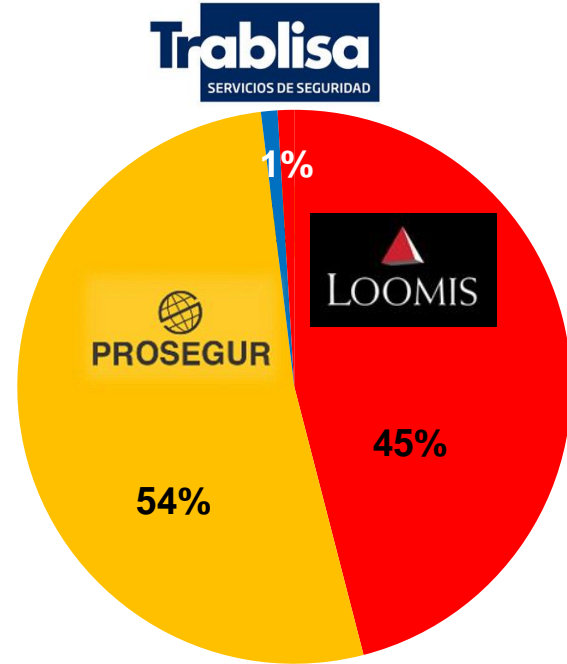
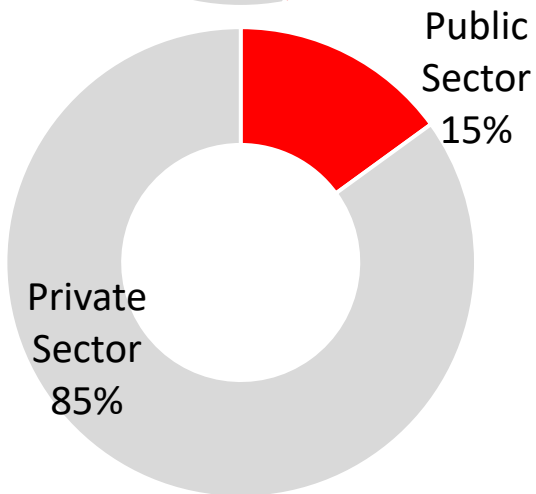
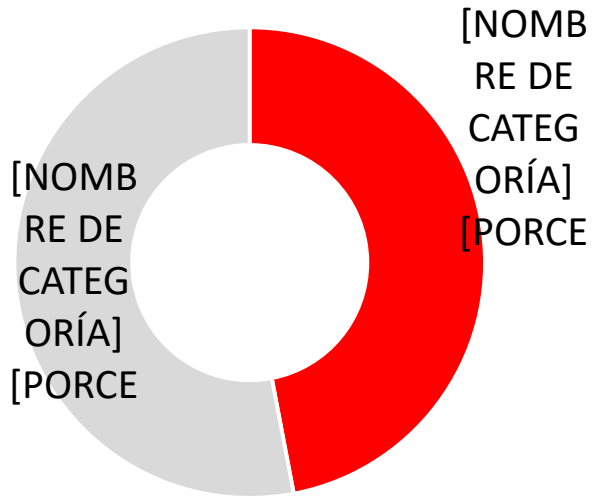




Loomis Spain

October 2020

Spanish Market



Loomis Internal Source

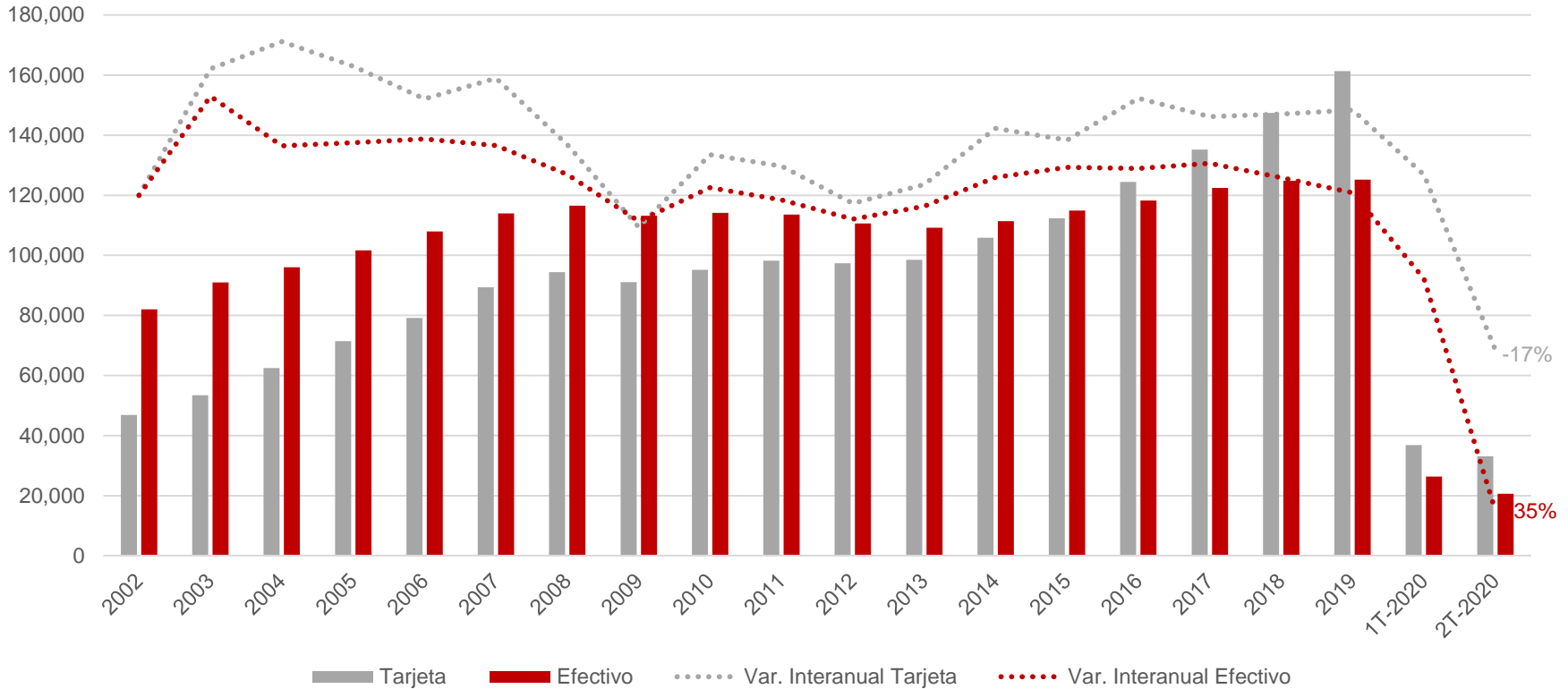
320M€ market highly outsourced and mature

Spanish Market

Compras en TPV & Retiradas de Efectivo ATMs

Importes en millones de euros

Fuentes: Banco de España



Spain is very intensive in cash usage, even though growth is on cards

Spanish Market: Highly regulated industry

Two main authorities:

Bank of Spain

BANCODE **ESPAÑA**
Eurosistema

- SDA: Auxiliary deposits system.
- Framework: Recycle circulation process
- Strong partner pushing outsourcing
- Partnership in technical developments, and participation in committees
- Enhances our reputation

Home Office



- One of the most demanding Security Laws in EU:
 - A crew of three armed guards
 - Accurate specification of security in buildings
 - Level of armored trucks defined by law
- Special Police department to control the Private Security Sector
- Strict regulation: low cash related crime

Due to high regulation & security standards cash is not dangerous in Spain

Covid-19 Impact: Consumer behavior



1/4 of consumers believe that they will use less cash due to COVID-19.

*Geometry
The Day After. Spain
Abril 2020*

People will plan more the shopping trips in order to decrease the amount of visits.

*Geometry
The Day After. Spain
Abril 2020*

COVID-19 has accelerated banking digitalization, causing 800 branches to be closed in 2020.

*Diario Hispanidad
Pablo Ferrer
Junio 2020*

However, The European Central Bank has announced that cash do not increase the risk of contagion.

*BCE
Fabio Panetta
Abril 2020*

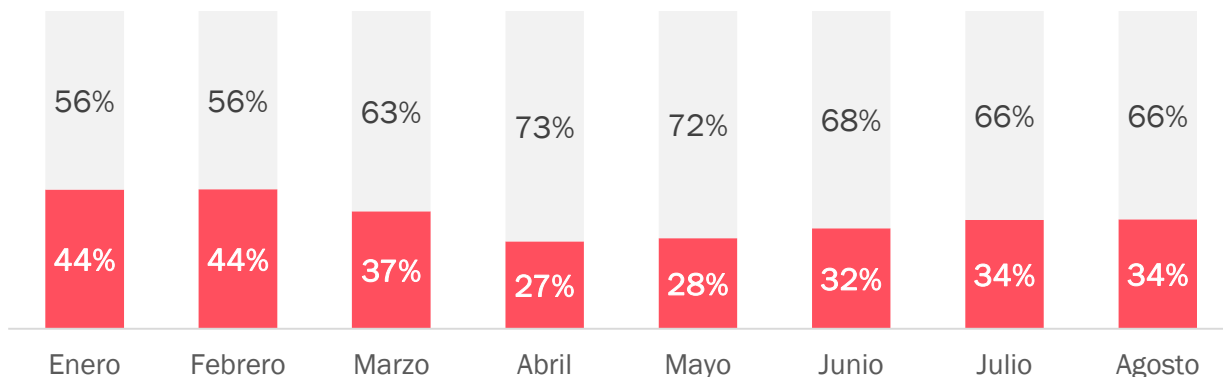
40% thinks to reduce their frequency of going to bars and crowded places.

*Geometry
The Day After. Spain
Abril 2020*

Digital Payments taking advantage of COVID represent a threat to cash.

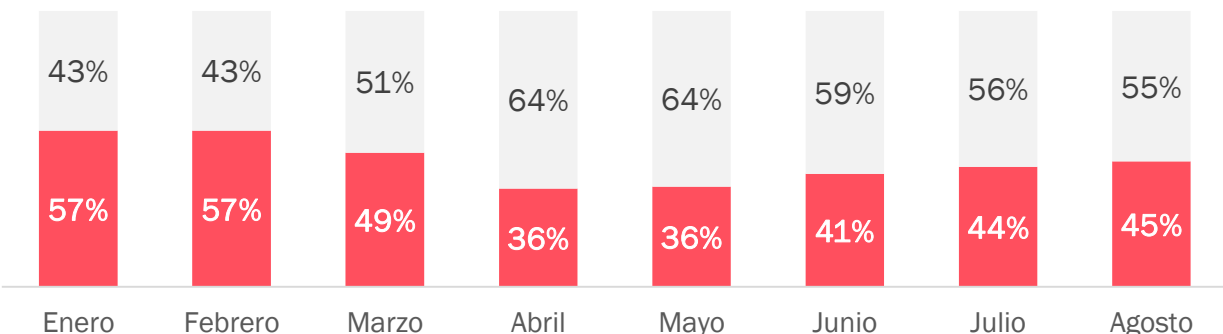
Impact of Covid-19 in cash usage

Share of cash payments in supermarkets (Value)



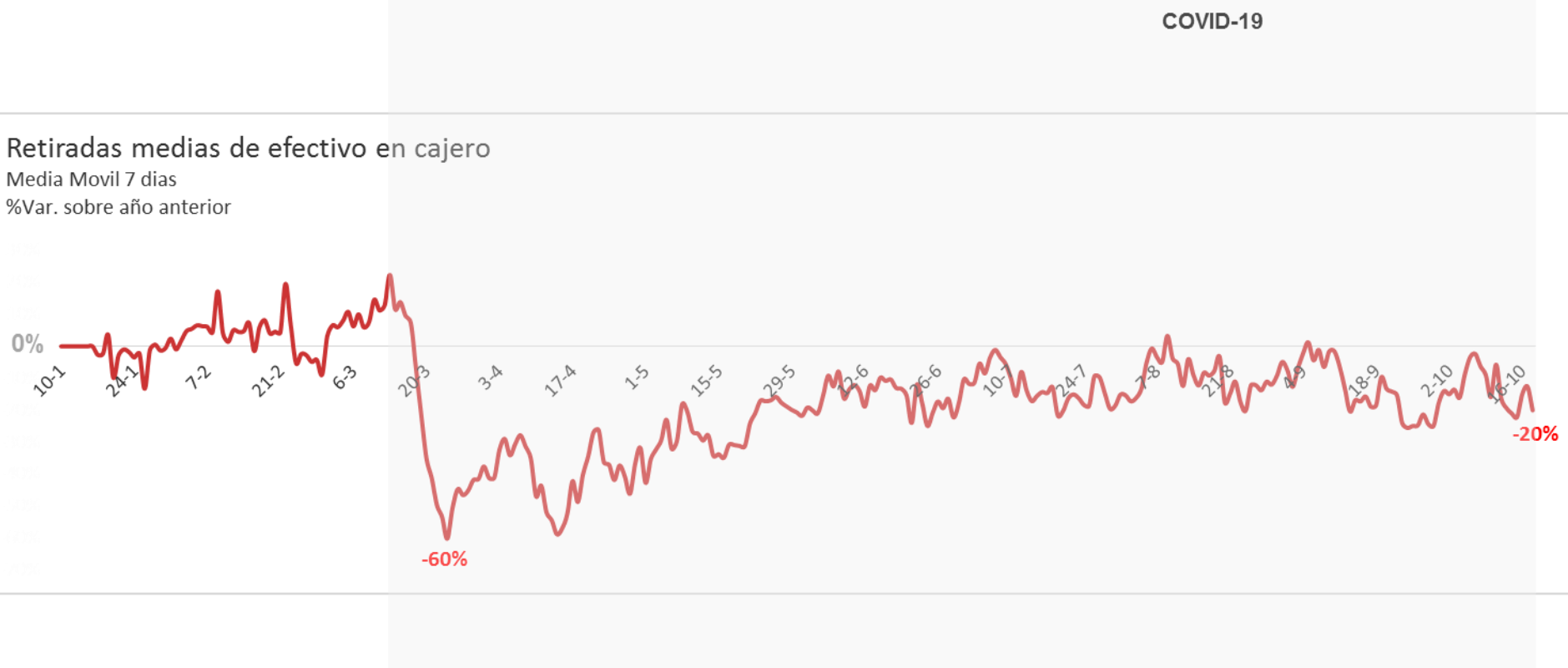
- Missinformation about transmission of COVID-19 has changed consumer behaviour impacting significantly the use of cash
- Despite the government no longer mentioning cash as a risk factor, many retailers strongly recommend not paying with cash

Share of cash payments in supermarkets (Transactions)



- On the other hand, like in most crisis, cash in circulation increased due to consumers hoarding cash just in case

Covid-19 Impact: Cash withdrawals

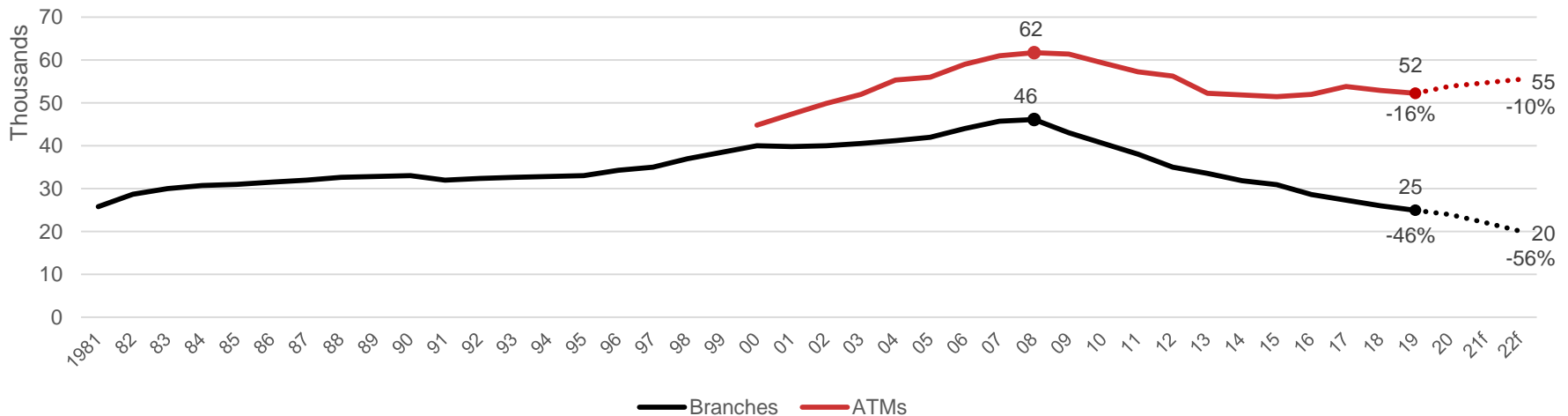


-20% cash withdrawn from ATMs in comparison to same period 2019

Financial sector










Future M&A in the banking industry accelerate payment digitalization
46% bank branches closed by 2008, and it will drop further down to -56%.
Before 2022, we forecast 20k bank branches, representing -20% vs 2018.
Growth at ATM business line.

Branch & ATM Evolution



...and an additional -20% closing is forecasted in the coming future.

Empowering Cash

PUBLIC AFFAIRS GOALS	STRATEGIC AXIS	VALUE DRIVERS	ACTIONS
<p>CONTAIN THE CASHLESS LOBBY AT THE BEGGINING OF THE NEW TERM OF PARLIAMENT</p>	<p> TO DEBUNK THE NEGATIVE MYTHS AROUND CASH</p>	<p> Confidence and security</p>	<p>1/ plan OF INSTITUTIONAL RELATIONSHIP</p> <ul style="list-style-type: none"> - PHASE OF warm-up - PHASE OF GOVERNMENT - PHASE OF Political PARTIES
<p>TO PROMOTE AN INSTITUTIONAL DECLARATION TO SUPPORT CASH</p>	<p> TO BUILD A NETWORK OF EXTERNAL SUPPORTERS</p>	<p> Privacy and data protection</p>	<p>2/ Web Cashessentials WEB IN Spanish</p> <p>Web page as a repository to HOST the best of translated INTO SPANISH cashess and where TO HSOT ANY STUDIES OR OTHER RELATED INFORMATION</p>
<p>TO AVOID AN irreversible SITUATION (CASE OF SWEDEN)</p>	<p> TO PROMOTE A FRAMEWORK TO PROTECT THE FREEDOM of choice</p>	<p> Universality and accessibility</p>	<p>3/ CAMPAIGN“THE VALUE OF CASH”</p> <p>QUALITY ACTIONS OF COMMUNICATION that let us TO PROVIDE ARGUMENTS TO BALANCE THE MEANS OF PAYMENT SPEECH IN SPAIN .</p>
<p>To COUNTER AND OFFSET THE CASHLESS SPEECH</p>		<p> Efficiency</p>	
		<p> Importance of usage</p>	
		<p> Monetary policy</p>	

We have all lived on cash, and its time for us to protect it



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Managing **cash** in society.

