"ESTA CONFERENCE"

"Standards to Improve The Cash Cycle"

May 23rd – 24th, 2011

Area	Operations - Spain
Department	Central Cash Mgmt
Type	Internal
Date	05.2011

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Index

Index

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1. INTRODUCTION

- **FACTS**:
  - In Spain, 80% of payments are made in cash
  - Retailers “use” our branch network as a point of delivery
- **TOPIC**:
  - Cash is Expensive
- **OBJECTIVES**
  - We don’t discuss if cash is expensive or not
  - We know that cash will remain between us for a long time
  - We are trying to focus our efforts on **EFFICIENCY**

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Index

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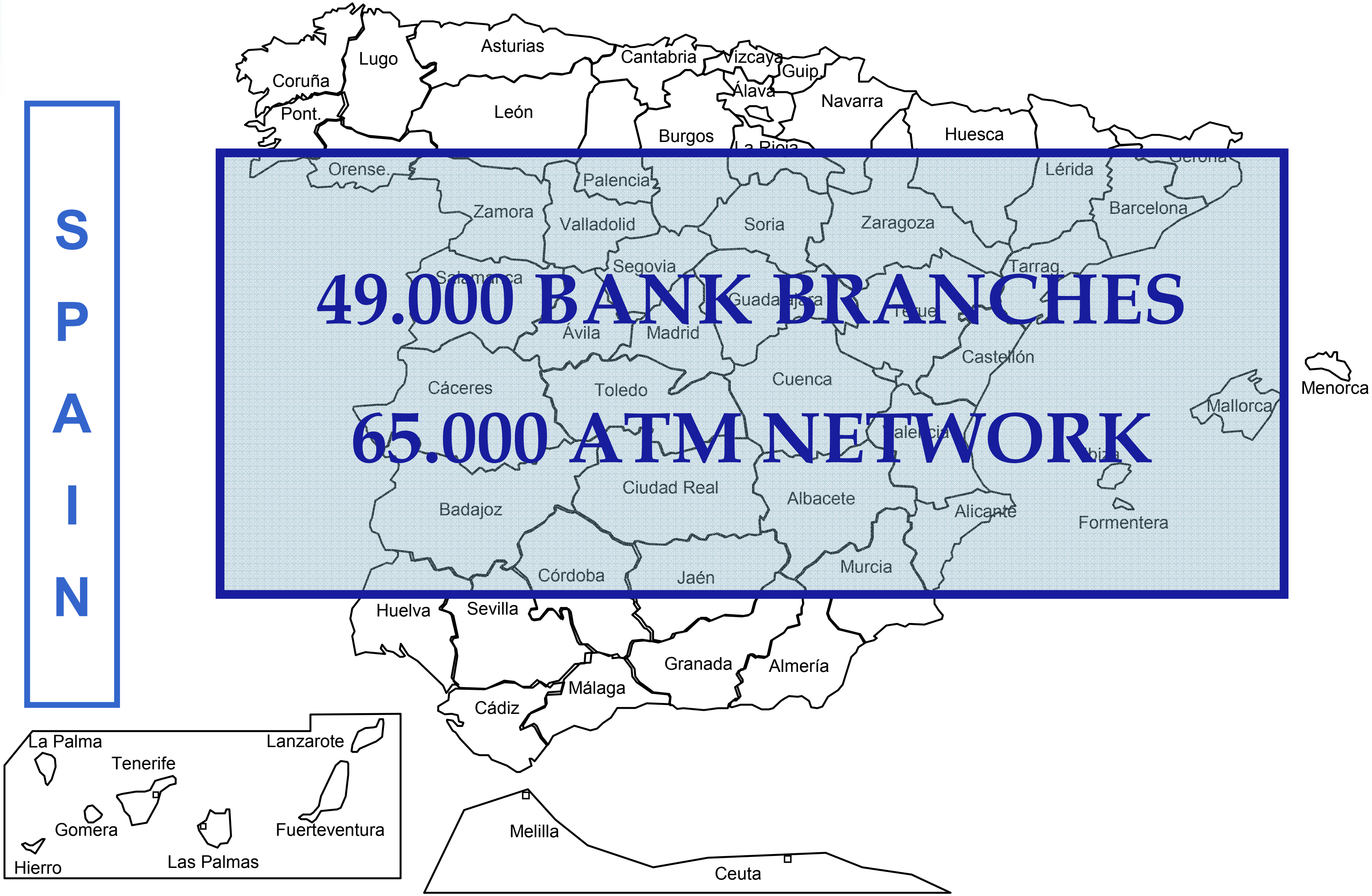
2. SPANISH CASH CYCLE NOW

- **PLAYERS**:
  - Bank Of Spain (BoS) - Eurosystem
  - Commercial Banks
  - CIT Companies
  - Intermediates
  - Machine Providers
  - Law Forces (National Police, Guardia Civil, Army…)

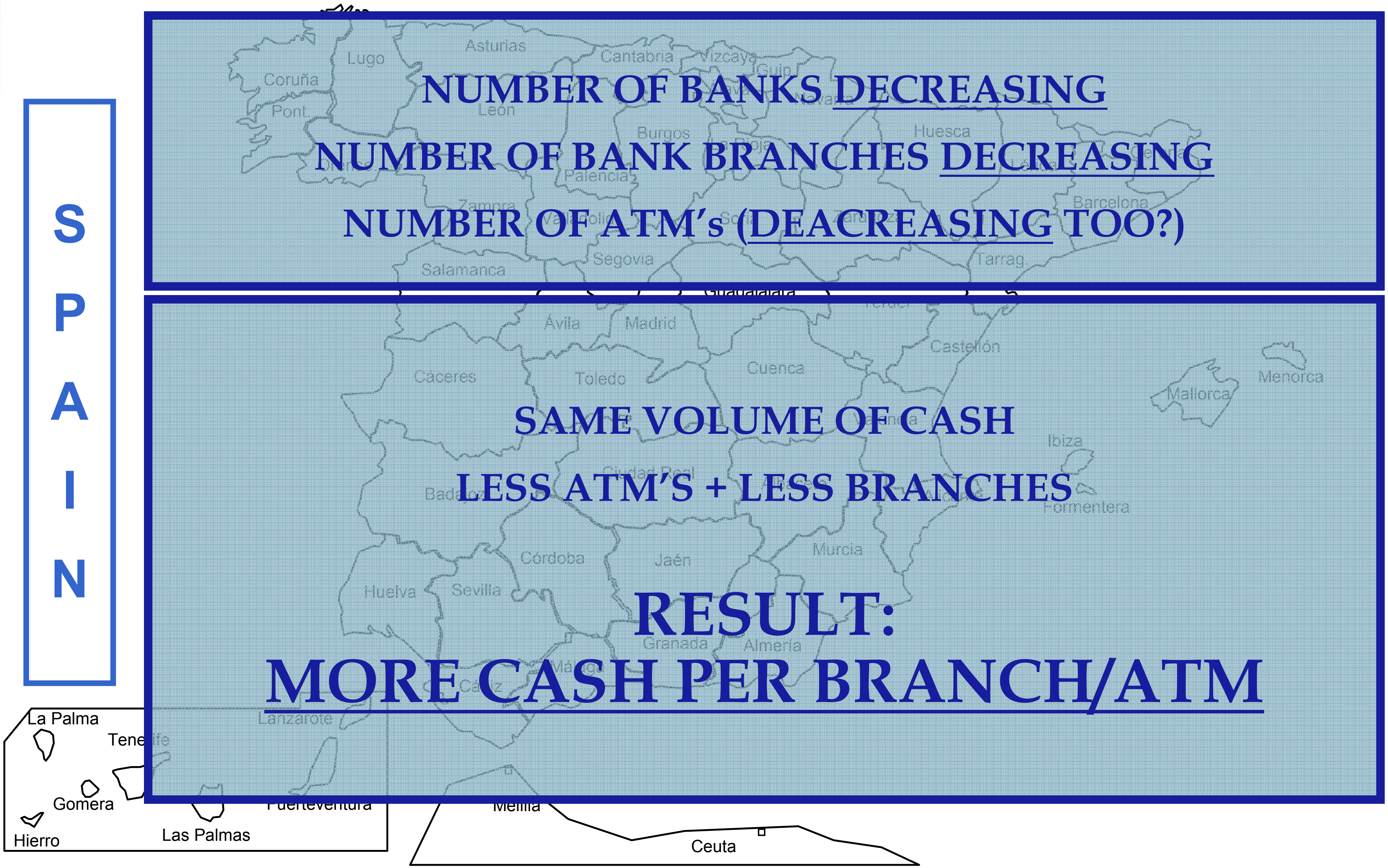
2. SPANISH NETWORK – CASH DISTRIBUTION

S P A I N



2. SPANISH NETWORK – WHAT IS EXPECTED

S P A I N



NUMBER OF BANKS <u>DECREASING</u>

NUMBER OF BANK BRANCHES <u>DECREASING</u>

NUMBER OF ATM's (<u>DEACREASING</u> TOO?)

SAME VOLUME OF CASH

LESS ATM'S + LESS BRANCHES

RESULT:

<u>MORE CASH PER BRANCH/ATM</u>

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2. BBVA's PROJECTS

“OPEN” FOR VACATIONS

We close 15% of our network during ONE MONTH

AUGUST IS ALWAYS “OUT OF CONTROL”

G.P.E.C. (Retail Professional Cash Management)

We don’t want “Just Transportation and Countign”

G.I.E. (End to End)

Professional Cash Management (Bank Branches)

Forecasting + Bank Barnch ATM Management

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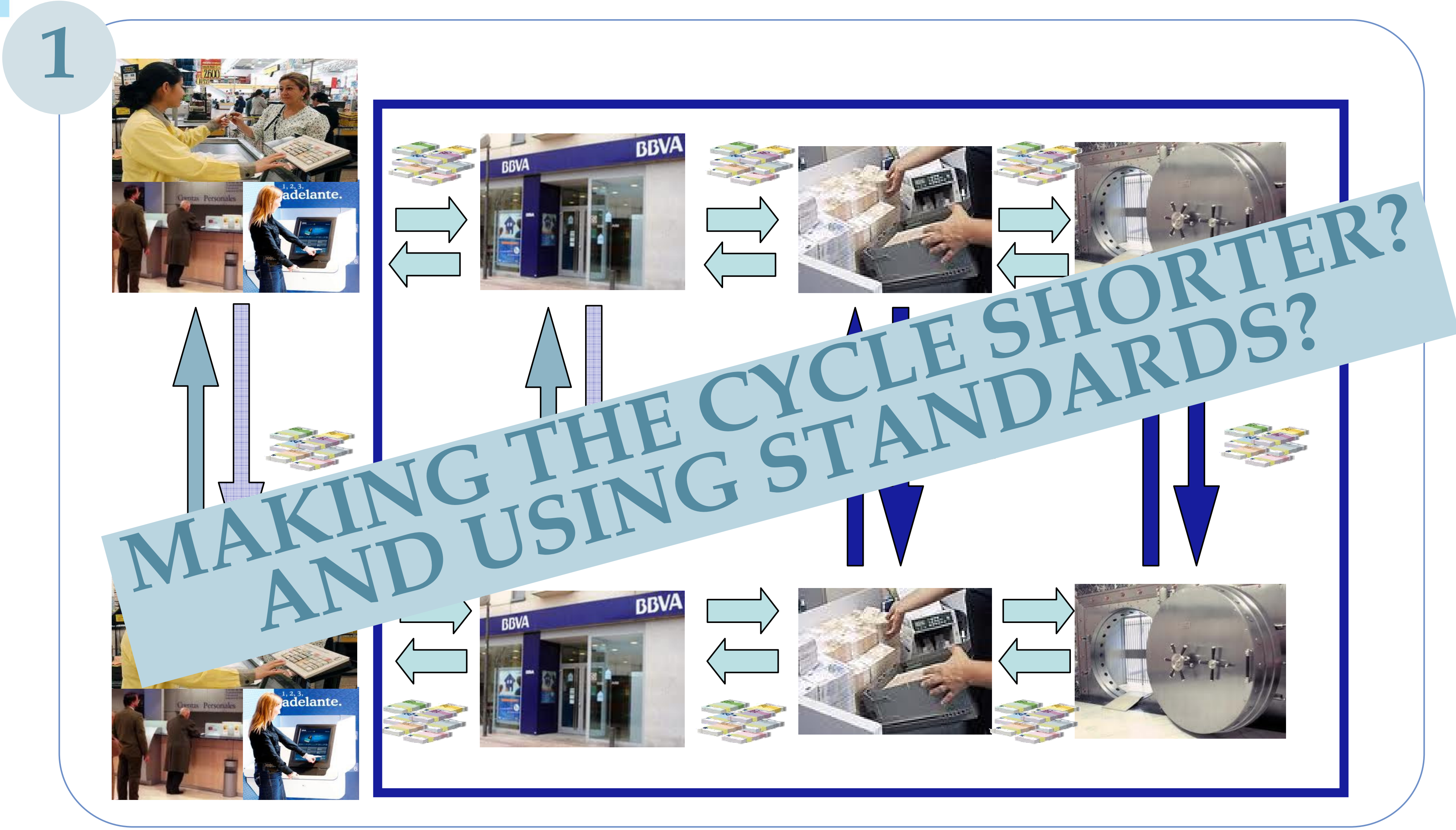
Index

3. NEW LINES FOR THE FUTURE



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3. NEW LINES FOR THE FUTURE

3

Trying to get CASH OUT from the Branches (Retailers)

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3. NEW LINES FOR THE FUTURE

4

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3. CONCLUSIONS

- **THREE PLAYERS**:
  - Banks, CIT's & Machine Providers have to be in the same "BOAT"
  - Try not to earn in 6 months what you have to earn in 5 years

- **STANDARS**:
  - Standards will make the cycle shorter and more efficient
  - Standards will help us (all players) to create new solutions (logistics)

FROM THIS CRISIS WE NEED TO TAKE ADVANTAGES FOR AN AUTOMATED AND MORE EFFICIENT CASH CYCLE

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