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NATIONALBANK

Money and Payments: The Five C's

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Frankfurt School of Finance and Management, Centre for Central Banking, 19 February 2024

Money and Payments: The Five C's



CARDS



CASH



CYBER



CRYPTO



CBDC



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**Means of
payment**



**Unit of
account**

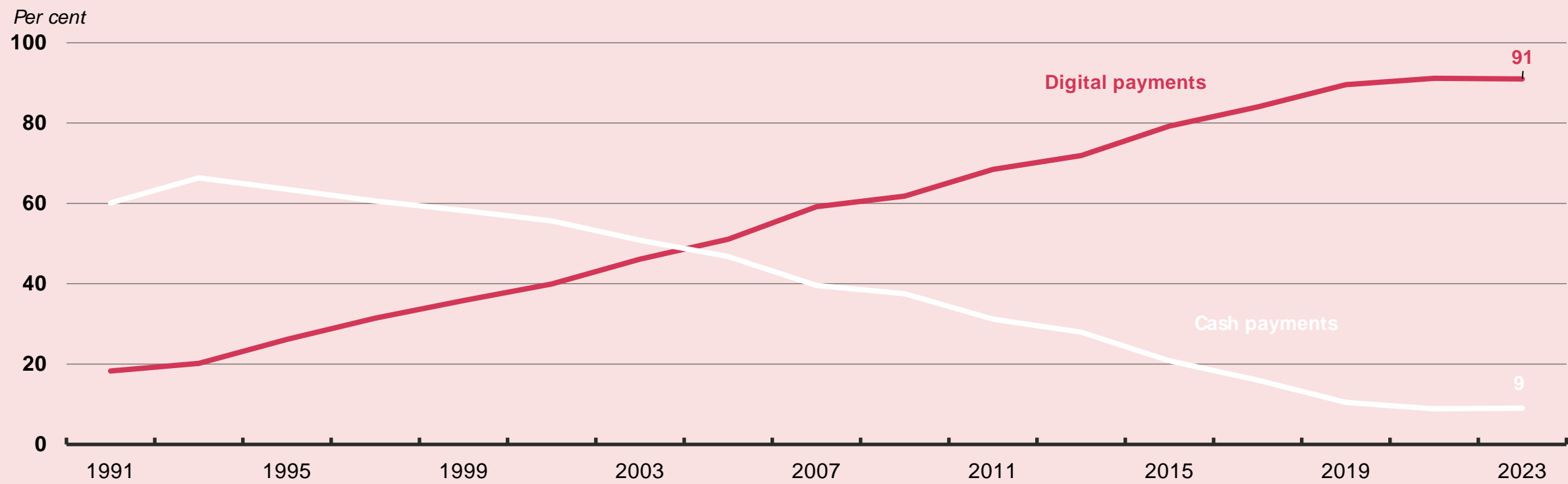


**Store of
value**

TRUST

New technologies and a shift in consumer preferences have led to an increase in digital payments

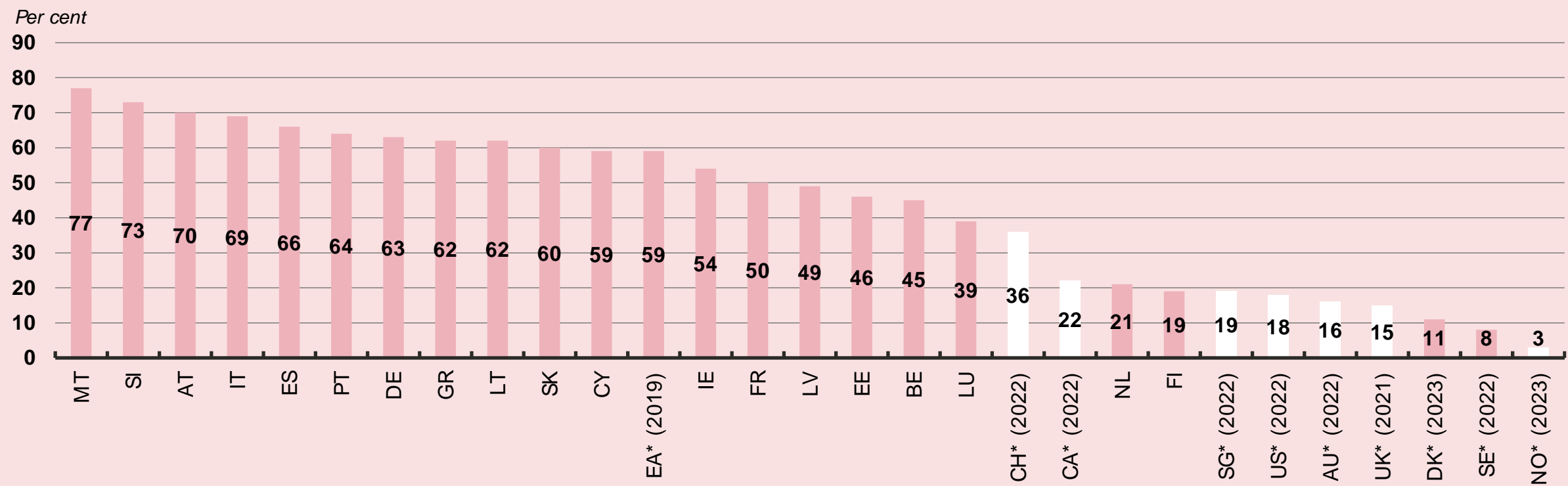
Digital payments are on the rise in Denmark



Source: Danmarks Nationalbank, Payment statistics and own calculations.

Cash is still needed, although its use for payments has declined

Cash payments at point of sale as proportion of all payments



Note: EA* includes the 19 countries which had adopted the euro in 2021 and is based on the 2022 SPACE report. Countries marked with * are based on other studies including national surveys. Note that a direct comparison between the countries is subject to some uncertainty due to differences in the applied methods and years for measuring the use of cash.

Source: Study on the payment attitudes of consumers in the euro area 2021 (SPACE), Danmarks Nationalbank, Sveriges Riksbank, Norges Bank, Schweizerische Nationalbank, Bank of Canada, Federal Reserve, UK Finance, Reserve Bank of Australia, FIS Global Payments Report 2023.

The Danish approach – public-private collaboration



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Risks associated with crypto-assets can be transmitted to financial stability through two channels



Increased usage
among households
and businesses



Greater interconnectedness
with the traditional financial
sector



More loans and investments
for real economic activities
are made using crypto-assets



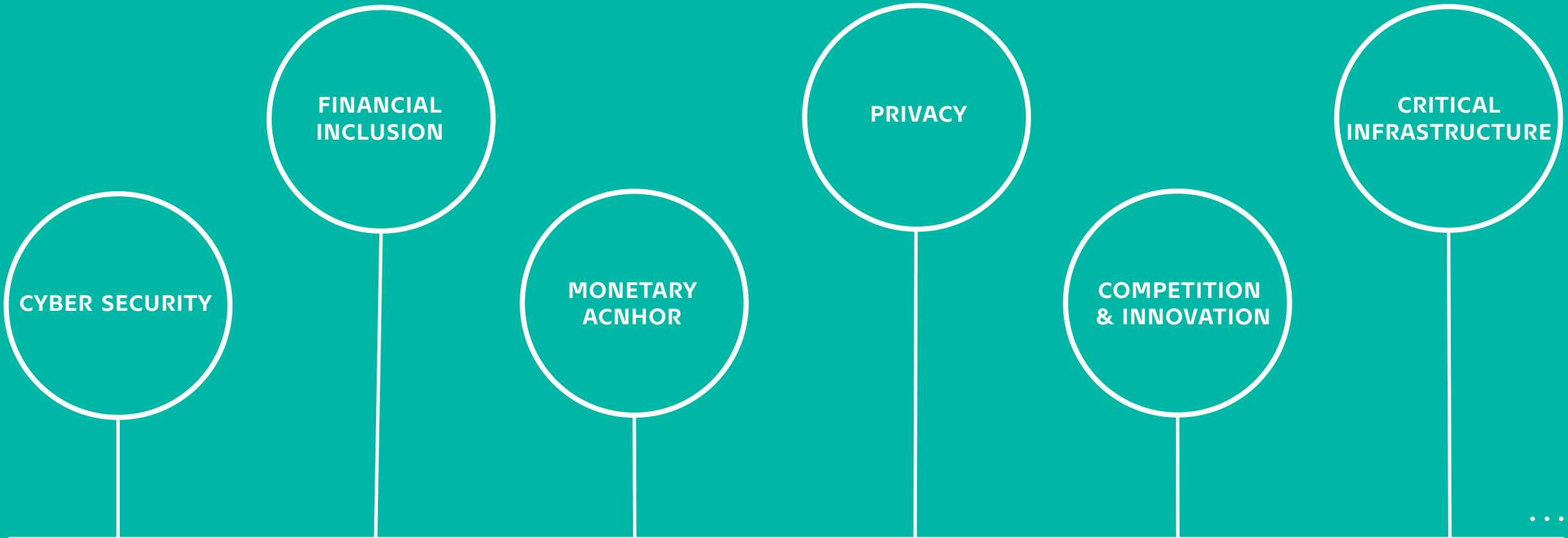
Financial institutions'
resilience more dependent on
crypto-assets



Risks to financial
stability



Reasons for issuing retail CBDC?



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