

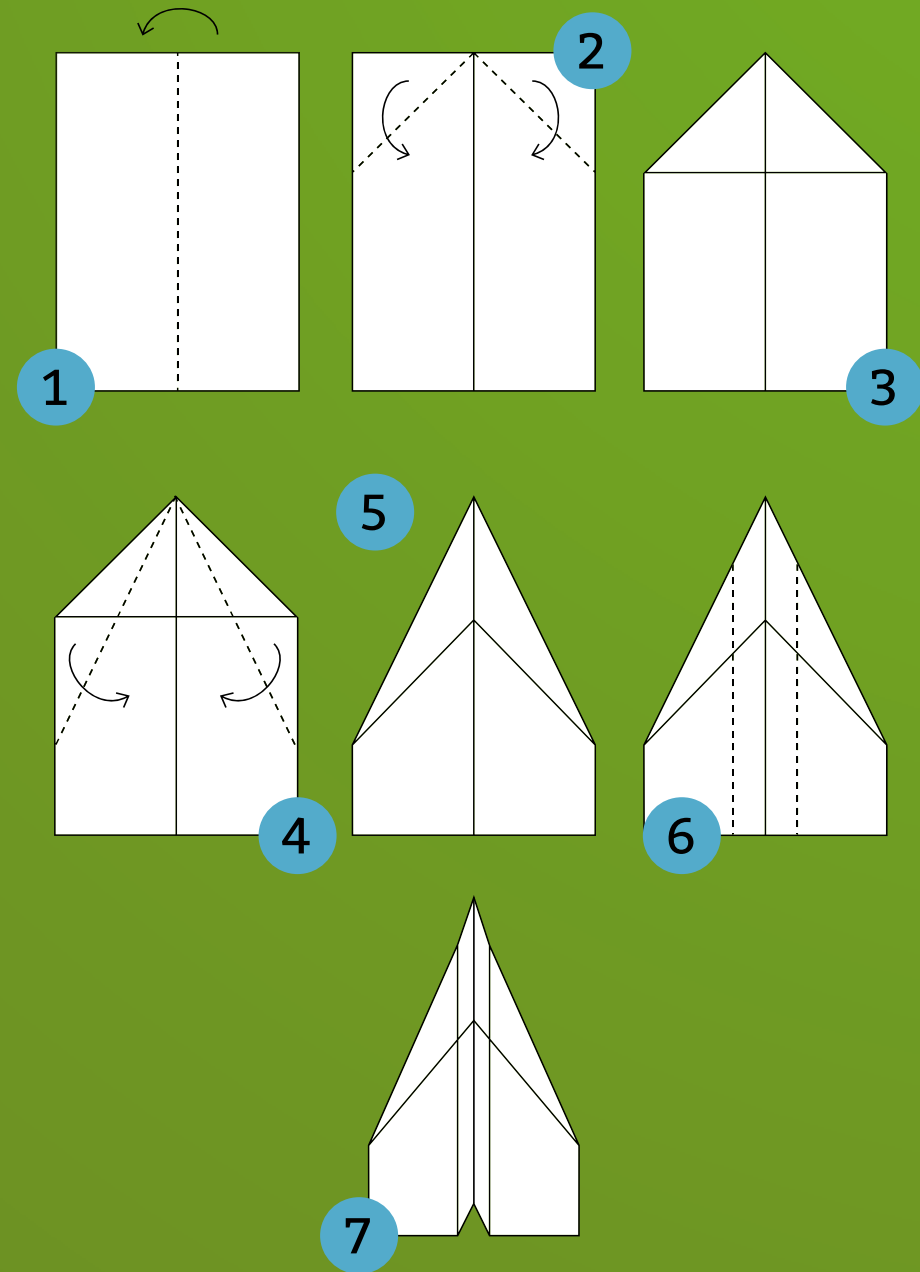
Annual Report 2014



Annual Report

2014





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Introduction

ServiRed, Sociedad Española de Medios de Pago, S.A. is Spain's leading card payment scheme. It has 40 million cards in circulation (17.1 million credit, and 22.9 million debit), 945,900 merchants, and 33,800 ATMs.

ServiRed has 93 members, of which 72 are shareholders in the company.

ServiRed's primary purpose is to assist its member institutions in substituting cash for innovative and efficient electronic payments systems, in order to reduce the high cost of cash transactions for society at large.

The ServiRed scheme provides international interoperability through co-badging with Visa and MasterCard, for which it is licensed as a Group Member of Visa Europe and as a Principal Member of MasterCard Worldwide, and thus its members are empowered to issue Visa and MasterCard products and to acquire transactions made with them.

ServiRed's services rest on three main pillars:

- the brand;
- the operating rules and procedures and
- the interchange system.

The most important activities carried out by ServiRed in its mission of replacing cash in payments are as follows:

1. Guaranteeing comprehensive interoperability of card transactions in the domestic sphere.
2. Guaranteeing international access to holders of ServiRed cards, via direct connection with the international schemes

(Visa, MasterCard, American Express, Diners Club, JCB, Citicorp, etc.).

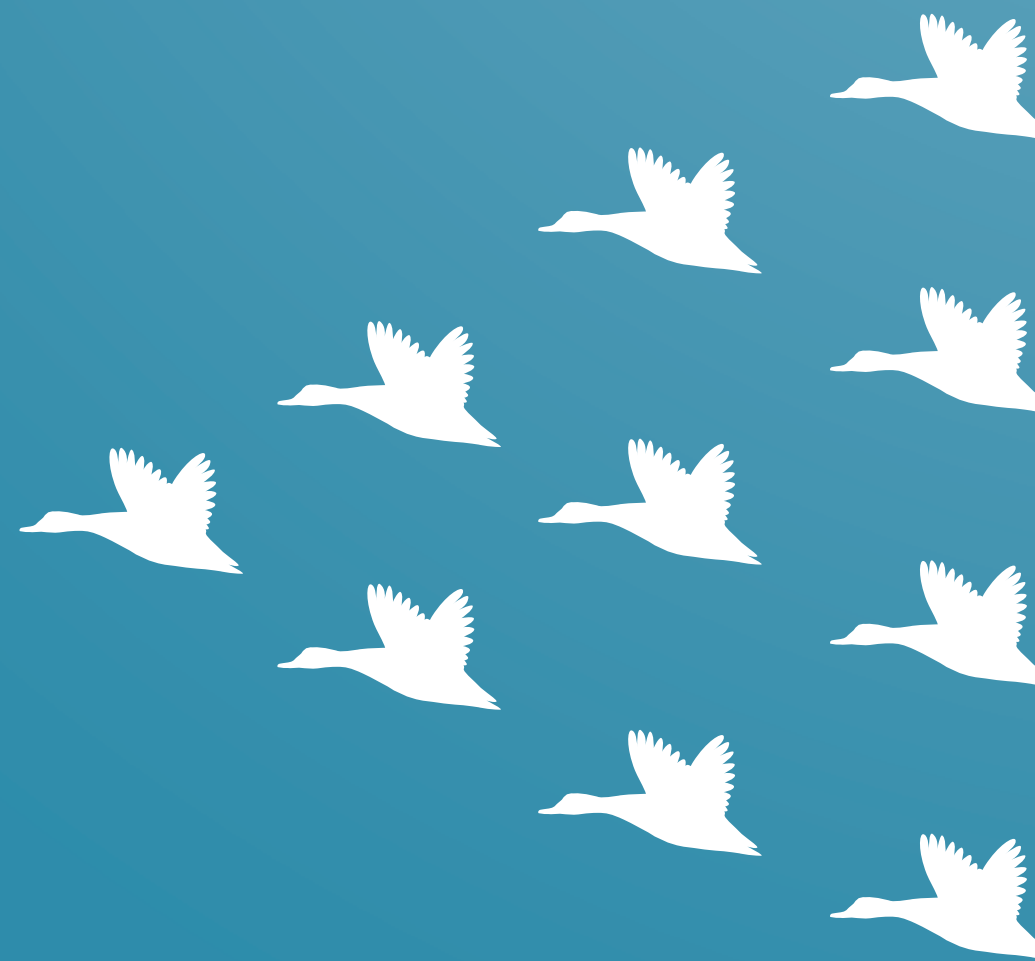
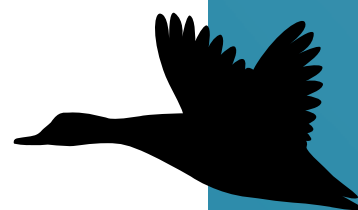
3. Guaranteeing the acceptance of foreign cards used to make purchases at the ServiRed merchants.
4. Ensuring the correct use of the ServiRed brand, card designs, and the features of the products issued by ServiRed's member institutions.
5. Ensuring the proper labeling and operation of the POS (point of sale) terminals and ATMs.
6. Carrying out the processes of authorization, clearing, and settlement of interchange transactions amongst the system's member financial institutions and between them and other payments networks, cleanly, quickly, and without incidents.
7. Arbitration and resolution of any incidents that may arise from the use of the shared payments network by member institutions.
8. Preventing, detecting, and prosecuting fraud.

All these activities take place against a backdrop of continuous commercial and technological innovation, which ensures that holders of ServiRed cards can make payments at millions of merchants in Spain and all over the world, quickly, easily, and safely.

In addition to the many advantages for cardholders, the use of ServiRed cards facilitates management of business expenses by the merchants which accept them, and provides greater security by eliminating the negative aspects of using cash, such as theft and loss.



ServiRed
*lends services
 to member institutions
 in all three of its
 different facets*





ServiRed in 2014



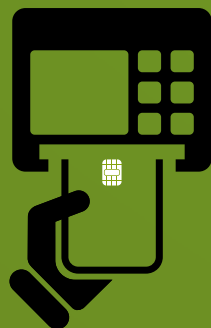
Cards

ServiRed member financial institutions had 40 million cards issued by the end of 2014. Cardholders used them to make purchases worth €77.78 billion, an 8.5% rise on the previous year.



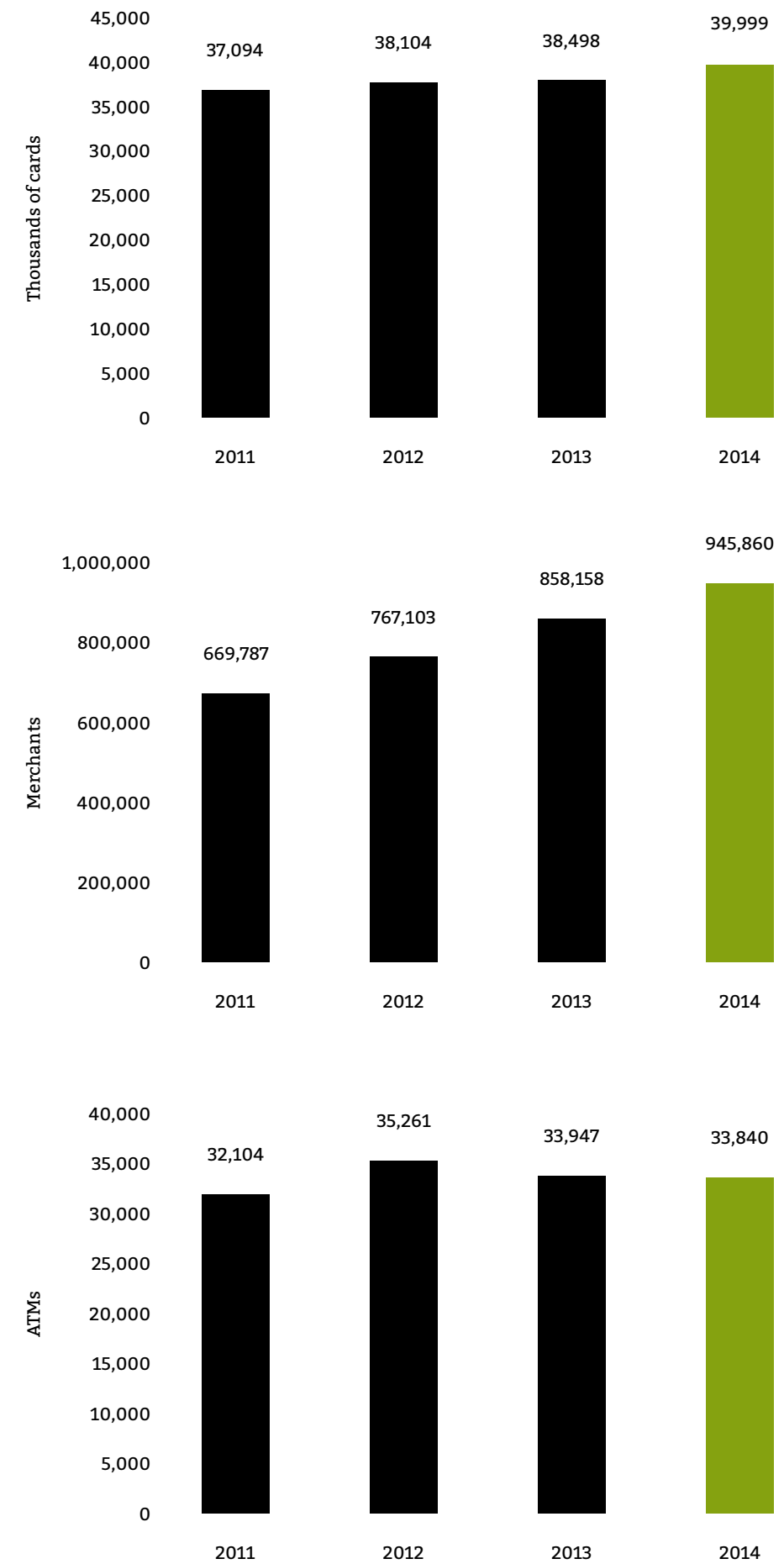
Merchants

The number of merchants also grew, coming in at 945,860. Purchases worth €86.92 billion were made in these establishments, 11.9% more than in 2013.



ATMs

There are around 34,000 ServiRed ATMs located throughout Spain.







Mission

To promote the proper transition from cash to new, more efficient and secure means of payment, to the benefit of member institutions and society as a whole (merchants and cardholders).

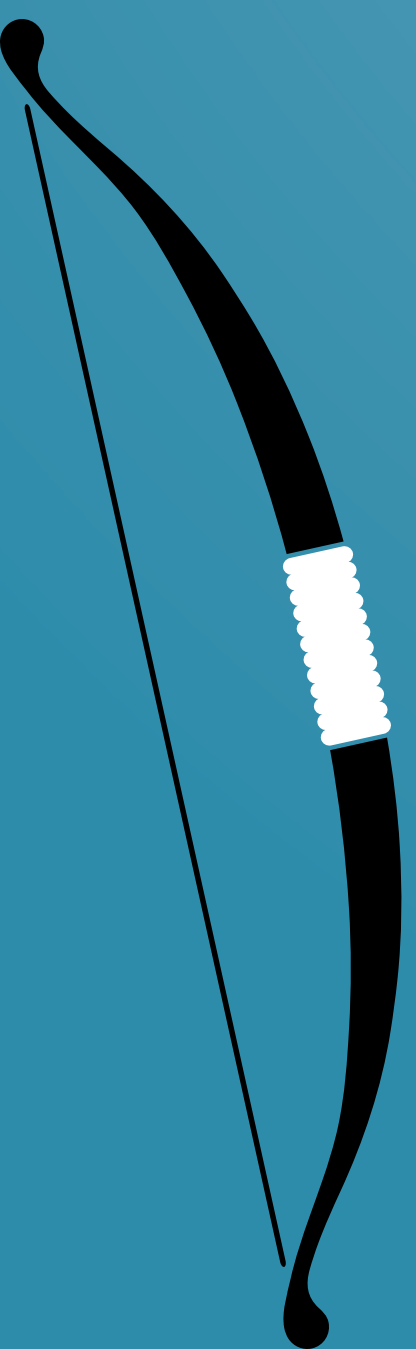


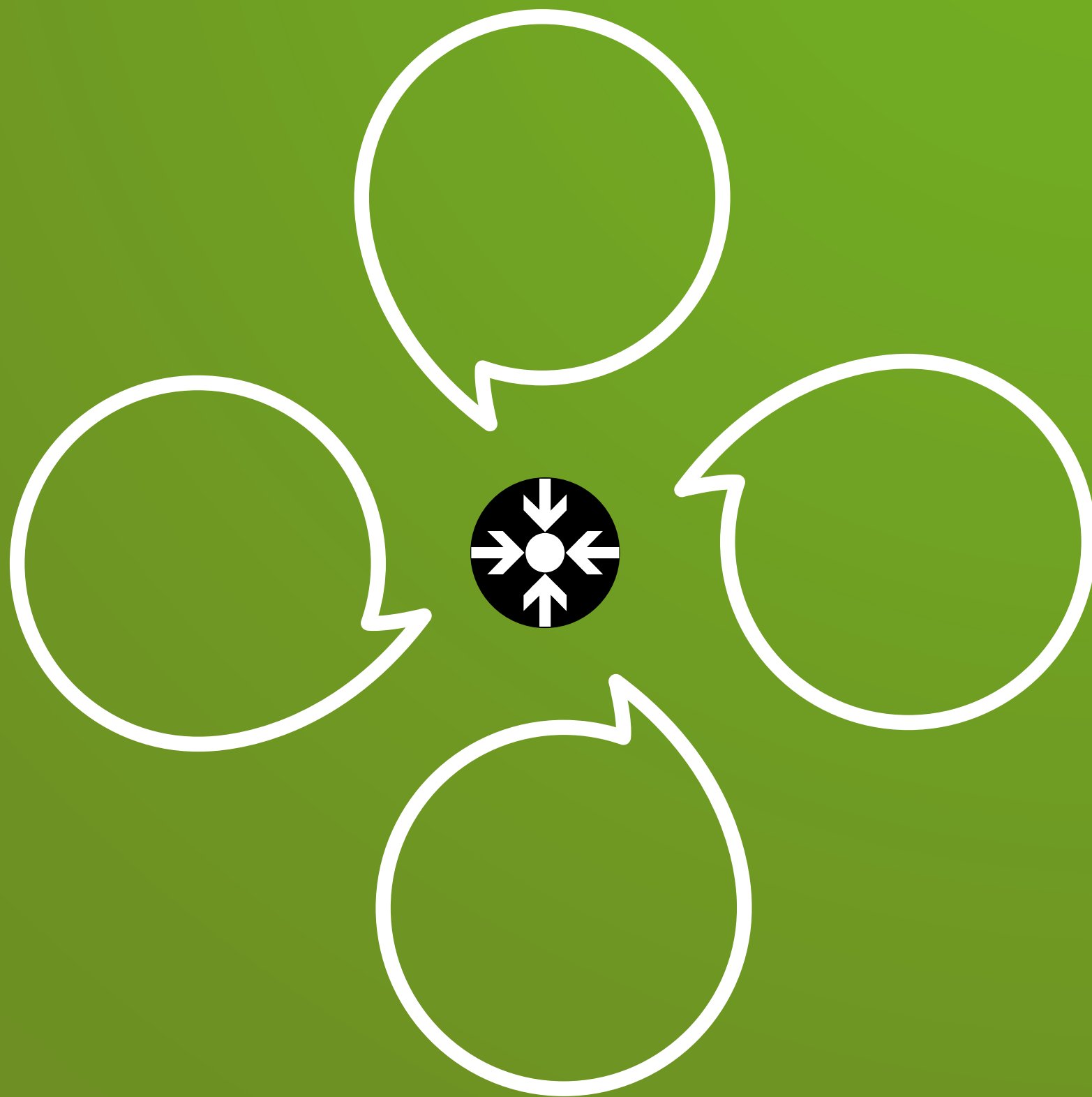
Objectives

To promote the use of electronic payments.

To represent member institutions before regulatory bodies, associations, institutions and other domestic and international payments schemes.

To manage the brand, set and uphold the rules of the domestic scheme to ensure interoperability and strengthen its position in the domestic and international markets.





Board

Mr. Rafael Martín-Peña García ¹	Chairman
Mr. Juan Luis Coghen Alberdingk-Thijm ²	Banco Cooperativo
Mr. Manuel Tresánchez Montaner ²	Banco de Sabadell
Mr. Albert Figueras Moreno	Banco de Sabadell
Ms. Amparo Esteve Mercado ²	Abitaria Consultoría y Gestión, S.A. (Grupo Bankia)
Mr. Carlos Mier Sainz ²	Valoración y Control, S.L. (Grupo Bankia)
Mr. Eugenio Solla Tomé ²	Participaciones y Cartera de Inversión, S.L. (Grupo Bankia)
Mr. Narciso Perales Dominique ²	Bankinter
Mr. Diego Ferreiro Sánchez ²	Barclays Bank
Mr. Francisco Castells Delgado	BBVA
Mr. Fernando de la Rica Goiricelaya	BBVA
Ms. Belén Alonso Gómez ²	Unoe Bank
Ms. María Victoria Matía Agell	CaixaBank
Mr. Joan Morlá Tomás	CaixaBank
Mr. Miguel Ángel Pozuelo Villar	CaixaBank
Mr. Juan María Eguren Ruiz de Azua ²	Caja Laboral Popular
Mr. Juan Felipe Vargas Ibáñez ²	Cajas Rurales Unidas
Mr. Josep Llorca Vaqué ²	Catalunya Banc
Mr. Ramón Amorós Reboredo ²	Deutsche Bank
Ms. Carmen Carnero Silvo	Board Secretary (Non-member)

Composition of the Board of Directors at the date of publication of this Annual Report.

(1) Representative of Global Norwalk, S.L.U, Chairman of the Board.

(2) Representatives of board members that are legal persons.





Shareholder Members of the ServiRed System

NRBE

Bank of Spain Registry Number

0019	DEUTSCHE BANK, S.A.E
0057	BANCO DEPOSITARIO BBVA, S.A.
0065	BARCLAYS BANK, S.A.U.
0078	BANCA PUEYO, S.A.
0081	BANCO DE SABADELL, S.A.
0125	BANCOFAR, S.A.
0128	BANKINTER, S.A.
0129	BBVA BANCO DE FINANCIACIÓN, S.A.
0130	BANCO CAIXA GERAL, S.A.
0131	NOVO BANCO, S.A, SUCURSAL EN ESPAÑA
0138	BANKOA, S.A.
0152	BARCLAYS BANK PLC, SUCURSAL EN ESPAÑA
0182	BANCO BILBAO VIZCAYA ARGENTARIA, S.A.
0186	BANCO MEDIOLANUM, S.A.
0188	BANCO ALCALÁ, S.A.
0198	BANCO COOPERATIVO ESPAÑOL, S.A.
0220	BANCO FINANTIA SOFINLOC, S.A.
0227	UNOE BANK, S.A.
0229	BANCOPOPULAR-E, S.A.
0234	BANCO CAMINOS, S.A.
0240	BANCO DE CRÉDITO SOCIAL COOPERATIVO, S.A.
2013	CATALUNYA BANC, S.A.
2038	BANKIA, S.A.
2080	ABANCA CORPORACIÓN BANCARIA, S.A.
2108	BANCO DE CAJA ESPAÑA DE INVERSIONES, SALAMANCA Y SORIA, S.A.
2100	CAIXABANK, S.A.
3001	CAJA RURAL DE ALMENDRALEJO, SOCIEDAD COOPERATIVA DE CREDITO
3005	CAJA RURAL CENTRAL, SOCIEDAD COOPERATIVA DE CREDITO
3007	CAJA RURAL DE GIJÓN, COOPERATIVA DE CRÉDITO
3008	CAJA RURAL DE NAVARRA, SOCIEDAD COOPERATIVA DE CREDITO
3009	CAJA RURAL DE EXTREMADURA, SOCIEDAD COOPERATIVA DE CREDITO
3016	CAJA RURAL DE SALAMANCA, SOCIEDAD COOPERATIVA DE CREDITO
3017	CAJA RURAL DE SORIA, SOCIEDAD COOPERATIVA DE CREDITO
3020	CAJA RURAL DE UTRERA, SOCIEDAD COOPERATIVA ANDALUZA DE CREDITO
3023	CAJA RURAL DE GRANADA, SOCIEDAD COOPERATIVA DE CREDITO
3025	CAJA DE CRÉDITO DE LOS INGENIEROS, SOCIEDAD COOPERATIVA DE CREDITO



NRBE

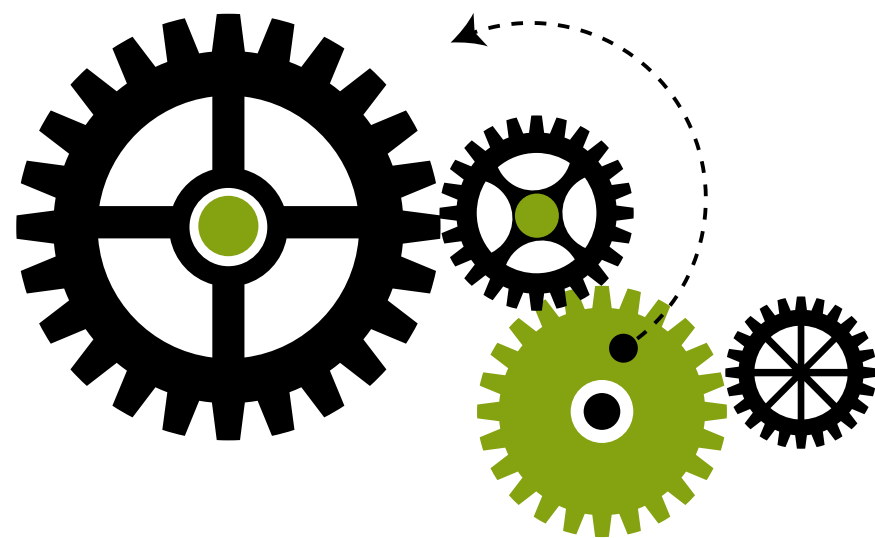
Bank of Spain Registry Number

3029	CAJA DE CREDITO DE PETREL, CAJA RURAL, COOP. DE CRÉDITO VALENCIANA
3035	CAJA LABORAL POPULAR, SOCIEDAD COOPERATIVA DE CREDITO
3045	CAIXA RURAL ALTEA, COOPERATIVA DE CREDIT VALENCIANA
3058	CAJAS RURALES UNIDAS, SOCIEDAD COOPERATIVA DE CREDITO
3059	CAJA RURAL DE ASTURIAS, SOCIEDAD COOPERATIVA DE CREDITO
3060	CAJA RURAL DE BURGOS, FUENTEPelayo, SEGOVIA Y CASTELLDANS, SOCIEDAD COOPERATIVA DE CRÉDITO
3067	CAJA RURAL DE JAEN, BARCELONA Y MADRID, SOCIEDAD COOPERATIVA DE CREDITO
3070	CAIXA RURAL GALEGA, SOCIEDAD COOPERATIVA DE CREDITO LIMITADA GALLEGA
3076	CAJASIETE, CAJA RURAL, SOCIEDAD COOPERATIVA DE CREDITO
3080	CAJA RURAL DE TERUEL, SOCIEDAD COOPERATIVA DE CREDITO
3081	CAJA RURAL DE CASTILLA-LA MANCHA, SOCIEDAD COOPERATIVA DE CREDITO
3085	CAJA RURAL DE ZAMORA, SOCIEDAD COOPERATIVA DE CREDITO
3096	CAIXA RURAL DE L'ALCUDIA, SOCIEDAD COOPERATIVA VALENCIANA DE CREDITO
3098	CAJA RURAL NUESTRA SEÑORA DEL ROSARIO, S. COOP. ANDALUZA DE CRÉDITO
3102	CAIXA RURAL SANT VICENT FERRER DE LA VALL D'UIXO, COOP. DE CREDIT V.
3105	CAIXA RURAL DE CALLOSA D'EN SARRIA, COOP. DE CREDITO VALENCIANA
3111	CAIXA RURAL LA VALL "SAN ISIDRO", S. COOP. DE CREDITO VALENCIANA
3117	CAJA RURAL D'ALGEMESÍ, SOCIEDAD COOPERATIVA VALENCIANA DE CREDIT
3118	CAJA RURAL DE TORRENT COOPERATIVA DE CREDIT VALENCIANA
3121	CAJA RURAL DE CHESTE, SOCIEDAD COOPERATIVA DE CREDITO
3127	CAJA RURAL DE CASAS IBAÑEZ, S. COOP. DE CREDITO DE CASTILLA LA MANCHA
3130	CAJA RURAL SAN JOSE DE ALMASSORA. S. COOP. DE CRÉDITO VALENCIANA
3140	CAJA RURAL DE GUISSONA, SOCIEDAD COOPERATIVA DE CREDITO
3146	CAJA DE CRÉDITO COOPERATIVO, SOCIEDAD COOPERATIVA DE CREDITO
3159	CAIXA POPULAR-CAIXA RURAL, S. COOP. DE CRÉDITO VALENCIANA
3179	CAJA RURAL DE ALGINET, SOCIEDAD COOPERATIVA CREDITO VALENCIANA
3183	CAJA DE ARQUITECTOS, SOCIEDAD COOPERATIVA DE CREDITO
3186	CAIXA RURAL ALBALAT DEL SORELLS, COOPERATIVA DE CREDIT VALENCIANA
3187	CAJA RURAL DEL SUR, SOCIEDAD COOPERATIVA DE CREDITO
3190	CAJA RURAL DE ALBACETE, CIUDAD REAL Y CUENCA, S. COOP. DE CRÉDITO
3191	CAJA RURAL DE ARAGÓN, SOCIEDAD COOPERATIVA DE CREDITO
8321	ENTRE2 SERVICIOS FINANCIEROS, E.F.C., S.A.
8776	FINCONSUM, ESTABLECIMIENTO FINANCIERO DE CREDITO, S.A.
8816	SOCIEDAD CONJUNTA PARA LA EMISIÓN Y GESTIÓN DE MEDIOS DE PAGO, E.F.C., S.A.
8834	AVANT TARJETA, ESTABLECIMIENTO FINANCIERO DE CREDITO, S.A.
	GLOBAL NORWALK, S.L.U.



Non-shareholder Members of ServiRed System

0235	BANCO PICHINCHA ESPAÑA, S.A.
1490	SELF TRADE BANK, S.A.
1491	TRIADOS BANK N.V., SUCURSAL EN ESPAÑA
1525	BANQUE CHAABI DU MAROC, SUCURSAL EN ESPAÑA
2081	MARE NOSTRUM, S.A.
0133	NUEVO MICRO BANK, S.A.
3123	CAIXA RURAL DE TURÍS, COOPERATIVA DE CRÉDITO VALENCIANA
3157	CAJA RURAL LA JUNQUERA DE CHILCHES, S. COOP. DE CRÉDITO V.
3119	CAJA RURAL SAN JAIME DE ALQUERÍAS DEL NIÑO PERDIDO, S. COOP. DE CRÉDITO V.
3095	CAJA RURAL SAN ROQUE DE ALMENARA, S. COOP. DE CRÉDITO V.
3152	CAJA RURAL DE VILLAR, S. COOP. DE CRÉDITO V.
3160	CAIXA RURAL SANT JOSEP DE VILAVELLA, S. COOP. DE CRÈDIT V.
3112	CAJA RURAL SAN JOSÉ DE BURRIANA, S. COOP. DE CRÉDITO V.
3135	CAJA RURAL SAN JOSÉ DE NULES, S. COOP. DE CRÉDITO V.
3165	CAJA RURAL SAN ISIDRO DE VILAFAMÉS, S. COOP. DE CRÉDITO V.
6702	CAIXABANK ELECTRONIC MONEY, EDE, S.L.
6812	MONEY EXCHANGE, S.A.
8788	CAIXA CARD 1, ESTABLECIMIENTO FINANCIERO DE CRÉDITO, S.A.
3110	CAJA RURAL CATÓLICO AGRARIA, S. COOP. DE CRÉDITO V.
1550	BANCA POPOLARE ETICA, S.C.P.A, SUCURSAL EN ESPAÑA
8821	BANSABADELL FINCOM, E.F.C., S.A.



Changes in 2014

- Merger due to absorption of Sabadell Solbank, S.A.U. by Banco de Sabadell, S.A.
- Barclays Bank, S.A.U. become a sole-shareholder company.
- Banco de Crédito Social Cooperativo, S.A. joined.
- Merger due to absorption of Caja Rural de Córdoba, Sociedad Cooperativa de Crédito by Caja Rural del Sur, Sociedad Cooperativa de Crédito.
- Citibank España, S.A. left.
- bancopopular-e, S.A. joined.
- Banca Popolare Etica, Sociedad Cooperativa per azioni (branch in Spain) joined.
- Assignment of Banco Espirito Santo, S.A. branch in Spain to Novo Banco, S.A. branch in Spain.
- Merger due to absorption of Banco Echeverría, S.A. by NCG Banco, S.A.
- Change of name from NCG Banco, S.A. to Abanca Corporación Bancaria, S.A.
- Bansabadell Fincom, E.F.C., S.A. joined.





Chairman of the Board

Rafael Martín-Peña García *
ServiRed S.A.

To sum up the most important events since the publication of last year's Annual Report, I would mention the regulation of payment system activity as the factor that is having the most impact on the industry. The consequences and most outstanding data relating to the most important of the regulations that have been drafted under the European Union Interchange Fees Regulation (and, paradoxically, prior to this, Spanish Act 18/14) are mentioned in this Annual Report in the letter from our Deputy Managing Director, which I refer to. However, sector regulation will soon have to be adapted to other current or recently published initiatives both at the Community level (i.e., the second Payment Services Directive Directive -PSD2); a new guide for the evaluation of payment schemes versus the standards dictated by the Oversight Framework; European Central Bank recommendations on e-commerce and other directives indirectly related to payment systems) and nationally. This includes both in Spain (particularly the abovementioned Act 18/14 and the future possible Commercial Code, currently in a draft phase, the procedure for which involved ServiRed's participation by contributing suggestions that were favourably considered in its Report by the Council of State; as well as a new regulation on financial credit institutions) and our neighbouring countries (the most important being the implementation of the Payment Systems Regulator in the United Kingdom, created in April 2014, with its first provisions published in March 2015), just to mention some of the examples of regulatory

activity in relation to payment systems.

Furthermore, the Spanish finance map continued to undergo modifications last year which, in the case of ServiRed, had led to a number of notable changes in our composition, both due to the concentration operations of some members (i.e., Catalunya Banc joined the BBVA group; Barclays Bank S.A.U. was absorbed by CaixaBank; the Banco de Crédito Social Cooperativo began operations, after being created in 2014 by 32 credit cooperatives with Cajamar as its benchmark shareholder, to mention just some cases) as well as card portfolio commercial operations and other types of agreements. These operations last year again reflect the trend for reducing the number of Spanish financial institutions which has resulted in a market with fewer operators, each with more weight and importance. One natural outcome of this dynamic has provided new examples of the possibility of the provisional or definitive and simultaneous or otherwise participation of members of one payment scheme in other different payment schemes, consistent with the legal provisions of the laws on payment systems in this regard.

Below I list a number of milestones in ServiRed's activity which warrant recognition in this letter in their respective areas of action.

As a domestic payment scheme, ServiRed was favourably assessed by the Bank of Spain with regards the Oversight Framework for



Card Payment Schemes standards. I must also mention here that our company was PCI/DSS-certified in 2014. Furthermore, ServiRed was one of the founding members of ECPA, the European Card Payment Association. With regards member services, last year saw the implementation of the Issuer Deferred Payment service (which makes it possible to conveniently allow the splitting of payments made through the cards of the service's user members).

As a collective member through which the relations of all of its members with international payment systems are maintained, ServiRed continued to actively engage in Visa Europe forums, appointing a director to its board once again this year. We also continued to uphold representation relations of our members affiliated with the MasterCard system. However, one significant novelty of the year was that ServiRed has recently signed the Scheme contract with Union Pay International (the international payment system created in China which is enjoying spectacular growth and worldwide expansion) and, at today's date, a sublicense contract has been signed by one of our members which, we are convinced, will be the first of a long list.

In keeping with the ongoing improvement of corporate governance, I would like to emphasise the creation in ServiRed of an Internal Audit and Management Control Department, the functions of which will include checking the permanent updating of the company's risk

Rafael Martín-Peña García
Chairman of the Board
ServiRed S.A.



map and the adoption of measures to mitigate and analyse the evolution of these risks, as well as the Criminal Code Compliance Programme launched in the company during 2014.

For all of this, I am very pleased to share with you the information set forth in this Annual Report.

(* Representative of Global Norwalk, S.L.U, Chairman of the Board.





Deputy Managing Director

Carmen Carnero Silvo
ServiRed S.A.

Growth was recorded in 2014 following various years of stagnation. However it was lower than the growth registered in the years previous to the financial downturn. In 2014, 1.7 billion purchase transactions were made (10.1% more than in 2013) for a value of €77.78 billion (8.5% more than in 2013) with ServiRed System member cards. With regards to total market size for the year 2014, our estimate is that the market reached €117.5 billion in purchases using bank cards (7.2% more than in 2013) and 2.7 billion purchase transactions (8.4% more than in 2013). The market share of the ServiRed system would therefore have grown to 64.3% in 2014, 82 basis points more than in 2013.

Share of cards on private consumption grew from 11.40% to 12.09% for the ServiRed system and from 17.97% to 18.81% for the total Spanish market. Although these figures represent a slight improvement, we are still a long way from the European average of 28.33% and from most of our neighbouring countries. France and the UK, for example, posted cards share on private consumption figures of 37.03% and 52.36% respectively.

E-commerce paid with cards has evolved much better than general market figures, continuing the trend of recent years. In the case of the ServiRed system overall, if the total purchase volume in euros grew by around 8.5% in 2014, the purchase volume in euros in virtual merchants was up 23.9%, while the growth for face to face purchases only grew by 6.9%.

The end-of-year distribution between the euro volume from purchases in the card present environment and e-commerce was 89% and 11% respectively. However, the analysis of the activity revealed very different behaviours depending on whether the transactions are face-to-face or e-commerce and domestic or international. In 2014, in the card present environment, 96.7% of the transactions were domestic and 3.3% international. On e-commerce, however, 38.7% of transactions were domestic and 61.3%

international.

If, in addition, the whole of the abovementioned analysis is combined with fraud data, we get very important results. Purchases using ServiRed cards in foreign e-commerce merchants rose by 23%, while fraud grew by 36%. Purchases made with ServiRed cards in domestic e-commerce merchants grew by 24.7%, and fraud by 1%.

Despite all of this, the general fraud figures recorded by the overall ServiRed system grew very moderately, from a recorded fraud over sales volume ratio of 0.019% in 2013 to 0.021% in 2014. This figure continues to hold steady in a level significantly lower to that recorded by Visa Europe, where according to the company's 2014 Annual Report it was 0.045%.

Another noteworthy fact is that the analysis of activity throughout 2014 found that the growth in transactions made with contactless cards rose by 281% in amount of purchases and 271% in number of transactions, coming in at 11.1 million cards issued and 377,767 merchants adapted.

Once again, during the year, the principal highlight was the intense regulatory activity. On the one hand, the European authorities continued to work on the interchange fees Regulations and on the second version of the Payment Service Directive (PSD2). On the other hand, the Spanish government decided to bring forward the entry into force in Spain of a number of key measures included in the abovementioned European regulation. Consequently, in July 2014 the government issued Royal Decree 8/14, to be implemented by September 1st 2014. Its validation was subsequently handled as a Bill of Law, with various amendments arising in the process before eventually giving rise to Law 18/14 of October 15th. The impact of this regulation on the Spanish market was very considerable. Between its implementation on 1 September and the 2014 year end, the Central Bank of Spain figures show that average interchange fees fell from 0.66% to 0.29% for credit transactions and



Carmen Carnero Silvo
Deputy Managing Director
ServiRed S.A.

from 0.61% to 0.10% for debit, translating into a 55.49% fall in credit rates and an 83.4% drop in debit rates.

Apart from the frantic regulatory activity, the means of payment industry continued to go through a unique period in its history and a number of very important events took place in 2014, highlighting particularly tokenization, which opened up even more opportunities in the payments industry by replacing sensitive card data with unique identification symbols that retain all of the crucial information about said data but without compromising its security.

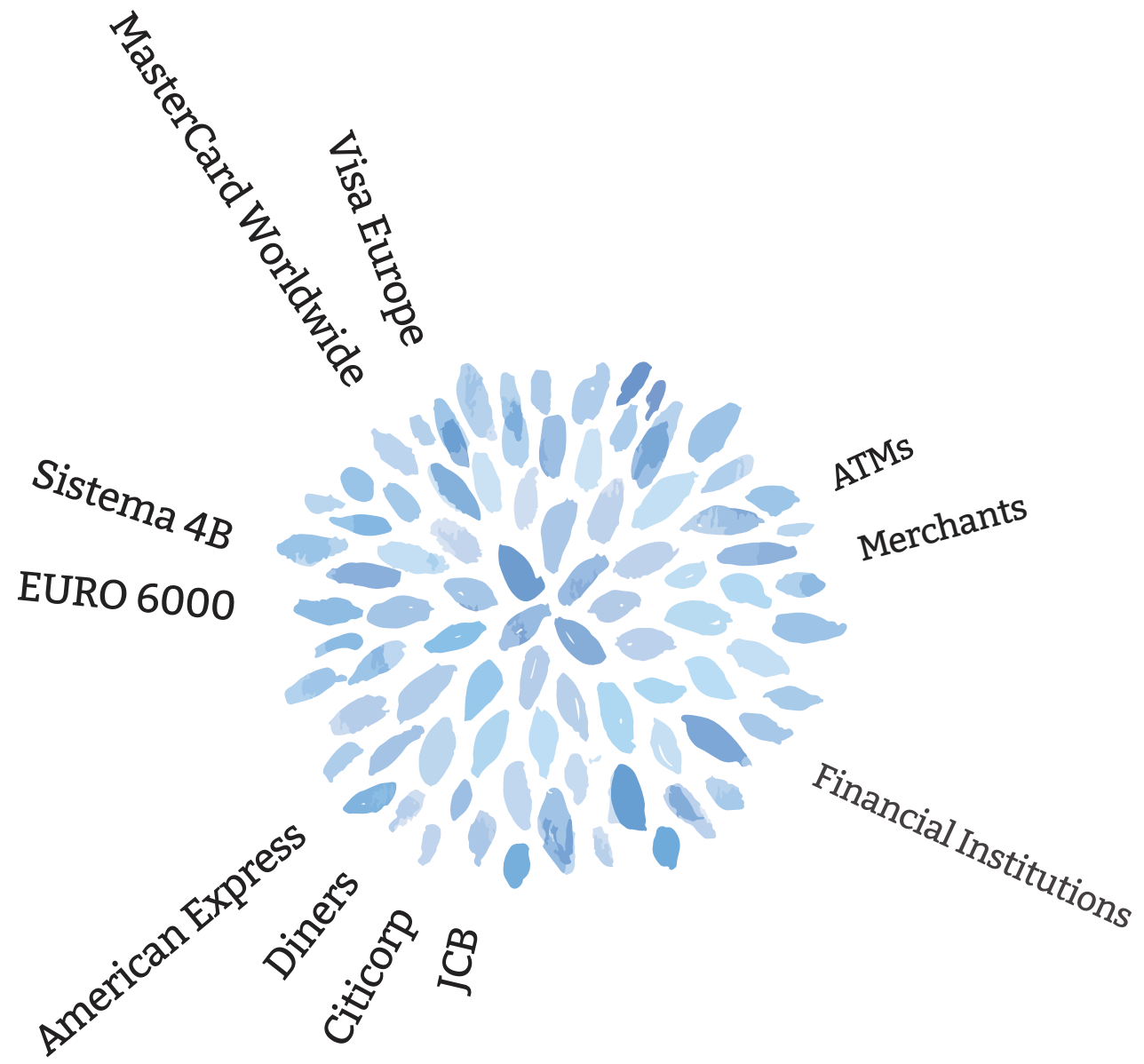
The standardisation of tokenization has permitted the irruption of an important strength in the payments industry which may eventually end up playing a key role. This strength is Apple Pay, which was launched in the US on October 20th 2014. The Apple brand has arrived to the payment industry and is here to stay, making it very likely that it will, in the future, become consumers' favourite payment brand above and beyond any other players involved in this kind of payment. And tokens, which are the key of the kingdom of sensitive card information, are provided by international card systems, giving them control over who accesses to which token and at what cost.

Apart from this initiative from Apple which, at least for now, is based on NFC (hardware), there were also other cloud-based ones (software), such as the announcement by Google to include Host Card Emulation (HCE) in its 4.4 operating system, which has been supported by international card systems. Other important industry players are also evolving their traditional hardware-based strategies towards software and the cloud. Those whose traditional business was to sell POS terminals are making acquisitions, investments and product launches to shore up their internet and mobile business areas. And those whose traditional approach was based on the sale of processing services and hardware are refocusing on the creation of solutions and apps that are



agnostic in terms of technology and devices.

The leitmotif among all of these initiatives which emerged in 2014 are the opportunities that have been created to reinvent the relationship between consumers and merchants and, eventually, to change the long-term power balance in the payments ecosystem. Taking into account the regulatory activity, the reduction of interchange fees, the arrival of Apple Pay and tokenization prices, it is increasingly clear that a new business model must emerge in the payments industry. And nowadays, with the possibility of capturing and presenting information as part of the purchasing experience, a new alternative based on this information appears to be increasingly viable. At ServiRed, we continue working side-by-side with our members to help them reach their goals. One year more, I would like to take this opportunity to thank them for their trust and support to all the ServiRed team.







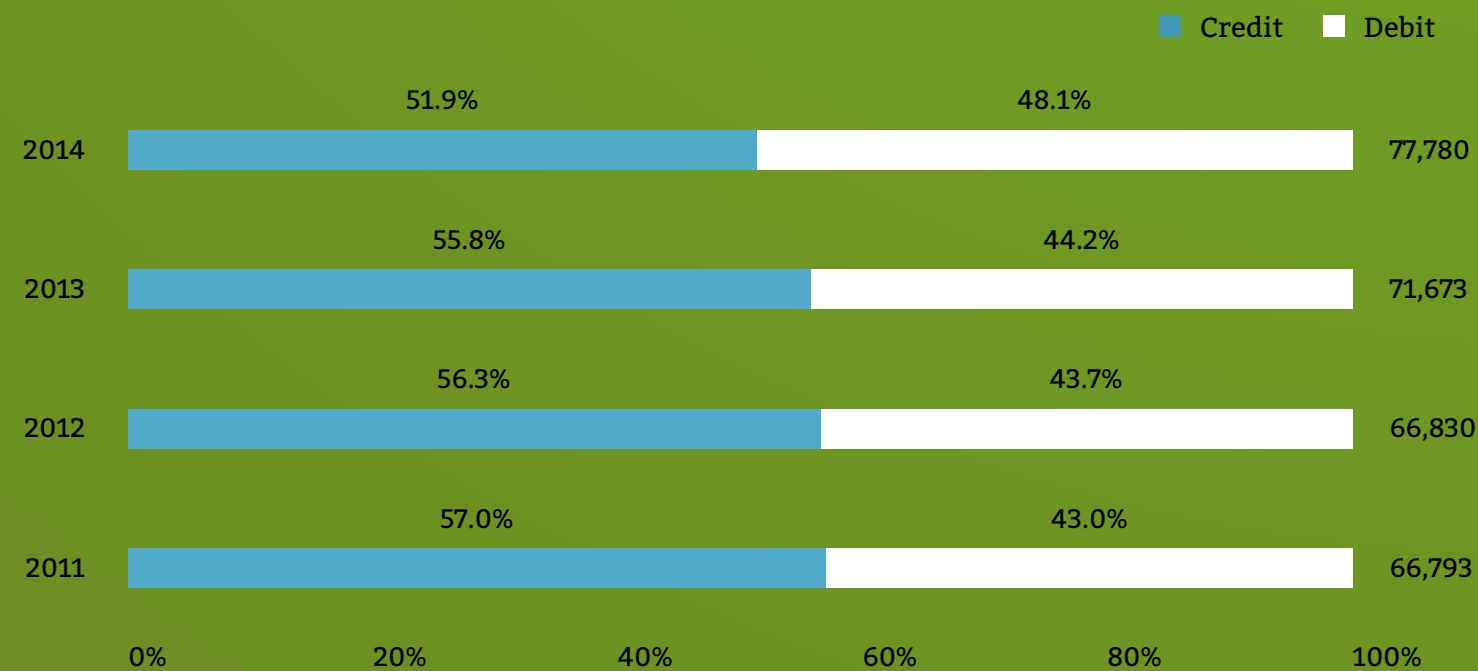
57%

57% of ServiRed cards are debit cards.

52%

Purchases using credit cards represents 52% of total purchases made with ServiRed cards.

Purchases with Credit and Debit Cards (millions of euros)



Summary of Activity

In 2014 ServiRed cardholders made over 1.71 billion purchases totalling €77.78 billion. This last figure represents a rise of 8.5%, the largest recorded since 2008.

ServiRed shored up its leadership in Spain both in terms of issuing and acquiring.

From the standpoint of the issuers it obtained a market share of 64.3% in the amount of purchases (82 base points more than the previous year) and 61.8% in cash withdrawals.

From the acquirer standpoint, the market share came in at 70.6% of purchase volume (257 base points more than the previous year) and 61.9% in cash withdrawal value.

More than half the purchase volume issued by the ServiRed members was made using credit cards. However, purchases using debit cards have gained market share in recent years, a trend that was accentuated in Q2 2014. Debit growth exceeded that of credit growth in 2014 with values of 18.2% and 0.8% respectively. In terms of the number of cards issued, there were more debit than credit cards, something which had occurred for the first time the previous year.



Purchases and cash withdrawals

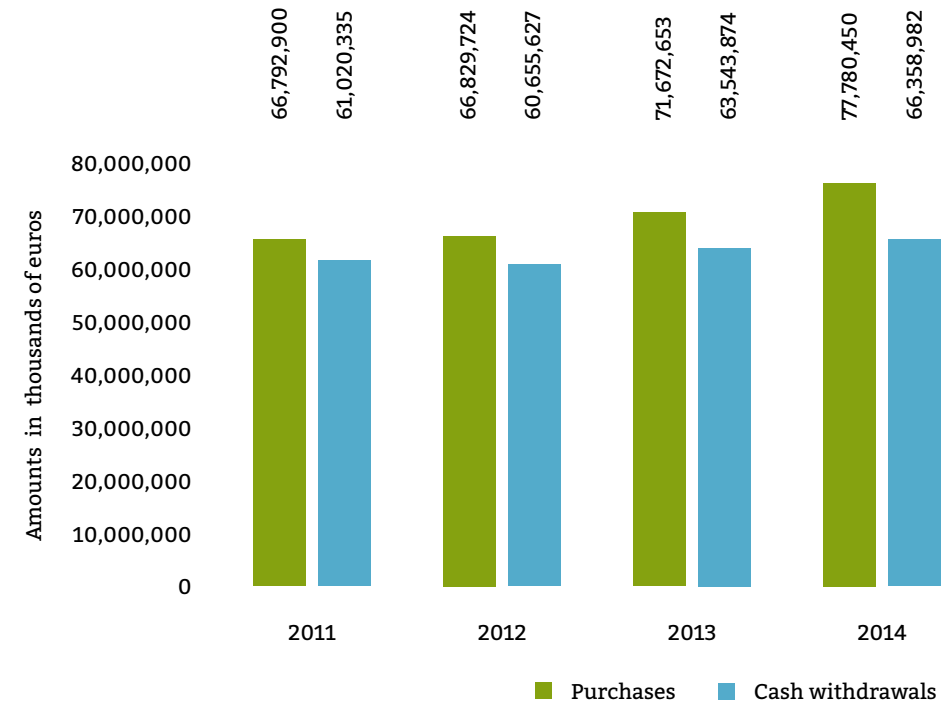
TRANSACTIONS	Purchases	Incr.	% of total	Cash withdrawals	Incr.	% of total	Sales volume	Incr.	% of total
Credit cards	780,455	1.0%	45.7%	168,642	-11.2%	31.9%	949,097	-1.4%	42.5%
Debit cards	926,008	19.0%	54.3%	360,158	10.1%	68.1%	1,286,166	16.4%	57.5%
Total cards	1,706,463	10.1%	100.0%	528,801	2.3%	100.0%	2,235,263	8.1%	100.0%

AMOUNTS	Purchases	Incr.	% of total	Cash withdrawals	Incr.	% of total	Sales volume	Incr.	% of total
Credit cards	40,355,115	0.8%	51.9%	24,280,610	-8.0%	36.6%	64,635,726	-2.7%	44.8%
Debit cards	37,425,334	18.2%	48.1%	42,078,371	13.2%	63.4%	79,503,706	15.5%	55.2%
Total cards	77,780,450	8.5%	100.0%	66,358,982	4.4%	100.0%	144,139,432	6.6%	100.0%

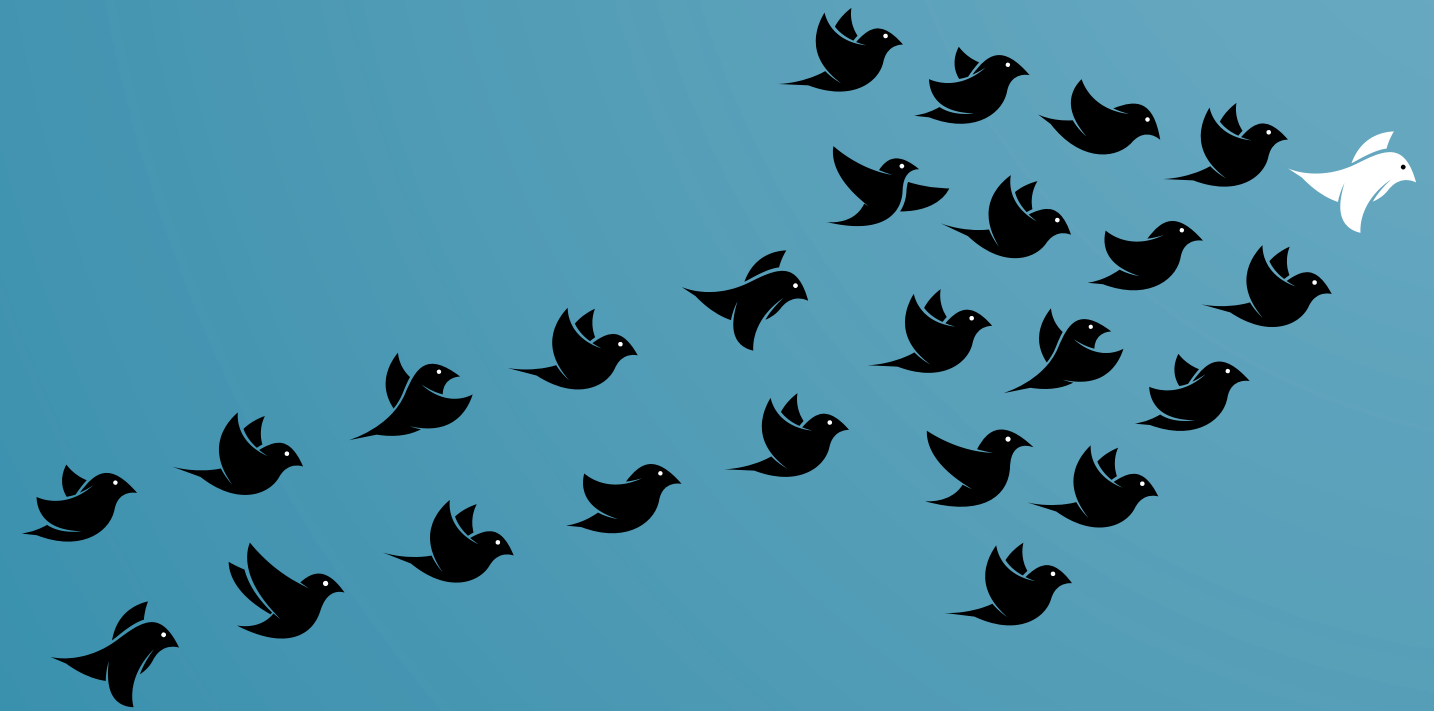
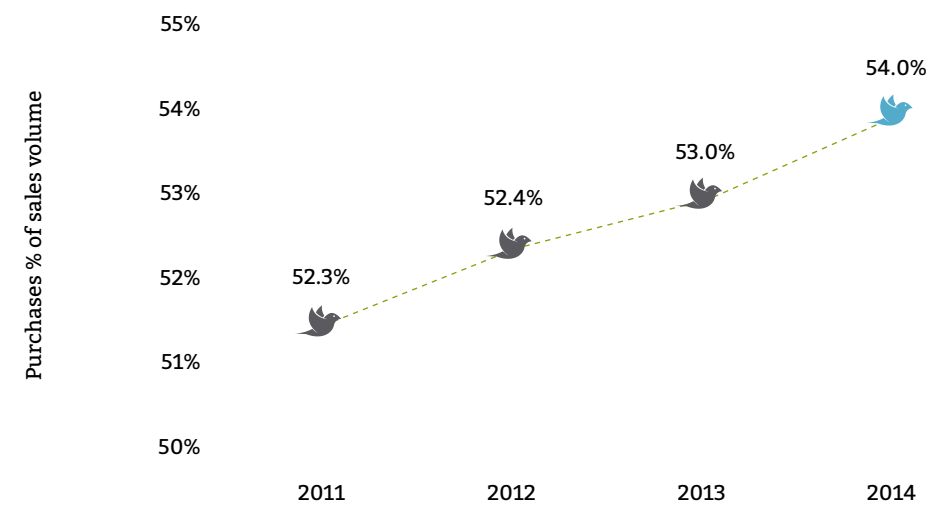
Amounts in thousands of euros
'000 of transactions



Purchases and cash withdrawals



Card Purchases as % of Sales Volume



Purchases continued to gain market share over cash withdrawals





1,945€

In 2014, the cost of purchases with the ServiRed card was €1,945



Spending per Card in Purchases



Spending per Card on Cash Withdrawals







International Activity

	Purchases	% total	Cash withdrawals	% total	Sales Vol.	%total
United Kingdom	2,075,182	26.1%	63,906	8.7%	2,139,088	24.7%
France	817,874	10.3%	68,027	9.3%	885,901	10.2%
Ireland	856,453	10.8%	8,887	1.2%	865,340	10.0%
Luxembourg	693,991	8.7%	702	0.1%	694,693	8.0%
Germany	371,514	4.7%	48,291	6.6%	419,805	4.8%
Italy	303,136	3.8%	41,550	5.7%	344,686	4.0%
Rest of European Union	832,609	10.5%	148,896	20.4%	981,505	11.3%
Total European Union	5,950,760	74.9%	380,258	52.0%	6,331,018	73.0%
United States	517,302	6.5%	32,433	4.4%	549,735	6.3%
Latin America	266,739	3.4%	155,781	21.3%	422,520	4.9%
Rest of the world	1,212,135	15.3%	162,125	22.2%	1,374,260	15.8%
Total International	7,946,935	100.0%	730,597	100.0%	8,677,532	100.0%

Purchases and cash withdrawals made with ServiRed cards abroad.
Amounts in thousands of euros.



7.95 billion

ServiRed cardholders made purchases abroad worth €7.95 billion



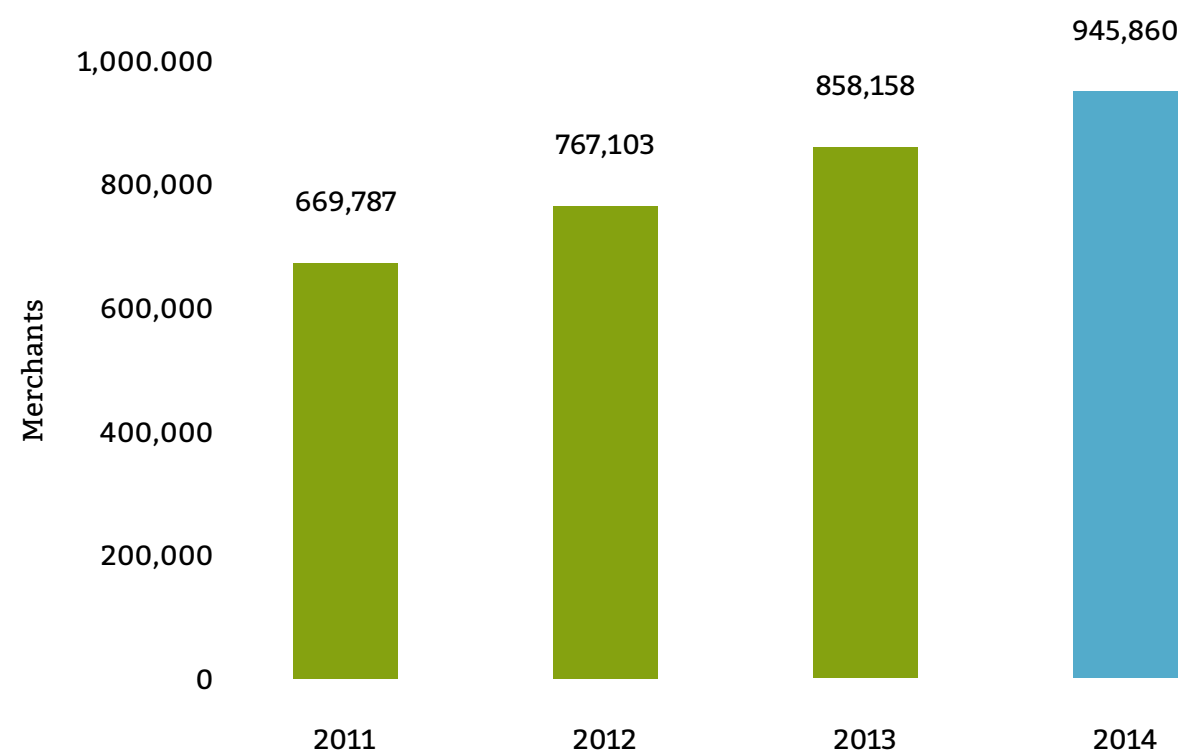
UK

The United Kingdom was the country where ServiRed cardholders purchased the most





Number of Merchants*



(*) Merchants working with ServiRed System member institutions.



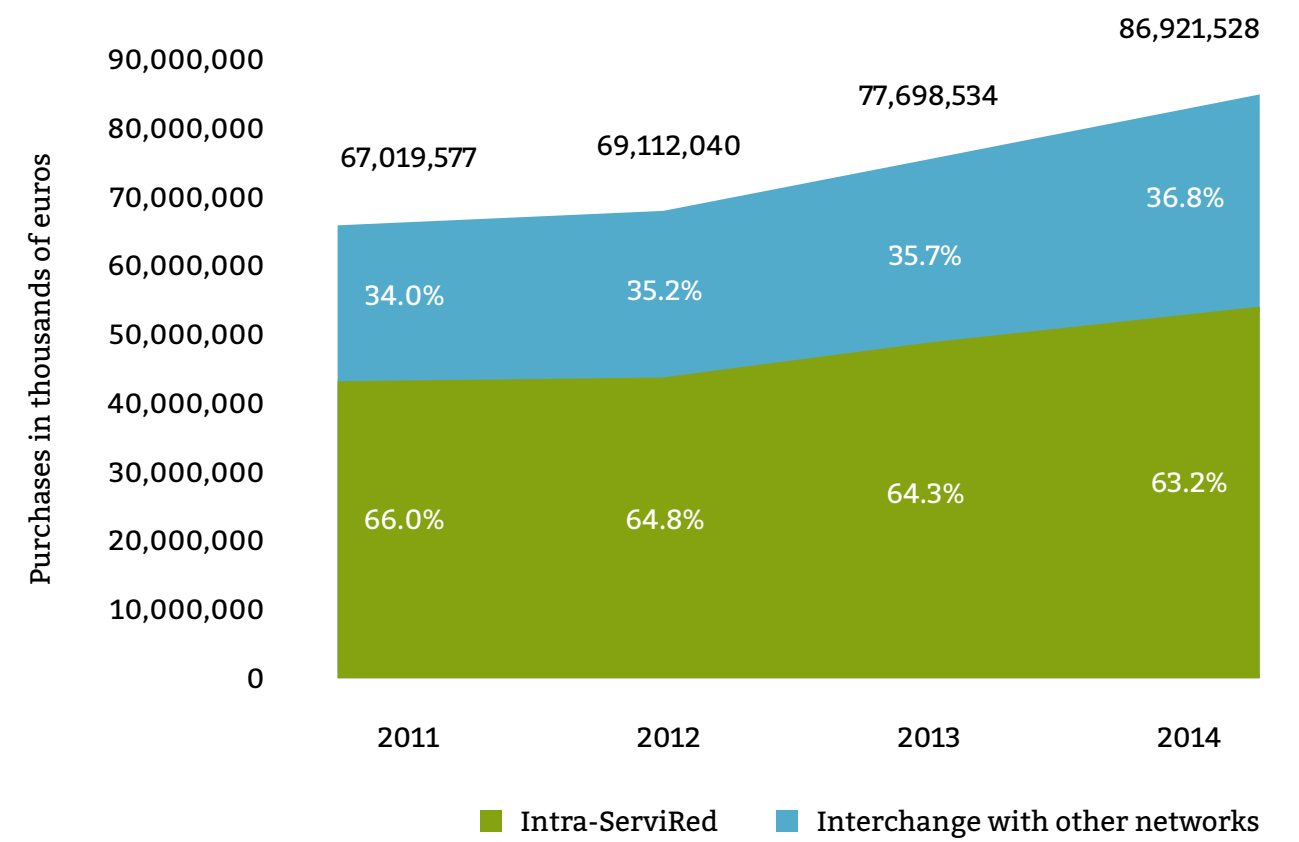
ServiRed entities included more than 945,900 contracted merchants, i.e., 87,700 more than in 2013



1.84 billion purchases worth
€86.92 billion were made at
ServiRed merchants



Purchases at ServiRed Merchants*



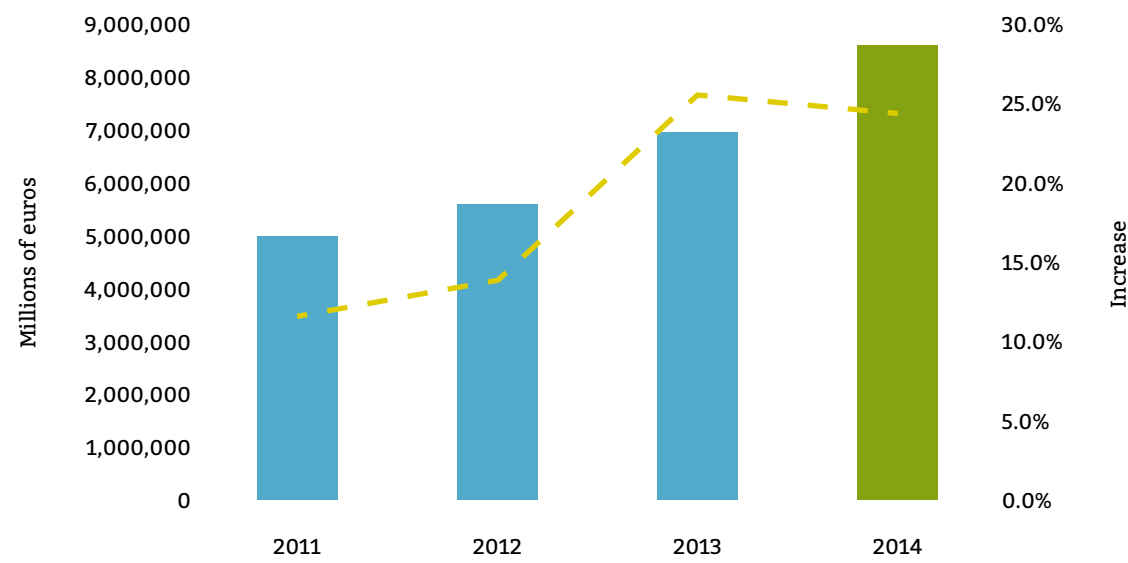
(*) Intra-ServiRed: purchases made with ServiRed cards and ServiRed merchants.
Interchanges with other networks: purchases made with non-ServiRed cards at ServiRed merchants.



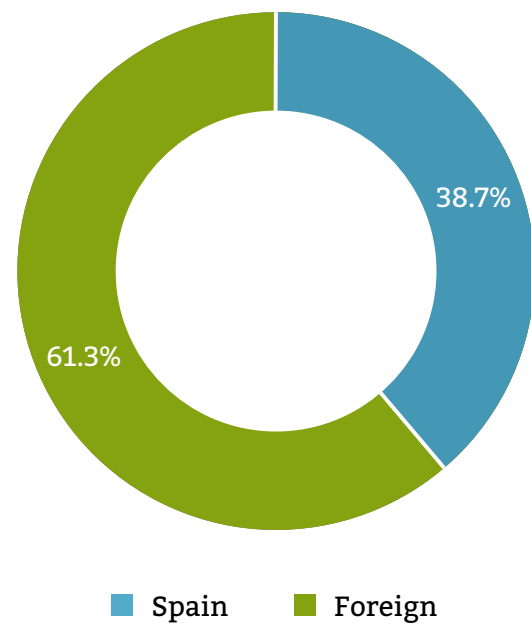
E-commerce

E-commerce represented 11.0% of the amount of purchases made using ServiRed cards in 2014. It recorded growth of 23.9% to reach €8.85 billion. The number of transactions rose by around 25.0% to come in at 154 million. The average amount of each transaction was €55.80.

E-commerce purchases using ServiRed cards



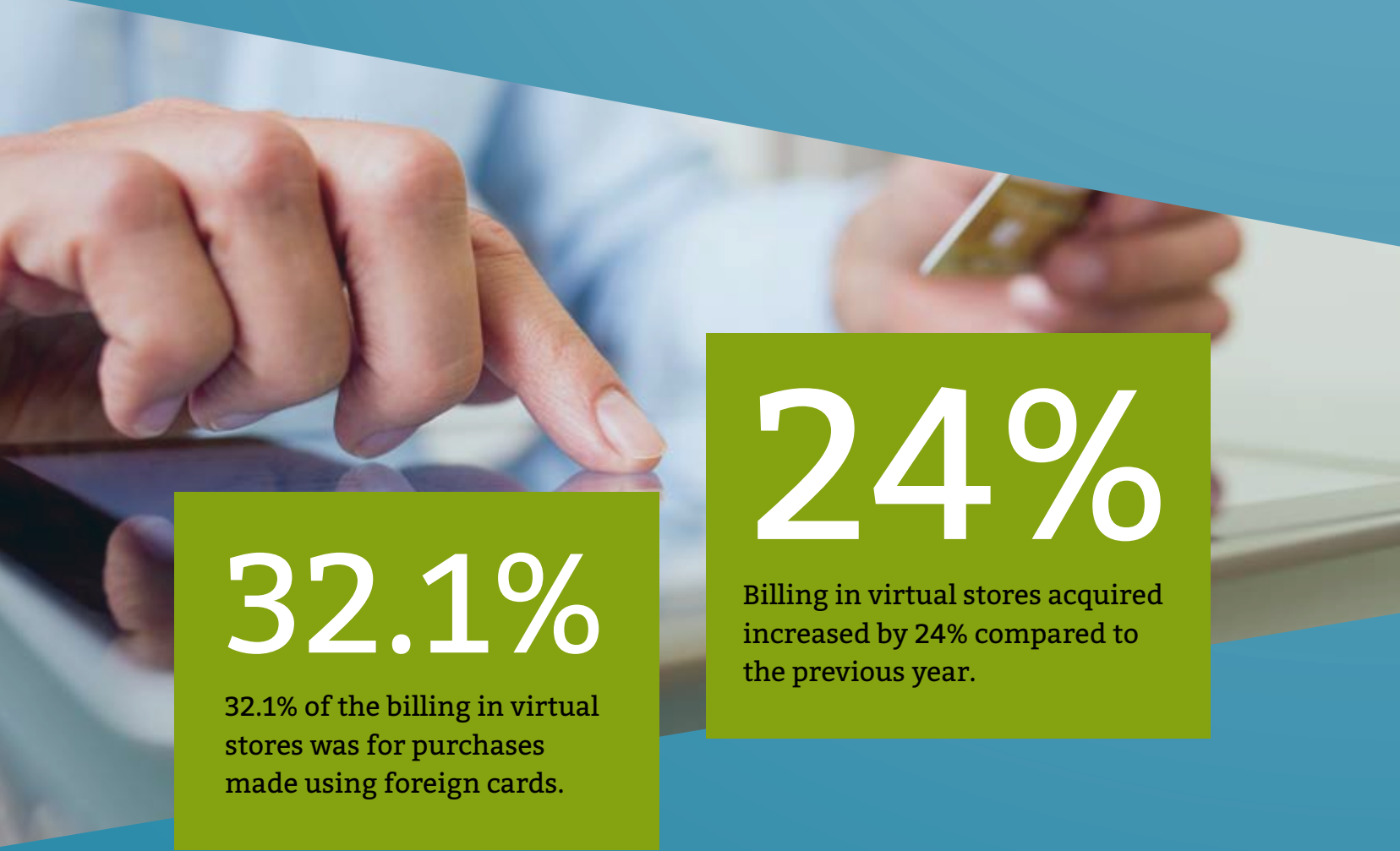
Around 61.3% of the purchases were made abroad. Of these, close to 44% were in the United Kingdom.





e-commerce

e-commerce purchases acquired by ServiRed entities (€7.37 billion) accounted for some 8.1% of total acquiring, a 24.0% rise on the previous year. Transactions grew by the same percentage to reach €82.7 million. The average amount of each transaction was €89.11.



32.1%

32.1% of the billing in virtual stores was for purchases made using foreign cards.

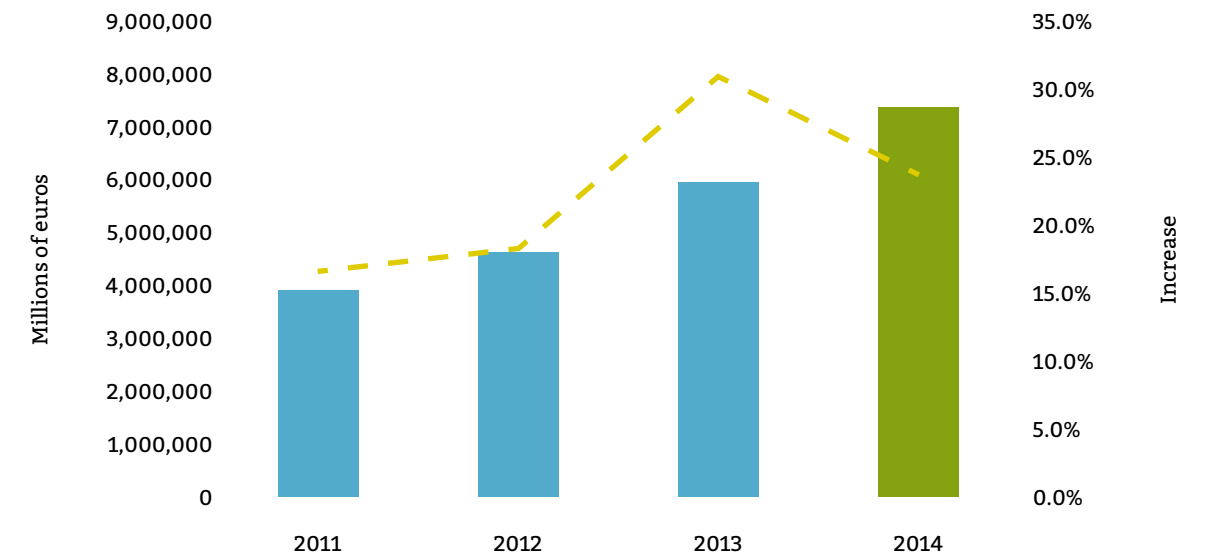
24%

Billing in virtual stores acquired increased by 24% compared to the previous year.

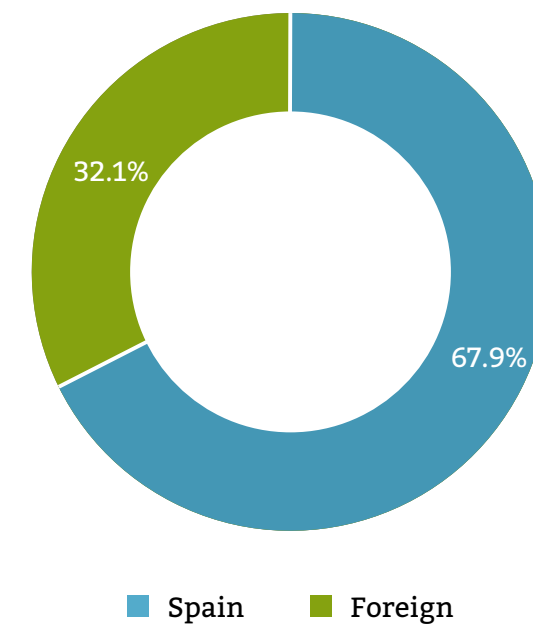
Around 32.1% of e-commerce purchases were made using foreign cards, mostly French, Italian and from the United Kingdom.



Purchases made at virtual ServiRed Merchants

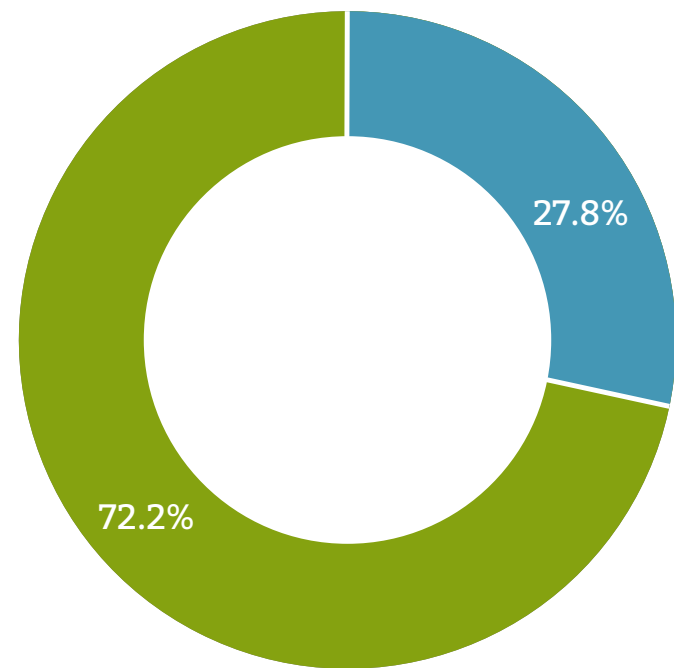


Purchases made in ServiRed's virtual merchants using foreign cards





ServiRed contactless card/total cards



■ Contactless ■ No contactless



ServiRed closed 2014 with 11.1 million contactless cards, around 27.8% of the total number of ServiRed cards. This percentage was much higher than in 2013 (13%).



11.1 million

These cardholders performed 54.1 million purchase transactions during the 2014 year, for a value of €1.88 billion. Both figures were nearly triple those recorded in 2013.



3.3%

In 2014, of the 1.88 billion transactions made in ServiRed stores, 3.3% were contactless (62.5 million transactions for a value of €2.15 billion).

76%

76% of contactless purchasing was concentrated in Barcelona, Madrid and Tenerife. By activity sectors, “retail merchants”, “restaurants”, “large food outlets” and “petrol stations” accounted for 84% of contactless purchases.







Barcelona is the Spanish province with the largest number of card purchases



Purchases in ServiRed Merchants by Province

	Amount (€)	Transactions	% Total	Average amount (€)
Álava	525,827,857	9,669,710	0.5%	54.38
Albacete	346,675,156	7,307,131	0.4%	47.44
Alicante	3,505,041,601	67,525,071	3.8%	51.91
Almería	683,273,440	13,899,490	0.8%	49.16
Asturias	1,184,664,078	22,292,169	1.3%	53.14
Ávila	157,585,462	3,065,166	0.2%	51.41
Badajoz	529,636,787	11,089,435	0.6%	47.76
Balearics	3,471,535,884	49,675,615	2.8%	69.88
Barcelona	20,103,398,655	457,654,886	25.7%	43.93
Burgos	474,509,218	9,242,306	0.5%	51.34
Cáceres	275,027,548	5,450,455	0.3%	50.46
Cádiz	1,350,866,614	28,225,105	1.6%	47.86
Cantabria	620,576,670	11,235,385	0.6%	55.23
Castellón	1,114,290,248	24,019,483	1.3%	46.39
Ceuta	90,379,573	1,680,391	0.1%	53.78
Ciudad Real	434,329,751	8,787,965	0.5%	49.42
Córdoba	488,582,678	10,414,603	0.6%	46.91
Corunna	994,606,128	19,761,140	1.1%	50.33
Cuenca	153,123,262	2,989,479	0.2%	51.22
Gerona	2,686,890,775	49,604,600	2.8%	54.17
Granada	897,936,113	17,135,534	1.0%	52.40
Guadalajara	234,209,067	5,305,548	0.3%	44.14
Guipúzcoa	1,298,248,307	20,928,600	1.2%	62.03
Huelva	542,788,042	11,682,563	0.7%	46.46
Huesca	339,626,232	5,997,963	0.3%	56.62
Jaén	326,404,309	6,549,097	0.4%	49.84
León	502,091,831	10,054,326	0.6%	49.94
Lérida	964,758,110	18,804,837	1.1%	51.30
Lugo	216,297,303	4,189,435	0.2%	51.63
Madrid	15,978,182,087	331,478,863	18.6%	48.20
Málaga	2,623,038,425	46,768,866	2.6%	56.09
Melilla	74,353,507	1,377,997	0.1%	53.96
Murcia	1,665,982,223	31,468,108	1.8%	52.94
Navarra	1,293,299,883	25,710,483	1.4%	50.30
Orense	172,131,458	3,396,773	0.2%	50.67
Palencia	147,679,022	2,973,063	0.2%	49.67
Palmas, Las	2,415,924,452	50,318,189	2.8%	48.01
Pontevedra	640,049,245	13,086,852	0.7%	48.91
Rioja, La	459,678,702	8,420,333	0.5%	54.59
Salamanca	312,332,145	6,068,055	0.3%	51.47
Saragossa	1,204,577,679	27,799,442	1.6%	43.33
Segovia	228,457,800	4,245,389	0.2%	53.81
Seville	2,199,156,065	47,593,088	2.7%	46.21
Soria	94,962,339	1,770,990	0.1%	53.62
Tarragona	2,093,877,608	44,531,174	2.5%	47.02
Tenerife	2,413,553,159	50,318,358	2.8%	47.97
Teruel	128,475,691	2,321,458	0.1%	55.34
Toledo	629,980,053	12,829,786	0.7%	49.10
Valencia	4,465,601,944	104,998,713	5.9%	42.53
Valladolid	718,156,648	13,824,028	0.8%	51.95
Vizcaya	1,871,957,230	32,687,474	1.8%	57.27
Zamora	160,340,340	3,068,144	0.2%	52.26
Total	86,504,928,405	1,781,293,115	100.0%	48.56

Transactions authorized on-line were distributed by provinces as shown on the table.



Purchases at ServiRed Merchants by Retail Categories

Retail categories	Amount (€)	% of total	Transactions	Average amount (€)
Retail merchants	19,361,093,252	22.4%	359,979,242	53.78
Large food outlets	19,142,793,429	22.1%	499,932,351	38.29
Other large retail outlets	8,299,692,953	9.6%	122,069,110	67.99
Restaurants	6,534,921,513	7.6%	187,181,582	34.91
Petrol stations	6,342,428,288	7.3%	151,358,324	41.90
Hotels	4,210,763,522	4.9%	23,391,323	180.01
Supermarkets	2,912,233,723	3.4%	88,370,741	32.95
Travel agencies	2,858,773,397	3.3%	10,403,545	274.79
Passenger transport	2,396,254,353	2.8%	30,608,247	78.29
Mail order/telephone sales	1,930,695,755	2.2%	20,606,406	93.69
Leisure, entertainment	1,390,827,791	1.6%	26,369,406	52.74
Pharmacies	1,290,384,537	1.5%	49,429,608	26.11
Small-amount categories	823,182,874	1.0%	48,919,634	16.83
Household supplies	733,950,504	0.8%	15,968,366	45.96
Jewellers	611,708,906	0.7%	6,343,324	96.43
Car rentals	600,252,608	0.7%	2,726,480	220.16
Toll motorways	296,807,142	0.3%	67,102,423	4.42
Massage parlors, saunas, discos	289,524,162	0.3%	6,438,331	44.97
Casinos	224,573,409	0.3%	2,961,720	75.83
Charities	14,899,555	0.0%	614,788	24.24
Other	6,239,166,732	7.2%	60,518,164	103.10
Total	86,504,928,405	100.0%	1,781,293,115	48.56

Transactions authorized on- line were as shown in the table,



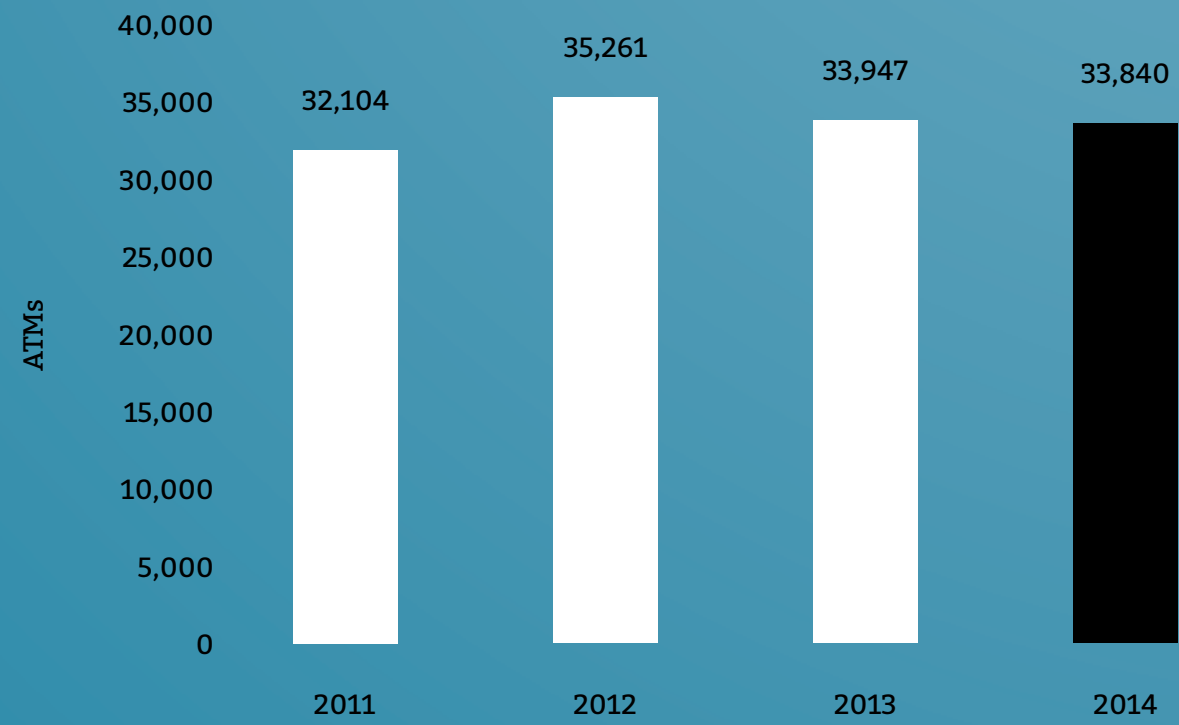
22.4%

Retail stores concentrate
22.4% of the purchases
with cards

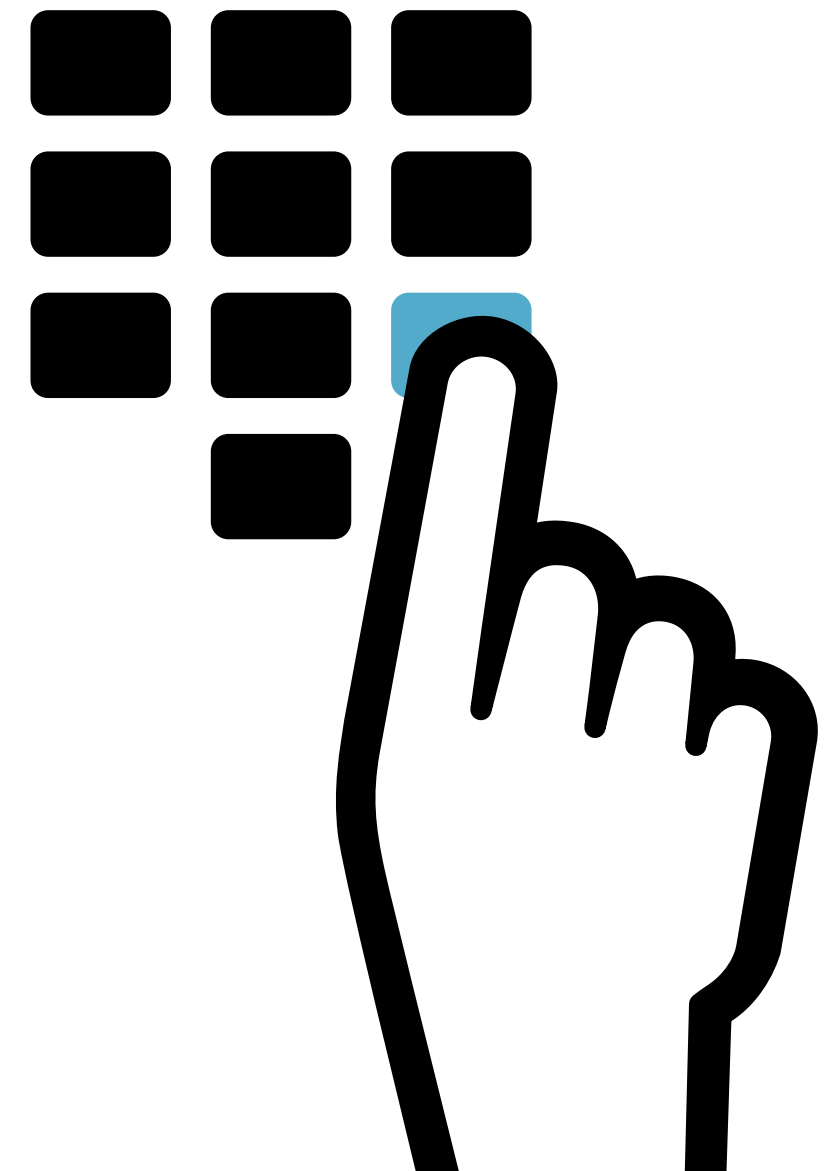




Total Number of ATMs



More than half of the ATMs in Spain belong to the ServiRed network



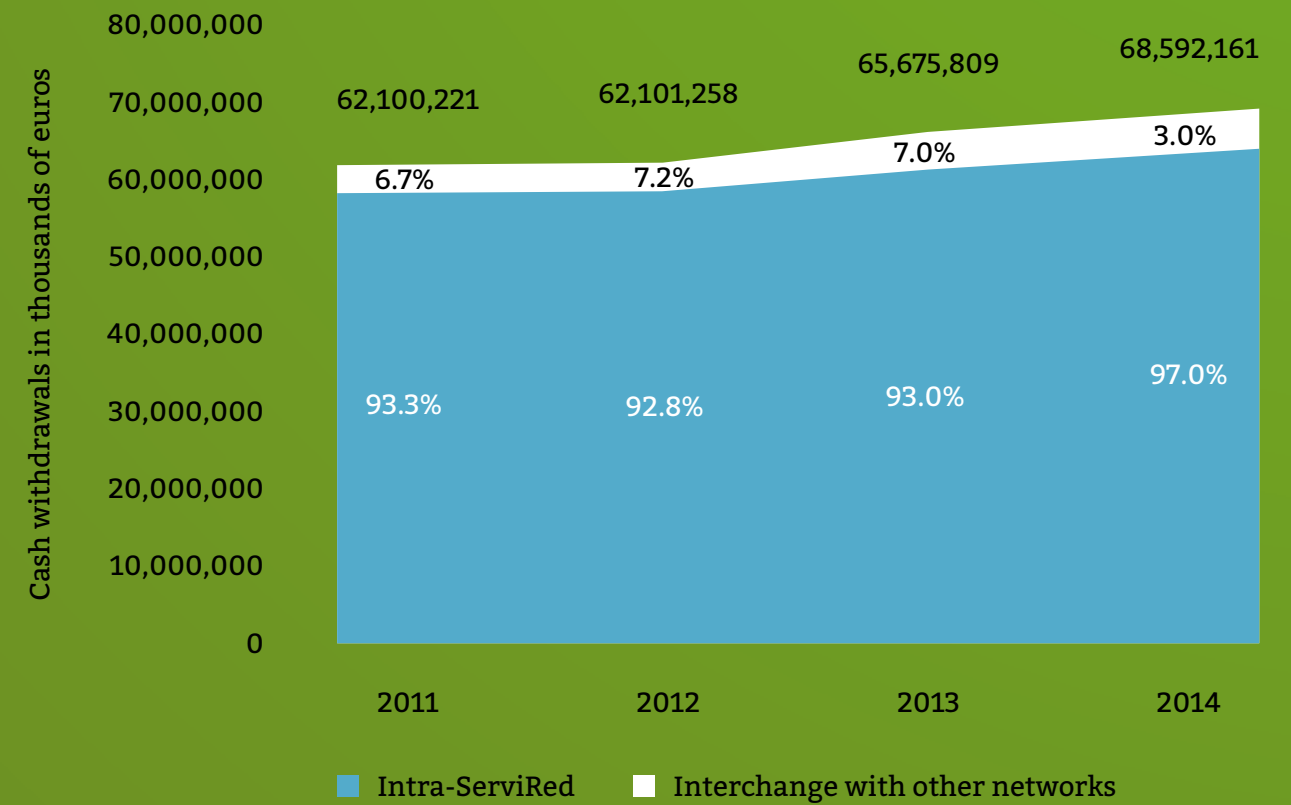


97%

ServiRed cards were used for 97% of cash withdrawals from ServiRed ATMs



Cash Withdrawals from ServiRed ATMs







Cash Withdrawals by Provinces

	Transactions	ATMs	Transations per ATM	ATMs per million inhabitants
Álava	3,592,539	183	19,631	568
Albacete	3,150,187	218	14,450	549
Alicante	24,597,223	1,850	13,296	990
Almería	8,291,811	339	24,460	483
Asturias	9,770,525	581	16,817	547
Ávila	2,671,541	133	20,087	796
Badajoz	4,649,453	428	10,863	619
Balearics	11,576,491	659	17,567	597
Barcelona	106,428,724	5,664	18,790	1,025
Burgos	2,592,225	282	9,192	769
Cáceres	1,722,697	145	11,881	355
Cádiz	9,276,168	660	14,055	532
Cantabria	3,953,546	196	20,171	333
Castellón	8,253,755	582	14,182	991
Ceuta	1,236,958	56	22,089	659
Ciudad Real	3,837,792	313	12,261	602
Córdoba	4,184,918	364	11,497	455
Corunna	6,706,056	340	19,724	300
Cuenca	1,359,221	114	11,923	550
Gerona	13,919,043	731	19,041	967
Granada	7,862,581	478	16,449	520
Guadalajara	1,683,096	129	13,047	505
Guipúzcoa	8,937,323	420	21,279	587
Huelva	4,392,543	394	11,149	759
Huesca	1,568,131	138	11,363	614
Jaén	3,477,217	320	10,866	486
León	5,805,012	368	15,774	759
Lérida	5,849,609	432	13,541	986
Lugo	1,686,793	125	13,494	365
Madrid	93,666,782	5,527	16,947	856
Málaga	12,576,276	720	17,467	444
Melilla	863,282	31	27,848	367
Murcia	14,845,650	951	15,611	648
Navarra	8,123,457	682	11,911	1,064
Orense	1,418,817	82	17,303	254
Palencia	1,736,945	118	14,720	704
Palmas, Las	18,392,058	854	21,536	776
Pontevedra	5,266,316	251	20,981	264
Rioja, La	3,359,431	276	12,172	865
Salamanca	2,115,299	148	14,293	432
Saragossa	5,961,392	456	13,073	475
Segovia	2,288,699	155	14,766	973
Seville	14,884,628	1,239	12,013	638
Soria	835,558	61	13,698	661
Tarragona	12,683,997	790	16,056	986
Tenerife	10,698,389	794	13,474	790
Teruel	739,624	72	10,273	513
Toledo	4,045,992	342	11,830	489
Valencia	35,171,620	2,497	14,086	980
Valladolid	5,859,231	377	15,542	712
Vizcaya	12,151,994	640	18,987	556
Zamora	1,832,824	135	13,576	728
Total	542,551,439	33,840	16,033	724



1,382

There is one ServiRed ATM for every 1,382 inhabitants

Navarra

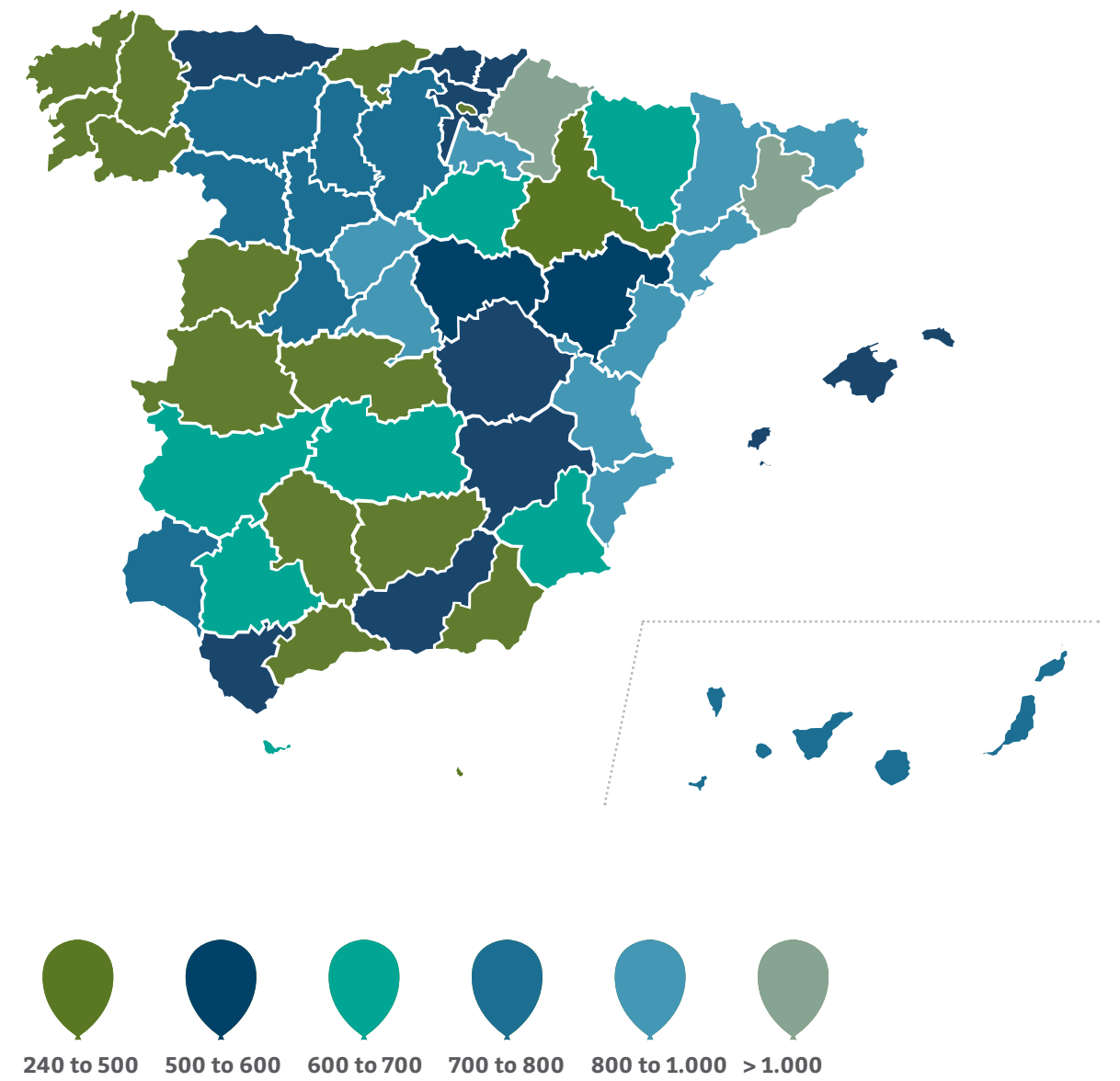
Navarra is the province with the most ServiRed ATMs per capita

Barcelona was the province with the most cash withdrawals in ServiRed ATMs





ATMs per million of inhabitants







Geographical Distribution of ATMs

Population	ATMs	ATMs as % of total	Inhabitants as % of total
>500,000	7,606	22.5%	16.0%
>100,001<500,000	8,185	24.2%	23.6%
>50,001<100,000	3,584	10.6%	12.8%
>20,001<50,000	4,614	13.6%	16.1%
<=20,000	9,850	29.1%	31.5%
Total	33,840	100.0%	100.0%



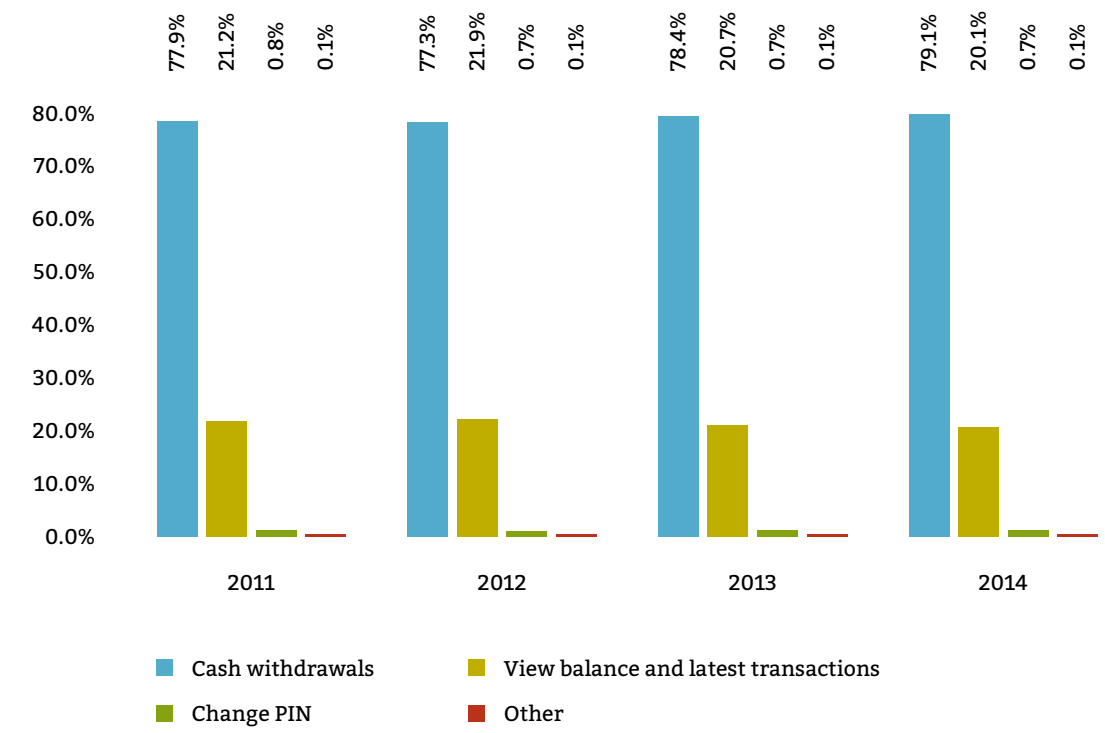
30%

Around 30% of the ServiRed ATMs are located in communities with fewer than 20,000 inhabitants



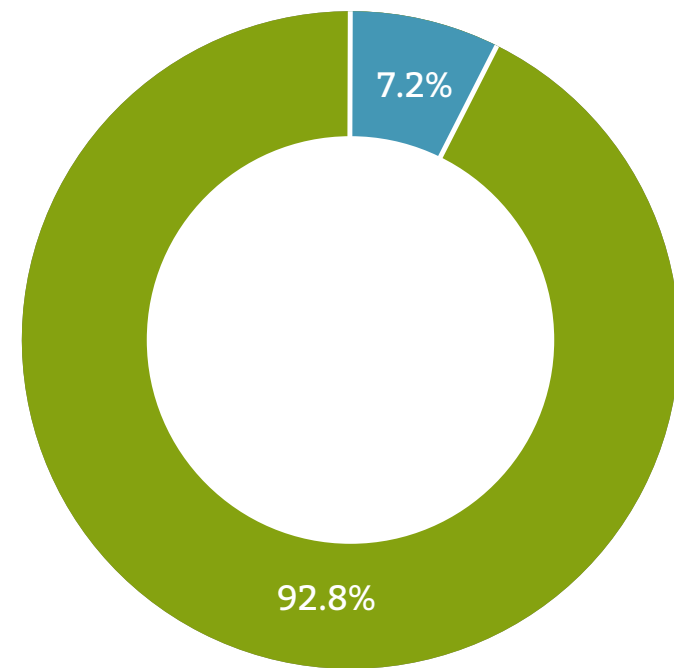


Transactions at ServiRed ATMs





Percentage of relocated ATMs over total



■ Relocated ATMs ■ Other



7%

7% of the ATMs are not located in banks

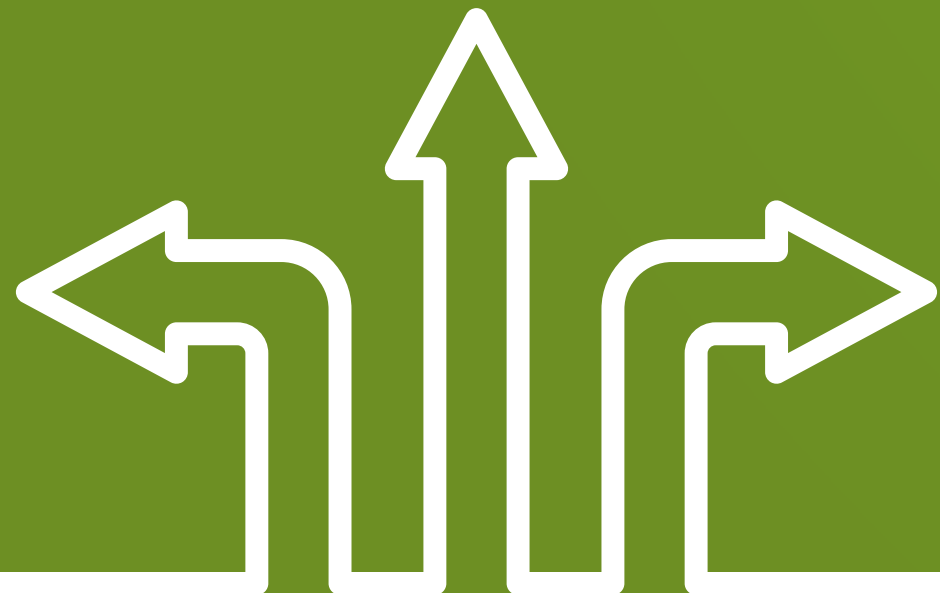


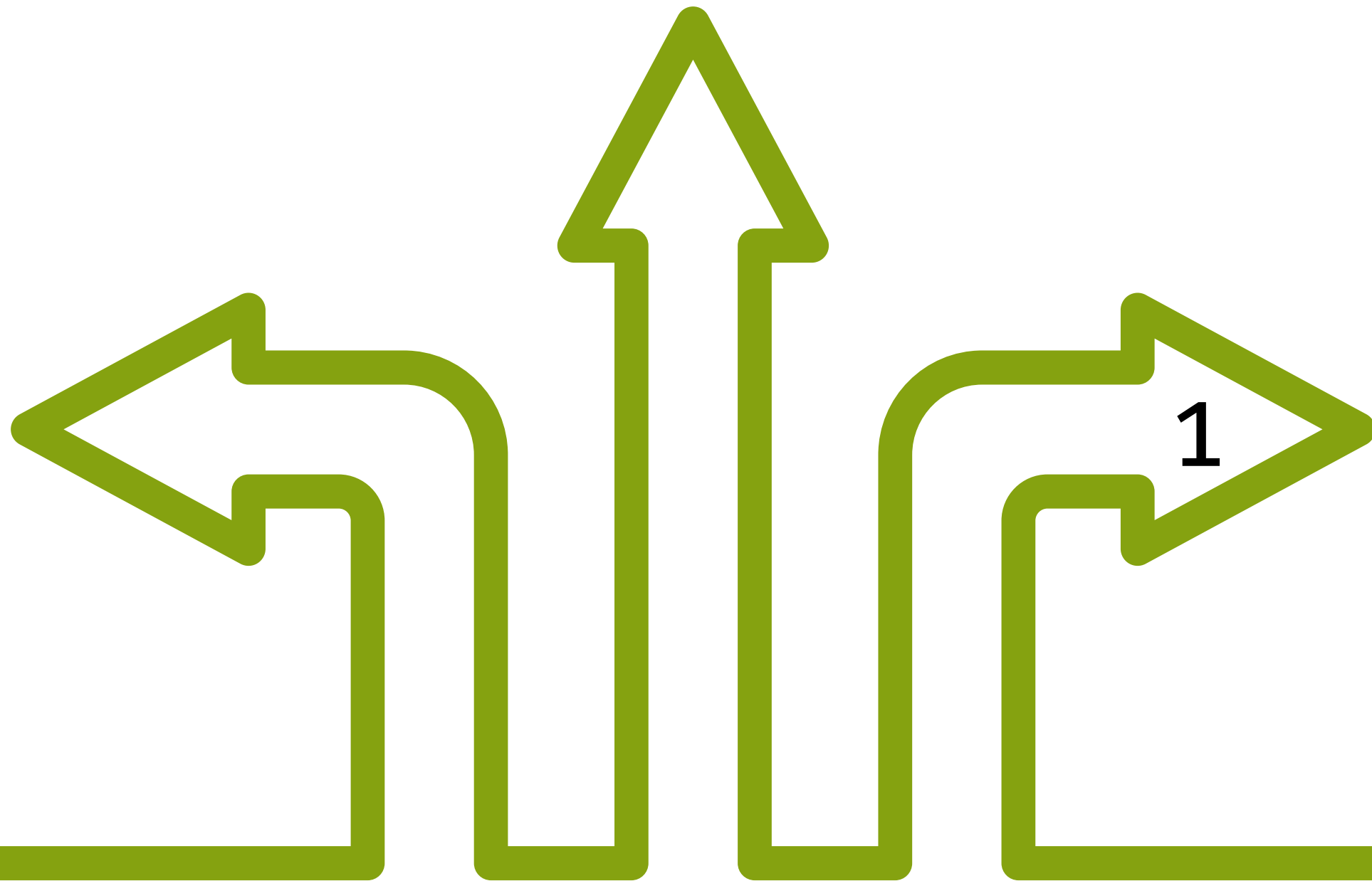


3

The three facets of ServiRed

1. ServiRed as a domestic scheme of payment services.
2. ServiRed as a member of the collective of international payment services systems.
3. ServiRed as a commercial company.





ServiRed as a domestic scheme of payment services



ServiRed functions as a scheme

The main functions that ServiRed performs as a card payment scheme (CPS) in compliance with the requirements of the monitoring tools of the ECB are the following:

ServiRed functions:

1. Guarantee compliance with the legal and regulatory standards in force in Europe (SEPA) and in Spain
2. Guarantee compliance by ServiRed entity issuers and acquirers with the standards of the international schemes of which ServiRed is a member
3. Define the standards and rules that are necessary so that the ServiRed system is able to operate for its members and clients
4. Representation of the collective of member entities

ServiRed represents its members before regulatory bodies, various kinds of associations, administrative institutions and other payment schemes, both nationally and internationally.

In the domestic sphere, the Observatory of Means of Payment with Cards of the Ministry of Economy and Competitiveness is a forum of great relevance, which was created with the following objectives:

- study electronic card payment processes;
- identify and implement collaboration among all stakeholders;
- promote the use of cards as a means of payment; and
- improve information on electronic payment cards.

It involves, in addition to representatives of the Ministry, various associations of retailers and consumers, and the financial sector. ServiRed represents members who are not part of the Observatory and all members in the Monitoring Committee of the Observatory mentioned above.

One of the ServiRed functions is also the representation of members at the Bank of Spain, particularly in relation to:

- certification of the necessary information regarding card payments and
- monitoring of the migration to SEPA by the Monitoring Committee and the Observatory put in place for this by the Bank of Spain.

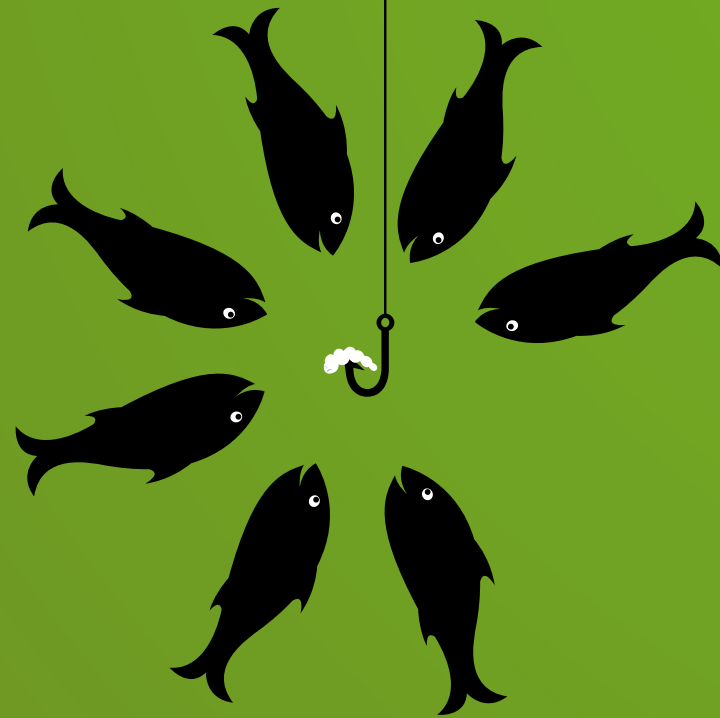


Requirement #1

The CPS should have a sound legal basis under all relevant jurisdictions.



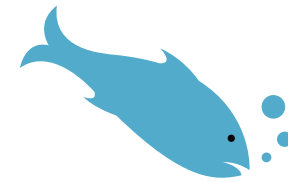
ServiRed as a domestic scheme of payment services



Requirement #2



The CPS should ensure that comprehensive information, including appropriate information on financial risks, is available to the actors.



ServiRed functions:

1. Ensure that processing company(s) to which ServiRed subcontracts its own functions supply detailed information to the entities for each and every one of the transactions made with ServiRed cards at any acceptance point, and with any type of card at ServiRed acceptance points.
2. Promote and represent the ServiRed system.



ServiRed functions:

1. Define the security policy of the scheme and supervise their correct implementation.
2. Manage the prevention, detection and prosecution of fraud with ServiRed cards operating at any acceptance point, as well as for cards of any type operating in ServiRed acceptance points.



Requirement #3a

The CPS should ensure an adequate degree of security, operational reliability and business continuity.





Fraud figures recorded by ServiRed issuing entities in 2014 were still far below the European average.

The most important data

	Fraud as % of total sales volume		Fraud as % of total card purchases	
	2013	2014	2013	2014
ServiRed cards / Total acquisition	0.019%	0.021%	0.033%	0.036%
ServiRed cards / Domestic acquisition	0.006%	0.006%	0.009%	0.009%
ServiRed cards / International acquisition	0.250%	0.263%	0.255%	0.269%



Fraud prevention

Fraud figures recorded by ServiRed issuing entities in 2014 rose with respect to the previous year, both in absolute and relative terms, although they were still far below the European average.

Fraud associated with card not present was the main reason behind this growth in fraud figures.

The recorded fraud ratio over total sales volume grew from 0.019% in 2013 to 0.021% in 2014.

In the domestic environment, the fraud ratio over total sales value held steady at 0.006%.

Issuer:

- Total fraud in 2014 registered an increase of 16% over 2013.
- 91% of fraud corresponded to purchase transactions on goods or services with 23% distributed in national merchants and 77% in international merchants, recording a decrease compared to 2013 of 3% in national merchants and 21% in international ones.
- On the domestic market, fraudulent use in non-physical channels accounted for 47% of total confirmed fraud, an 8% fall with respect to 2013, while in international environments it came in at 68% with a 29% rise over the previous year.

Internet sales in virtual merchants, not allowing cardholders to be authenticated when paying, account for the bulk of fraud associated with electronic trade. Thus accounting for 81% of fraud in the domestic environment and 93% in the international.

Acquirers:


- Total fraud in 2013 registered an increase of 10% over 2012.
- 95% of fraud corresponded to purchase transactions on goods or services, whereby 15% were with domestic cards and 85% with international cards, registering a decrease from the year 2012 of 4% for domestic cards and an increase of 11% with international ones.

Fraudulent card use in remote channels continued to concentrate the largest fraud volume in ServiRed merchants overall, accounting for 57% of total confirmed fraud with domestic cards and 72% of total confirmed fraud on purchases using international ones.



ServiRed as a domestic scheme of payment services

Requirement #3b



The CPS should ensure an adequate degree of security, operational reliability and business continuity in relation the manufacture and distribution of cards and terminals.



ServiRed

ServiRed functions:

1. Define and update the requirements for ServiRed cards and terminals in relation to their manufacture and distribution.
2. Supervise compliance with the previously mentioned requirements.



ServiRed brand is present on all cards issued by its members, as well as in merchants contracted by them, and in more than half of the ATMs in Spain.

ServiRed functions:

1. Regulate the identification, design and operational aspects of the cards, activators, payment service products and terminals that carry the ServiRed brand, in order to ensure the quality and security of ServiRed transactions.
2. Supervise the correct use of the ServiRed brand on cards, activators, payment service products, and payment acceptance terminals.



ServiRed as a domestic scheme of payment services



Requirement #3c

Ensure an adequate level of security, operational strength, and business continuity in relation to the transactions.





ServiRed as a domestic scheme of payment services

Requirement #3d

Ensure an adequate level of safety, operational strength and business continuity in relation to exchanges and settlements.



ServiRed functions:

1. Manage interbank cooperation among members of ServiRed, through the definition of rules, including the interchange rates applied to intra-ServiRed transactions. ServiRed will ensure that any intra-system rule complies with the rules of law (Consumer Protection, Competition Law, Intellectual Property Law, etc.)
2. Define the rules for switching for authorisation, interchange and settlement of transactions between the members of ServiRed, and guarantee that the authorisation, interchange, clearing and settlement for ServiRed transactions are made according to the requirements of the ServiRed scheme.
3. **Management of the ServiRed brands**

Management of the ServiRed brand included its presence on cards, in merchants and at ATMs, ensuring that the inclusion of the ServiRed logo is correct in each of its versions.

Close to 600 records referring to ServiRed card designs (mostly Visa) were processed to guarantee correct identification.

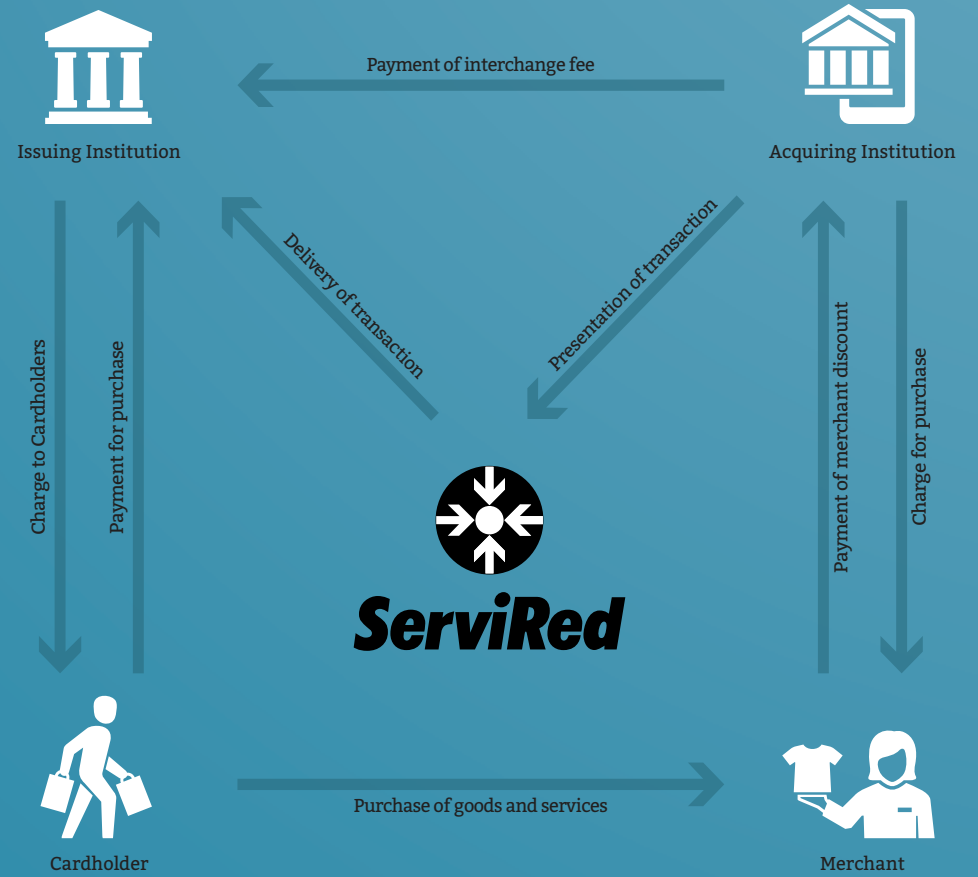
In merchants, the most commonly used method of signage is to place adhesive decals, showing the different brands accepted by the merchant. ServiRed checked correct signage in merchants so that both domestic and foreign cardholders are able to identify the card brands that are accepted.

ServiRed continued to work in 2014 on various on-the-ground studies to uphold the correct signage of its ATMs via ServiRed pennants or plaques, essential to ensure good visibility.

The results were reported to all the ATM proprietors with the aim of encouraging them to collaborate in the maintenance of correct network signage.



4. Purchase scheme with cards





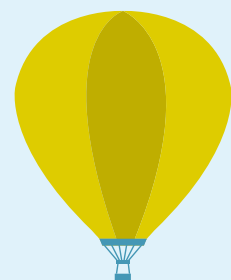
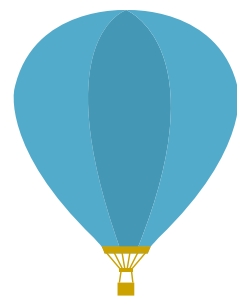
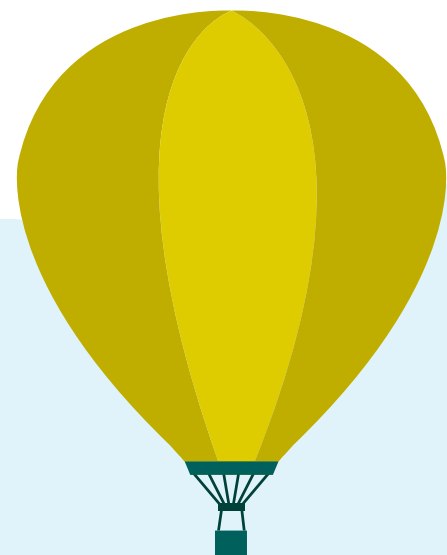
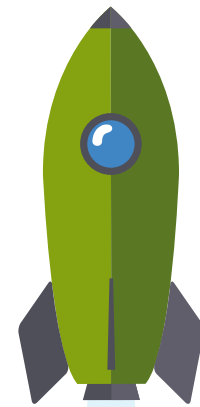


ServiRed functions:

1. Define KPIs and SLAs so that computer systems of companies that process ServiRed transactions ensure business continuity.
2. Ensure compliance with KPIs and SLAs.

ServiRed functions:

1. Defining KPIs and SLAs to monitor all proprietary functions of ServiRed that have to be outsourced if they can not be performed with in-house resources.
2. Ensure compliance with KPIs and SLAs.



Requirement #3e

Ensure an adequate level of security, operational strength, and business continuity in relation to business continuity.



Requirement #3f

Ensure an adequate level of security, operational strength and business continuity in relation to the conditions for outsourcing of proprietary functions.





ServiRed as a domestic scheme of payment services

Requirement #4

Having effective, responsible and transparent governance mechanisms.



Requirement #5

Manage and contain financial risks related to exchange and settlement activities.

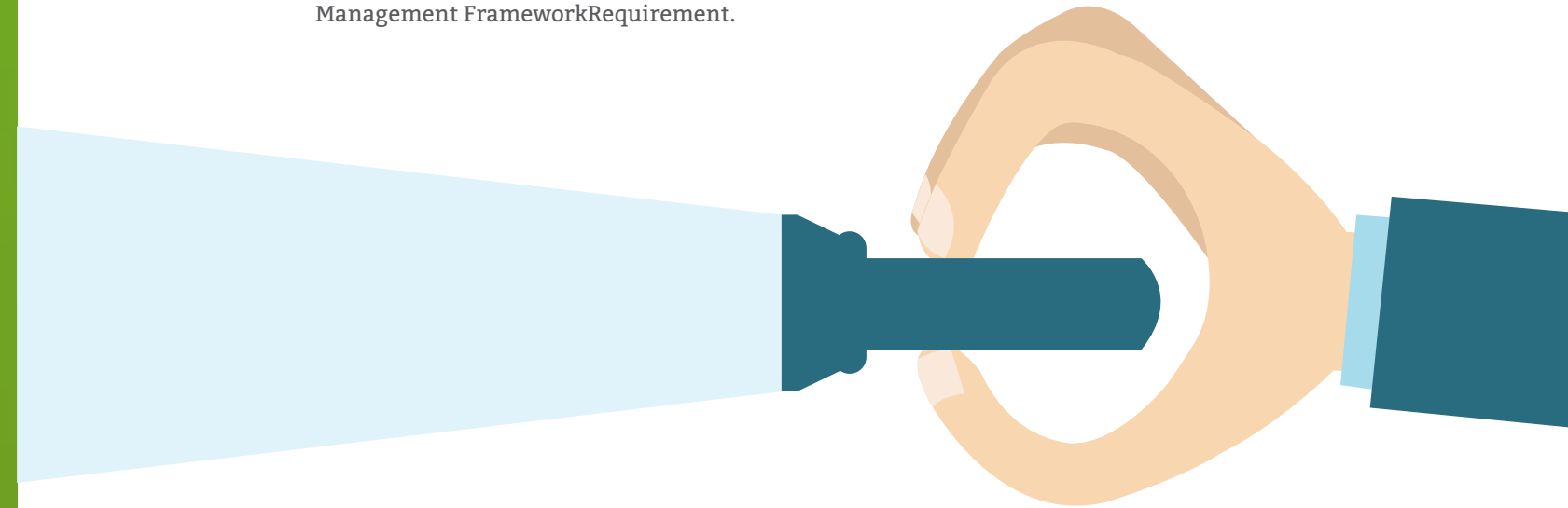


ServiRed functions:

1. Continually improve the operating regulations of ServiRed governing bodies, as well as those of its committees and working groups.
2. Periodically update the ServiRed operating regulations.
3. Risk control procedures under the Enterprise Risk Management Framework Requirement.

ServiRed functions:

1. Define the settlement risk policy of the ServiRed System.
2. Monitor the correct implementation of that policy.





ServiRed as a domestic scheme of payment services

Advantages of the ServiRed System

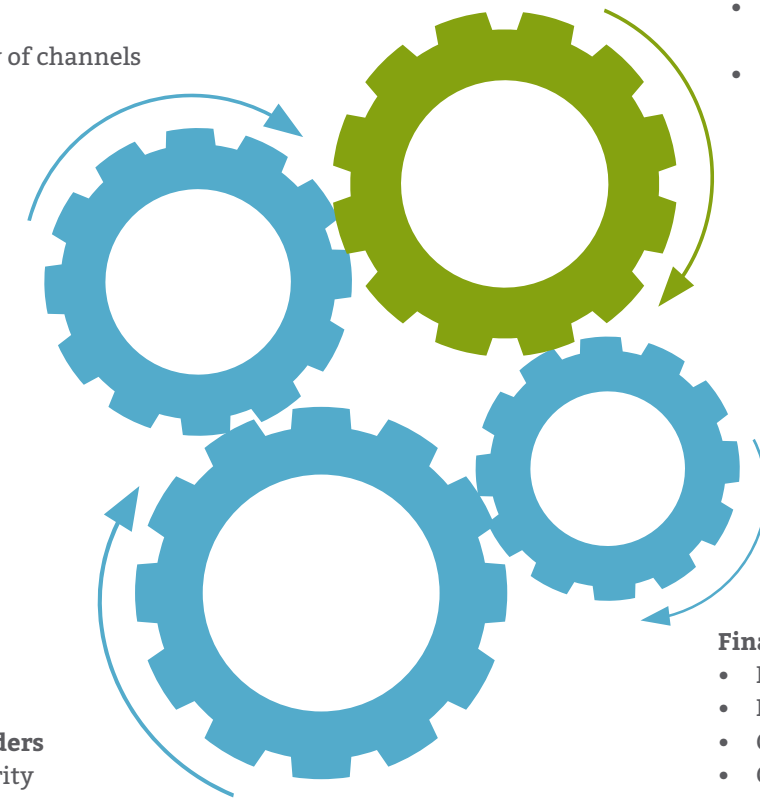


Merchants

- Guaranteed and fast payment
- Expense management
- Security
- Sales via a variety of channels

The Economy and Society at Large

- Reduction of the underground economy
- Reduction of the costs associated with the use of cash
- Security and efficiency



Cardholders

- Security
- Convenience
- Flexibility
- Spending control

Financial Institutions

- Increased revenues
- Decreased expenses
- Customer loyalty
- Crossed sales of products



Presence in Merchants

ServiRed card purchases accounted for more than one-tenth of private consumption

Card purchases at ServiRed merchants (945,860) made with card came to €86.92 billion in 2014, around 11.9% more than the previous year.

The downwards trend of recent years in relation to the average purchase amount was maintained, coming in at €47.18 (around 0.4% less than in 2013)

Purchases using card continued to gain market share compared to cash withdrawals made with them. 54.0% of the cost went on purchases, 100 base points more than the percentage obtained the previous year. The 1.71 billion purchases amounted to a volume of €77.78 billion, while the 529 million cash withdrawals were worth €66.36 billion.

Market penetration in private consumption of purchases made with ServiRed cards stood at 12.09%. In the case of purchases made by the market as a whole, the percentage was 18.81%. This figure, although 73 base points higher than the previous year's, was below that recorded in other European countries given that, according to the latest information published by the European Central Bank (for 2013) the EU average was 28.33%. The United Kingdom, for its part, reached 52.36% and was exceeded by Portugal (52.49%), while the figure for France was 37.03%.

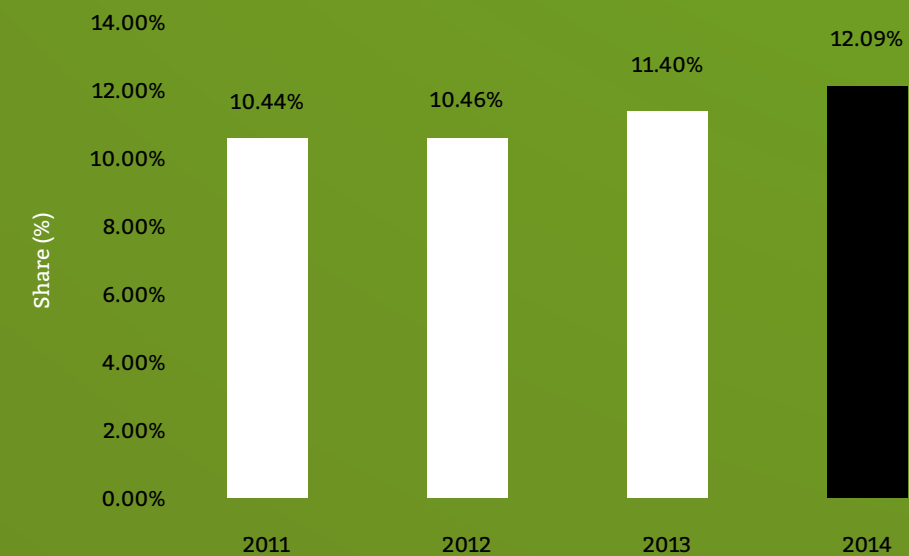
There remains, therefore, much to do in the transition from the use of cash to more efficient and secure payment systems.



Average amount of purchases



Card Purchases as a Share of Final Spending by Households and NPISHs*



(*) NISH: Non-profit institutions serving households



Collective Member

ServiRed has the license for the Group Member of Visa Europe and Principal Member of MasterCard WorldWide. Due to these licenses, the members of ServiRed are able to issue and accept products with the brands Visa and MasterCard, respectively.

One of the highlights of the functions of ServiRed is its representation of the interests of member institutions at Visa Europe and MasterCard Worldwide, as well as ensuring international interoperability of the cards, merchants, and ServiRed ATMs.



ServiRed as a member of the collective of international payment services systems

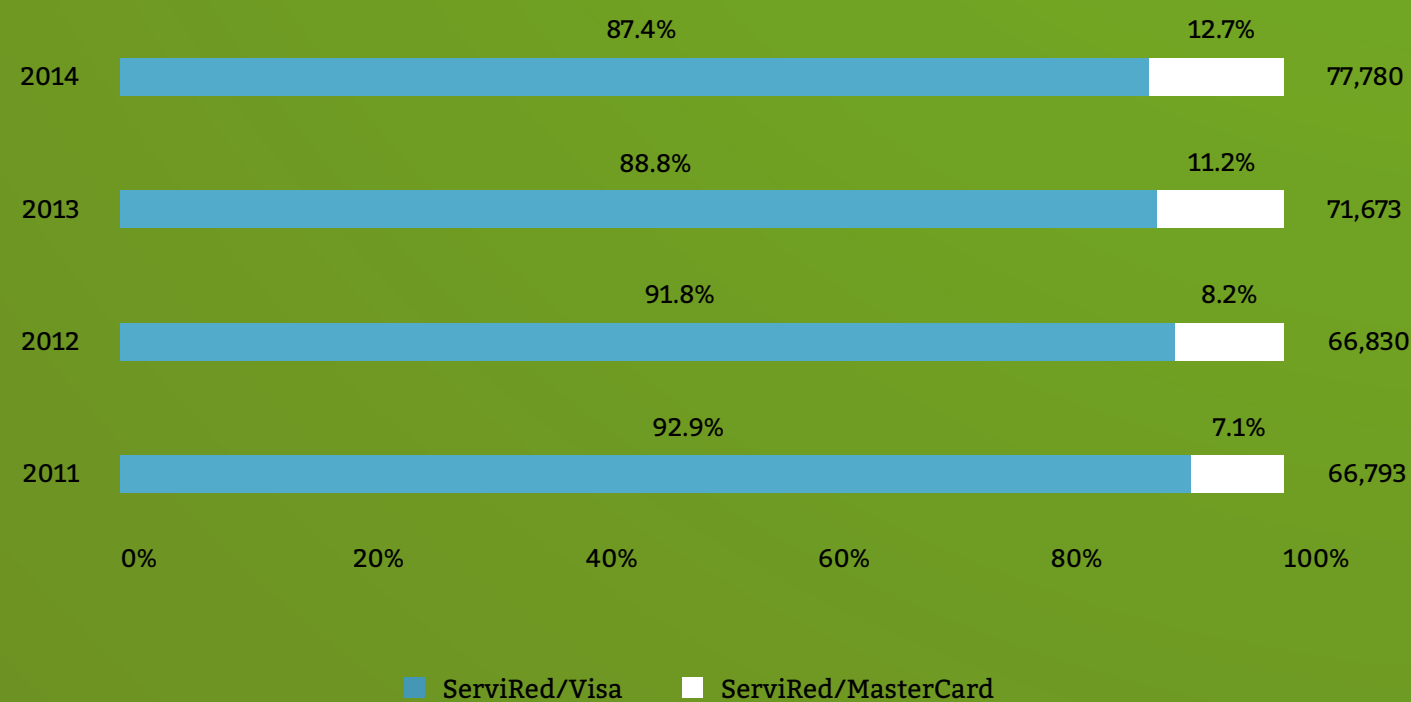
ServiRed represents the interests of its member institutions at Visa Europe and MasterCard Worldwide





ServiRed as a member of the collective of international payment services systems

Purchases with ServiRed/Visa and ServiRed/MasterCard (millions of euros)



Summary of Activity

ServiRed/Visa cards

84.9% of ServiRed cards are ServiRed/Visa cards. In 2014, ServiRed entities had issued 34 million ServiRed/Visa cards, which were used to make purchases worth €67.50 billion, i.e., some 87.35% of the total purchases paid for using ServiRed cards.

The most commonly used product among ServiRed entities was the ServiRed/Visa Classic, with 18.1 million cards at the end of 2014. These were used to make purchases worth €34.28 billion, around 50.5% of the purchases made using ServiRed/Visa cards.

In 2014, purchases made using the ServiRed/Visa debit card came to 51%, compared to 49% of purchases made using ServiRed/Visa credit cards.

ServiRed/MasterCard cards

In 2014, 202 million purchases were made with the ServiRed/MasterCard cards for the value of €9.84 billion. This amount was 22.4% more than the previous year.

Within ServiRed/MasterCard products, of note was the ServiRed/MasterCard Standard, with more than 3.5 million cards issued by the end of 2014. Purchases paid for with this product continued to grow and came in at €6.16 billion, some 27.6% more than in 2013.

Of purchases made with ServiRed/MasterCard cards, 71.6% involved the use of credit cards, a lower percentage than the 84.7% in 2013.

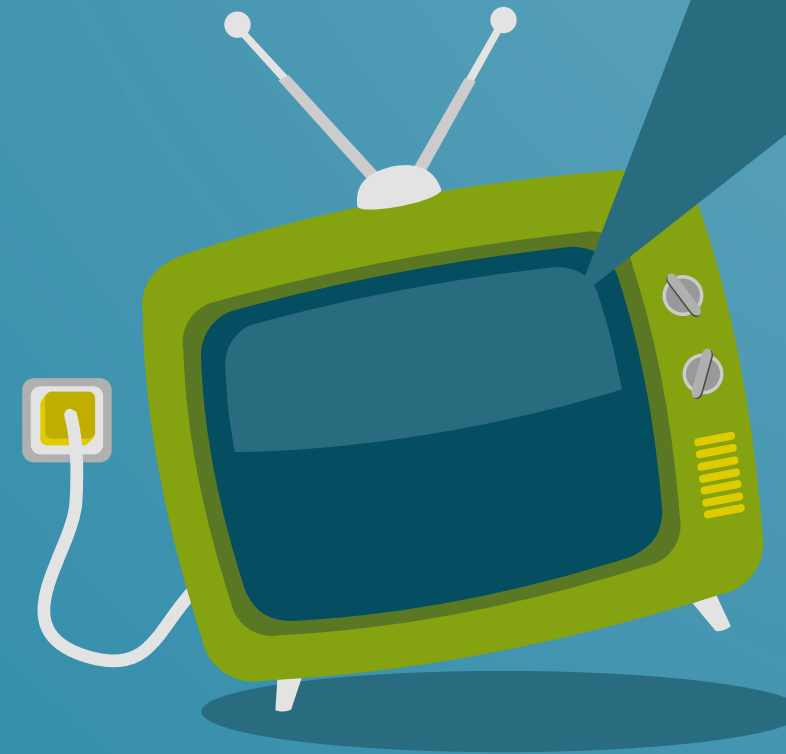


Publicity Campaigns

In 2014, ServiRed participated in the planning and roll-out of the Visa campaign linked to Visa's sponsorship of the FIFA™ World Cup in Brazil. The principal objective was to foster and promote the use of Visa products and cards, particularly contactless Visa products, while also shoring up the brand.

The campaign was based on two types of actions. The first consisted of broadcasting a TV ad related to the World Cup in June and July featuring Usain Bolt, with the goal of strengthening the value of the Visa brand. The second was mainly targeted at promoting the advantages of making payments with contactless cards and boosting their use. To that end, the issuing banks and acquirers of contactless Visa card developed promotions targeted at their customers.

ServiRed as a member of the collective of international payment services systems





Advantis is a multi-application operating system based on international EMV Chip Technology standards



Its Maxims are: Flexibility and Reliability

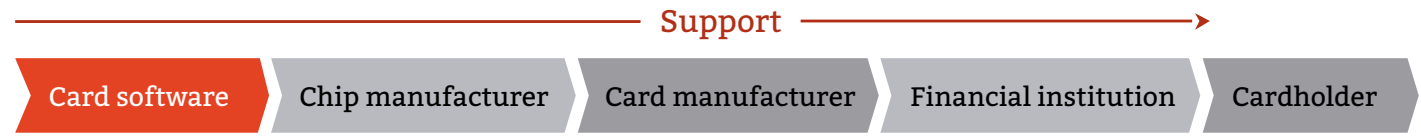
Flexibility

MULTI-APPLICATION	MULTI-BRAND	MULTI-INTERFACE	MULTI-PROVIDER
Credit/Debit Transport PKI Identification Epurse ...	Domestic International • Visa • MasterCard	Contactless))) Contact	Various Chip Manufacturers Global and Local Card Manufacturers Multitude of Personalization Companies ...

100% Reliability

- From the beginning in the 90s, there hasn't been any incident whatsoever regarding, neither security nor operability.

Advantis provides support to manufacturers and financial institutions to facilitate and speed up the card issuing process.



ServiRed as a commercial company



1 out of 10

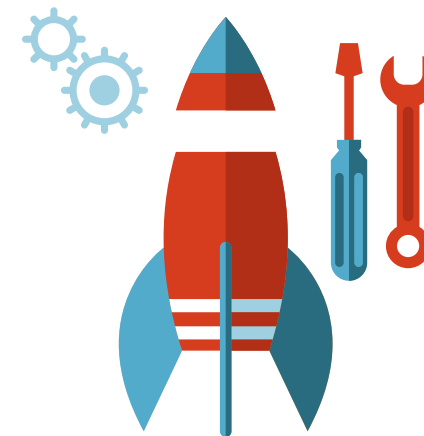
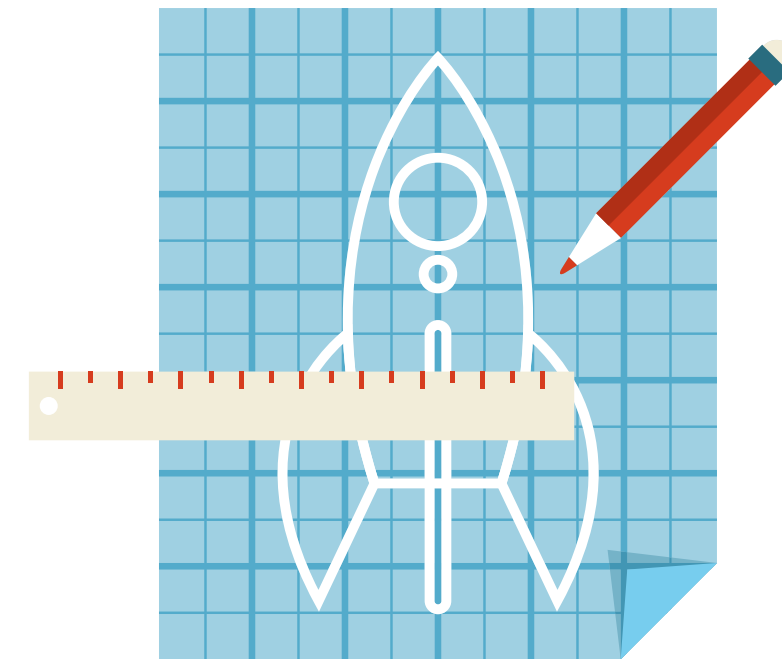
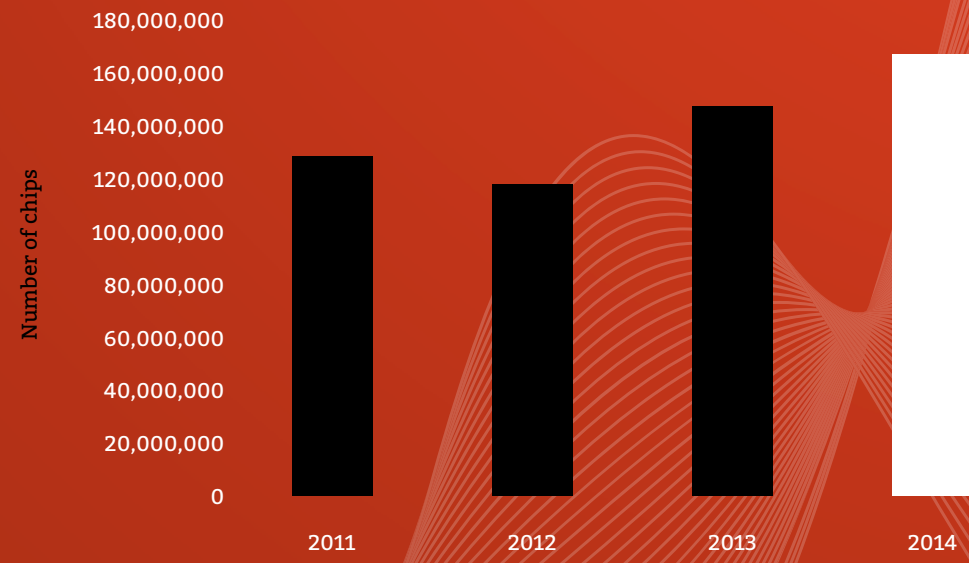
One out of every 10 financial cards in the world which is issued included Advantis technology

830 million

More than 830 million cards issued with Advantis, leading the migration to EMV in numerous countries and working with the principal providers across the world



ServiRed as a commercial company





Growing with Advantis

Of note in 2014 was the start of the migration to EMV technology in Central America and Argentina with Advantis. A large part of the Latin American region has already migrated to this technology and is in a mature phase, which explains why ServiRed focused its efforts on including added value to the chip with new applications.

ServiRed strived to improve its position in the US with Advantis and engage in the EMV migration taking place in the country.

Of note was our active participation as members of the leading smart-card associations and events in America, SCA Smart Card Alliance and EMV Migration Forum in the US, and Smart Card Alliance Latin America (SCALA) for the Latin America and Central America regions.



ServiRed as a commercial company



With a strong presence in America and Europe, Advantis is the outright leader in Latin America and Spain



Auditor's Report



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Plaza Pablo Ruiz Picasso, 1
28020 Madrid

Tel.: 902 365 456
Fax: 915 727 300
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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Addressed to the shareholders of SERVIRED, SOCIEDAD ESPAÑOLA DE MEDIOS DE PAGO, S.A.:

Report on the Financial Statements

We have audited the attached financial statements of ServiRed, Sociedad Española de Medios de Pago, S.A., and these include the Balance sheet at 31 December 2014, the Income statement, the Statement on changes in net equity, the Cash-flow statement, and the Report on the financial year ended on the aforementioned date.

Shareholders' liabilities as for the financial statements

It is incumbent on the directors to draw up the attached financial statements where they show a true and faithful image of the equity, the financial situation and the returns of ServiRed, Sociedad Española de Medios de Pago, S.A., in accordance with the regulatory framework for financial reporting that is applicable to the company in Spain, which is identified in Note 2 of the attached report, and in accordance with the internal control deemed necessary in order for them to allow the draw up of the financial statements free from material misstatement whether due to fraud or error.

Auditor's liabilities

It is incumbent to us to give an opinion regarding the attached financial statements, based on our audit. We carried out our audit report in accordance with the current regulatory framework for the auditing of accounts in Spain. Said regulation requires that we meet the ethical requirements, and that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit requires the application of procedures to obtain audit evidence on the balances and disclosures in the financial statements. The selected procedures depend on the auditor's judgement, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the statements as a whole.



We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion on the audit.

[Logo: EY Building a better working world]

Opinion

In our opinion, the attached financial statements present fairly, in all material respects, the image of the net assets and the truthful financial position of ServiRed, Sociedad Española de Medios de Pago, S.A. as of 31 December, 2014, and its financial performance and its cash-flows for the financial year then ended, in accordance with the applicable regulatory framework for financial reporting and, more particularly, with the accounting principles and criteria herein.

Other issues

On 2 April 2014, other auditors issued their audit report on the financial statements for the financial year 2013, in which they expressed a favourable opinion.

Report on other legal and regulatory requirements

The Management Report attached for the financial year 2014 includes the explanations that the directors deem appropriate concerning the company's situation, the evolution of their businesses and other matters, and does not constitute an integral part of the financial statements. We have verified that the accounting information included in said management report is consistent with the financial statements for the financial year 2014. Our work as auditors is limited to the verification of the management report according to the scope mentioned in this paragraph, and does not include the review of information other than that obtained in the accounting records of the company.

30 April 2015



ERNST & YOUNG, S.L.
(Inscrita en el Registro Oficial de Auditores de Cuentas con el Nº S0530)

Francisco J. Fuentes García





Financial information



Balance sheet

Audited by Ernst&Young

ASSETS	2014	2013
FIXED ASSETS	3,217,281 €	3,896,033 €
Intangible fixed assets	126,991 €	133,197 €
Property, plant and equipment	2,325,612 €	2,402,917 €
Long-term investments in Group companies and associates	-	282,470 €
Equity instruments	-	282,470 €
Long-term financial assets	307,500 €	474,506 €
Equity instruments	10 €	10 €
Long-term loans to employees	265,467 €	260,924 €
Deferred tax assets	-	171,769 €
Other financial assets	42,023 €	41,803 €
Deferred tax assets	457,178 €	602,943 €
CURRENT ASSETS	44,424,539 €	68,327,908 €
Inventories	116,802 €	102,854 €
Commercials	116,802 €	102,854 €
Trade and other receivables	6,394,707 €	10,685,272 €
Trade receivables for sales and services	4,810,835 €	4,412,446 €
Sundry receivables	5,634 €	23,942 €
Loans to employees	35,761 €	31,093 €
Current tax expense	362,887 €	4,268,070 €
Public Administrations - Other	1,179,590 €	1,949,721 €
Short-term investments	23,298,078 €	27,161,279 €
Equity instruments	23,291,983 €	17,381,797 €
Loans to companies	6,095 €	27,747 €
Debt securities	-	-
Other financial assets	-	9,751,735 €
Short-term accruals	62,875 €	14,692 €
Cash and cash equivalents	14,552,077 €	30,363,811 €
TOTAL ASSETS	47,641,820 €	72,223,941 €



EQUITY AND LIABILITIES	2014	2013
EQUITY		
Capital	31,164,532 €	30,131,270 €
Paid in capital	16,371,783 €	16,371,783 €
Reserves	9,628,085 €	9,572,288 €
Shareholder contributions	-188 €	-188 €
Profit/loss for the year	5,164,852 €	4,187,387 €
Value changes adjustments	2,653,204 €	2,346,600 €
Available for sale financial assets	2,653,204 €	2,346,600 €
TOTAL EQUITY	33,817,736 €	32,477,870 €
NON-CURRENT LIABILITIES	2,647,300 €	4,021,819 €
Long-term provisions	1,483,905 €	2,679,747 €
Long-term employee benefit obligations	683,905 €	729,747 €
Other provisions	800,000 €	1,950,000 €
Deferred tax liabilities	1,163,395 €	1,342,072 €
CURRENT LIABILITIES	11,176,784 €	35,724,252 €
Short-term payables	209,004 €	590,506 €
Other financial liabilities	209,004 €	590,506 €
Trade and other payables	10,967,780 €	35,133,746 €
Trade payables	10,320,010 €	11,970,394 €
Sundry payables	192,982 €	22,950,632 €
Accrued wages and salaries	261,533 €	6,501 €
Payable to Public Administrations	193,255 €	206,219 €
TOTAL LIABILITIES	13,824,084 €	39,746,071 €
TOTAL EQUITY AND LIABILITIES	47,641,820 €	72,223,941 €



Profit and Loss Account

Audited by Ernst&Young

	2014	2013
CONTINUING OPERATIONS		
REVENUE	22,879,768 €	21,118,967 €
Sales	27,597 €	40,045 €
Services rendered	22,852,171 €	21,078,922 €
RAW MATERIALS AND CONSUMABLES	- 26,359 €	- 41,065 €
Consumption goods purchased for resale	- 21,019 €	- 35,254 €
Consumption of raw materials and other consumables materials	- 5,340 €	- 5,811 €
OTHER OPERATING REVENUE	7,271,616 €	11,635,759 €
Accessory and other income	7,271,616 €	11,635,759 €
STAFF COSTS	- 2,612,772 €	- 2,515,131 €
Wages, salaries and similar remuneration	- 2,068,251 €	- 1,995,465 €
Staff welfare expenses	- 544,521 €	- 519,666 €
OTHER OPERATING CHARGES	- 20,931,798 €	- 25,660,017 €
External services	- 20,607,776 €	- 25,408,515 €
Taxes	202,749 €	- 233,081 €
Impairment and income from disposal of financial instruments	- 526,771 €	-
Other operating expenses	-	- 18,421 €
FIXED ASSET DEPRECIATION	- 228,779 €	- 215,208 €
SURPLUS FROM PROVISIONS	1,150,000 €	-
OPERATING INCOME/EXPENSE – NET	7,501,676 €	4,323,305 €
FINANCIAL INCOME	169,048 €	211,724 €
FINANCIAL COSTS	- 377,838 €	- 301,084 €
EXCHANGE DIFFERENCES	135 €	- 986 €
CHANGES IN FAIR VALUE OF FINANCIAL INSTRUMENTS	76,211 €	-
PROFIT/LOSS FROM FINANCIAL ASSETS HELD FOR SALE	76,211 €	-
IMPAIRMENT AND PROFIT/LOSS ON DISPOSAL OF FINANCIAL INSTRUMENTS	976,339 €	- 9,018 €
FINANCIAL INCOME/EXPENSE - NET	843,895 €	- 99,364 €
PROFIT/LOSS BEFORE INCOME TAX	8,345,571 €	4,223,941 €
Income tax	- 3,180,719 €	- 36,554 €
PROFIT/LOSS FOR THE YEAR	5,164,852 €	4,187,387 €



