no coordinated system-wide framework



Access Under Threat

Market-driven reduction in bank branches and ATMs, risking 'cash deserts' in rural and low-income areas



Limited Visibility

No common data or reporting framework for real-time system-wide oversight of cash operations



Integrity & Security

Counterfeiting, cash robberies, and inconsistent enforcement of authentication and fitness standards



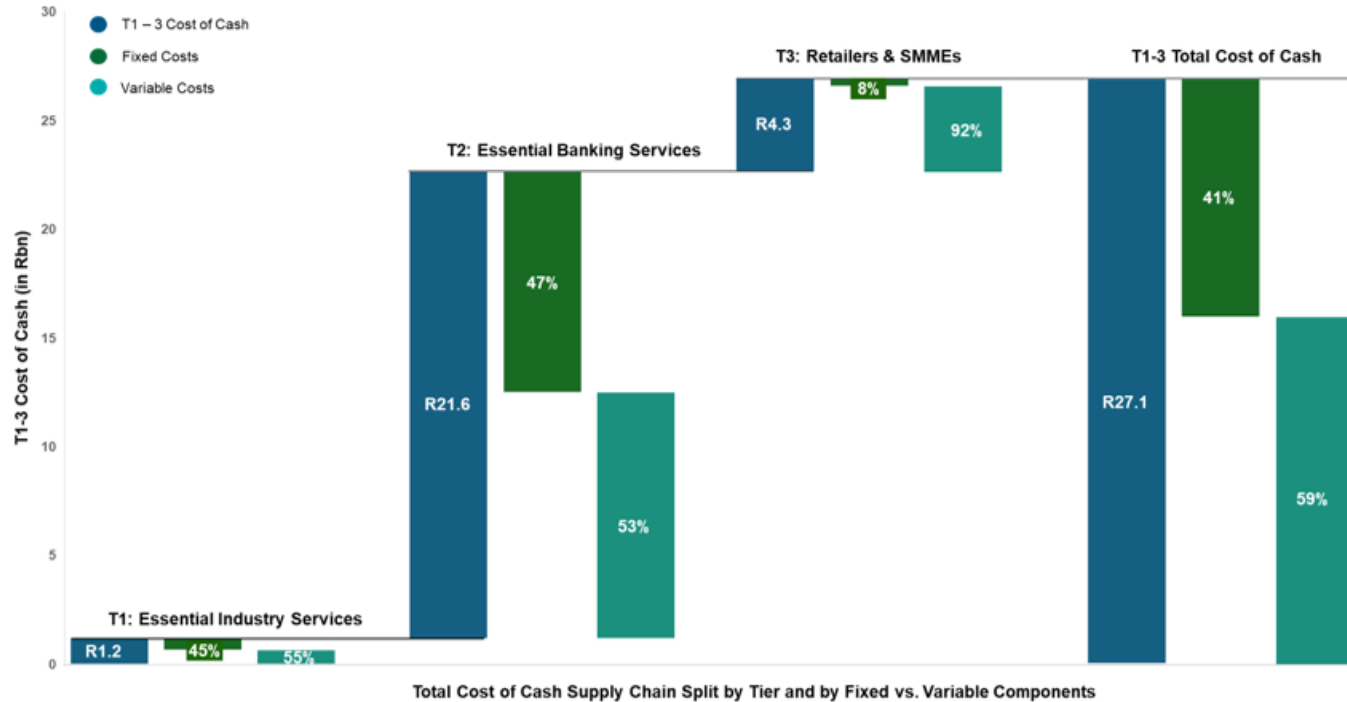
Market Failure Risks

High concentration in critical cash services, commercial fragility, and exit risks threaten system stability

The Cost of Cash in South Africa

The Total Cost of Cash Across the T1-3 Supply Chain

The total cash cost across the T1-3 supply chain was R27.1 billion, broken down by tier and further divided into fixed and variable components within each tier.

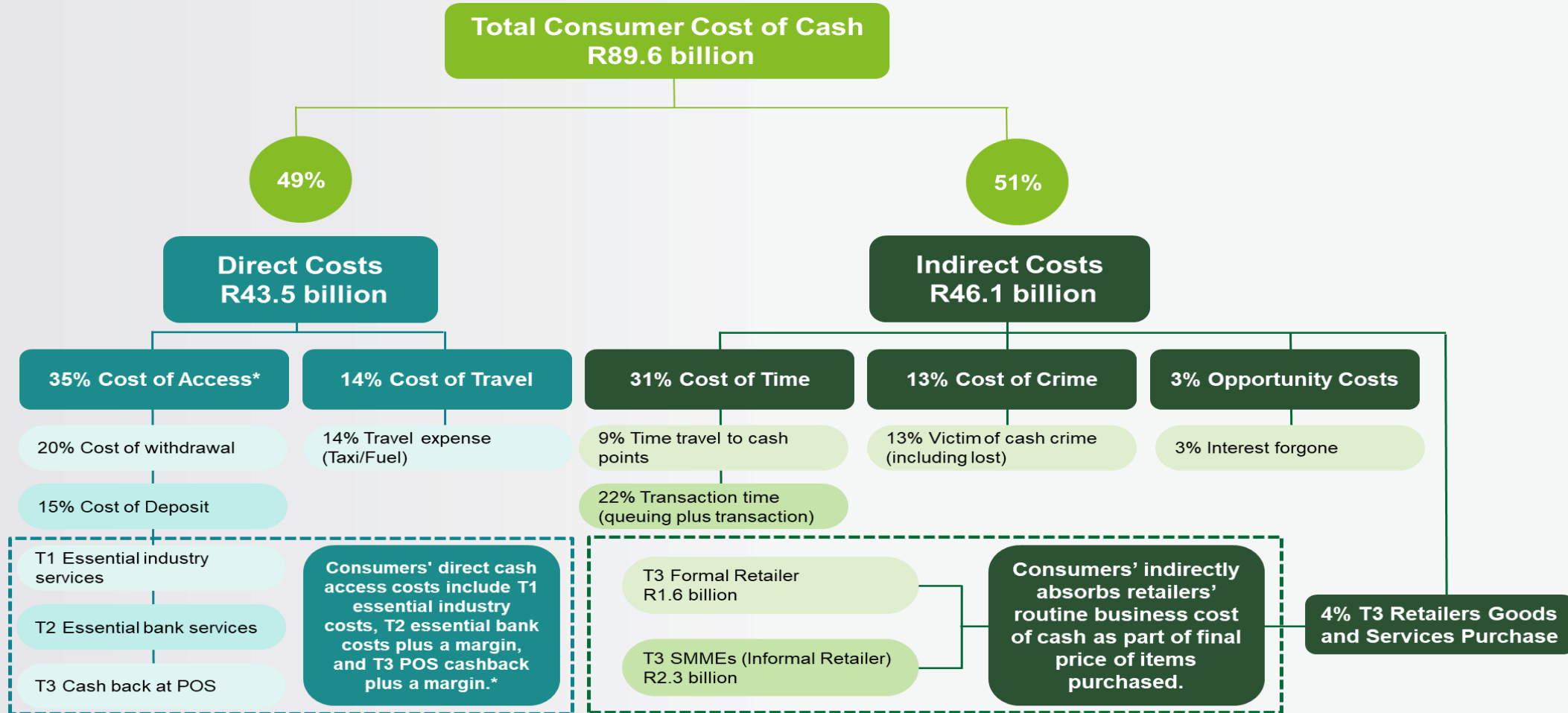


Tier 1 (T1): Expenses incurred by essential industry services of R1.2 billion. This segment costs only 4% of the total T1-3 costs.

Tier 2 (T2): Costs of essential banking services of R21.6 billion, included cost of accessing cash through multiple channels, including automated teller machines (ATMs) and bank branches. This segment costs 80% of the total T1-3 with nearly half of T2 cost fixed, our economy pays substantial amount to keep cash accessible to the public.

Tier 3 (T3): Costs of cash in the retail sector (both large and SMME's non-VAT registered) including cash-back at point of sale (POS) totalling R4.3 billion. Formal retailers have some fixed costs, but informal SMMEs typically operate without fixed costs.

The Cost of Cash in South Africa



* Consumer access costs were calculated based on the results from the consumer survey and were not calculated directly using costs data from Tiers 1-3.



The Cash Smart Strategy

A forward-looking framework that positions cash as resilient, inclusive, and interoperable infrastructure within a modern, hybrid payments economy.



Affordable Cash

Reduce the cost of managing, distributing, and accessing cash



Accessible Cash

Guarantee broad, equitable access across urban and rural areas



Ethical Cash

Ensure fair, transparent, and accountable stewardship

Aligned with SARB Strategy 2030 • Strategic Focus Area 3



Pillar 1: Affordable Cash

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Strategic Objective: Reduce the cost of managing, distributing, and accessing cash for consumers and businesses.

R90B

Annual cost of cash

R43.5B Direct costs (49%)

R46.1B Indirect costs (51%)

Strategic Response

National Cash Utility

Consolidate wholesale cash infrastructure across Tier 1 and Tier 2 to reduce excess capacity and embedded fixed costs

Optimised Routing & Inventory

Enable efficient routing, handling, and inventory management to reduce duplicated infrastructure and routes

Consolidated Cash Management Systems

Unified systems across the wholesale supply chain for better visibility and lower long-term costs



Pillar 2: Accessible Cash

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Strategic Objective: Guarantee broad, equitable access to cash services across urban and rural areas, ensuring all South Africans can obtain and use cash without undue barriers.

~50%

of the total cost of cash is carried by consumers through indirect costs — travel time, opportunity cost, and crime

Most Efficient Channel

Retail Cash Back at Point of Sale is the most cost-efficient channel for cash access, leveraging existing infrastructure and high transaction volumes.

White Label ATMs

Utility-coordinated deployment for geographic rebalancing and reach in underserved areas

Non-Bank Licensing

License non-banks to enhance accessibility of wholesale cash services

NHTO Facility Review

Make SARB's Notes Held to Order facilities more effective for the financial industry



Pillar 3: Ethical Cash



Strategic Objective: Ensure that cash is handled under fair, transparent, and accountable conditions that protect consumers and the financial system.

01



Regulatory Framework

Establish a comprehensive regulatory framework to enhance the quality and integrity of cash in circulation, with clear standards for all participants

02



Banknote Traceability

Explore banknote enhancements for system-level circulation insights at strategic interception points — for oversight, not individual note tracking

03



Interchange Policy Review

Review interchange-setting policy, aligned to access objectives for White Label ATMs under the Accessible Cash pillar



The Regulatory Framework: 5 A's + Resilience

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Accessibility

Users can physically reach cash services — universal service obligations with coverage standards



Availability

Cash is present and functional when needed — licensing and contingency obligations



Acceptance

Cash remains valid tender for essential transactions — mandatory acceptance rules



Affordability

No cost barriers excluding users — regulated pricing and shared funding mechanisms



Authenticity

Currency integrity through mandated authentication, fitness-sorting, and security standards



Resilience

System withstands shocks — emergency stocks, surge plans, and mutual-aid arrangements





Conclusion & Way Forward

- ✓ Cash remains a foundational pillar of South Africa's payments system and a critical instrument of economic inclusion, resilience, and public trust.
- ✓ The Cash Smart Strategy treats cash as critical public infrastructure — not a legacy instrument in decline, but an enduring component of a modern, hybrid payments economy.
- ✓ An integrated, ecosystem-wide regulatory framework will establish clear, enforceable obligations for all participants who materially influence cash outcomes.
- ✓ This Position Paper sets out the policy rationale and strategic intent that will guide formal consultation on regulations, licensing, delegation agreements, and operational standards.

The SARB is committed to ensuring that cash remains a trusted, accessible, and resilient component of the national payments system.

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Cash Smart Regulations

Scope and Intent

Presented by:
Pearl Kgalegi

Thursday, 7 May 2026



- **A regulatory framework** for cash is rooted in the Ethical Cash Pillar of the Cash Smart Strategy
- **Cash ecosystem regulations** will be centred on the 5As and Resilience
- **A Rule Book** will establish uniform standards for the relationship between the NCU's and its customers
- Regulations will **license cash participants**
- **Timelines**

A regulatory framework for cash is rooted in the Ethical Cash Pillar of the Cash Smart Strategy

Cash Smart Strategy Pillars

Strengthen cash regulation

- Enhance the **quality and integrity of cash** in circulation through a regulatory framework

Expand cash accessibility

- Create a regulatory framework for **white-label ATMs**
- **License non-banks** to enhance the accessibility of wholesale cash

Address the cost of cash

- **Optimise Cash Infrastructure**

Ethical Cash

Affordable Cash

Accessible Cash

Regulatory Framework for Cash

- **Regulating the cash ecosystem** (5As plus resilience)
- **Create standards** (Rulebook) – for parties interacting with the NCU
- **Licensing** – covering all cash industry
- **Governance Framework and Enablers** (processes, people and system/data)

Cash ecosystem regulations will be centred on the 5As and Resilience

Cash Ecosystem regulatory themes

Accessibility.



Can cash services be easily reached?

Availability.



Is cash reliably available?

Acceptance




Ensuring cash can be used with confidence

Affordability.



Is cash use low cost?

Authenticity.



How secure and genuine is cash, including the integrity of its supply chain?

Resilience



Is the cash supply chain resilient?

A Rule Book will establish uniform standards for the relationship between the NCU's and its customers

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Rulebook

Governs relationship between National Cash Utility and its customers (Commercial Banks, Non-Banks like retailers)



Fair and Non-Discriminatory Access



Security Standards



NCU Operational Standards



Regulations will license cash participants



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LICENSABLE CASH SERVICES

(ILLUSTRATIVE DRAFT)



**A) SYSTEMIC CASH
INFRASTRUCTURE SERVICES (SCI)**



**B) CRITICAL CASH ACCESS &
DISTRIBUTION SERVICES (CCADS)**



**C) CASH LOGISTICS, CUSTODY
& CROSS-BORDER SERVICES (LCC)**



**D) SPECIALISED & CASH-DIGITAL
INTERFACE SERVICES (SCDI)**

- Create fairness in the cash value chain
- Enhance access to cash
- Improve compliance to ensure policy goals are achieved

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Industry rulebook timeline

- **International Best Practice Assessment (Jul 2026)**
Assessing examples for how Utility and Customer rules are structured
- **Draft Rulebook Document (Jan 2027)**
A preliminary version of the document for sharing
- **Industry consultation (Jan to May – 2027)**
Industry inputs to improve the draft
- **Final working version (June 2027)**
Final document including industry inputs

Cash Ecosystem Regulations and Licensing Framework

- **Draft Cash Ecosystem Regulation (Aug 2026)**
A preliminary version of the document for sharing
- **Industry consultation (Aug to Dec – 2026)**
Industry inputs to improve the draft
- **Final working version (Jun 2027)**
Final document including industry/public inputs

The Concept

GELDSERVICE AUSTRIA

Johannesburg

May 7th 2026

Key facts (1)

GSA – Geldservice Austria

- ... is the platform to perform the **cash cycle** in Austria. Started as a joint venture with the banks it is now a 100% subsidiary of the Austrian Central Bank (OeNB)
- provides cash services for **banks and retailers** in Austria as well as in neighbouring Euro countries.
- ... operates **7 cash centers** all over Austria. Locations are chosen to meet the demand of cash in society, business continuity processes and transport optimisation.
- ... is a **technology partner** of G+D and uses G+D equipment. Several developments of G+D were fieldtested in Austria.
- ... is **not a CIT-company** but operates a small number of own CIT-cars in order to develop and benchmark transport processes. Cars are used to fulfill business continuity tasks in cases of additional cash demands or failure of partners.
- ... is allowed to invoice **without Austrian VAT** to the banks for services provided in own contribution according to a regulation in the Austrian tax law.

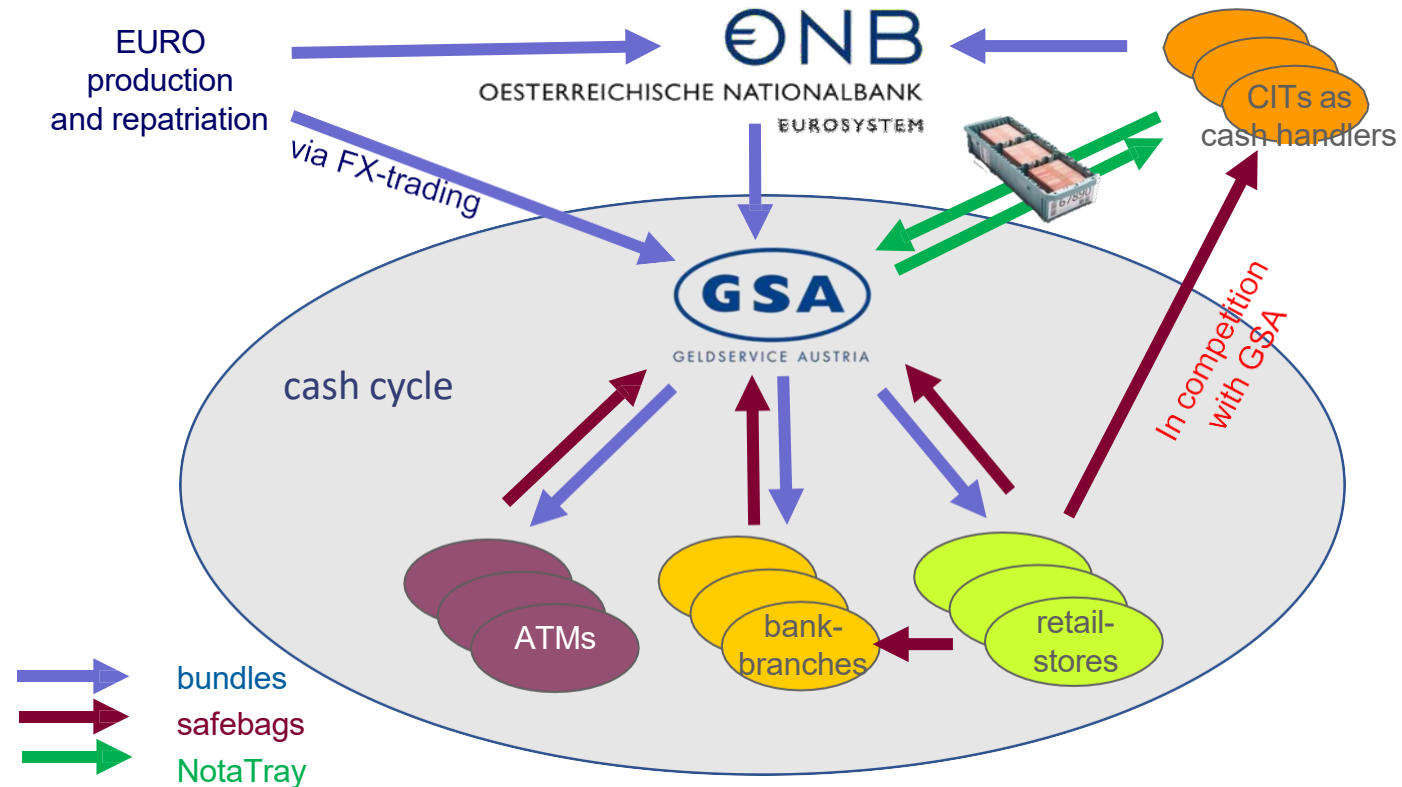
Key facts (2)

GSA

- ... is a usually **general contractor** of cash solutions and integrates CIT-services provided by subcontractors (Loomis, Post Wertlogistik GmbH). CIT companies act in their role as cash handlers as competitors with GSA *)
- ... focusses on **quality and security** – preservation of **price stability** via permanent process optimization.
- ... is the **operational** part of the cash cycle. Strategy, governance, shareholders tasks and currency matters are part of the Austrian Central bank.

*) The European Union regulated in Council regulation 1/2003 (16.12.2002) the rules of competition. Price fixing, market sharing, customer allocation, product limitation, distribution agreements are forbidden as well as the abuse of a dominant position. The European Central bank allowed in the „Cash recirculation paper EPC260-19 from 23.10.2023 and ECP115-18 from 23.5.2018 CITs the recycling of banknotes. So they are marketplayers.

GSAs role optimized the cash cycle



All banknotes in the cash cycle are processed in the premises and with processes of GSA

What was the situation before GSA?

Situation in the 80s and before

- Every bank had its own vault and cash desk. Cash was considered to be an asset
- Every bank contracted the CIT company of its choice and negotiated prices
- CIT companies had synergies because of their optimizations and negotiation skills (small paid more). Many transports between banks and Central Bank (many vaults)
- The Austrian Central Bank (OeNB) had all the cost for maintaining the quality and authenticity of the national currency (Austrian Schillings)

Situation in the early 90s

- 4 banks decided to consider cash as a commodity and merged their cash operations and founded a company (GSG – Geldservice Gesellschaft). Only 1 vault and a joint equipment
- 2 banks were cash-in (commercial) 2 banks were cash-out (saving) and the cash need/surplus was balanced. So they recycled and saved transport cost
- The GSG created a cash cycle within the cash cycle which was not transparent to the Central Bank. OeNB was involved only for the peaks, unfit and needed categories. (Substantial loss of insight needed for currency management).
- Additional advantage brought the joint negotiation with CITs and process- and technology optimization. Cost of cash declined for them.

Why was GSA founded?

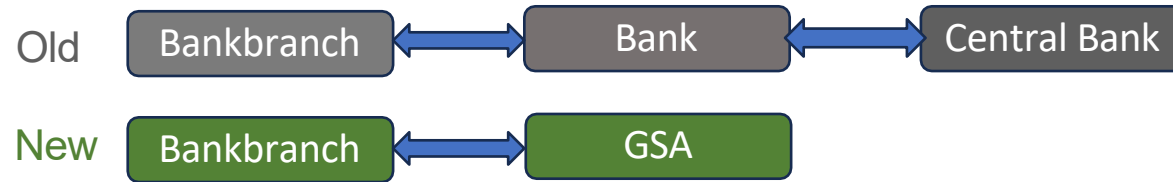
Situation in the late 90s

- In December 1998 physical EURO implementation was decided (1.1.2002)
- Austrian Central Bank wanted to share the migration cost from national currency to EURO (sensors, machine adaptations,...) as well as the cost for the future EURO cash supply with the banks and wanted to plan and handle the EURO implementation in an overall project using the existing logistics.
- Therefore the Austrian Central Bank offered the owning banks of GSG to acquire the majority of the shares and to establish in this way a joint venture.
- The banks decides to sell the shares in order to avoid sole investments also.
- So GSA was founded 1999 as a vehicle for the EURO change and OeNB outsourced their cash operation into the new company to create new potentials for cost reduction. The Euro migration was performed successfully.

GSA was founded to establish an efficient platform to handle the cash supply in a very cost efficient way.

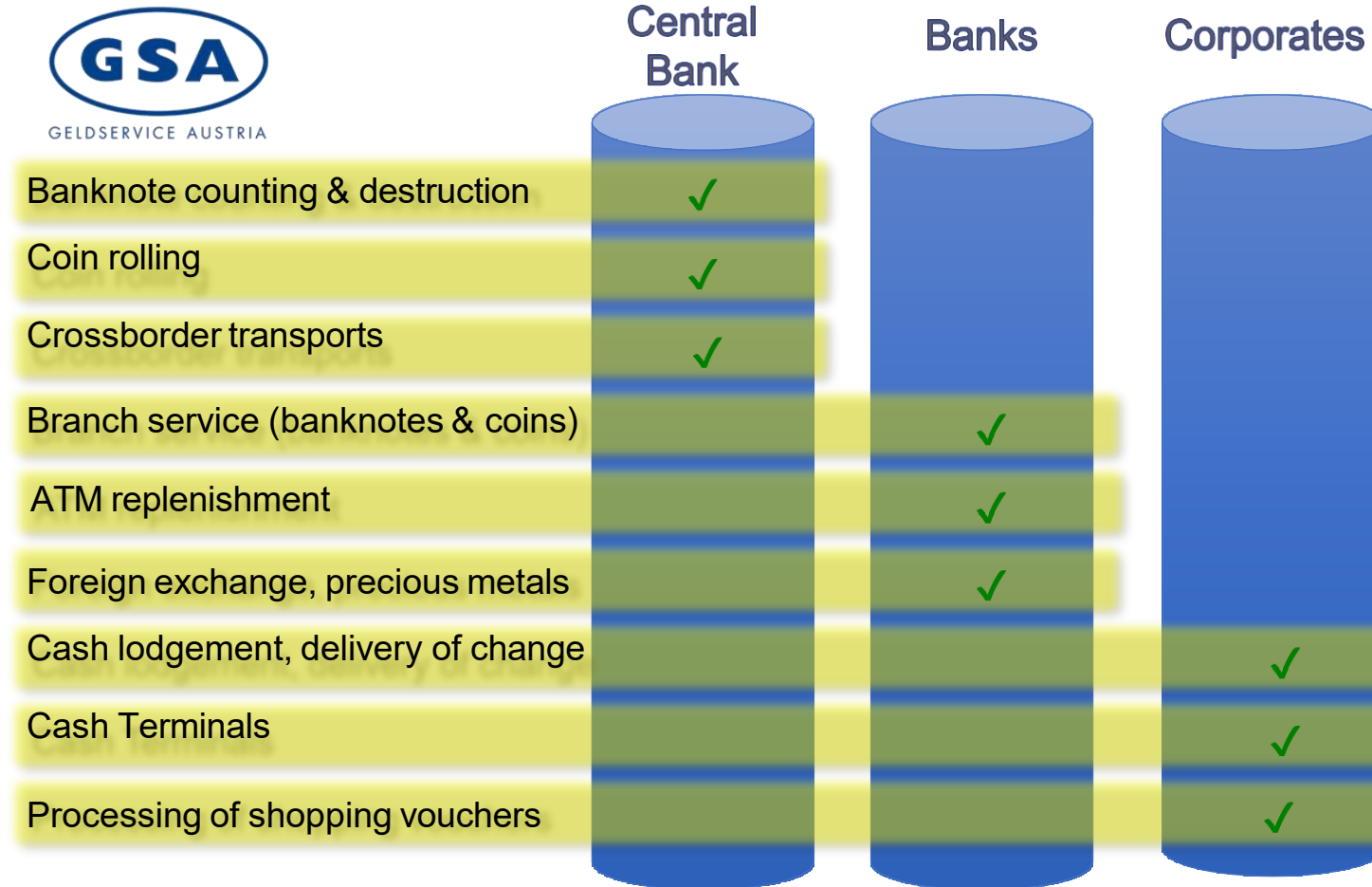
Which advantages were achieved ?

- Implementing the GSA model reduced a 3 tier system to a 2 tier system. This made the processes faster, leaner and cheaper.



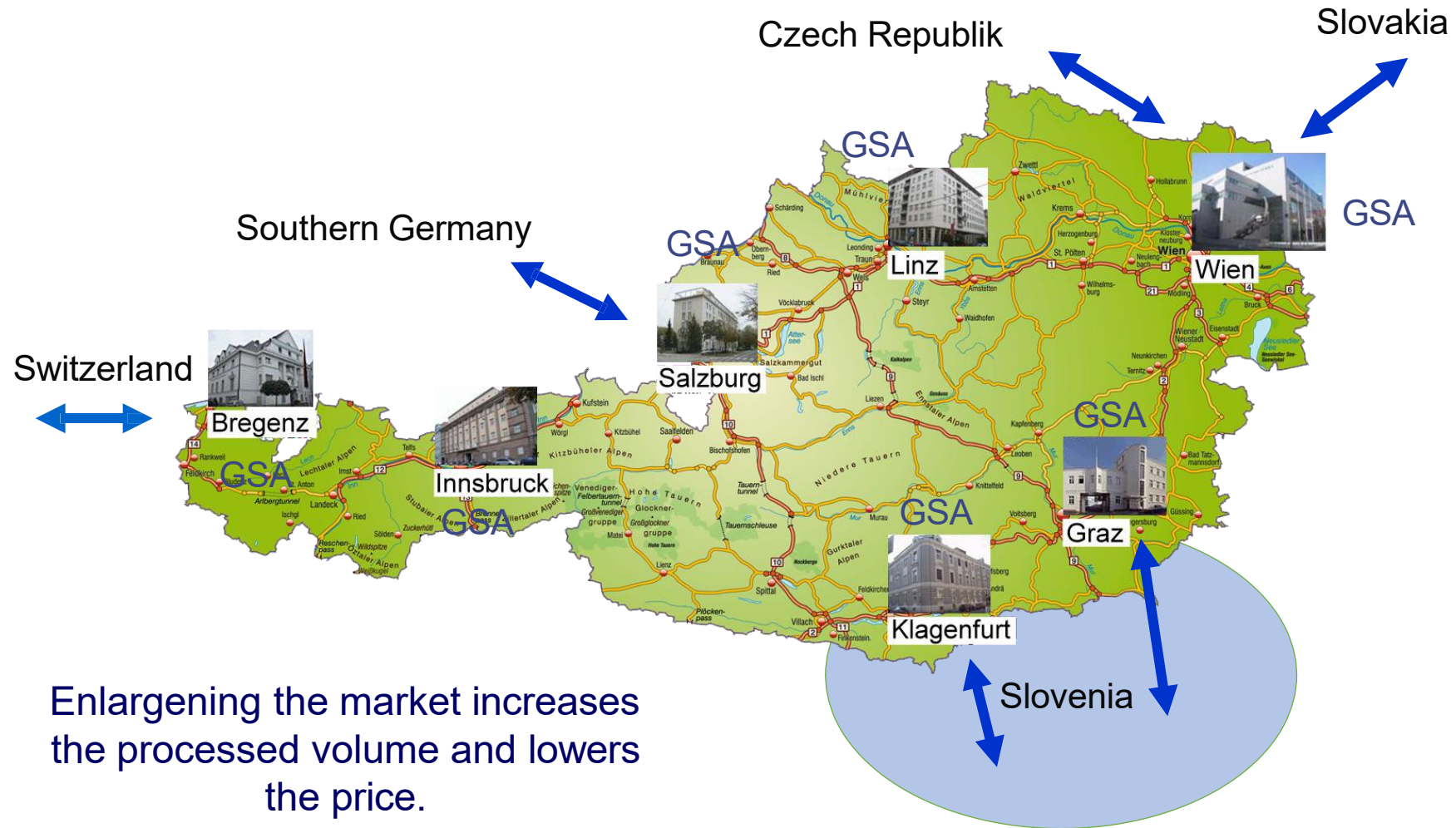
- Combination of Central Bank Know-How (Stock keeping, vault, security, online-shredding,..) and Bank Know-How (Customers needs, Clients care, business processes,...) creates a „best of both worlds“ solution.
- Shareholder construction enables flexible onboarding of new stakeholders. All relevant players in the cash cycle can be integrated if desired.
- Transferring cash custody to GSA allows cost reduction on the banks side (no vault, no insurance, no loss of interest, no guarding, no security – cameras, alarm systems, less staff). Central bank shares cost with the banks.
- The pay-per-use of products is more transparent and better transferable to the customers.

Standardized cash products

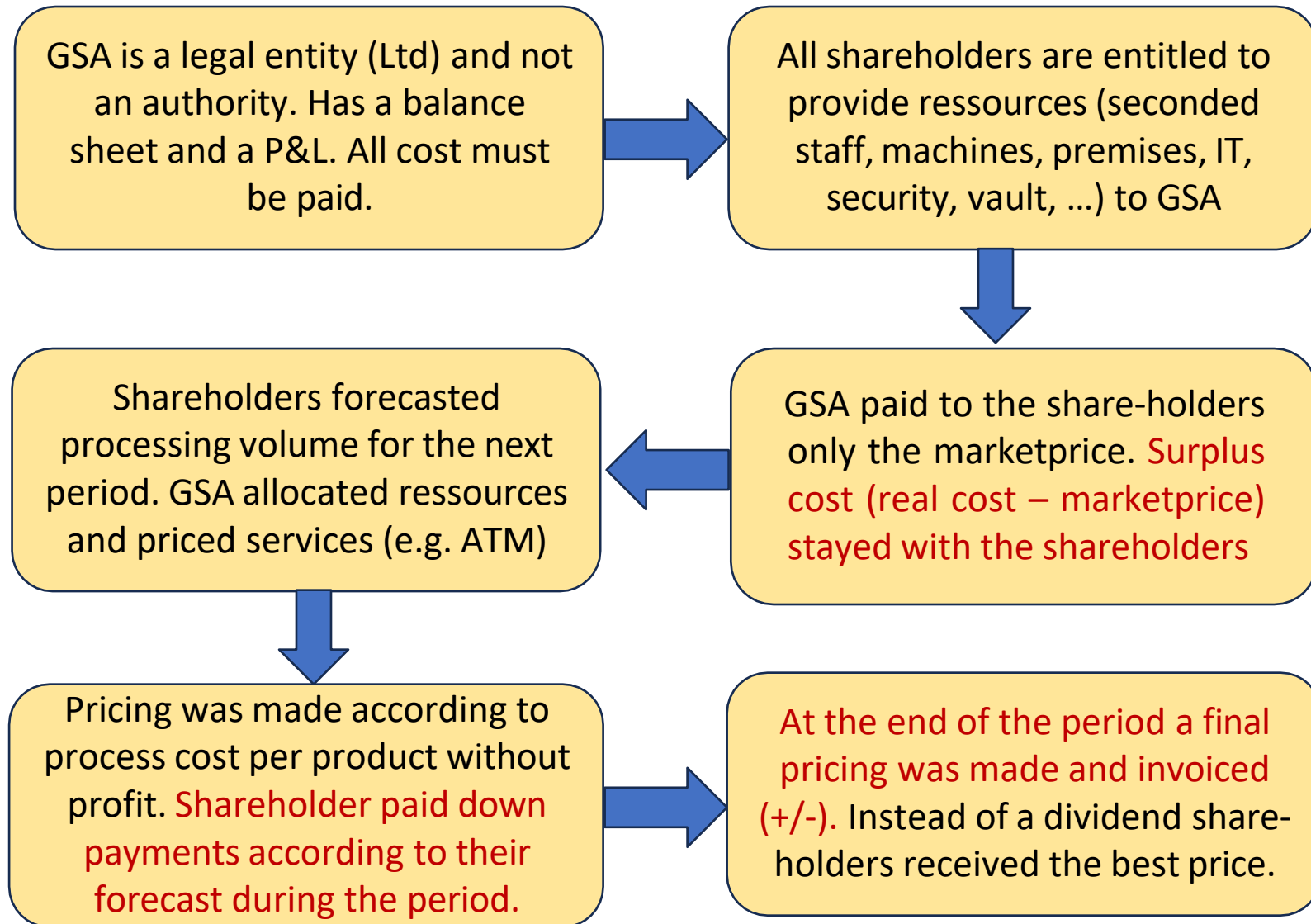


The product price is calculated in a process evaluation. Deviations from the standards result in a higher price. Yearly adaptation (based on the 'Consumer price index')

Crossborder service supports pricing



GSA started with a non-profit model



The way from non-profit to profit

- The non-profit model created transparency and trust between all shareholders (at the beginning the big banks and the central bank).
- It gave GSA a clear indication of volumes and a planning security.
- The majority of the central bank (90% of the shares) created a level planning field and in the following years all banks became shareholders.

The non-profit model created trust and helped to broaden the shareholder base

Situation in the last years

- The Regulations of the European Union regarding „state aid“ became stricter and the Central Bank of course wanted to be absolutely compliant to the new regulations.
- Therefore in 2022 the Central Bank acquired the 10% shares from the banks and is the only shareholder now. Clear separation from the banks.
- The pricing system was migrated to a market compliant system from 2023 on. Prices per customer include profit. Invoices are provided instead of down payments and back-/repayments at the years end.

Clear division of tasks is important

The Austrian Central Bank

- As an owner it defines strategy, rules for compliance, performs audits and governance tasks
- Is represented in the supervisory board (100% of the seats)
- Is the client and budget owner for the services they need

The Banks

- Are the clients of GSA for cash services
- Set the framework conditions for their business (e.g. ATMs)
- Receive periodical reporting as the basis of the invoicing
- Check and pay the invoice

GSA

- Processing of banknotes & coins (counting, reconciliation, booking)
- Shredding & putting in circulation
- Cash forecasting
- Transport coordination
- Solutions for retailers (smart safes)

CITs

- Act as a transport provider for GSA
- Invoice their service to GSA which checks it and invoices the lumpsum to the banks
- Clear responsibilities defined by SLAs

The focus of GSAs business activities

GSA is the nationwide provider of cash in society and responsible for cash in circulation. The goal is to provide an easy access and to cash and easy cash lodgements (low-threshold approach)

- Cash deposits for retailers are allowed in multidenomination, banknotes and a „handful“ of coins in one safebag (for daily devotions). Banks lodge banknotes unsorted and coins in separate bags (for branch lodgements)
- ATM service is done completely autonomous according to requirements of the bank (maximum value per machine). Cash forecasting, Cash replenishment, reconciliation of ATM and account. Less staff for banks.
- Transport is costly so the implementation of smart-safes for retailers (small and medium) reduced cost via minimizing CIT service. Devices are bought, installed, maintained, insured and operated by GSA (flat fee).
 - Banks order banknotes and coins via Internet portal. GSA coordinates transport for delivery. Checks insurance/standards of CIT and negotiates.

The idea is to simplify the activities for the clients in order to save cost

G+D Technology helps to reach the goals



GSA Mastercenter Vienna
NotaTray Loader, BPS M7, NotaPack 10

Leading-edge technology is the driver for continuous optimization and cost reduction.

Legal requirements for founding GSA

- All the contracts which are mandatory in the national corporate law for establishing a company (companies act)
 - Articles of association (Memorandum of Incorporation)
- A written consent about the goals and the mechanisms of the company
 - Shareholder`s agreement
- All principal regulations for running the company. E.g.
 - Rules for the Management board and Supervisory board
 - Code of conduct
- The GSA as the operational part of the Central Bank it is working with the banknote inventory of the Central Bank. The transactions are booked directly in the ledgers of the Central Bank (SAP-Application). How to deal with the stock (processes, responsibilities, audits, ...) is regulated in the
 - Contract about handling the inventory (in German: Barschaftsvertrag)

Summary

- GSA was established in several steps according to the needs of the shareholders. Focus in every step was on maximum acceptance in order to create an interest group.
- In more than 25 years of practical use GSA is much more than a case study or a pilot. It is a reliable and sustainable construction to manage the cash cycle in a high-cash Euro country.
- Goal is to focus on the core competences (storing, quality management of banknotes, booking, high speed banknote processing, process optimisation) and to outsource standard services (CIT services, IT, ..)
- Savings on the clients side are obtained by obsolete security- and vault-infrastructure and reduction of staff. Transparency of the costs for the use of cash products helps to design the business.
- Innovation and investments are necessary only once and pay back faster through the use of all. Focus on the new options which high tech solutions offer is mandatory to lower costs via process optimization.
- Easy access to cash in all regions is a requirement for cash usage and acceptance. It is the task of GSA to guarantee a permanent cash supply.

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Network Optimisation

A Phased Approach

Presented by:
Dr Zahier Ebrahim



Contents

- The Cash Network at a Glance
- Access vs Cost
- Network Optimisation Opportunity
- Design and Refinement
- A Western Cape View
- An initial national network model view including capacity
- Experimental - Greenfields View
- Key Considerations
- Future State

The Cash Centre Network At A Glance

Approximately **56%** of Payment Transactions Are in Cash

(Measured by Volume, Not Value)



105

Cash Centres Nationwide



265

Cash Processing Machines

Up to **3,220** Notes Per Second at 70% Efficiency)



Gauteng

20 sites

73 processing machines

Cape Cluster

23 sites

53 processing machines

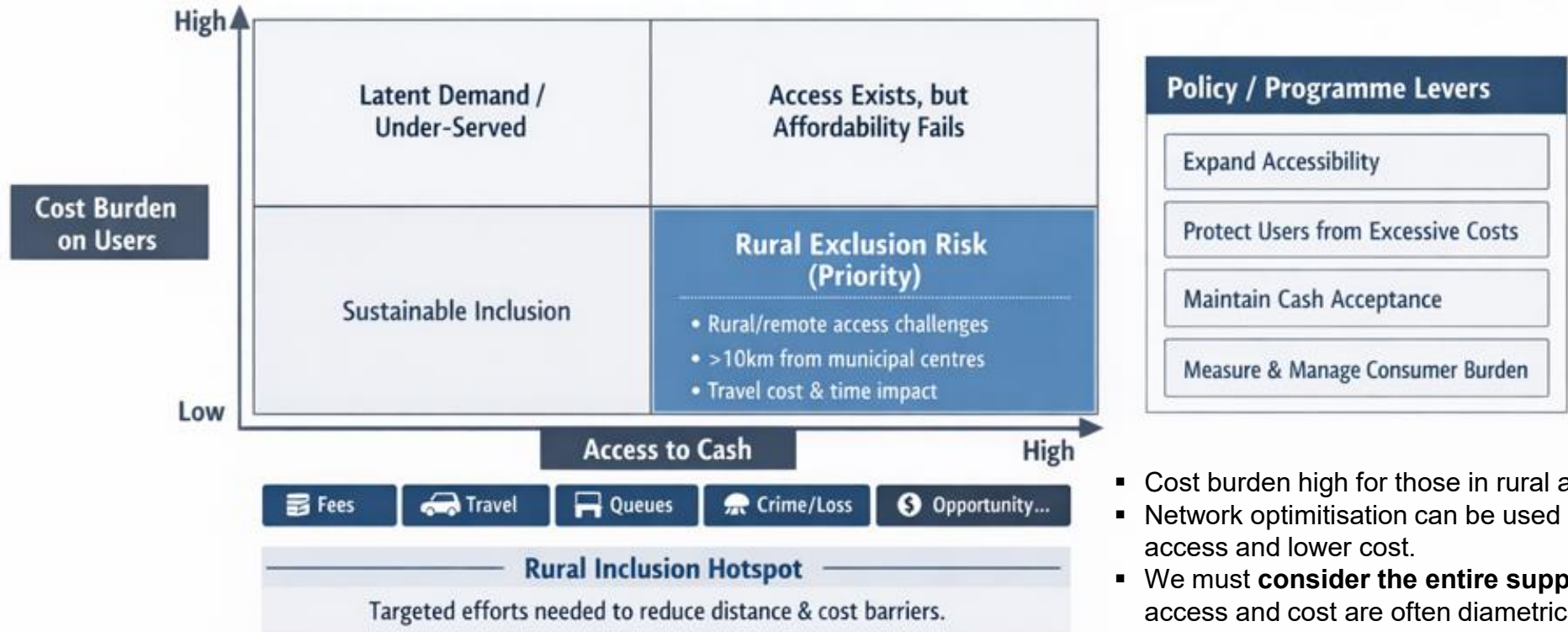
KZN

19 sites

52 processing machines



Access vs Cost of Cash – Achieving Both



- Policy / Programme Levers**
- Expand Accessibility
 - Protect Users from Excessive Costs
 - Maintain Cash Acceptance
 - Measure & Manage Consumer Burden

- Cost burden high for those in rural areas.
- Network optimisation can be used to improve access and lower cost.
- We must **consider the entire supply chain** as access and cost are often diametrically opposed
- Review the model outputs to ensure we achieve this

Inclusion & Rural Lens



Rural & remote areas continue to present access challenges



Many dispensing points >10km from municipal centres



Travel time burden



The Opportunity – An Optimised Network

- Building on the Tier One optimisation work of the Independent Administrator (IA)
- Model includes SARB Cash Centres, Tier 1 and Tier 2

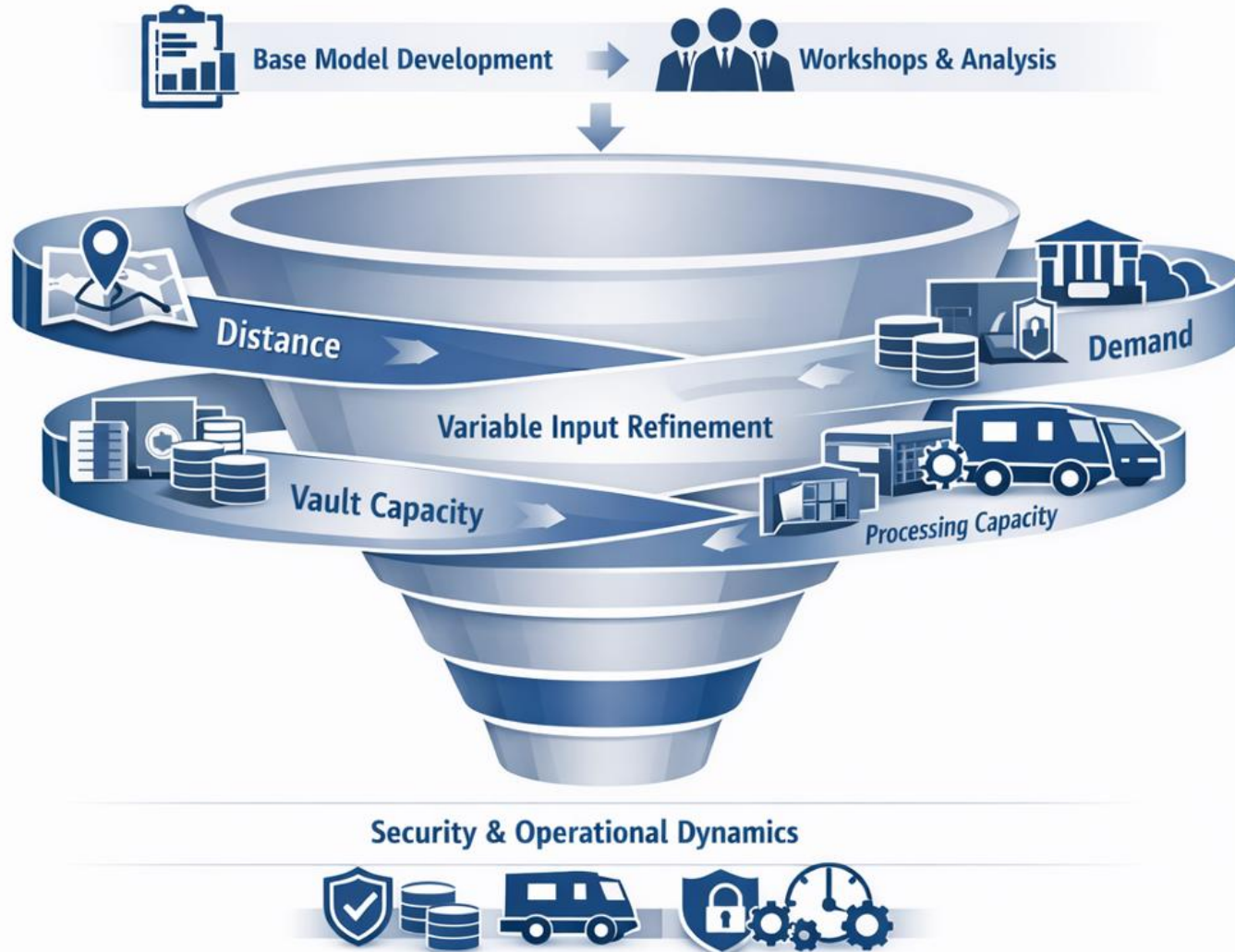


The infographic consists of six light blue rectangular boxes arranged in a 2x3 grid. Each box features a circular icon at the top, a bolded headline, and a list of bullet points. The icons represent: a cash transport van, a winding road with location pins, an ATM building, a hand holding a coin with a stopwatch, a shield with a checkmark and a padlock, and a bar chart with an upward arrow.

 15-25% Reduction in Cash Transport Costs <ul style="list-style-type: none">• Optimised routing• Reduced fuel expenses• Lower maintenance costs	 20-30% Fewer Kilometres Travelled <ul style="list-style-type: none">• Shorter, efficient routes• Reduced travel time• Lower CO₂ emissions	 Increase in ATM/Branch Efficiency <ul style="list-style-type: none">• Fewer cash refills• Optimized staff deployment• Improved service levels
 20-40% Decrease in Cash Handling Time <ul style="list-style-type: none">• Faster cash processing• Streamlined reconciliation• Automated operations	 Enhanced Security & Risk Management <ul style="list-style-type: none">• Fraud & theft prevention• Real-time tracking• Risk mitigation measures	 Strengthened Operational Resilience <ul style="list-style-type: none">• Greater uptime & reliability• Flexible resource utilisation• Adaptability to disruptions



Model Design & Refinement

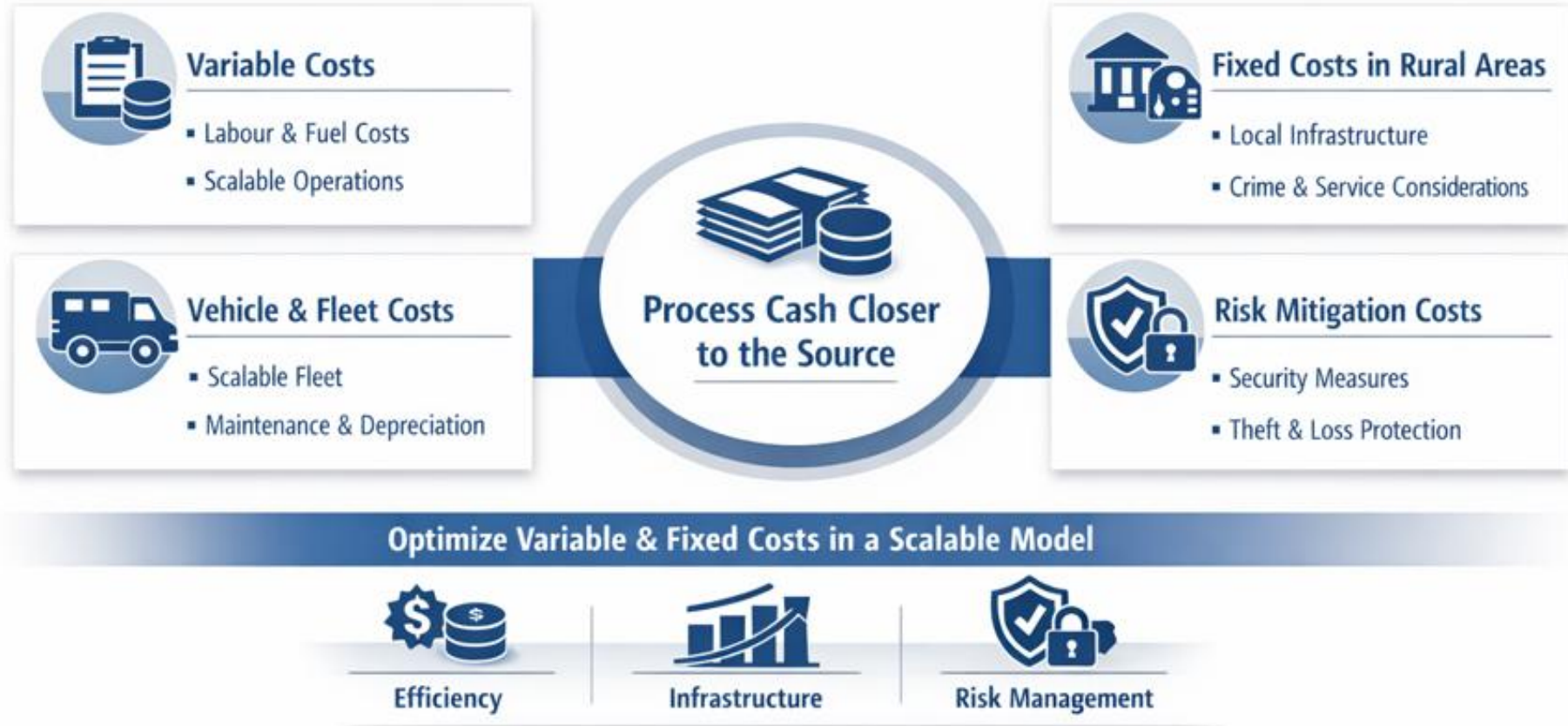


- To realise the benefits we are building a model that considers a variety of factors.
- The base model has been developed by the IA
- We considered **population and retailer activity as proxies** for demand.
- We added in **capacity as well to map demand vs supply**. This capacity relates to equipment and vault capacities.
- There is an **important refinement process that now needs to consider additional factors** we have gleaned from meetings with the CITs.

Additional Considerations



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COIN SPECIFIC DYNAMICS TO BE INCLUDED

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A Cape Region Cash Centre Model Snapshot

- **Assumptions:**

- Assumed inventory, cash processing and truck throughput sufficient at each site (capacity to be considered)
- Maximum of **90min travel time**
- Demand distribution - population density and retailer footprint
- All sites secure

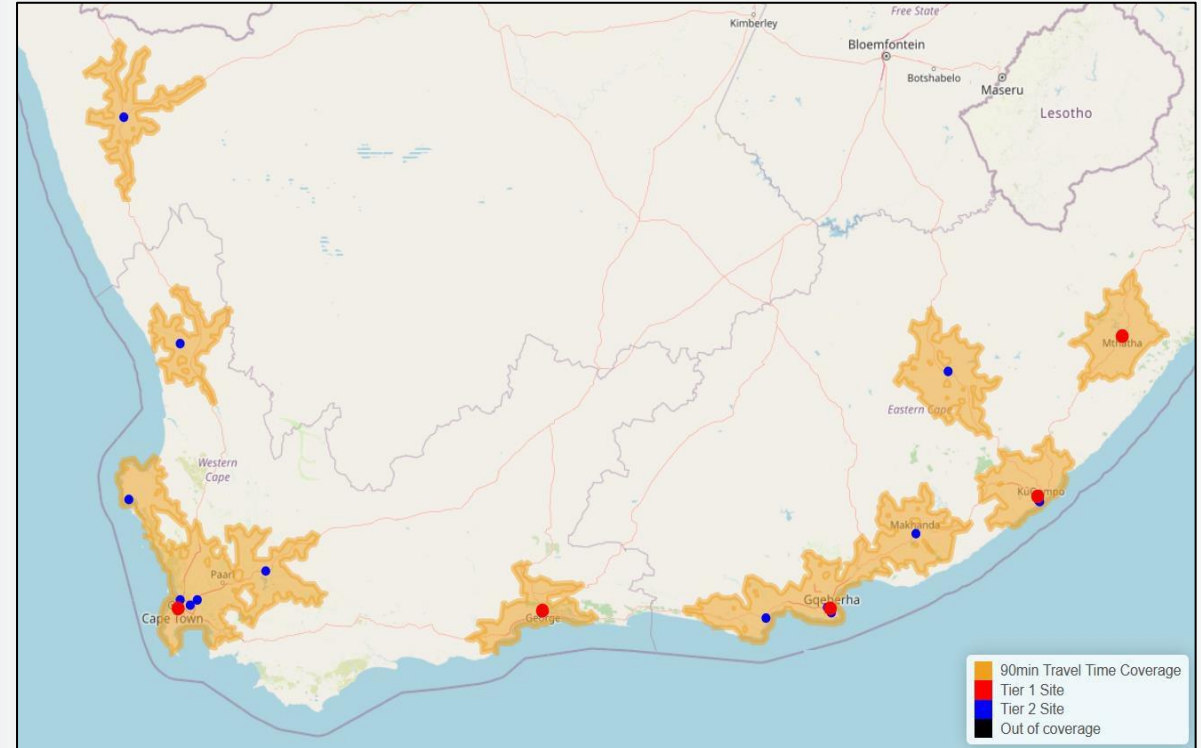




Cape Region Scenario Modelling



- Currently, the Cape planning cluster encompasses 5 Tier 1 sites and 18 Tier 2 sites, serviced from Cape Town
- There is **substantial overlap of service areas** in the current network, with multiple sites existing in the same town/region, e.g. Cape Town (4 sites) and George (3 sites)



Coverage shown demonstrates **90min** one-way travel time

Cape Region Test Model – 23 Sites



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Volume-based Site-to-Site Scenarios	Population-based Site-to-Town Scenarios	Population-based Town-to-Town Scenarios	Retailer-based Site-to-Retailer Scenarios
Purpose: Current Network & Industry Agreements	Purpose: Current Infrastructure Available	Purpose: No Infrastructure Constraints	Purpose: Current Infrastructure Available
Optimises:	Optimises:	Optimises:	Optimises:
Volume-Weighted Distance	Population-Weighted Distance	Population-Weighted Distance	Retailer-Weighted Distance
Eligible Utility Sites: 	Eligible Utility Sites: <ul style="list-style-type: none"> • Tier 1 & Tier 2 Facilities • SARB & Airport Infrastructure 	Eligible Utility Sites: <ul style="list-style-type: none"> • Towns from Census Data • SARB & Airport Infrastructure 	Eligible Utility Sites: <ul style="list-style-type: none"> • Tier 1 & Tier 2 Facilities • SARB & Airport Infrastructure
<i>Sites Being Serviced</i>	<i>Towns from Census Data</i>	<i>Towns from Census Data</i>	<i>Sites Being Serviced</i>

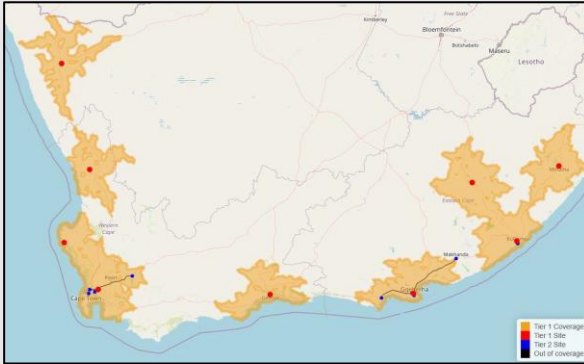
Note: For each scenario, 4 sub-scenarios were run with differing CIT travel ranges: 60 min, 90 min, 120 min, 250 min.

- Increase in data granularity. Volume-based model assumes that site demand is representative of regional demand

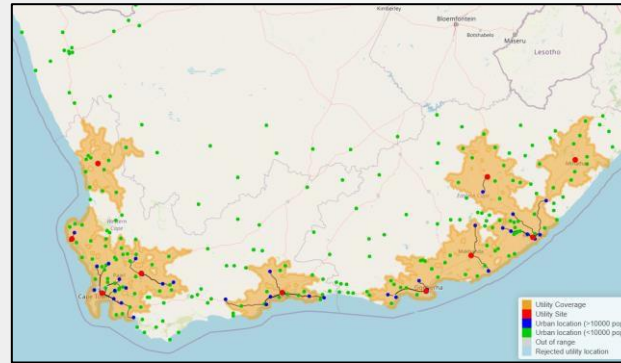
Cape Region Model Outputs – 90min

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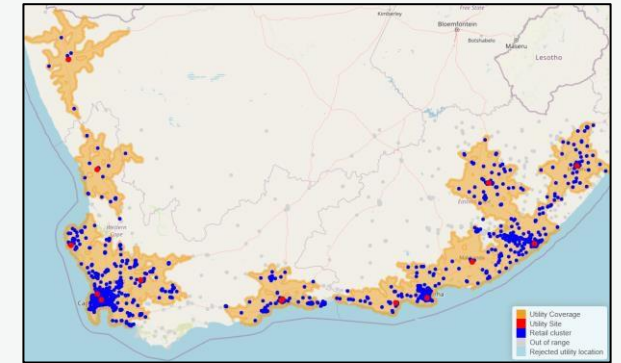
Volume based optimisation



Population based optimisation



Retailer based optimisation



AGAINST AN EXISTING 23 SITES

Site-to-Site	Site-to-Town Town-to-Town	Site-to-Retailer
		
9 Sites (±60% site reduction)	9-13 Sites (±44%-60% site reduction)	13 Sites (±44% site reduction)
Volume-weighted Distance	Population-weighted Distance	Retailer-weighted Distance

Network Optimisation Variables



Optimising for: | Location | Supply vs Demand | Type of Operattion Required

Increasing Data Sets



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- As we iterated on the model, demand data confirmed some validity (retailer and population as proxies).
- The model has now been further developed to include withdrawals and deposits for Tier 2.
- A combination of this data with capacities has been modelled.
- Where relevant, additional data will be included (security/risk/ATM).
- **Note: Additional data does not imply additional levels of model accuracy (example security considerations).**



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A National Network Snapshot Considering Capacities

Assumptions:

- Assume inventory, cash processing and truck throughput sufficient at each site (capacity to be considered)
- 90min travel time
- Demand distribution - population density and retailer footprint
- Tier 2 demand modelled
- All sites secure





Total Demand vs Supply

Cape Model



List of candidate sites
(Cape Cluster SARB, Tier 1, and Tier 2 locations)



Town populations



CIT travel duration
Between all sites and towns



Volumes ordered
From a Tier 1 site

National Model



List of candidate sites, all SARB, Tier 1, and Tier 2 locations
Considers the broader National Cash supply chain when optimising.



Population per police district
Provides a more granular view of the population dispersion in RSA



Number of retailers per police district
Provides a more granular view of the Retailer footprint in RSA



Orders and Deposits for each site (Tier 1 and Tier 2)
Provides a more accurate view on front-end demand



CIT travel duration between all sites and police districts
Increases the possible number of travel routes evaluated in optimisation.



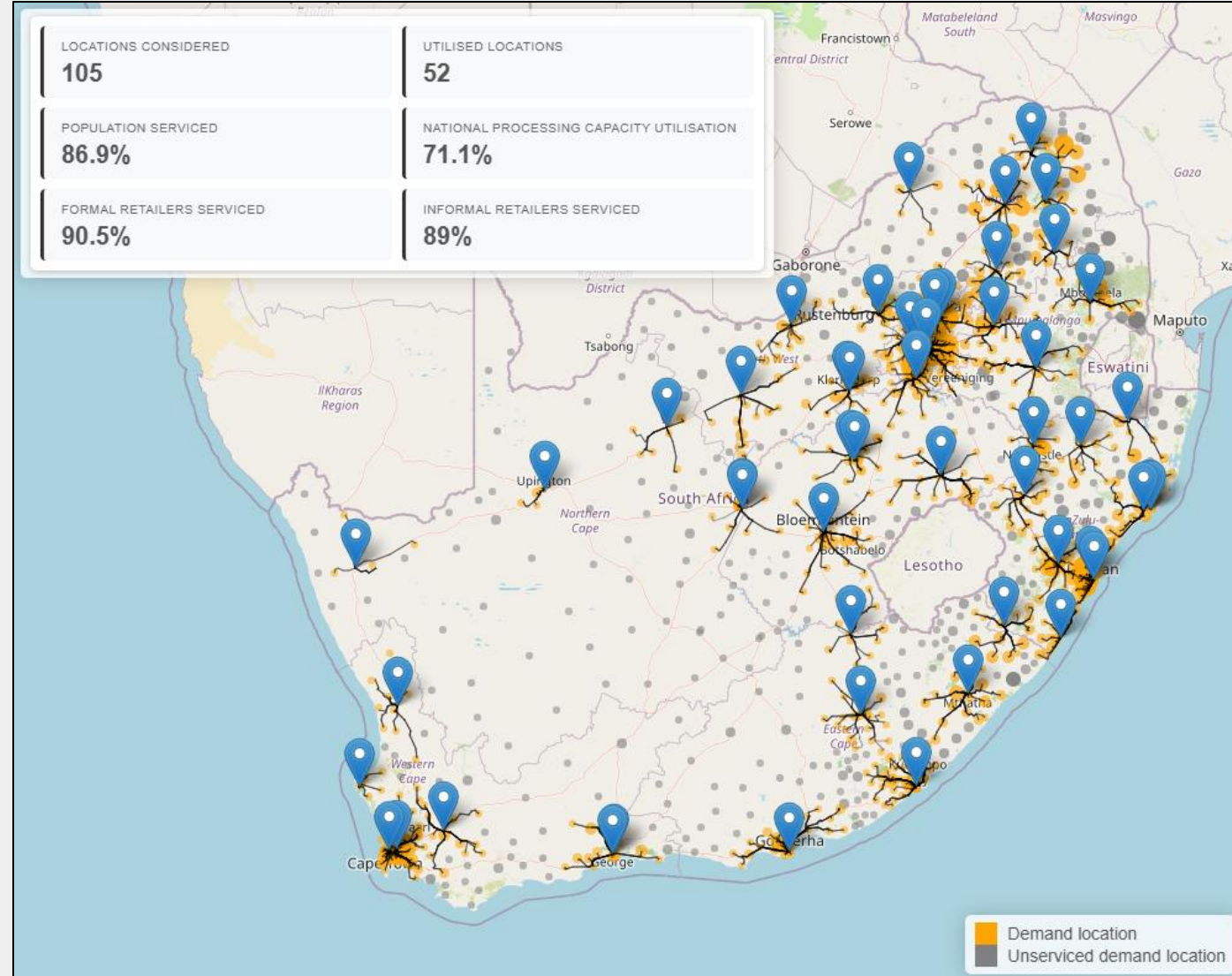
Estimated processing capacity per site
Accounts for the processing needs per region

Preliminary Model Results - National



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- This scenario optimises existing cash infrastructure by considering:
 - Population
 - Retailers
 - Orders
 - Deposits
- These **indicators are weighted equally**
- Site utilisation is **constrained by processing capacity**
- The model suggests 2 sites in multiple regions (including JHB, DBN, and CPT) for a total of **52 utility locations**
- Super cash centre concept will allow for further optimisation.



Includes SARB sites, Tier 1 Tier 2 sites

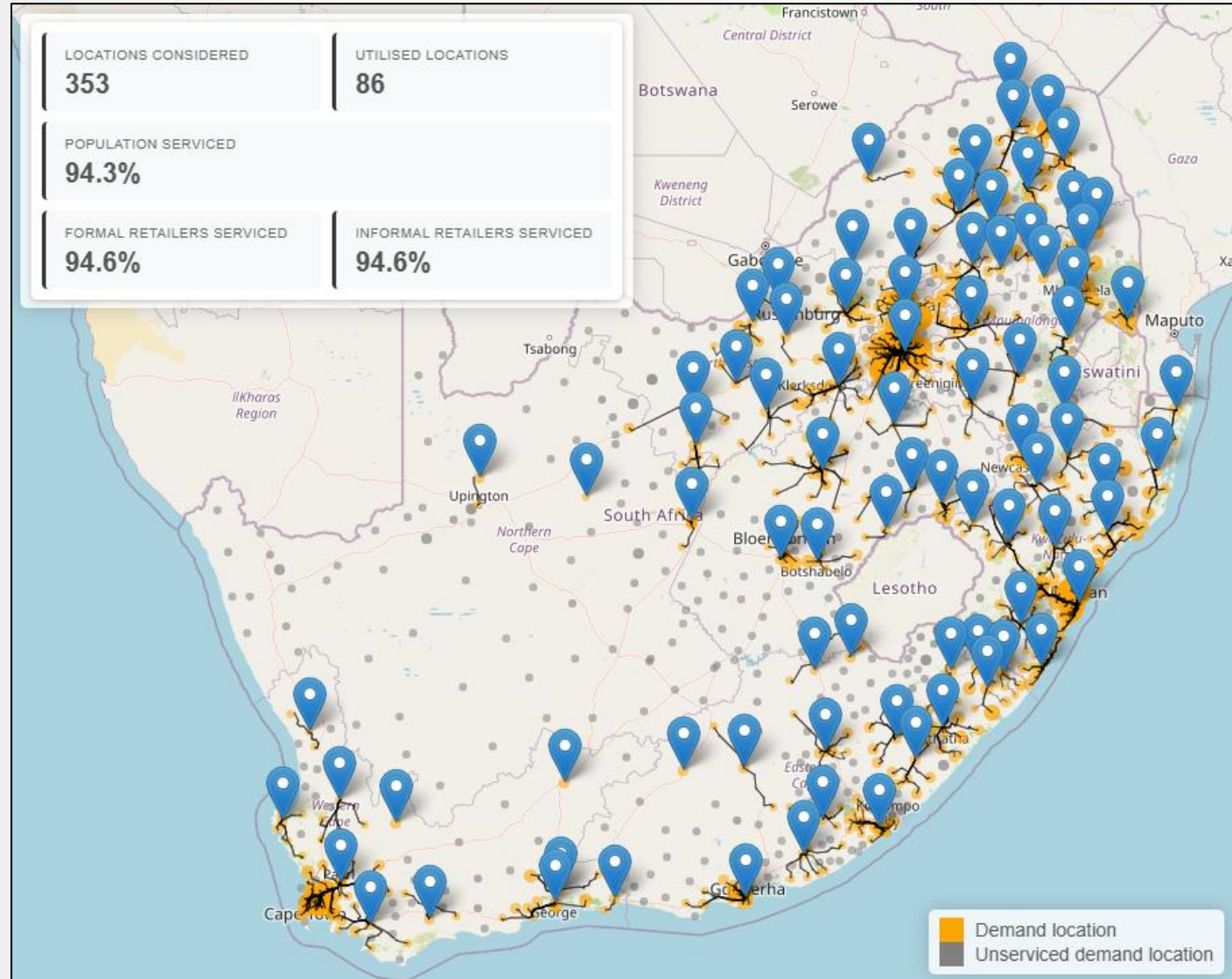


Experimental Greenfields Model View



Assumption: Any location (police district) can host a utility location, as long as it has at least 15 formal retailers and an adult population of at least 15000.

- Work on a second scenario is in progress to understand optimal utility footprint to **maximise coverage**.
- Here, the utility footprint is not constrained by existing infrastructure.
- Substantial refinement necessary on this model w.r.t. location suitability, capacity requirements, risk, and cost-benefit ratios.
- In this view, the model now tries to aggressively increase coverage, as it is no longer constrained by infrastructure



Model Refinement

- Risk considerations
- Improve model variables for demand vs capacity by region/site
- Time ranges for travel – what is optimal/best practice?
- Technology considerations
- Other practicalities of the operations
- Type of sites/operation



Future State Model Development


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Model to consider multiple factors at once.
Population density, demand, retailer footprint.



Model to consider site capacity
(Site suitability, Capacity, Vault sizes, CIT requirements)



Allow model to alter sites locations/type



CASH SMART LEKGOTLA

Thursday, 7 May 2026
Time: 9:00–16:00



SOUTH AFRICAN RESERVE BANK

White-Label ATMs (WLAs)

A Phased, Utility-Led Strategic Rollout Approach

Presented by:
Kgopotso
Mathole

Presentation Contents

- Context and Strategic Imperatives
- International WLA Implementation
- WLA Purpose and Objective
- WLA Model under NCU
- NCU WLA Operational Model
- WLA Strategy on a Page
- Timelines and Engagement Plan
- Questions and Answers

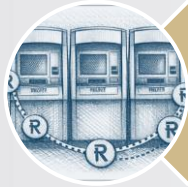


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Context and Strategic Imperatives



Duplicate networks drive up costs



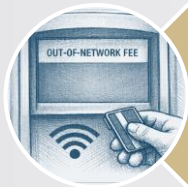
Rural areas experience persistent coverage gaps



High CiT costs strain operational budget



Security concerns and ATM crime threaten customer confidence

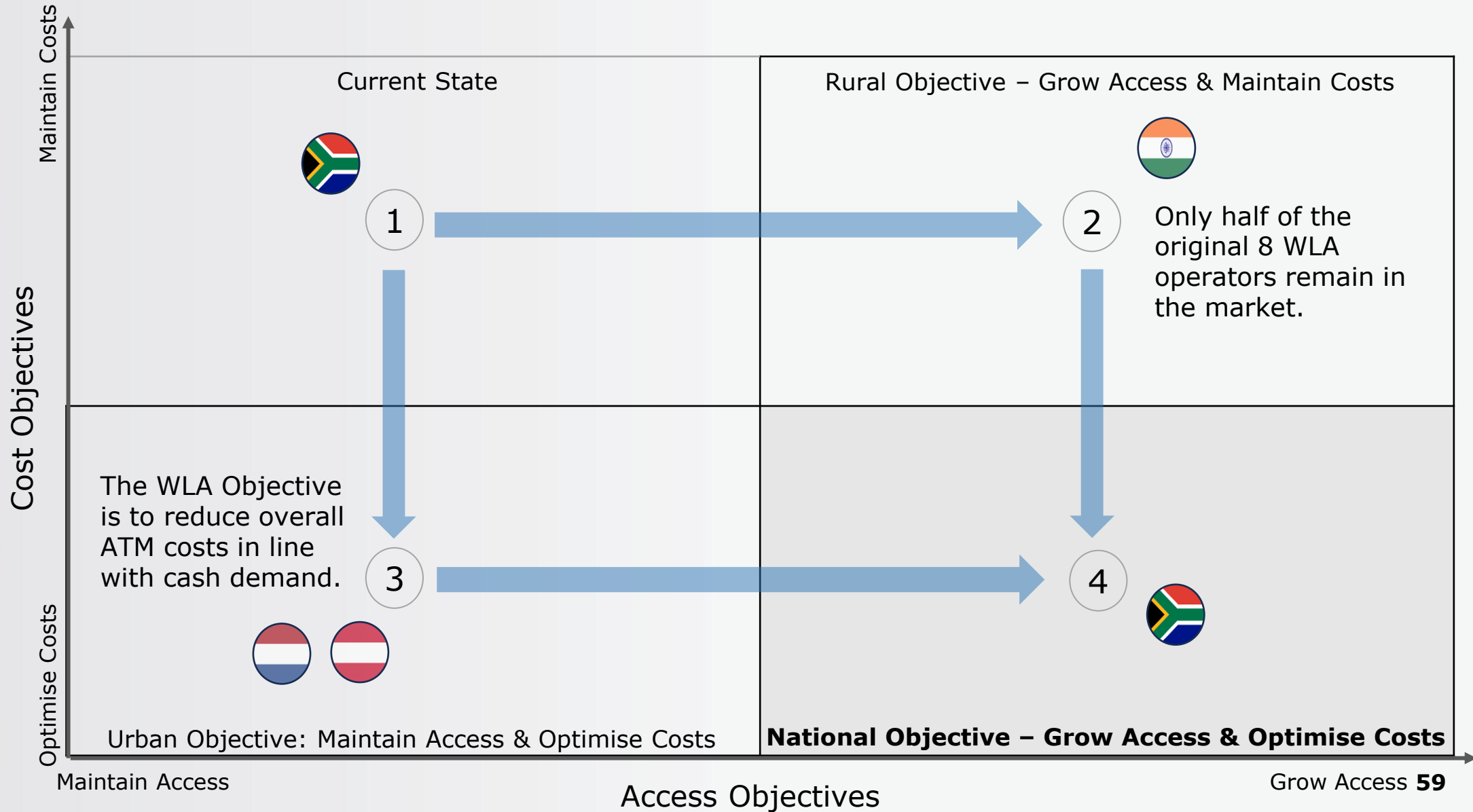


Disloyalty fees for the use out-of-network ATMs

Strategic Imperatives

- Cash Smart Strategy reconceives ATMs as essential public infrastructure
- Universal utility model eliminates competitive barriers for customers
- Pooled network achieves economies of scale with improved oversight and responsiveness to demand
- National Cash Utility ensures equitable access for the public

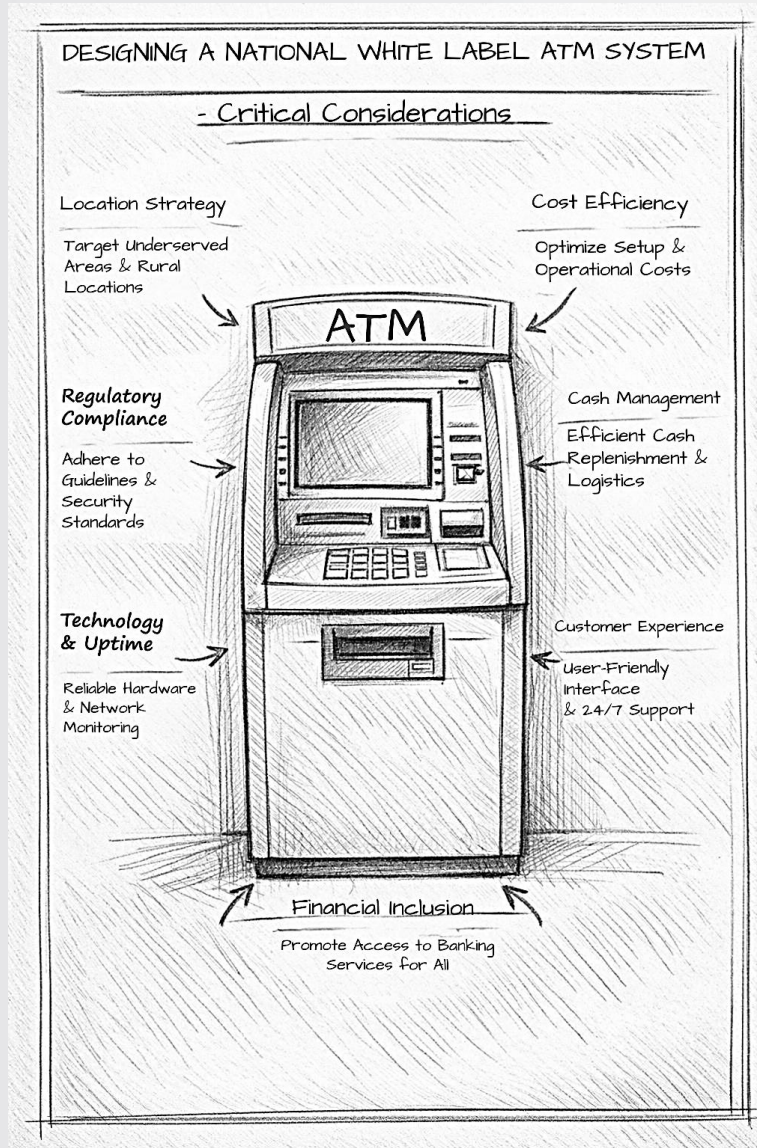
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WLA Purpose and Objective

Alignment to public interest, system resilience and cost sustainability.

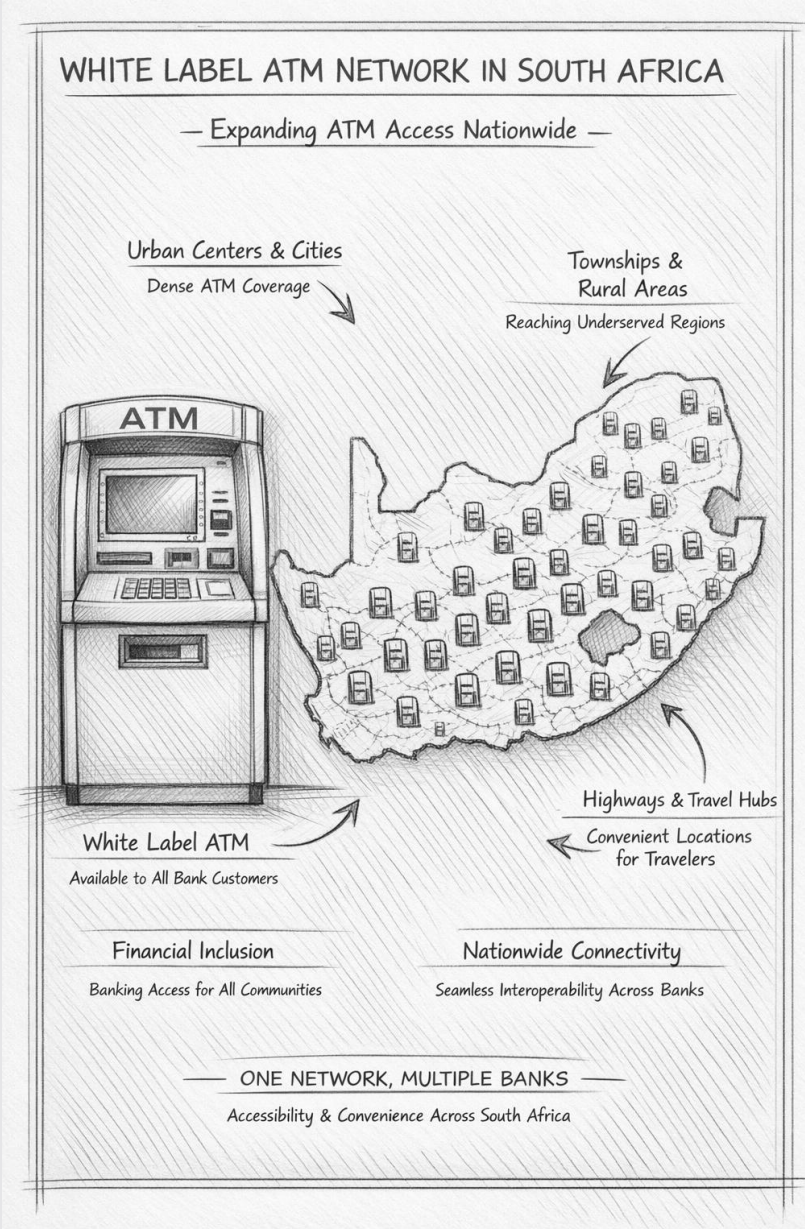
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- Establish WLAs as a shared national cash access layer within the Cash Smart Strategy.
 - **Improve Access to Cash:** Preserve and enhance equitable access to cash, particularly in **underserved locations**.
 - **Implement Cost Optimisation:** Reduce **structural inefficiencies and cost duplication** in ATM deployment, operations and cash logistics.
 - **Managed Transition to WLAs:** Lay the foundation for long-term industry utility models without disrupting **near-term access to cash**.
- Customer Trust to be maintained through transition (Security maintained or improved, demand fulfilment maintained, Costs to customer reduced, service levels maintained or improved, etc)



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- WLA Cost Model
 - The cost model is to ensure cost recovery to maintain and sustain the operation. Cost recovery options to be developed.
- Proposed Regulatory Model
 - All ATMs to be 100% NCU Owned
 - Cash Services offered (Cash withdrawals, Balance enquiries & mini-statements, Cash deposits (envelope or recycler-based), Cardless Cash Withdrawal (own-account and intra-bank), 24/7 availability, basic dispute handling and reconciliation) | *Covering Banknotes and Coin*
 - Independent CIT movement and servicing of ATMs subject to meeting standards set by the NCU





NCU WLA Operational Models

STRUCTURE	SUMMARY	STATUS
Model 1: NCU-Owned / NCU-Operated (Core Utility Fleet)	NCU owns and operates ATMs	The core NCU ATM Fleet that would be used to benchmark other modes of operation
Model 2: NCU-Owned / Third-Party Operated (Designated-Area Concessions)	NCU owns all ATM assets; the operator runs day-to-day under concession	Fills last mile and access gaps without NCU needing to build a full field-ops footprint everywhere
Model 3: NCU-Owned / Managed Services (NCU as Operator; outsourced components)	NCU owns and remains the “operator of record”; vendors provide maintenance/cash handling/monitoring as services	Retains strong central control while still getting scale and synergy with bank branch (and retail) operations

Addressing Fragmentation

NCU owns all ATM assets across all modes of operation and sets the standards for location, configuration and operations, regardless of who operates them.

System-Wide Oversight and Resilience

The ATM Network is to be designed to provide data and reporting to NCU for national visibility and oversight across all operations.

Alignment with Future Initiatives

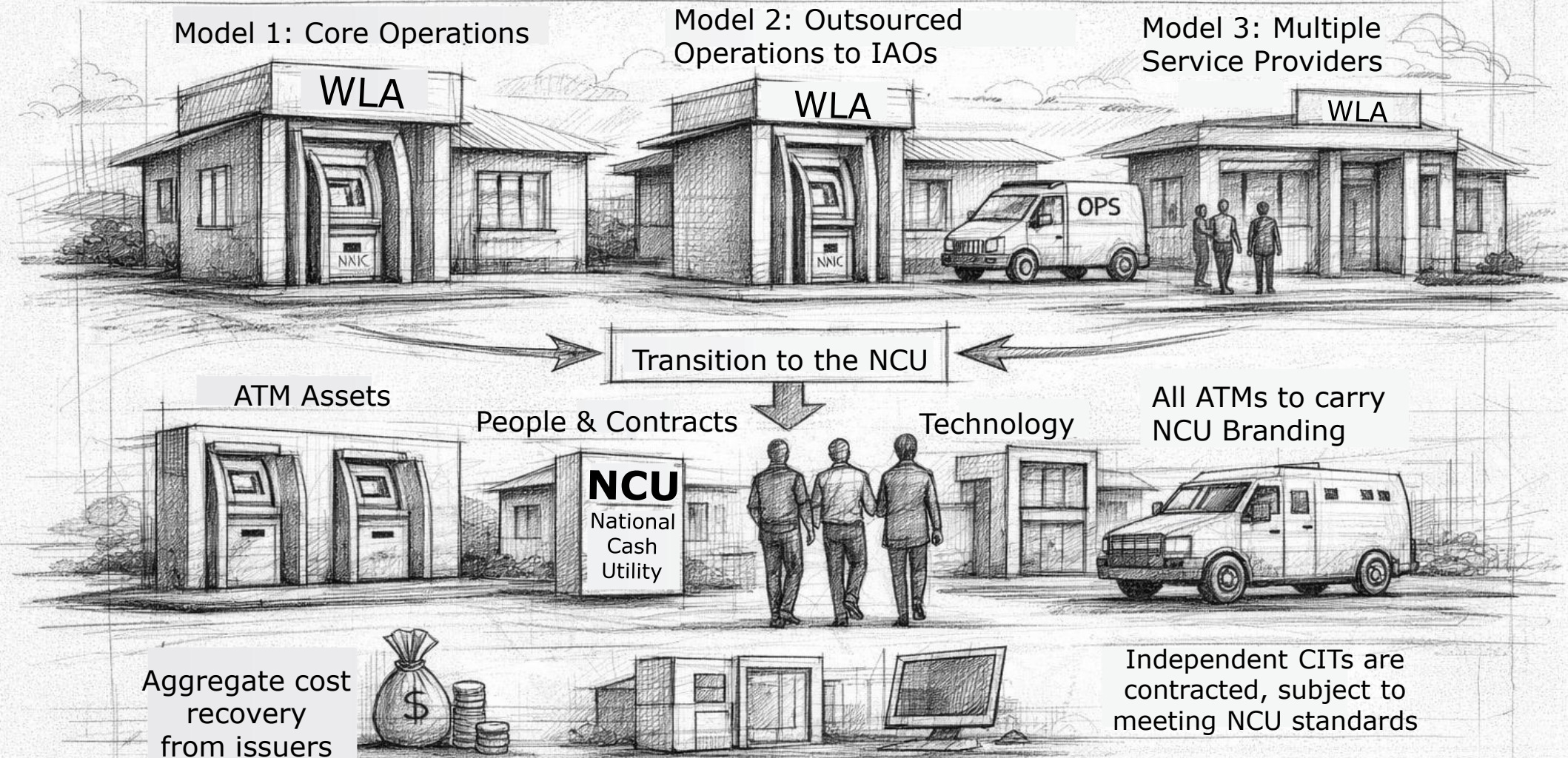
The three configuration approach provides operational flexibility to respond to market changes or address future requirements related to cash access.

WHITE LABEL ATM MODELS

NCU Ownership of all ATMs in South Africa (Including Bank Branch ATMs)

Cash Proximate Services
(for later consideration)

WLA Services: Balance Enquiry, Withdrawal, Deposit, Mini-Statement Print, Cardless ATM Withdrawal | Banknote and Coin





Timeline and Engagement Plan

2026

As-Is Assessment (2026)

Benchmark costs for access, distance, volume; view of cash deserts; minimum infrastructure for urban cash volumes. Define transition plan.

2027

WLA Blueprint finalisation: Define the WLA operating framework and technology stack (business model workstream-dependent) and finalise the transition.

Complete NCU services insourcing, NCU capitalised, including ATM operations, resources, contracts, operator concession agreements with other ATM operators

Complete transition of ATMs to NCU Control

2028

Migrate all ATMS to WLA standards operations to improve efficiency and operational costs.

2029

Optimisation of WLAs: Identify and deploy WLAs based on analysis to determine underserved and overserved areas

Stakeholder Collaboration

Successful WLA implementation depends on cooperation among banks, ATM operators, transit providers, retailers, and regulators.

Public Interest Governance Model

Public interest governance ensures trust and aligns decisions with national priorities rather than competitive motives.

Common Standards and Shared Responsibility

Adopting universal standards and shared responsibility creates a credible, scalable cash access platform.

Iterative Industry Engagement

Continuous industry feedback refines operational, commercial, and regulatory frameworks for resilience and consistency.

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Question	Response
What problem does the White-Label ATM Utility solve?	Treats ATMs as shared national infrastructure to reduce duplication and protect equitable cash access. End-state: a single, consolidated, inclusion-focused utility operating in the public interest.
How will the transition protect access and service quality?	The transition will be governed through defined milestones, readiness criteria and risk controls. SARB requires rigorous preparation, testing, and contingency planning to ensure service continuity. Specific focus on consumer education and change management
How will costs be recovered without burdening customers?	Aggregated issuer cost recovery to service all areas across South Africa. Focus on affordability and transparency, not transaction-level customer charges.
How will existing ATM assets be treated?	People, assets and contracts transferred under fair, transparent principles. Cash Industry participants gain governance participation and ownership interests in the NCU.
How will governance and resilience be ensured?	Enforceable governance and access rules, operational resilience requirements (including tested contingency and recovery capability), transparent performance reporting, and robust oversight mechanisms including audit and step-in protections where functions are delegated



Thank you