

Opening remarks to Banknote 2003
John Hanley, Chairman
Sunday February 2nd 2003

Ladies and Gentlemen, Sponsors and Delegates:

Welcome to Washington and to Banknote 2003, the definitive forum on emerging trends and leading technologies in the banknote industry. Looking around me, I see many familiar faces that attended Banknote 2000. Thank you for returning. Thanks also to the tremendous number of new delegates who have pushed us to over three hundred attendees. This is not only a record: we are fully subscribed.

Over the next few days, we intend to ensure that you will all want to return for the next Conference and fully subscribe it, too.

There is one thing we cannot give you at this time of year in the Eastern United States and that is sun and warm temperatures. So, we have supplied everyone, including those of you who were elsewhere last summer, with our equivalent of the Hawaiian lei; a Banknote 2003 scarf. We hope that it will keep you warm in the years to come.

The fact that all of you are here today tells us that keeping the Banknote Conferences on target and on message has resonated with our audience. We are dedicated just to you, the core of the banknote industry. We are a working Conference. We foster a neutral environment, where professionals can intermingle, interchange views and learn more about every aspect of our business in an open fashion. We also encourage those great catalysts of any human interconnection -- humor and friendship.

But humor alone does not a Banknote Conference make. It is the excellence of the presentations that counts. When we prepare their presentations with our sponsors and other suppliers, we tell them that they will be measured by the technical content of their speech. As they will attest, we push them to attain high standards that reach beyond generic company publicity. The evaluation of the latest in technology and invention is key to our Conferences.

I believe that another of the reasons for our growing success is because you tell us what you think. When we received an extraordinary 70%+ in response to surveys handed out to delegates to Banknote 2000, we were able to respond in ways that have made Banknote 2003 more attractive as a venue. So, thanking you all who did so last time, we would ask everyone to this latest Banknote event to give us your input, using the surveys that we will provide you later this week. If there is something you do like, let us know. If there is something you don't like, we want to know even more.

I now want to thank our valued sponsors, Arjo Wiggins, Crane and Company, Giesecke & Devrient (three divisions), Goznak, Hologram Industries, Hueck Folien, KBA Giori, Kurz, Maximus, Orell Fussli, Papierfabrik Louisenthal and SICPA, for their support. All of these leading companies in our industry, as well as the United States Secret Service,

have booths in the area behind you. We are sincerely grateful for their presence and urge you to spend time with them during the breaks. They have a lot to show you.

Reviewing the list of delegates, we are gratified to see such a stellar collection of senior members of so many U.S. Government departments present here, including the U.S. Department of the Treasury, the Federal Reserve Bank, the Bureau of Engraving and Printing and the U.S. Secret Service. What great cooperation they have given us. This important home-based group of presenters and delegates is complemented by an equally impressive representation from overseas.

The presenters from beyond our shores will be giving us insight from their particular perspective, as well. Thank you sincerely, those delegates from the Central Banks of Belgium, Brasil, Canada, Netherlands, Mexico and Thailand; several are old friends, whom I would like to acknowledge.

Variety is the very spice of life, as the English poet, Cowper, says. And we have tried to incorporate a bit of that too, with presentations such as the one by Joe Botta of the New York Federal Reserve. Joe will speak on what I call the world's hidden economy; the majority of dollar notes issued that circulate outside the United States. Herbert Morais will enlighten us about the way terrorists and criminals use banknotes to facilitate their nefarious activities. There is also a presentation from the European Central Bank on counterfeits of the Euro since its introduction, as well as a doggy demo from a canine agent of the U.S. Secret Service. Quite an impressive roster. Nor have we forgotten the theme of what we may call Banknote 1998, as we continue our interest in and evaluation of paper and polymer substrates for banknotes.

As in the past, we try to get you out from the confines of the hotel, and on Tuesday, thanks to the generosity of the Federal Reserve Bank of Richmond, we have been privileged to move the entire Conference to their fair city. There, we will be welcomed to a splendid facility to hear presentations, be introduced to the workings of the Federal Reserve's Central Technology Office (CTO), visit the Money Museum and enjoy a fabulous Virginia lunch.

Last but not least, I want to thank Tom Ferguson, Director of the United States Bureau of Engraving and Printing for his usual generous hospitality in inviting our delegates to visit their illustrious facility on Wednesday afternoon.

That about concludes this overview of what promises to be an excellent Conference. The number and variety of delegates testifies to the vibrancy of our business. There is a steady growth in the use of banknotes world-wide, although the production over-capacity gives cause for concern for commercial suppliers. However, if lower value banknotes do become a reality for the Euro, this could be a positive event for the industry. One thing I know, after some thirty-five years in the banknote business, the capacity for readaptation and survival of its producers is indestructible.

Now, it is my privilege to introduce to you our distinguished keynote speaker, Peter R. Fisher. Mr. Fisher was confirmed by the U.S. Senate as Under Secretary for Domestic

Finance of the U.S. Department of the Treasury in August 2001. The responsibilities of his position are breathtaking.

As Under Secretary, Mr. Fisher is the senior advisor to the Secretary of the Treasury and the Deputy Secretary on all aspects of domestic finance. His office is responsible for formulating policy and legislation in the areas of financial institutions, public debt management, capital markets, government financial management services, federal lending, fiscal affairs, government sponsored enterprises and community development. He also serves on the Board of Securities Investor Protection Corporation and, of most direct interest to us today, chairs the Advanced Counterfeit Deterrence Steering Committee. Prior to joining the Department of the Treasury, Mr. Fisher Was Executive Vice President of the Federal Reserve Bank of New York.

Peter Fisher, thank you so much for being with us today. We particularly appreciate your kindness, since it is a Sunday and your duties must leave you with little spare time.