



Servired

Product **Annual Report 2013**

Servired, Sociedad Española de Medios de Pago, S.A.
Calle de Gustavo Fernández Balbuena, 15, 28002 Madrid

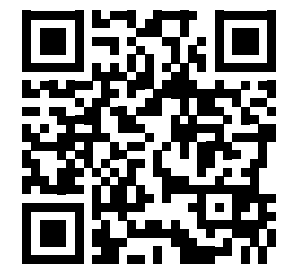
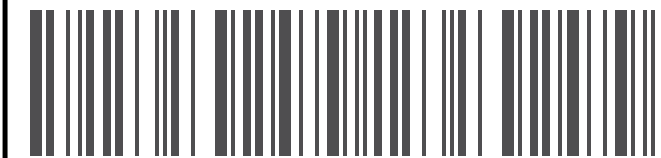
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Country Code: ES 1 of 1 220 LB
100 KG

N° Cards
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N° ATMs
33947



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Introduction

ServiRed, Sociedad Española de Medios de Pago, S.A. is Spain's leading card payment scheme. It has 38.5 million cards in circulation (19.2 million credit, and 19.3 million debit), 858,000 merchants, and 34,000 ATMs.

ServiRed has 92 members, of which 73 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-branding 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.

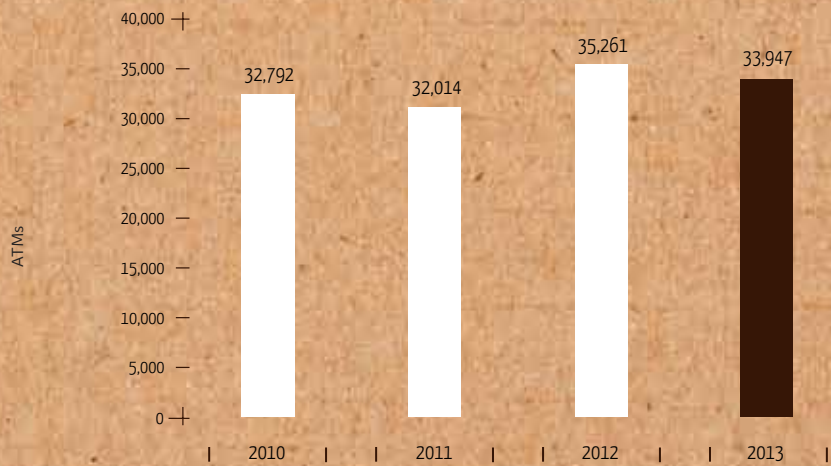
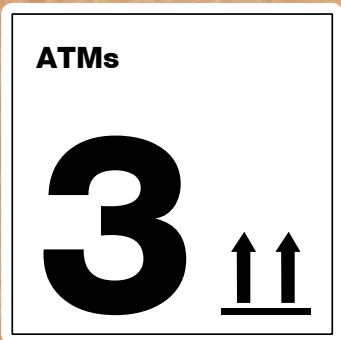
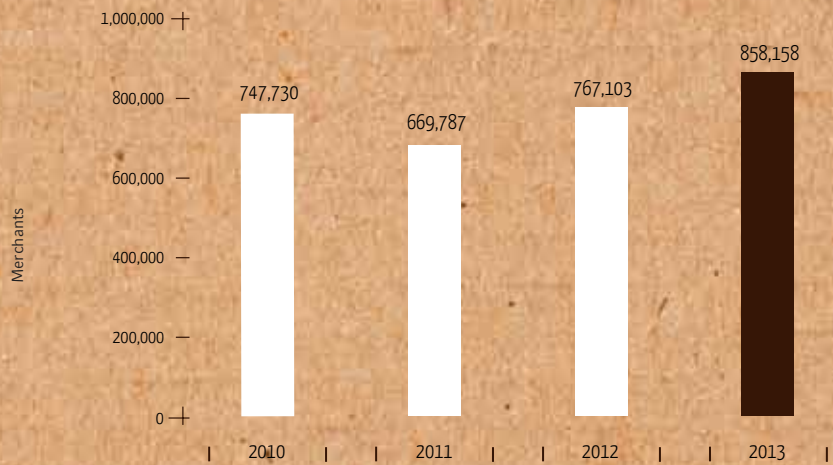
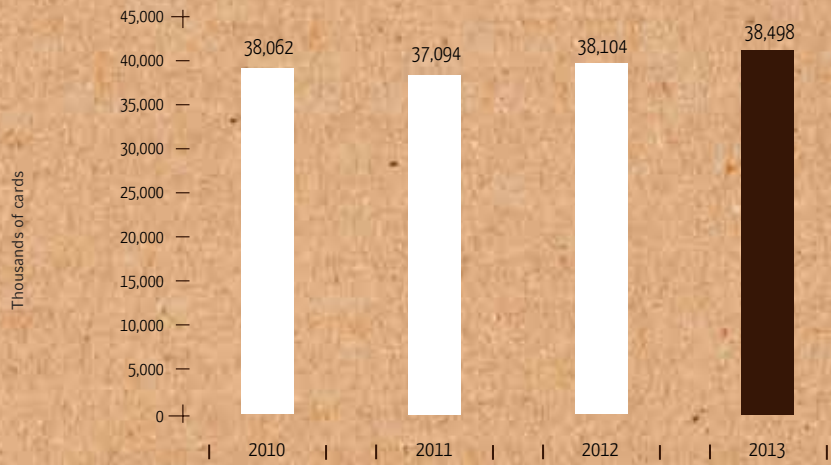
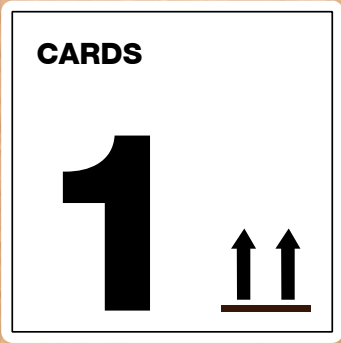
The most important activities carried out by ServiRed in its mission of replacing cash in payments are as follows:

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.





1. Cards

The members of the ServiRed system have 38.5 million issued cards. Payments made with ServiRed cards in 2013 increased by 7.2% over the previous year reaching 71,673 million euros.

2. Merchants

The value of purchases made in the 858,000 ServiRed merchants increased by 12.4%, attaining 77,699 million euros.

3. ATMs

There are nearly 34,000 ServiRed ATMs all over 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

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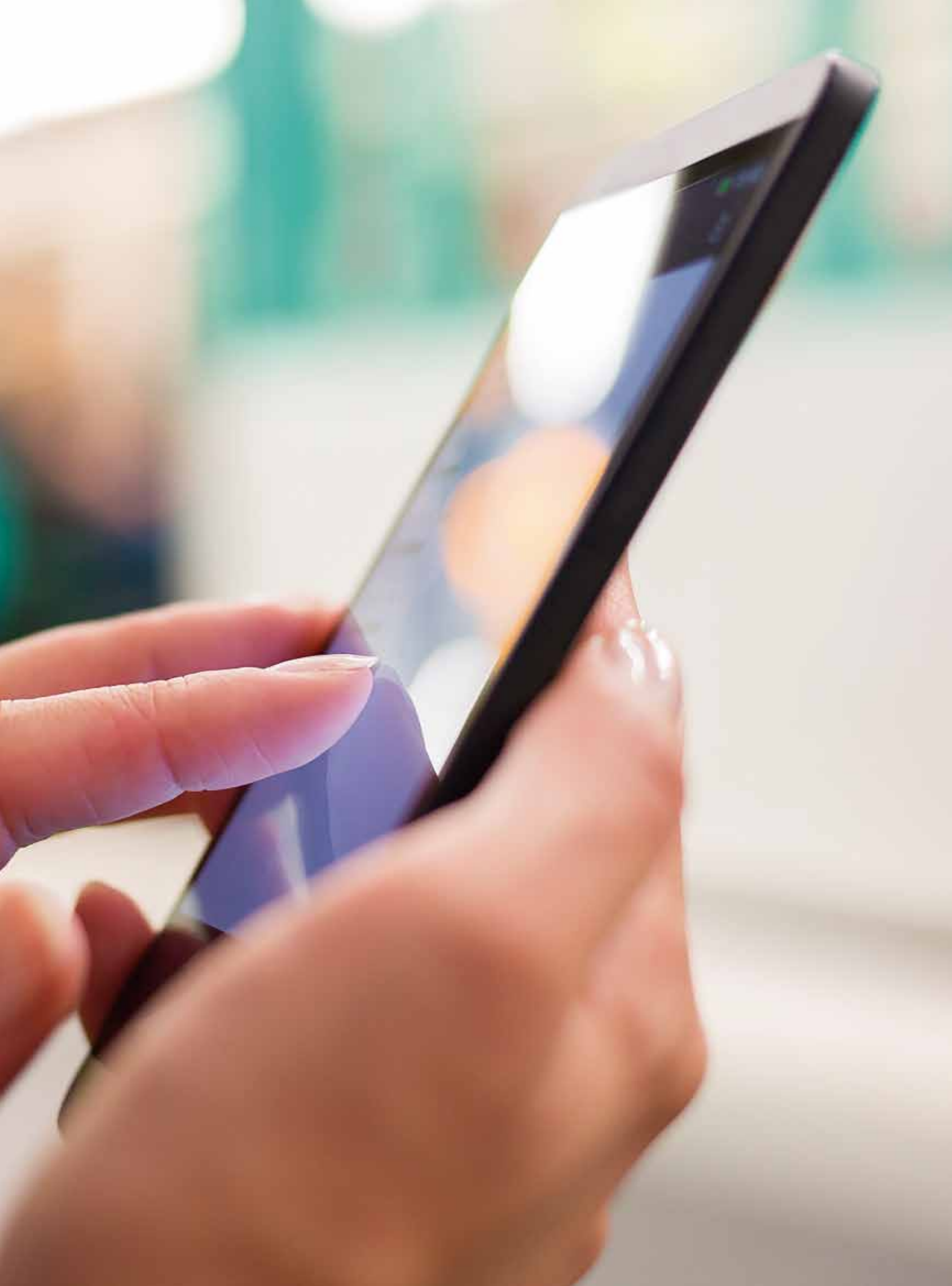
Mr. Rafael Martín-Peña García ¹	Chairman
Mr. Juan Luis Coghén Alberdingk-Thijm ²	Banco Cooperativo
Mr. Manuel Tresánchez Montaner ²	Banco de Sabadell
Mr. Albert Figueras Moreno	Banco de Sabadell
Ms. Amparo Esteve Mercado ²	Abitaria Consultoría y Gestión, S.A. (Grupo Bankia)
Mr. Carlos Mier Sainz ²	Valoración y Control, S.L. (Grupo Bankia)
Mr. Eugenio Solla Tomé ²	Participaciones y Cartera de Inversión, S.L. (Grupo Bankia)
Ms. Nicola Margaret Roomans 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. Martí Mateu Brunet 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.





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Shareholder Members of the ServiRed System**NRBE**

Bank of Spain Registry Number

0019	Deutsche Bank, S.A.E
0031	Banco Etcheverría, S.A.
0057	Banco Depositario BBVA, S.A.
0065	Barclays Bank, S.A.
0078	Banca Pueyo, S.A.
0081	Banco Sabadell, S.A.
0122	Citibank España, S.A.
0125	Bancofar, S.A.
0128	Bankinter, S.A.
0129	BBVA Banco de Financiación, S.A.
0130	Banco Caixa Geral, S.A.
0131	Banco Espirito Santo, 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.
0234	Banco Caminos, S.A.
0236	Sabadell Solbank, S.A.
2013	Catalunya Banc, S.A.
2038	Bankia, S.A.
2100	Caixabank, S.A.
2108	Banco de Caja España de Inversiones, Salamanca y Soria, S.A.U.
3001	Caja Rural de Almedralejo
3005	Caja Rural Central
3007	Caja Rural de Gijón
3008	Caja Rural de Navarra
3009	Caja Rural de Extremadura
3016	Caja Rural de Salamanca
3017	Caja Rural de Soria
3020	Caja Rural de Utrera
3023	Caja Rural de Granada
3025	Caixa de Credit dels Enginyers - Caja de Crédito de los Ingenieros
3029	Caja de Crédito de Petrel, Caja Rural

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NRBE

Bank of Spain Registry Number

3035	Caja Laboral Popular
3045	Caixa Rural Altea
3058	Cajas Rurales Unidas
3059	Caja Rural de Asturias
3060	Caja Rural de Burgos
3063	Caja Rural de Córdoba
3067	Caja Rural de Jaén
3070	Caixa Rural Galega
3076	Cajasiete, Caja Rural
3080	Caja Rural de Teruel
3081	Caja Rural de Castilla-La Mancha
3085	Caja Rural de Zamora
3096	Caixa Rural de L'Alcudia
3098	Caja Rural Nuestra Señora del Rosario
3102	Caixa Rural Sant Vicent Ferrer de la Vall D'Uixó
3105	Caixa Rural de Callosa d'en Sarrià
3111	Caixa Rural la Vall "San Isidro"
3117	Caja Rural d'Algemesí
3118	Caja Rural de Torrent
3121	Caja Rural de Cheste
3127	Caja Rural de Casas Ibáñez
3130	Caja Rural San José de Almassora
3140	Caja Rural de Guissona
3146	Caja de Crédito Cooperativo
3159	Caixa Popular – Caixa Rural
3179	Caja Rural de Alginet
3183	Caja de Arquitectos
3186	Caixa Rural Albalat del Sorells
3187	Caja Rural del Sur
3190	Caja Rural de Albacete, Ciudad Real y Cuenca
3191	Nueva Caja Rural de Aragón
8321	Entre2 Servicios Financieros
8776	Finconsum
8834	Avant Tarjeta, Establecimiento Financiero de Crédito, S.A.
8816	Sociedad Conjunta para la Emisión y Gestión de medios de pago Global Norwalk, S.L.U.



USA/CA
32

CUP

ES/FR
85

BU
70



Non-shareholder Members of ServiRed System

NRBE

Número de registro del Banco de España

0133	Nuevo Micro Bank, S.A.
0235	Banco Pichincha España
1490	Self Trade Bank, S.A.
1491	Triodos Bank N.V., Sucursal en España
1525	Banque Chaabi du Maroc, Sucursal en España
2081	Mare Nostrum, S.A.
3095	Caja Rural San Roque de Almenara
3110	Caja Rural Católico Agraria
3112	Caja Rural San José de Burriana
3119	Caja Rural San Jaime de Alquerías del Niño Perdido
3123	Caixa Rural de Turís
3135	Caja Rural San José de Nules
3152	Caja Rural de Villar
3157	Caja Rural la Junquera de Chilches
3160	Caixa Rural Sant Josep de Vilavella
3165	Caja Rural San Isidro de Vilafamés
6702	Caixabank Electronic Money, EDE, S.L.
6812	Money Exchange, S.A.
8788	Caixa Card 1, Establecimiento Financiero de Crédito, S.A.

Changes in 2013

- Merger with the dissolution of Caja Laboral Popular Cooperativa de Crédito and Ipar Kutxa Rural, S. Coop. de Crédito through the creation of the new Caja Laboral Popular, Sociedad Cooperativa de Crédito.
- Incorporation of Caixa Card 1, EFC, S.A.
- Incorporation of Caja Rural Católico Agraria, S. Coop. de Crédito V.
- Merger by takeover of Unnim Banc, S.A. by Banco Bilbao Vizcaya Argentaria S.A.
- Merger of the entities “Cajas Rurales Unidas, Sociedad Cooperativa de Crédito”, “Caja Rural de Casinos, S. Coop. de Crédito V.”, “Credit Valencia, Caja Rural, Cooperativa de Crédito Valenciana” and “Caja Rural de Canarias, Sociedad Cooperativa de Crédito”, through the absorption of the last three by the first.
- Change of corporate name of “Nueva Caja Rural de Aragón, Sociedad Cooperativa de Crédito” into “Caja Rural de Aragón, Sociedad Cooperativa de Crédito”.
- Change of corporate name of “Lloyds Bank International, S.A.” (Single Administrator Company) into “Sabadell Solbank, S.A.” (Single Administrator Company).

Member Termination:

- Bankia Banca Privada, S.A.U.
- Banco Sygma Hispania, Spanish branch
- MBNA Limited, Spanish branch

Chairman of the Board

Rafael Martín-Peña García *

Dear friends,

This year it is my pleasure again to take this opportunity to mention some aspects related to our activity, which do not have a natural space in formal company documentation.

As I already anticipated in the 2012 Annual Report, ServiRed has progressed in its task in dealing with the issues in which its members participate depending on the corresponding nature of their differentiated fields.

As such, the activity as domestic scheme has been managed by the company's Board of Directors. In this respect, it is important to note that in 2013 the Board decided to hold its meetings practically every month and with a rhythm that scheduled topics at the appropriate times for their corporate governance. The Board has also decided not to name a Delegate Commission and to fix ordinary meeting dates for the Auditing, Risk and Compliance Commission as well as for the Appointments and Compensation Committee. Among the tasks taken up by the Auditing, Risk and Compliance Commission, allow me to highlight the elaboration of a Penal Code Compliance Programme (with its role of applying the due diligence required by the reform of the Penal Code, which instituted the possibility of considering companies as active subjects for crimes) and developing a complete Risk Map for the company, currently in the analysis phase, whose development and

implementation form part of the Board of Directors' agenda. In this facet of domestic scheme the continued and profound restructuring of the financial system has had a noteworthy impact throughout the year. This notwithstanding, the ServiRed scheme has ended with a satisfactory net balance, going from 98 to 92 members, in spite of the significant contraction in the number of entities in the sector.

In the commercial facet, the company has increased its profit amounts after taxes, which is fundamentally due to the efforts from the business activity related with Advantis products. I would like to thank the Redsys technical teams in this letter. Without their constant help this growth would not be possible.

The area of relationships with international brands has received their treatment through the Collective Member, under the governance of its Permanent Commission. In this facet, the company has also maintained profitable activity, participating in initiatives that have had international schemes. In this letter, I would like to wish the greatest professional success to the new CEO of Visa Europe, Mr. Nicolas Huss and the dynamism that he has impressed on the Visa brand with his agenda of projects. I also want to congratulate in this letter Mr. Ovidio Egido, for his role as the new Country Manager of MasterCard in Spain. The effectiveness of the role of the ServiRed Collective Member for its member entities is proportionally greater when its

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

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

relationship with brands is stronger and more fluid, as such we will not stop providing this role with the importance that it deserves, in our profession of facilitating advantages for member entities to strengthen appropriate relationships with them.

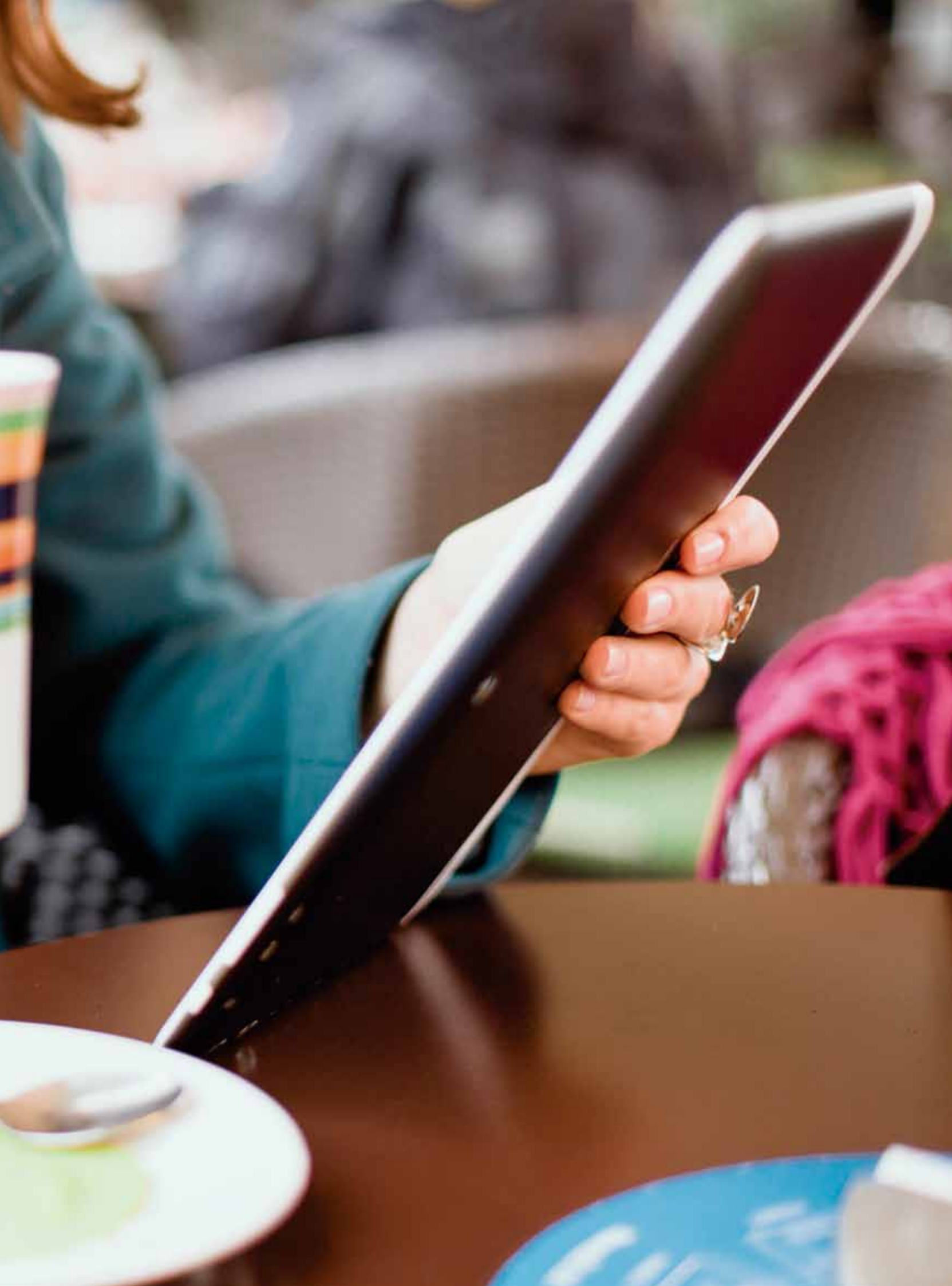
We cannot forget that the environment of our industry is also subject to the turbulences of a sector which is regulated in its most crucial aspects. It is enough to mention here that this year and the next it will undoubtedly be necessary to deal with “SEPA for cards” with its regulatory character at the European level, as well as the anticipated announcement regulating the reduction in interchange fees by Spanish authorities. Only time will tell if the regulatory measures taken are capable of achieving objectives of the collective interest, such as the increase in penetration of card payments at the expense of cash payments and the corresponding repercussion in decreasing the underground economy.

The year 2013 saw the definitive end of two projects which had been hibernating during recent fiscal years. I refer to Mobipay España S.A., now completely liquidated, and to Monnet, a frustrated project for a fully European payment scheme which never got off the ground. Although neither project could reach its goals, these attempts should be interpreted as seeds which have helped projects of a different nature. This is true both for the interests coming together in the domestic European schemes, as well as for initiatives



coordinated by those who were previously involved in the projects mentioned above, which today offer perspectives that may prove as alternatives for new models of activity.





Deputy Managing Director

Carmen Carnero Silvo

2013 has been one more year with consumption at a standstill. In spite of this, payment by card has grown slightly more than consumption and, in consequence, the share of payments by card in private consumption expenditure has registered a timid growth, with our estimate that it increased from 10.37% to 11.47% for the ServiRed system and from 17.10% to 18.08% for the total Spanish market. These data highlight that Spain continues to be one of the countries where card use is well below the European average, situated at 27.04% and below other countries in our area, such as France and the United Kingdom, which register card payment penetration in private consumption of 36% and 50%, respectively.

1.550 billion purchase transactions were made (9.3% more than in 2012) for a value of 71.673 billion euros (7.2% more than in 2012) with ServiRed System member cards. Part of this growth derives from the migration of financial entities coming from other Spanish payment systems to ServiRed. If we remove the impact of these migrations, ServiRed purchases would have grown 5.4% in expenditure volume (instead of 7.2%) and 7.4% in the number of transactions (instead of 9.3%). The amount of purchases registered with ServiRed/Visa cards grew 3.7% in 2013 compared with a 46.3% growth in purchases with ServiRed/MasterCard cards. Although the co-branding programmes of ServiRed issuers are mostly with Visa (capturing 88.8% of the purchasing volume), MasterCard is increasing its participation with ServiRed year by year.

Our estimate for the total Spanish market is that in 2013 card purchases reached 109.639 billion euros (2.7% more than in 2012) and 2.519 billion purchase transactions (4.4% more than in 2012). As such, ServiRed system's market share in 2013 would have reached 63.5%, 280 basis points more than in 2012.

Electronic commerce paid by card has evolved, following the trend of recent years, well above general market figures, with ServiRed system experiencing a 24.9% growth in expenditure volume and a 32.6% increase in the number

of transactions, with these transactions comprising 8.3% of all ServiRed transactions, resulting in a 9.7% of volume in euros that has come from online purchases.

Contactless card transactions also registered a significant growth of 440% in purchase amounts and 459% in the number of transactions. The figures reached 5 million cards issued and 296,177 merchants adapted.

Total fraud over sales volume decreased slightly in 2013, to 0.019% (from 0.020% in 2012). This figure is significantly lower than that registered by Visa Europe which, according to its 2013 Annual Report, rose to 0.043%. Fraud in electric commerce within the ServiRed system was also reduced by two basis points. However, in absolute value, a growth in 9.77% was registered, as such, much of the effort of the ServiRed team is dedicated to fighting against this type of fraud in particular.

However, if I had to choose this year's most relevant event, it would, without a doubt, be the publication by the European Commission on 24th July of the proposal to regulate interchange fees and update the Payment Services Directive. The impact of this Regulation on the industry will be immense and today, it is not yet possible to discern some of its implications.

Apart from the frantic regulatory activity, the payment systems industry continues to live in a unique era of its history, when a profound transformation is taking place, proceeding from different places in its ecosystem. Beginning with the place where payment transactions are generated, the "point of sale" is no longer what it once was and is becoming any place where vendors and customers are using their devices with internet connections, enabled by intelligent technical solutions for operating systems based in the cloud, which permit and develop connections between customers and merchants. As such, the future of the point of sale will not be so much based on the development of hardware as in the past, but more about the development of software, apps and the cloud.

Carmen Carnero Silvo

Deputy Managing Director, ServiRed S.A.

The cloud, connected devices and apps have expanded payments and business to all establishments, including the smallest ones. Many entrepreneurs have emerged in this environment. The ability to evolve activities which were once completely linked with PCs and laptops to connected devices has unleashed an important wave of innovation which is frequently focused on helping those with excess supply to find customers or businesses with demand for these products or services in real time. In consequence, these entrepreneurs are reinventing the interaction between customers and merchants and, as such, the exchange of value between them.

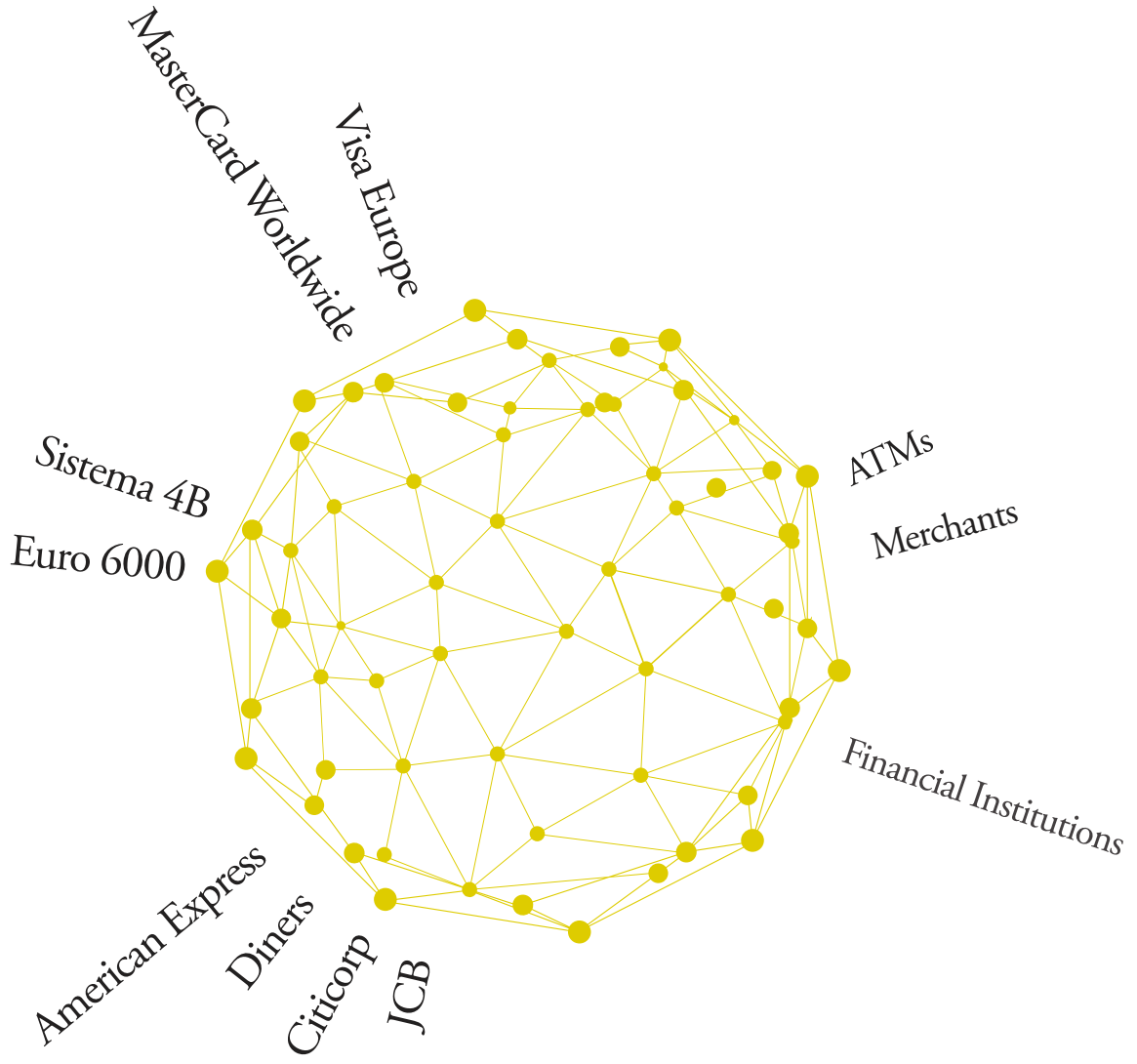
This means that the future of payments probably will not be about payments, but about the definition, the enabling and the impulse of a new purchasing experience, taking advantage of the power of smart devices, information and the cloud. As such, it is also likely that the business model for the future payment ecosystem will be based on the value that the shopping experience will have for customers and vendors and not on the payment transaction itself. This focus on the complete shopping experience and not on the act of payment will have important implications for the complete payment ecosystem. No participant in the ecosystem wishes to get lost in cyberspace or be relegated behind the brand of another and be seen and paid as a commodity. For this reason each and every one of these participants wants to be “the digital wallet” that customers download and use to manage all their payments, loyalty programmes, offers and discounts, so that their brand remains front and centre. The problem is that customers will not want to keep several digital wallets and the battle between competitors is intensifying. The winners and losers are still a question mark.

This new world of connected digital devices means that the entry of new players into the industry is easier than ever, causing unprecedented disruptions and creating new ways of doing business. As a result, it is likely that traditional players will be relegated more often and that, in some cases,



they will have to compete with players who are either not governed by the same rules and regulations or who have still not grown enough to attract regulators' attention.

In any case, connected devices and the cloud will be able to reinvent the shopping experience and new business models will be able to radically affect how money changes hands throughout the ecosystem, but customers will continue to be, as they have always been in our industry, the key actor in adopting available solutions. And, as always, in ServiRed, we will be working hand in hand with our members to help them reach their goals. One year more, I take advantage of these lines to thank them for their day-to-day trust that they place in our company.



SERVIED NETWORK





Purchases made with credit cards represent 56% of the total of purchases made with ServiRed cards

2013 is the first year in which there have been more debit cards issued than credit cards



Activity data

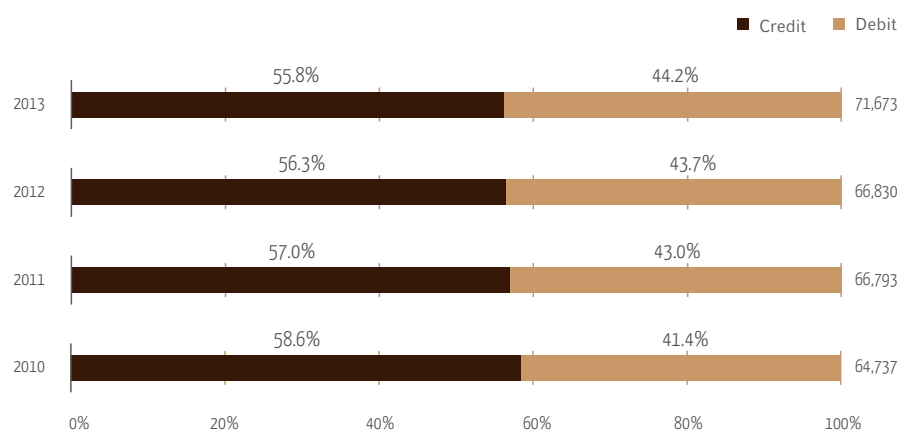
In 2013 ServiRed cardholders made 1,550 million purchases for a total amount of 71,673 million euros. This figure is a 7.2% increase, the largest recorded growth since 2007.

Once more, the volume of purchases made using ServiRed cards exceeded cash withdrawals. Cash withdrawals grew by 4.8% to 63,544 million euros.

The market share of purchases from the standpoint of the issuers stood at 63.5% of the total amounts, 280 base points more than in 2012, and 64.0% for operations. ServiRed also maintained its leadership in cash withdrawals made with cards issued in Spain with a share of 60.4% in the case of turnover, and 59.3% for transactions.

The acquirer prospects in 2013 also show the leading role of ServiRed, as the market share in purchases reached 68.0% in turnover (5 percentage points more than the previous year) and 68.4% for transaction. Cash withdrawals stood at 60.5% in the case of turnover and at 59.3% for transactions.

Purchases with Credit and Debit Cards (millions of euros)



More than half of the purchases issued by the ServiRed entities are made using credit cards. However, the purchases made with debit cards have gained market share year by year (from 41.4% in 2010 to 44.2% in 2013). Debit growth exceeded that of credit in 2013 with values of 8.5% and 6.3%, respectively. As for the number of cards issued, for the first time there are more debit cards than credit cards.



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Purchases and cash withdrawals

TRANSACTIONS	Purchases	Incr.	% of total	Cash withdrawals	Incr.	% of total	Sales volume	Incr.	% of total
Credit cards	772,407	8.9%	49.8%	189,938	6.1%	36.7%	962,345	8.4%	46.5%
Debit cards	777,956	9.6%	50.2%	327,195	1.8%	63.3%	1,105,152	7.2%	53.5%
Total cards	1,550,363	9.3%	100.0%	517,133	3.4%	100.0%	2,067,497	7.7%	100.0%

AMOUNTS	Purchases	Incr.	% of total	Cash withdrawals	Incr.	% of total	Sales volume	Incr.	% of total
Credit cards	40,015,952	6.3%	55.8%	26,388,285	5.5%	41.5%	66,404,237	6.0%	49.1%
Debit cards	31,656,701	8.5%	44.2%	37,155,589	4.2%	58.5%	68,812,290	6.2%	50.9%
Total cards	71,672,653	0.1%	100.0%	63,543,874	4.8%	100.0%	135,216,527	6.1%	100.0%

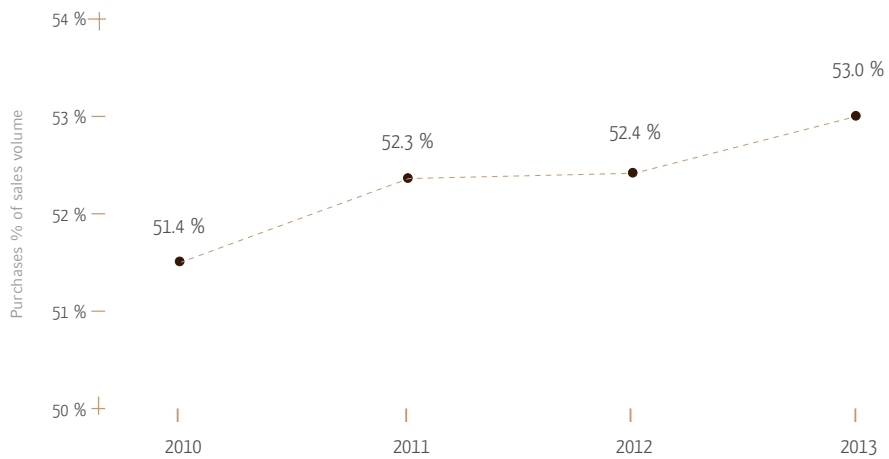
Amounts in thousands of euros
'000 of transactions

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Purchases and cash withdrawals



Card Purchases as % of Sales Volume



**Purchases
continue to gain
share over cash
withdrawals**

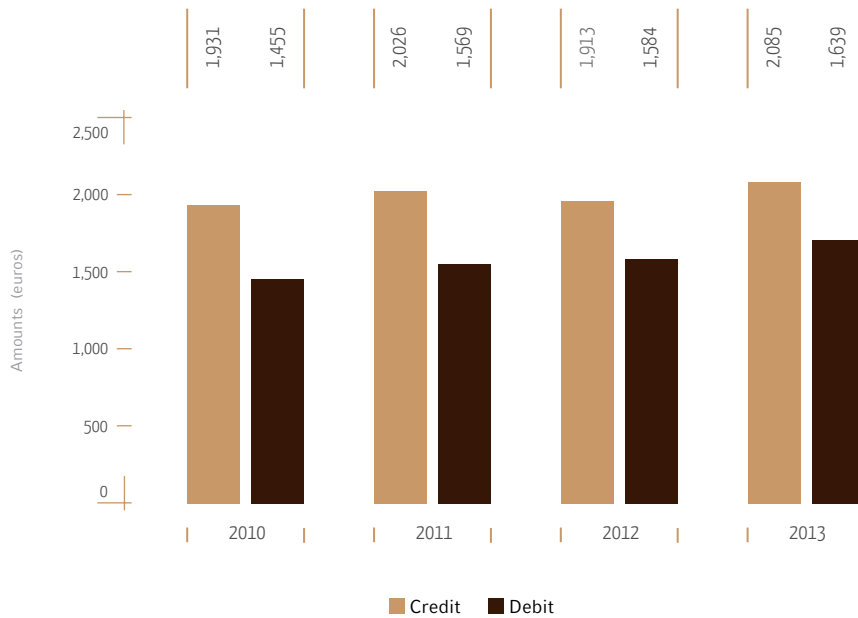


**In 2013, the cost
of purchases
with the
ServiRed card
was 1,862 euros**

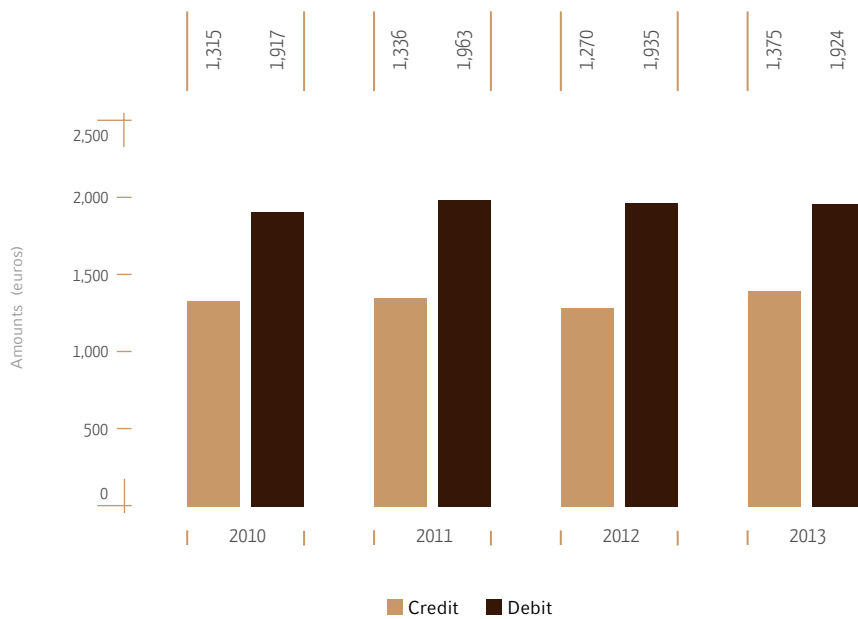


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Spending per Card in Purchases



Spending per Card on Cash Withdrawals







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International Activity

	Purchases	% total	Cash withdrawals	% total	Sales Vol.	%total
United Kingdom	1,643,688	24.0%	65,321	9.0%	1,709,009	22.6%
Ireland	824,302	12.1%	9,008	1.2%	833,310	11.0%
France	732,778	10.7%	63,936	8.8%	796,715	10.5%
Germany	337,830	4.9%	48,770	6.7%	386,600	5.1%
Luxembourg	457,807	6.7%	818	0.1%	458,625	6.1%
Italy	262,896	3.8%	40,928	5.7%	303,824	4.0%
Rest of European Union	711,644	10.4%	146,196	20.2%	857,840	11.4%
Total European Union	4,970,946	72.7%	374,977	51.8%	5,345,923	70.7%
United States	472,019	6.9%	32,541	4.5%	504,560	6.7%
Latin America	256,649	3.8%	154,541	21.4%	411,190	5.4%
Rest of the world	1,134,954	16.6%	161,315	22.3%	1,296,270	17.2%
Total International	6,834,569	100.0%	723,374	100.0%	7,557,942	100.0%

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

Foreign purchases by ServiRed cardholders are at a value of 6,835 million euros

The United Kingdom is the country where ServiRed cardholders purchase the most



ANTIQUA

ARTOBELLO ROAD

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WATCHES

MUSICAL

BOXES



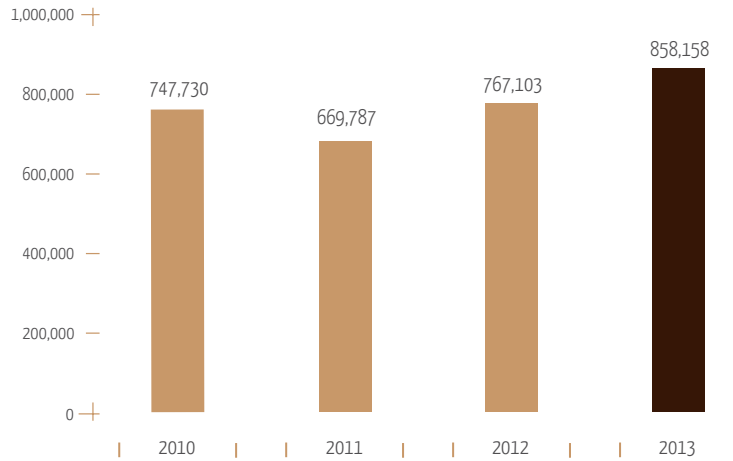


LIQUEUR

MADE

ANNUAL REPORT 2013

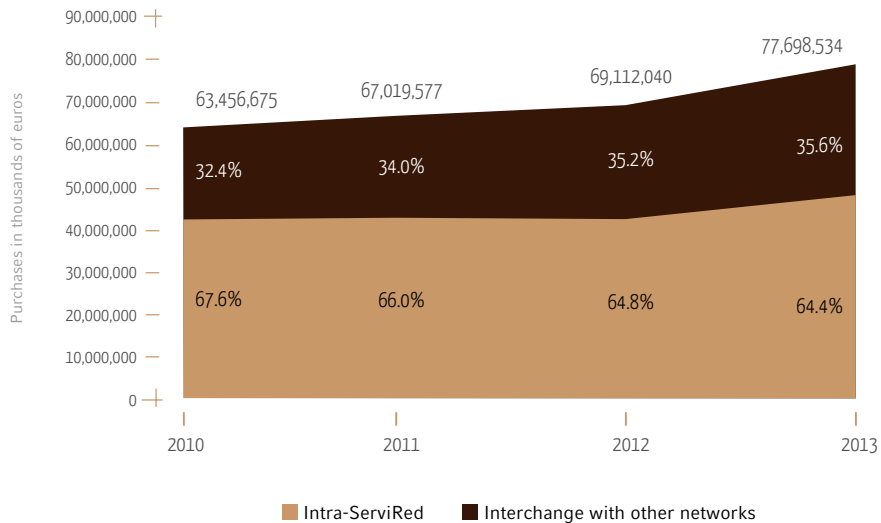
Number of Merchants*



(*) Merchants working with ServiRed System member institutions.

The entities of ServiRed include more than 858,000 store contracts, which is 91,000 more than in 2012

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.

More than 64% of purchases made in ServiRed's merchants are intra-ServiRed

**In ServiRed
merchants 1,641
million purchases
worth 77,699
million euros
were made**



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



ANNUAL REPORT 2013

Purchases in ServiRed Merchants by Province

	Amount (€)	Transactions	% Total	Average amount (€)
Álava	475,939,901	8,871,395	0.6%	53.65
Albacete	317,389,419	6,637,705	0.4%	47.82
Alicante	3,083,746,456	59,119,048	3.7%	52.16
Almería	606,261,565	12,077,964	0.8%	50.20
Asturias	1,009,360,358	18,014,862	1.1%	56.03
Ávila	144,705,866	2,787,571	0.2%	51.91
Badajoz	470,026,274	9,759,429	0.6%	48.16
Balearics	2,916,545,905	43,298,492	2.7%	67.36
Barcelona	18,219,647,127	412,915,387	26.1%	44.12
Burgos	421,765,449	8,157,127	0.5%	51.71
Cáceres	245,535,593	4,767,442	0.3%	51.50
Cádiz	1,209,433,619	24,758,056	1.6%	48.85
Cantabria	549,074,028	9,876,262	0.6%	55.60
Castellón	970,623,672	20,889,488	1.3%	46.46
Ceuta	82,505,643	1,491,211	0.1%	55.33
Ciudad Real	408,309,612	8,059,482	0.5%	50.66
Córdoba	424,585,431	8,885,860	0.6%	47.78
Corunna	837,813,686	16,413,909	1.0%	51.04
Cuenca	134,551,363	2,563,233	0.2%	52.49
Gerona	2,477,484,011	44,573,435	2.8%	55.58
Granada	794,150,975	14,929,909	0.9%	53.19
Guadalajara	230,962,576	5,097,562	0.3%	45.31
Guipúzcoa	1,197,190,262	19,330,420	1.2%	61.93
Huelva	491,058,344	10,436,137	0.7%	47.05
Huesca	308,604,294	5,416,153	0.3%	56.98
Jaén	285,921,203	5,676,937	0.4%	50.37
León	453,423,700	8,835,632	0.6%	51.32
Lérida	911,577,500	17,471,603	1.1%	52.17
Lugo	182,190,458	3,498,909	0.2%	52.07
Madrid	14,643,000,952	299,437,826	18.9%	48.90
Málaga	2,351,870,581	41,152,803	2.6%	57.15
Melilla	65,796,334	1,185,950	0.1%	55.48
Murcia	1,407,179,004	27,022,574	1.7%	52.07
Navarra	1,212,538,122	23,272,291	1.5%	52.10
Orense	147,824,533	2,875,092	0.2%	51.42
Palencia	135,590,612	2,677,383	0.2%	50.64
Palmas, Las	2,054,632,813	42,817,261	2.7%	47.99
Pontevedra	519,235,334	10,370,731	0.7%	50.07
Rioja, La	416,493,215	7,678,742	0.5%	54.24
Salamanca	285,568,135	5,496,801	0.3%	51.95
Segovia	206,365,917	3,777,917	0.2%	54.62
Saragossa	1,071,798,987	24,497,244	1.5%	43.75
Seville	1,985,314,345	42,540,499	2.7%	46.67
Soria	89,377,849	1,618,955	0.1%	55.21
Tarragona	1,939,023,141	39,969,337	2.5%	48.51
Tenerife	2,037,901,880	41,281,386	2.6%	49.37
Teruel	117,783,729	2,101,871	0.1%	56.04
Toledo	572,554,729	11,300,403	0.7%	50.67
Valencia	3,888,396,346	90,527,775	5.7%	42.95
Valladolid	641,508,801	12,179,197	0.8%	52.67
Vizcaya	1,723,557,726	30,473,659	1.9%	56.56
Zamora	150,716,950	2,797,970	0.2%	53.87
Total	77,524,414,324	1,581,664,286	100.0%	49.01

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



11

Maquim Cases
Parés

MAQUIMA



FARMÀCIA 11



ANNUAL REPORT 2013

Purchases at ServiRed Merchants by Retail Categories

Retail categories	Amount (€)	% of total	Transactions	Average amount (€)
Large food outlets	17,990,577,531	23.2%	454,560,624	39.58
Retail merchants	17,380,562,598	22.4%	322,810,485	53.84
Other large retail outlets	7,354,910,557	9.5%	109,159,433	67.38
Petrol stations	6,135,499,378	7.9%	141,788,253	43.27
Restaurants	5,557,236,287	7.2%	153,766,901	36.14
Hotels	3,503,531,637	4.5%	19,950,524	175.61
Supermarkets	2,490,342,121	3.2%	73,401,362	33.93
Travel agencies	2,412,919,722	3.1%	9,739,186	247.75
Passenger transport	1,987,510,944	2.6%	23,642,944	84.06
Mail order/telephone sales	1,714,051,117	2.2%	19,312,524	88.75
Leisure, entertainment	1,249,853,231	1.6%	21,636,666	57.77
Pharmacies	1,113,999,524	1.4%	41,820,658	26.64
Small-amount categories	733,753,522	0.9%	39,637,688	18.51
Household supplies	637,289,215	0.8%	13,943,174	45.71
Jewellers	553,641,196	0.7%	5,784,995	95.70
Car rentals	521,422,952	0.7%	3,005,895	173.47
Toll motorways	284,380,053	0.4%	65,404,500	4.35
Massage parlors, saunas, discos	249,101,811	0.3%	5,413,027	46.02
Casinos	189,093,019	0.2%	2,181,971	86.66
Charities	13,290,387	0.0%	449,318	29.58
Other	5,451,447,524	7.0%	54,254,158	100.48
Total	77,524,414,324	100.0%	1,581,664,286	49.01

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

**Retail stores
concentrate
22.6% of the
purchases with
cards**



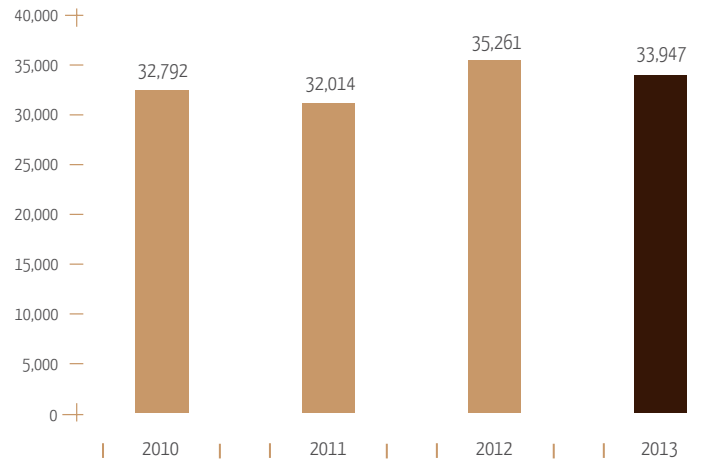
**More than half of the
ATMs in Spain belong to
the ServiRed network**

**ServiRed cards were
used for 93% of cash
withdrawals from
ServiRed ATMs**

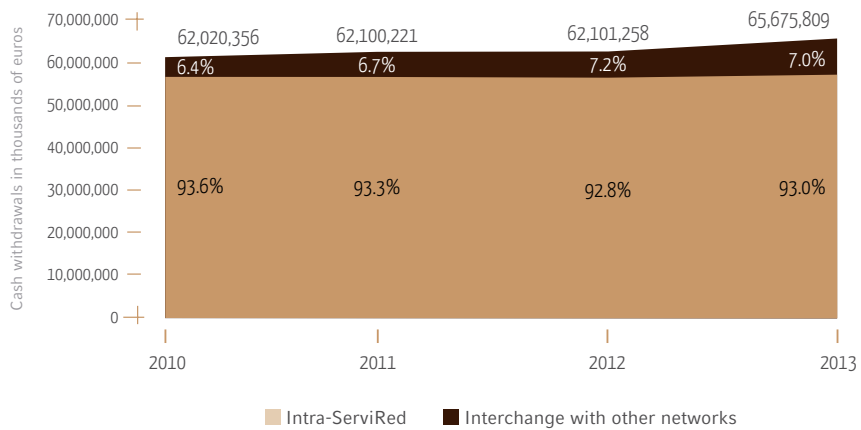


ANNUAL REPORT 2013

Total Number of ATMs



Cash Withdrawals from ServiRed ATMs







ANNUAL REPORT 2013

Cash Withdrawals by Provinces

	Transactions	ATMs	Transactions per ATM	ATMs per million inhabitants
Álava	3,511,011	179	19,615	557
Albacete	3,050,217	216	14,121	540
Alicante	24,375,648	1,824	13,364	937
Almería	8,416,992	338	24,902	483
Asturias	9,372,487	569	16,472	533
Ávila	2,599,786	129	20,153	764
Badajoz	4,431,953	414	10,705	597
Balearics	11,218,862	652	17,207	587
Barcelona	103,032,987	6,104	16,880	1,102
Burgos	2,197,837	278	7,906	749
Cáceres	1,635,438	137	11,938	334
Cádiz	8,803,729	628	14,019	507
Cantabria	3,731,814	194	19,236	328
Castellón	8,043,139	602	13,361	1,001
Ceuta	1,211,703	54	22,439	641
Ciudad Real	3,807,141	304	12,523	579
Córdoba	3,935,886	348	11,310	434
Corunna	6,185,231	292	21,182	257
Cuenca	1,311,231	112	11,707	529
Gerona	12,336,089	747	16,514	981
Granada	7,715,303	469	16,451	510
Guadalajara	1,371,765	128	10,717	497
Guipúzcoa	8,562,859	410	20,885	574
Huelva	4,070,028	371	10,970	713
Huesca	1,460,503	134	10,899	592
Jaén	3,341,504	309	10,814	465
León	5,900,933	362	16,301	739
Lérida	5,566,100	455	12,233	1,032
Lugo	1,539,934	111	13,873	321
Madrid	95,153,611	5,429	17,527	836
Málaga	12,470,572	712	17,515	431
Melilla	830,880	28	29,674	335
Murcia	14,735,899	942	15,643	640
Navarra	7,317,503	673	10,873	1,044
Orense	1,305,515	79	16,526	242
Palencia	1,725,350	118	14,622	698
Palmas, Las	16,553,054	872	18,983	790
Pontevedra	4,921,169	235	20,941	246
Rioja, La	3,201,327	261	12,266	810
Salamanca	2,061,810	142	14,520	411
Segovia	2,282,449	149	15,318	921
Saragossa	13,663,739	1,188	11,501	612
Seville	818,155	59	13,867	632
Soria	12,283,303	856	14,350	1,057
Tarragona	9,369,242	783	11,966	772
Tenerife	697,978	67	10,418	471
Teruel	3,973,922	325	12,227	460
Toledo	34,254,039	2,561	13,375	998
Valencia	5,789,515	379	15,276	712
Valladolid	11,738,949	628	18,693	543
Vizcaya	1,860,445	133	13,988	706
Zamora	5,617,895	458	12,266	468
Total	525,364,431	33,947	15,476	720

**Barcelona is the province
with the most ServiRed
ATMs per capita**

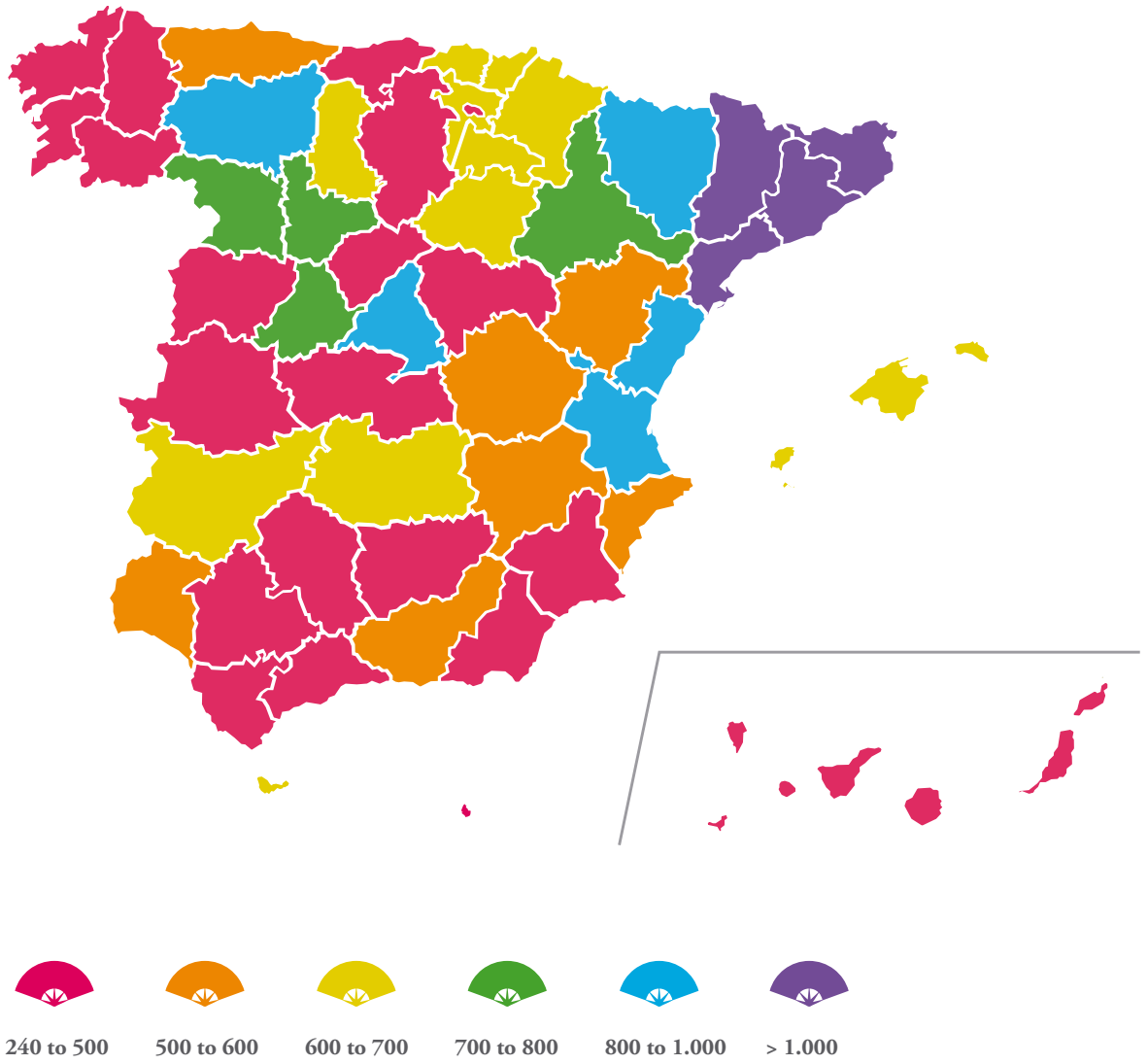
**There is one ServiRed ATM
for every 1,388 inhabitants**

**There are about 34,000
ATMs located throughout
Spain**





ATMs per million of inhabitants







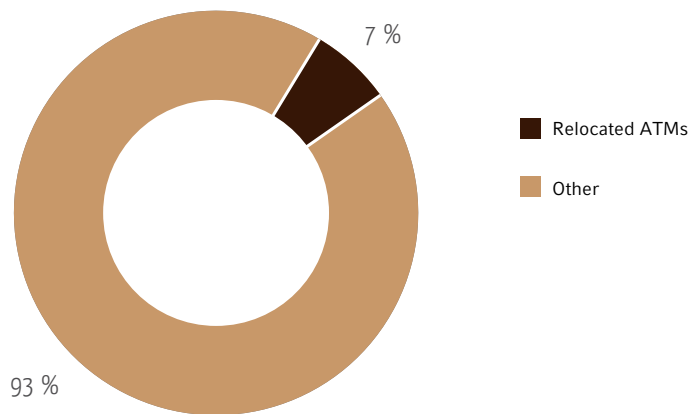
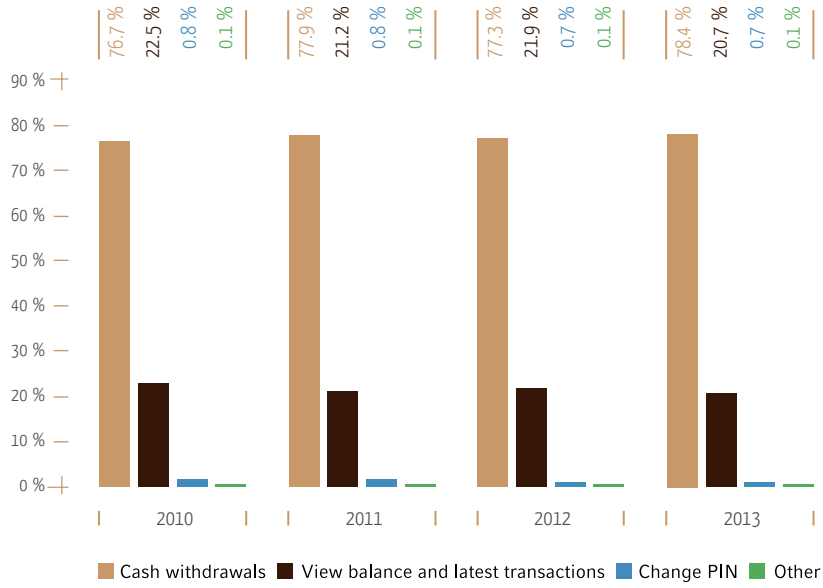
Geographical Distribution of ATMs

Population	ATMs	ATMs as % of total	Inhabitants as % of total
>500,000	6,872	20.2%	16.0%
>100,001<500,000	7,809	23.0%	23.7%
>50,001<100,000	3,495	10.3%	12.7%
>20,001<50,000	4,140	12.2%	16.1%
<=20,000	11,632	34.3%	31.5%
Total	33,947	100.0%	100.0%

More than 31% of the ServiRed ATMs are in communities with less than 20,000 inhabitants



Transactions at ServiRed ATMs



**7% of the
ATMs are not
located in
banks**







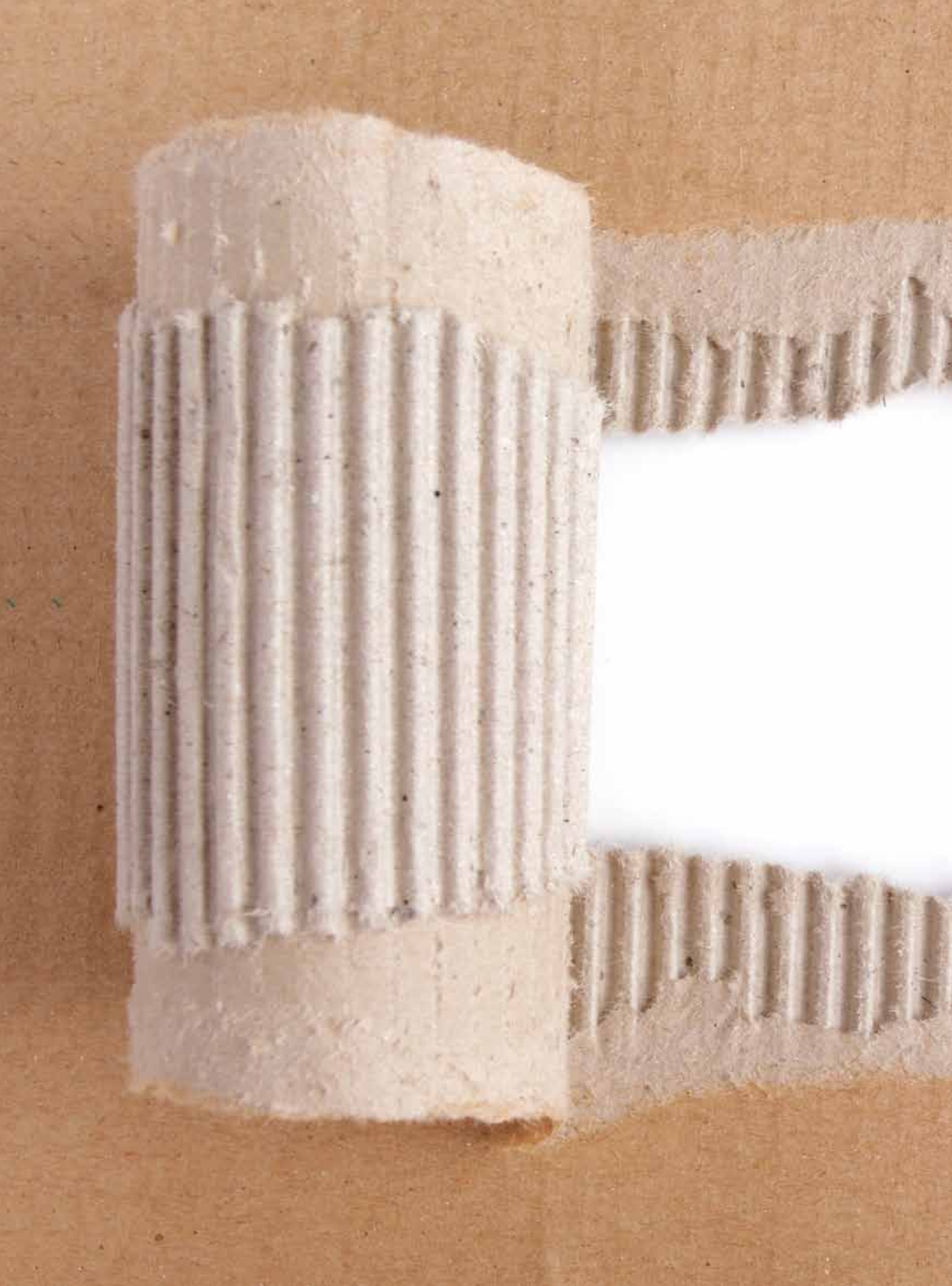
The three facets of ServiRed...



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





1. 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:

Requirement #1: The CPS should have a sound legal basis under all relevant jurisdictions

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.





Metro

Banco de España

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 #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.





Requirement # 3a: The CPS should ensure an adequate degree of security, operational reliability and business continuity

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.

Fraud prevention

2013 was a year in which fraud figures registered by ServiRed issuing entities remained stable in absolute terms.

The fall in fraud associated with card present, on the other hand, was penalised by the increase in the fraudulent use of the card number in card not present environment.

The fraud ratio on the total sales volume fell from 0.020% in 2012 to 0.019% in 2013.

In the domestic environment, the fraud ratio on total sales volume remains stable at 0.006%.

The most important data:

	Fraud as % of total sales volume		Fraud as % of total card purchases	
	2012	2013	2012	2013
ServiRed cards / Total acquisition	0.020%	0.019%	0.035%	0.033%
ServiRed cards / Domestic acquisition	0.006%	0.006%	0.010%	0.009%
ServiRed cards / International acquisition	0.281%	0.250%	0.292%	0.255%

Issues:

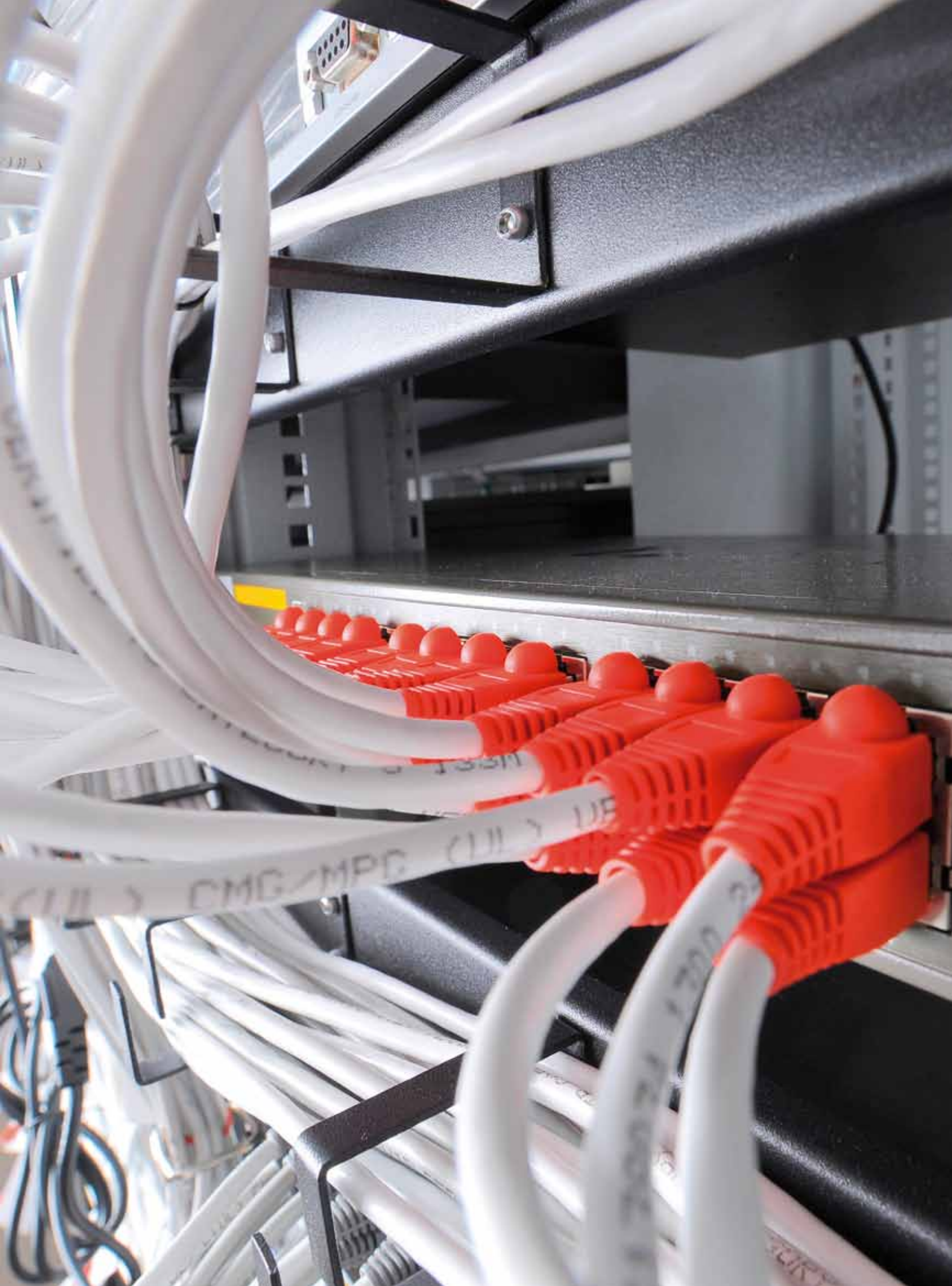
- Total fraud in 2013 increased by 1% over 2012.
- 90% of the fraud occurred in goods or service purchase transactions, with 26% in national merchants and 74% in international merchants, 4% and 1% up on 2012, respectively.
- In the domestic market, fraudulent use in non-physical channels accounted for 55% of the total confirmed fraud, whereas in international environments it accounted for 63%, with increases of 32% and 11% over 2012, respectively.

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 78% of fraud in the domestic environment and 93% in the international.

Acquirers:

- Total fraud in 2013 registered an increase of 24% over 2012.
- 96% of fraud operations corresponded to purchases of goods or services, whereby 15% were with domestic cards and 85% with international cards, registering an increase from the year 2012 of 4% for national cards and an increase of 30% with international cards.

Overall within the ServiRed network, all types of fraud reported significant decreases compared to previous years except for the fraudulent use of remote channels, which was 59% of all confirmed cases of fraud with national cards and 65% of all confirmed cases of fraud with international cards.





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 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.

Requirement #3c: Ensure an adequate level of security, operational strength, and business continuity in relation to the transactions

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 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**





Servicio Red
Automático

Requirement #3d: Ensure an adequate level of safety, operational strength and business continuity in relation to exchanges and settlements

ServiRed functions:

1. Management of the ServiRed brands.

The management of the ServiRed brands includes its display on cards, at merchants, and on ATMs.

The proper identification of ServiRed cards is ensured by seeing that their designs conform to the specifications. In 2013 we studied more 500 design applications, most of them for ServiRed/Visa cards.

ServiRed also verifies that merchants correctly display their references to our cards for the sake of both domestic and foreign cardholders. The most popular method is to place adhesive decals showing the cards accepted on or near the door of the establishment.

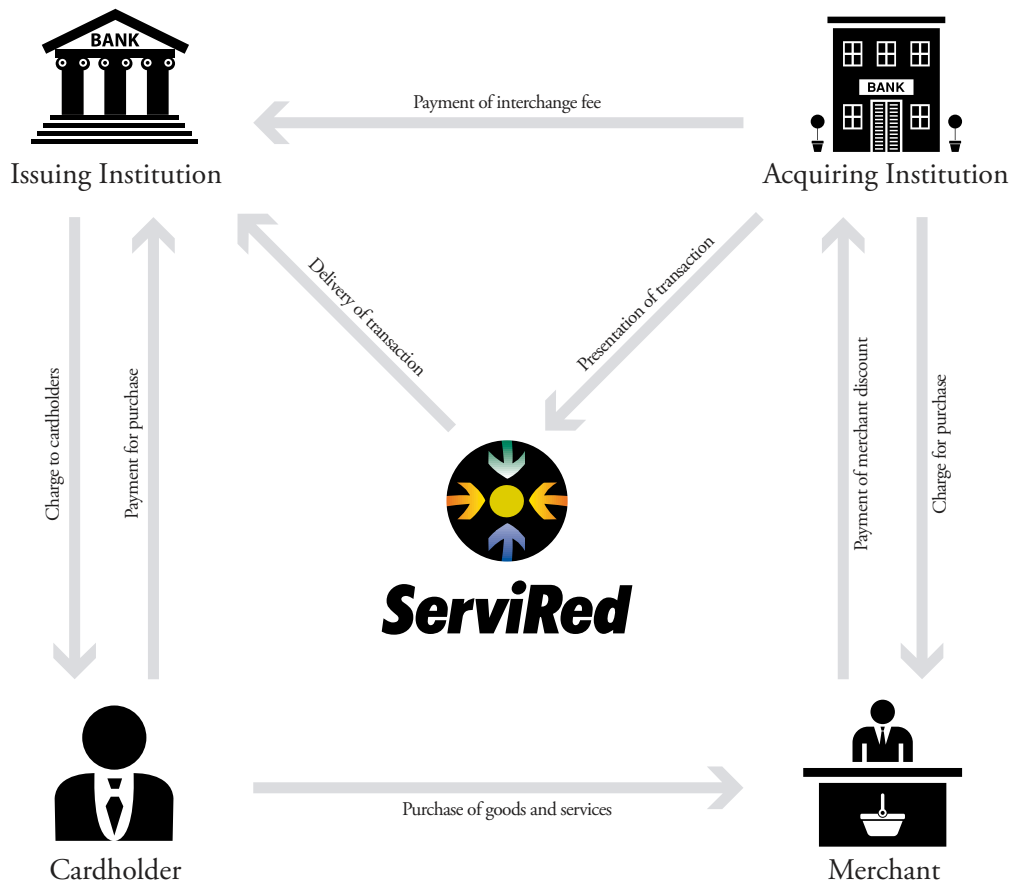
The display of the ServiRed brand on pennants or plaques at ATMs is vital for making it visible to cardholders. In 2013, as in earlier years, field studies were made to verify that the brand was correctly displayed, and the offending institutions were notified when this was not the case.

2. 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.)
3. 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.





4. Purchase scheme with cards



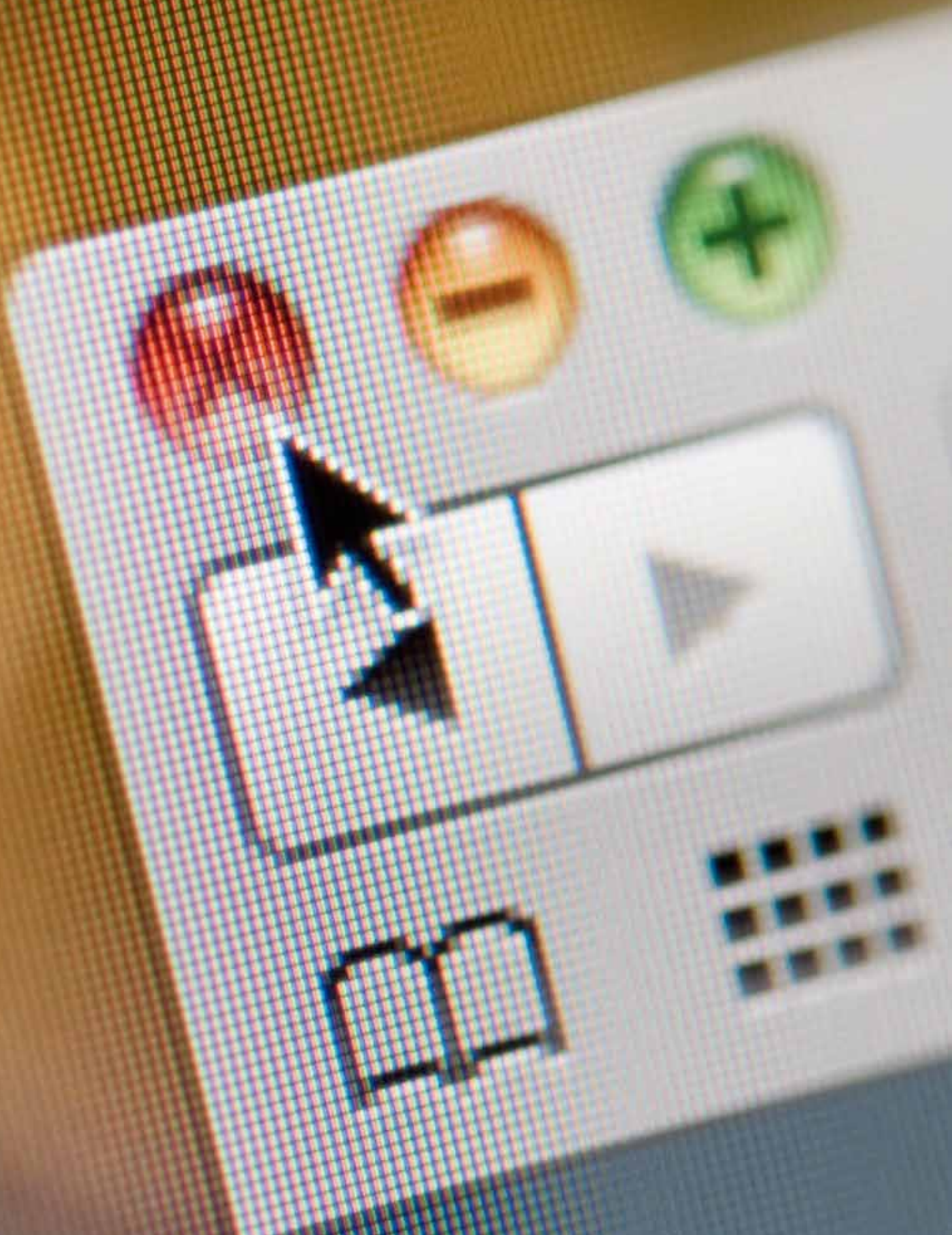
Requirement #3e: Ensure an adequate level of security, operational strength, and business continuity in relation to business continuity

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.



ABERTO



Requirement #3f: Ensure an adequate level of security, operational strength and business continuity in relation to the conditions for outsourcing of proprietary functions

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 #4: Having effective, responsible and transparent governance mechanisms

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.





Requirement #5: Manage and contain financial risks related to exchange and settlement activities

ServiRed functions:

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

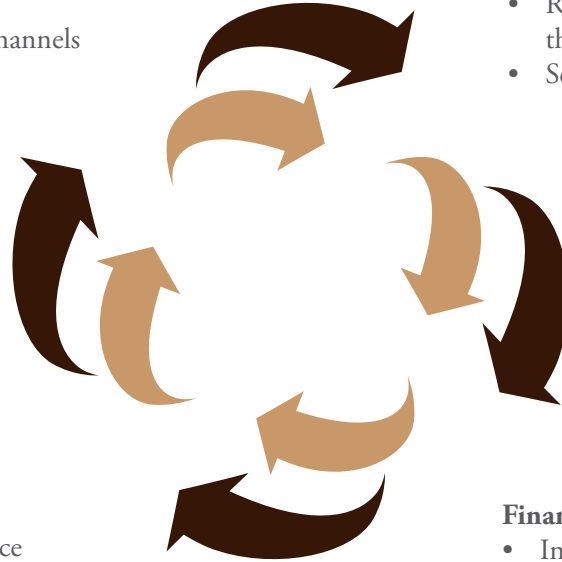
ADVANTAGES OF SERVISED SYSTEM

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

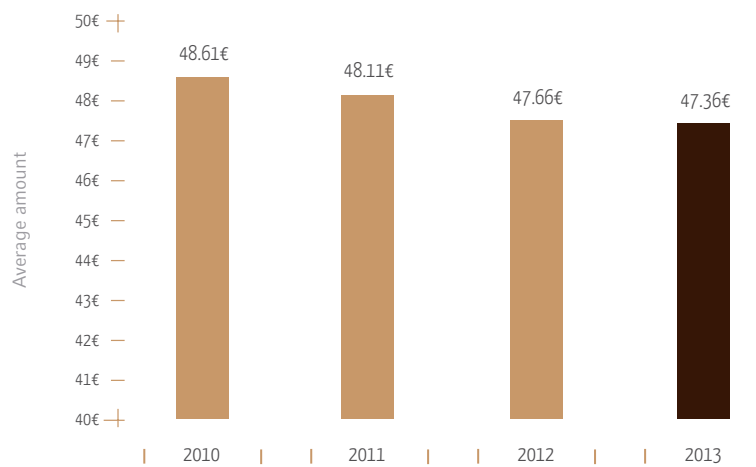
- Increased revenues
- Decreased expenses
- Customer loyalty
- Crossed sales of products

Presence in merchants

Card purchases at ServiRed merchants grew by 12.4% in the year. This brought card purchases at the 858,000 ServiRed merchants to a total amount of some 77,699 million euros.

The average cost of purchases made in ServiRed merchants fell by 0.6% to 47.36 euros. This fall has been continuous over recent years.

Average amount of purchases



**Purchases made
with ServiRed cards
accounted for more
than a tenth
of all consumer
spending**



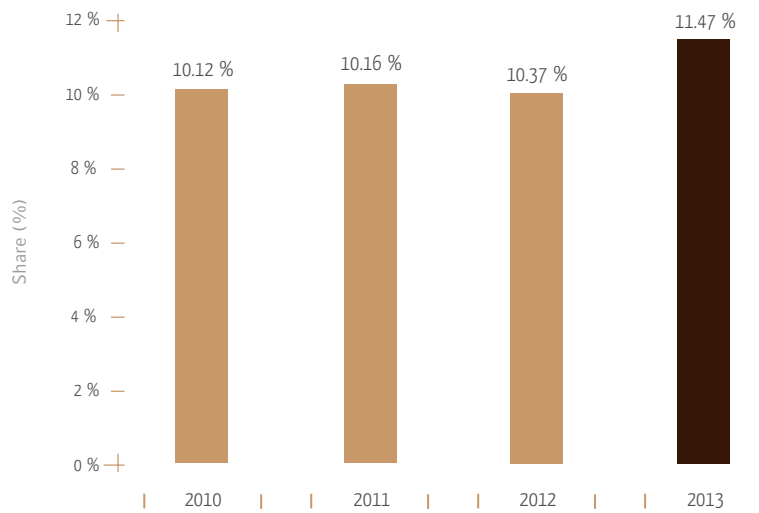


Presence in merchants

Card purchases continue to gain ground over cash withdrawals. 53.0% of the expenditure corresponded to purchases, 60 base points more than last year's percentage. The 1,550 million purchases accounted for a volume of 71,673 million euros, whereas the 517 million cash withdrawals reached 63,544 million euros.

The penetration of purchases made with ServiRed cards in private consumption amounted to 11.47%. In the case of purchases made by the entire market, this was 18.08%. This figure, despite being a 98 base point increase in relation to last year, is still very small if we compare it with those registered in other European countries, since according to recent data published by the European Central Bank (for 2012), the average in the European Union was 27.04%. The United Kingdom reached 49.68% and France 35.96%. Therefore, there is still a long way to go in the transition from using cash to more efficient and secure payment systems.

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



(*) NPISHs: Non-profit institutions serving households.

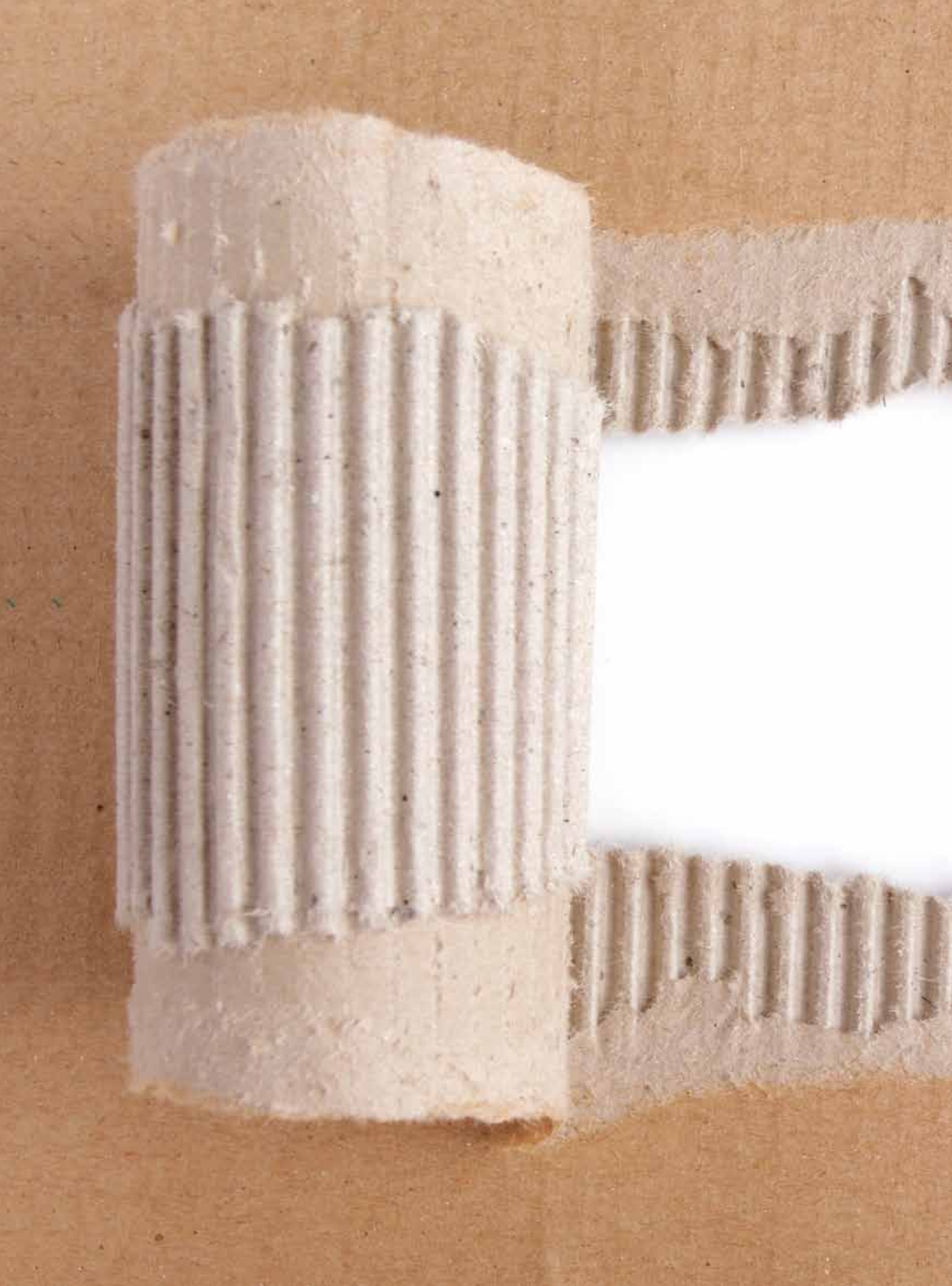
Advancing with the Chip Card

EMV is the globally-agreed standard that guarantees the interoperability of transactions made with chip cards.

The SEPA Cards Framework also designated EMV as the standard for ensuring interoperability within the Single Euro Payments Area (SEPA).

At the close of 2013 100% of the ATMs and 99% of POS terminals were EMV-enabled. Moreover a total of 36 million ServiRed cards with chip had been issued, resulting on a total of 98%.







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

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

VISA

MasterCard

MasterCard

Summary of Activity

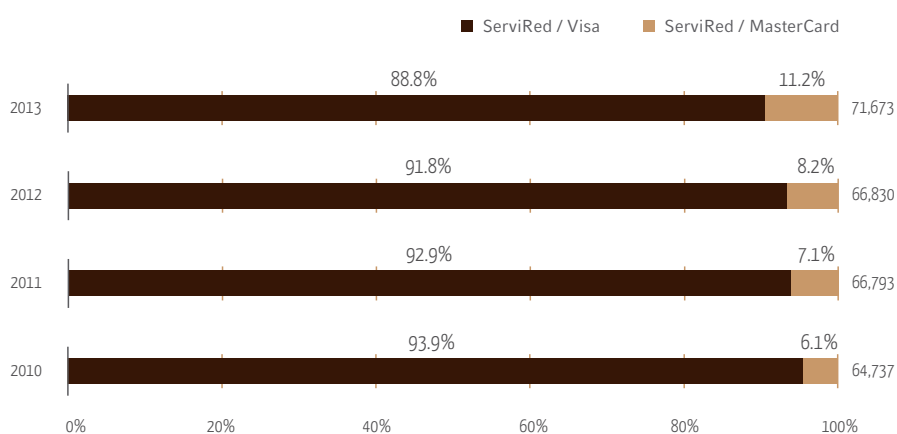
ServiRed/Visa cards

The 33.3 million ServiRed/Visa cards represent 86.5% of all cards issued by members of ServiRed. With these cards, purchases worth 63,635 million euros were made, which means that 88.8% of all purchases paid with ServiRed cards (compared to 91.8% in 2012).

At the end of 2013 there were 16.8 million ServiRed/Visa Classic cards, the product most widespread amongst ServiRed cardholders. These were used to make purchases for 29,742 million euros, representing a 46.7% of all purchases made using ServiRed/Visa cards, thus being the most important card in terms of purchase volume and plastics issued.

Of the purchases made with ServiRed/Visa cards in 2013, 52.1% were made with credit cards. Debit cards, however, have increased their share of total purchases, since they grew by 6.4% compared to the 1.5% increased reported for ServiRed/Visa credit cards.

Purchases with ServiRed/Visa and ServiRed/MasterCard



ServiRed/MasterCard cards

The increase in the issuing of MasterCard cards has led to a rise of its market share in purchases done with ServiRed cards.

In 2013, purchases worth 163 million euros were paid with ServiRed/MasterCard in the amount of 8,037 million euros. This value is 46.3% more than the previous year.

Among the ServiRed/MasterCard products, the ServiRed/MasterCard Standard stands out with more than 3 million cards issued. It was used to pay for purchases for a total turnover of 4,827 million euros, 47.3% more than in 2012.

Of the purchases made with ServiRed/MasterCard cards 84.7% were made with credit cards, slightly below 89.6% which corresponded to 2012.

Advertising campaigns

ServiRed in 2013 took part in the planning and development of the Visa campaign which, as on previous occasions, was fundamentally intended to increase the use of cards in purchases, and focusing this time on the contactless Visa cards.

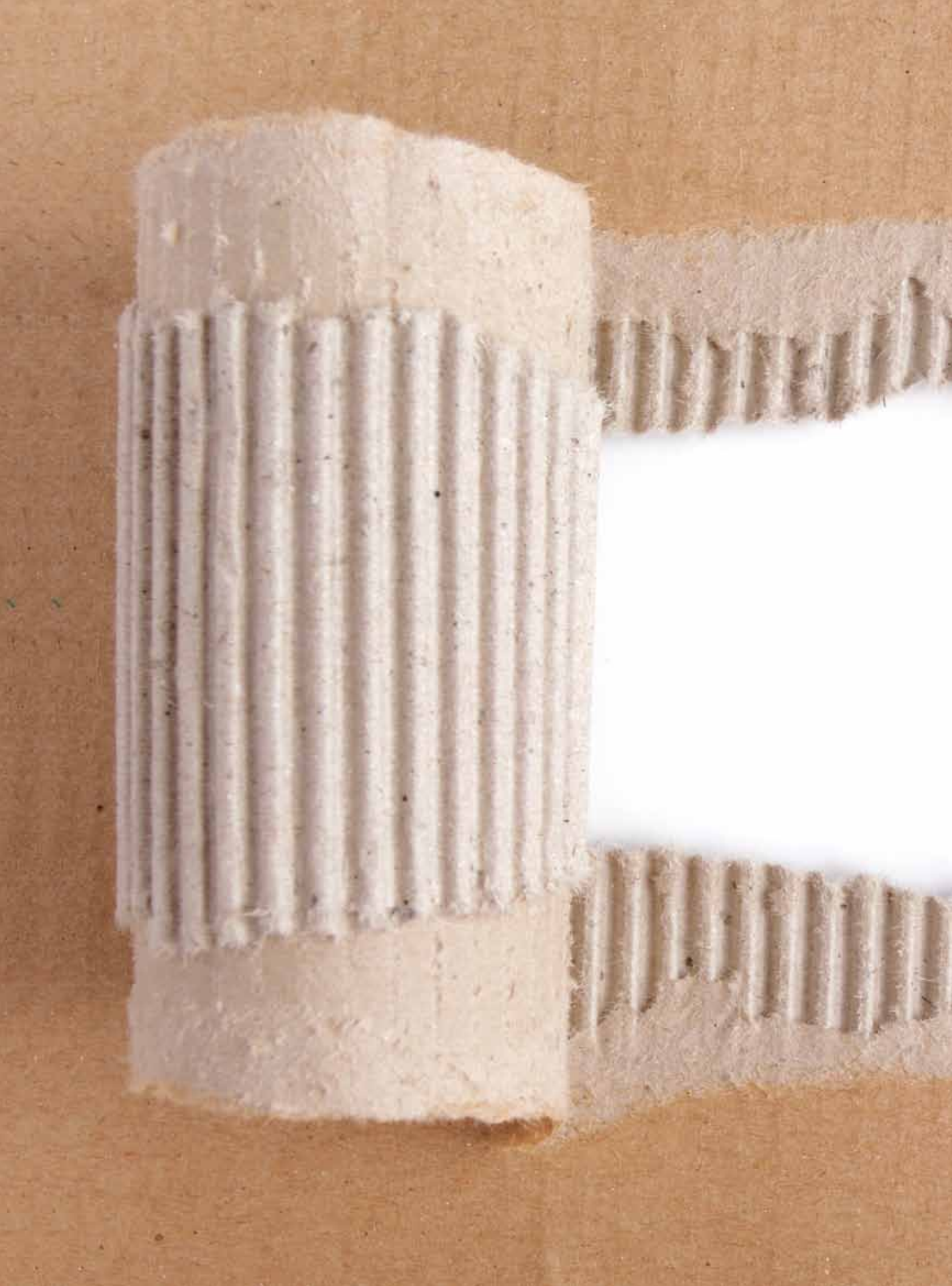
The campaign's media plan consisted of two waves. The first one in June and July with a television commercial to strengthen the brand and a second one outdoors and on the radio focused on contactless cards.

The second wave strengthened the promotions made by contactless card issuers, which pursued an increase in the use of these cards.

Paga más rápido con Visa Contactless



Más rápido con Visa | **VISA**





3. ServiRed as a commercial company



Advantis

Advantis is a multi-application operating system based on international standards for EMV chip technology. It combines EMV credit/debit applications and an electronic purse with other non-financial applications such as transportation, digital signature, authentication, etc.

Its maxims are reliability and flexibility.

- **100% Reliability.** There has never been any security or operative incident since it began in the 1990s.
- **Flexibility:**
 - » Multi-application – With Advantis, financial institutions can have a single technology regardless of the financial application (credit/debit) they will use, as well as non-financial applications that bring added value to the card.
 - » Multi-brand – Advantis implements the Visa and MasterCard requirements for EMV, in combination with proprietary applications on a single platform, delivering operational and maintenance cost savings.
 - » Multi-provider – Advantis is compatible with different chip and card providers, building a highly competitive offer and providing a greater possibility of choice.
 - » Multi-profile – Advantis can be parameterised with different profiles in line with the card holder and the institution's requirements, offering the flexibility of reacting to any new risk factor without the expense and effort involved with reissuing.

Advantis includes functions and specific procedures defined in agreement with the requests of the issuers, in addition to providing technical support during all phases of the card production and incident management through intensive performance testing.









Migration to EMV with Advantis

In 2013 the following countries began to migrate from their issue to EMV with Advantis:

- Argentina
- Bolivia
- Chile
- Costa Rica
- El Salvador
- Guatemala
- Honduras
- Nicaragua
- Panama
- Paraguay
- Dominican Republic
- Trinidad&Tobago

Advantis International Presence



More than 10% of smart cards in the world incorporate the Advantis operating System

AUDITOR'S REPORT

Audited by PricewaterhouseCoopers Auditories, S.L.



A free translation of the report on the annual accounts originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain. In the event of a discrepancy, the Spanish language version prevails

AUDITOR'S REPORT ON THE ANNUAL ACCOUNTS

To Shareholders of ServiRed, Sociedad Española de Medios de Pago, S.A.,

We have audited the annual accounts of ServiRed, Sociedad Española de Medios de Pago, S.A., consisting of the balance sheet at December 31, 2013, the income statement, the statement of changes in equity, the statement of cash flows and the related notes for the year then ended. The Company's Directors are responsible for the preparation of these annual accounts in accordance with the financial reporting framework applicable to the Company (as identified in Note 2 to the accompanying annual accounts), and in particular, with the accounting principles and criteria included therein. Our responsibility is to express an opinion on the annual accounts taken as a whole, based on the work performed in accordance with legislation governing the audit practice in Spain, which requires the examination, on a test basis, of evidence supporting the annual accounts and an evaluation of whether their overall presentation, the accounting principles and criteria applied and the estimates made are in accordance with the applicable financial reporting framework.

In our opinion, the accompanying annual accounts for 2013 present fairly, in all material respects, the financial position of ServiRed, Sociedad Española de Medios de Pago, S.A., at December 31, 2013 and the results of its operations and cash flows for the year then ended in accordance with the applicable financial reporting framework, and in particular, with the accounting principles and criteria included therein.

The accompanying directors' report for 2013 contains the explanations which the Directors consider appropriate regarding the situation of ServiRed, Sociedad Española de Medios de Pago, S.A., the development of its business and other matters and does not form an integral part of the annual accounts. We have verified that the accounting information contained in the directors' report is in agreement with that of the annual accounts for 2013. Our work as auditors is limited to checking the directors' report in accordance with the scope mentioned in this paragraph and does not include a review of information other than that obtained from the accounting records of ServiRed, Sociedad Española de Medios de Pago, S.A.

PricewaterhouseCoopers Auditores, S.L.

Original in Spanish signed by
Jose Ángel Díez Ruiz de Azúa
Audit Partner

April 2, 2014

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Inscrita en el R.O.A.C. con el número S0242 - CIF: B-79 031290



A close-up photograph of a person's hands working at a desk. The person is wearing a teal-colored shirt. Their left hand is holding a silver calculator, with their index finger resting on the 'C/A' button. Their right hand is holding a blue pen, positioned over an open spiral-bound notebook with lined pages. The background is a plain, light-colored surface, possibly a desk or wall, which is slightly out of focus. The overall scene suggests a professional or academic setting where financial calculations and record-keeping are being performed.

Financial information

ANNUAL REPORT 2013

Balance Sheet

Audited by PricewaterhouseCoopers Auditorios, S.L.

ASSETS	2013	2012
FIXED ASSETS	3,896,033 €	3,715,091 €
Intangible fixed assets	133,197 €	49,910 €
Property, plant and equipment	2,402,917 €	2,466,612 €
Long-term investments in Group companies and associates	282,470 €	282,470 €
Equity instruments	282,470 €	282,470 €
Long-term financial assets	474,506 €	368,141 €
Equity instruments	10 €	10 €
Long-term loans to employees	260,924 €	325,898 €
Deferred tax assets	171,769 €	-
Other financial assets	41,803 €	42,233
Deferred tax assets	602,943 €	547,958
CURRENT ASSETS	68,327,908 €	66,974,813 €
Inventories	102,854 €	97,872 €
Commercials	102,854 €	97,872 €
Trade and other receivables	10,685,272 €	6,751,282 €
Trade receivables for sales and services	4,412,446 €	2,009,801 €
Sundry receivables	23,942 €	650,592 €
Loans to employees	31,093 €	35,649 €
Current tax expense	4,268,070 €	2,378,790 €
Public Administrations - Other	1,949,721 €	1,676,450 €
Short-term investments	27,161,279 €	19,394,886 €
Equity instruments	17,381,797 €	17,349,332 €
Loans to companies	27,747 €	27,354 €
Debt securities	-	17,788 €
Other financial assets	9,751,735 €	2,000,412 €
Short-term accruals	14,692 €	12,386 €
Cash and cash equivalents	30,363,811 €	40,718,387 €
TOTAL ASSETS	72,223,941 €	70,689,904 €

ANNUAL REPORT 2013

EQUITY AND LIABILITIES	2013	2012
EQUITY		
Capital	30,131,270 €	29,427,584 €
Paid in capital	16,371,783 €	16,371,783 €
Reserves	9,572,288 €	9,572,288 €
Shareholder contributions	(188 €)	(188 €)
Profit/loss for the year	4,187,387 €	3,483,701 €
Value changes adjustments	2,346,600 €	2,114,572 €
Available for sale financial assets	2,346,600 €	2,114,572 €
TOTAL EQUITY	32,477,870 €	31,542,156 €
NON-CURRENT LIABILITIES	3,882,936 €	3,788,505 €
Long-term provisions	2,494,734 €	2,459,924 €
Long-term employee benefit obligations	544,734 €	523,736 €
Other provisions	1,950,000 €	1,936,188 €
Long-term payables	46,130 €	83,702 €
Other financial liabilities	46,130 €	83,702 €
Deferred tax liabilities	1,342,072 €	1,244,879 €
CURRENT LIABILITIES	35,863,135 €	35,359,243 €
Short-term payables	590,506 €	747,921 €
Other financial liabilities	590,506 €	747,921 €
Trade and other payables	35,272,629 €	34,611,322 €
Trade payables		11,162,831 €
Sundry payables	22,950,632 €	23,041,510 €
Accrued wages and salaries	145,384 €	184,610 €
Payable to Public Administrations	206,219 €	222,371 €
TOTAL LIABILITIES	39,746,071 €	39,147,748 €
TOTAL EQUITY AND LIABILITIES	72,223,941 €	70,689,904 €





Performance of A/B



ANNUAL REPORT 2013

Profit and Loss Account

Audited by PricewaterhouseCoopers Auditories, S.L.

	2013	2012
CONTINUING OPERATIONS		
REVENUE	21,118,967 €	19,894,320 €
Sales	40,045 €	16,815 €
Services rendered	21,078,922 €	19,877,505 €
RAW MATERIALS AND CONSUMABLES	(41,065 €)	(19,467 €)
Consumption goods purchased for resale	(35,254 €)	(18,065 €)
Consumption of raw materials and other consumables materials	(5,811 €)	(1,402 €)
OTHER OPERATING REVENUE	11,635,759 €	12,582,426 €
Accessory and other income	11,635,759 €	12,582,426 €
STAFF COSTS	(2,515,131 €)	(2,428,188 €)
Wages, salaries and similar remuneration	(1,995,465 €)	(1,945,139 €)
Staff welfare expenses	(519,666 €)	(483,049 €)
OTHER OPERATING CHARGES	(25,660,017 €)	(26,031,329 €)
External services	(25,408,515 €)	(25,647,903 €)
Taxes	(233,081 €)	(383,426 €)
Other operating expenses	(18,421 €)	-
FIXED ASSET DEPRECIATION	(215,208 €)	(199,942 €)
IMPAIRMENT AND RESULTS OF FIXED ASSETS TRANSACTIONS	-	(1,900 €)
Impairment and profit/loss on disposal of assets resulting from operations	-	(1,900 €)
OPERATING INCOME/EXPENSE – NET	4,323,305 €	3,795,920 €
FINANCIAL INCOME	211,724 €	260,561 €
FINANCIAL COSTS	(301,084 €)	(254,754 €)
EXCHANGE DIFFERENCES	(986 €)	(4,966 €)
IMPAIRMENT AND PROFIT/LOSS ON DISPOSAL OF FINANCIAL INSTRUMENTS	(9,018 €)	(8,209 €)
FINANCIAL INCOME/EXPENSE - NET	(99,364 €)	(7,368 €)
PROFIT/LOSS BEFORE INCOME TAX	4,223,941 €	3,788,552 €
Income tax	(36,554 €)	(304,851 €)
PROFIT/LOSS FOR THE YEAR	4,187,387 €	3,483,701 €



