

Eurosystem NCBs (“the Eurosystem service providers”) offer the complete set of services under harmonised terms and conditions in line with general market standards to central banks, to monetary authorities and government agencies located outside the euro area, and to international organisations. The ECB performs an overall coordinating role, promoting the smooth functioning of the framework and reporting to the Governing Council.

The number of customers maintaining an ERMS business relationship with the Eurosystem was 285 in 2015, compared with 296 in 2014. With regard to the services themselves, in the course of 2015 the total aggregated holdings (which include cash assets and securities holdings) managed within the ERMS increased by approximately 6% compared with the end of 2014.

3 Banknotes and coins

The ECB and the euro area NCBs are responsible for issuing euro banknotes within the euro area and for maintaining confidence in the currency.

3.1 The circulation of banknotes and coins

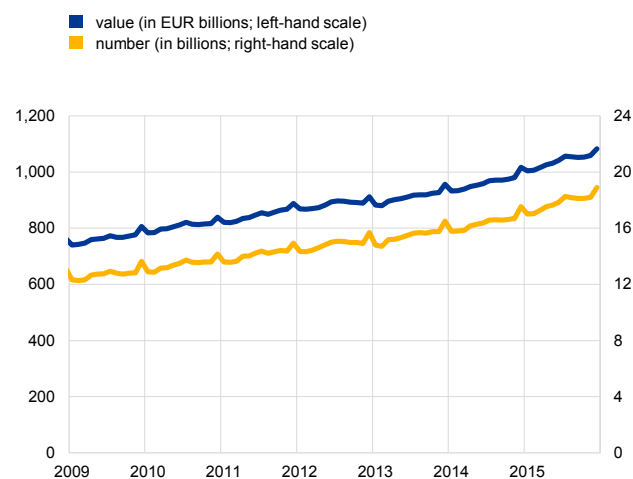
In 2015 the number and value of [euro banknotes in circulation](#) grew by around 7.8% and 6.6% respectively. At the end of the year there were 18.9 billion euro banknotes in circulation, with a total value of €1,083 billion (see Charts 27 and 28). The €50 banknote showed the highest annual growth rate, which stood at 11.8% in 2015. Demand for this denomination surged around the middle of the year. The most likely explanation for this is that tourists going to Greece carried more cash with them than usual in view of the cash withdrawal limitations that were introduced in that country (which, however, only applied to residents). The [production of euro banknotes](#) is shared between the NCBs, which were altogether allocated 6.0 billion banknotes in 2015.

It is estimated that, in terms of value, around a quarter of the euro banknotes in circulation are held outside the euro area, predominantly in neighbouring countries. Euro banknotes, mainly the denominations €500 and €100, are held outside the euro area as a store of value and for settling transactions on international markets. Cash has the advantage of immediate settlement without the need to assess the solvency of the counterparty.

In 2015 the total number of euro coins in circulation increased by 4.7%, standing at 116.1 billion at end-2015. At the end of 2015 the value of coins in circulation stood at €26.0 billion, 4% higher than at the end of 2014.

Chart 27

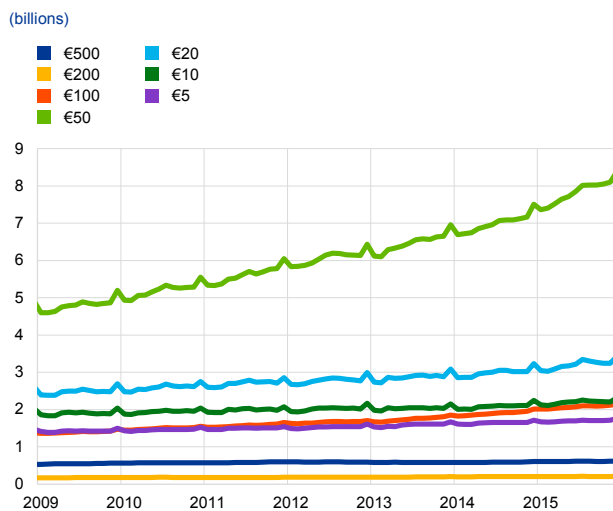
Number and value of euro banknotes in circulation



Source: ECB.

Chart 28

Number of euro banknotes in circulation by denomination



Source: ECB.

In 2015 the euro area NCBs checked the authenticity and fitness for circulation of some 32.9 billion banknotes, withdrawing around 5.2 billion of them from circulation. The Eurosystem also continued its efforts to help banknote equipment manufacturers to ensure that their machines meet the ECB's standards for checking euro banknotes for authenticity and fitness prior to recirculation. In 2015 credit institutions and other professional cash handlers checked 31 billion euro banknotes for authenticity and fitness using such machines.

3.2 Counterfeit euro banknotes

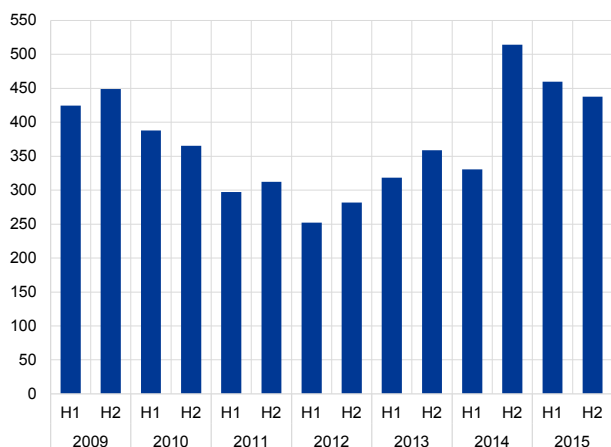
In 2015 the Eurosystem withdrew around 899,000 counterfeit euro banknotes from circulation. When compared with the number of genuine euro banknotes in circulation, the proportion of counterfeits remains at a very low level. Long-term developments in the quantity of counterfeits removed from circulation are shown in Chart 29. Counterfeiters tend to target the €20 and €50 banknotes of the first series of euro banknotes, which in 2015 accounted for 50.5% and 34.2% of the total number of counterfeits respectively. The slight increase in the total number of counterfeits in 2015 was mainly driven by a rise in the share of counterfeit €50 banknotes. Further details of the denominational breakdown are shown in Chart 30.

The ECB continues to advise the public to remain alert to the possibility of fraud, to remember the “[feel-look-tilt](#)” test, and never to rely on just one security feature. In addition, training is offered to professional cash handlers on a continuous basis, both in Europe and beyond, and up-to-date information material is made available to support the Eurosystem's fight against counterfeiting. The ECB also cooperates with Europol, Interpol and the European Commission in pursuit of this goal.

Chart 29

Number of counterfeit euro banknotes recovered from circulation

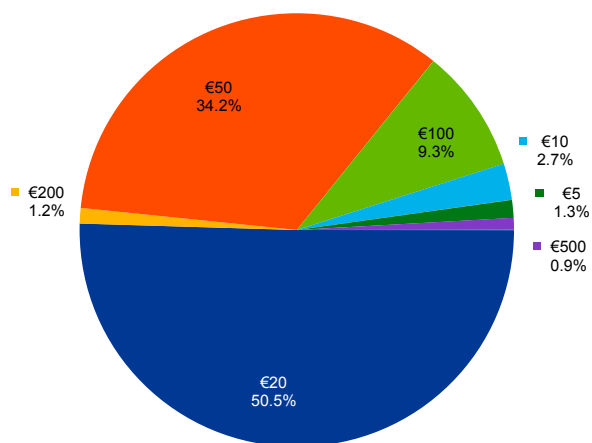
(thousands)



Source: ECB.

Chart 30

Breakdown of counterfeit euro banknotes by denomination in 2015



Source: ECB.

3.3 The second series of euro banknotes

On 25 November 2015 a new €20 banknote began circulating, the third banknote of the [Europa series](#) to be introduced. Like the new €5 and €10 banknotes, which entered circulation in May 2013 and September 2014, the new €20 banknote contains enhanced security features, including a portrait watermark and an “emerald number” which displays an effect of the light that moves up and down when the banknote is tilted and also changes colour. The new €20 banknote also contains a new and innovative security feature: the portrait window in the hologram, which shows a portrait of Europa (a figure from Greek mythology) when the banknote is held against the light. In the run-up to the introduction of the new €20 banknote, the ECB and the euro area NCBs conducted a campaign to inform both the public and professional cash handlers about the new banknote and its features. They also took several measures to help the banknote handling machine industry prepare for the introduction of the new banknote.

The other denominations of the Europa series will be introduced over the next few years.

4 Statistics

The ECB, assisted by the NCBs, develops, collects, compiles and disseminates a wide range of statistics which are important to support the monetary policy of the euro area, the supervisory functions of the ECB, various other tasks of the ESCB and the tasks of the European Systemic Risk Board. These statistics are also used by public authorities, financial market participants, the media and the general public.