

CASH IN SPAIN IN A CHANGING ENVIRONMENT

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THE FUTURE OF CASH

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WELCOME TO SPAIN!

Some key figures

Country's area:
505,944 km²

Population:
47,4 million

17 Autonomous
communities, 2 archipelagos
and 2 autonomous cities

8.131 municipalities and
66.654 point of access to
banking services

GDP:
1.205.063 M€



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1. A WORLD IN CONSTANT TRANSFORMATION



The world
is changing
fast!!!

2. CASH MANAGEMENT IN A CHANGING ENVIRONMENT



In times of instability, there is an increase in the use of cash as a **store of value** and for precautionary reasons



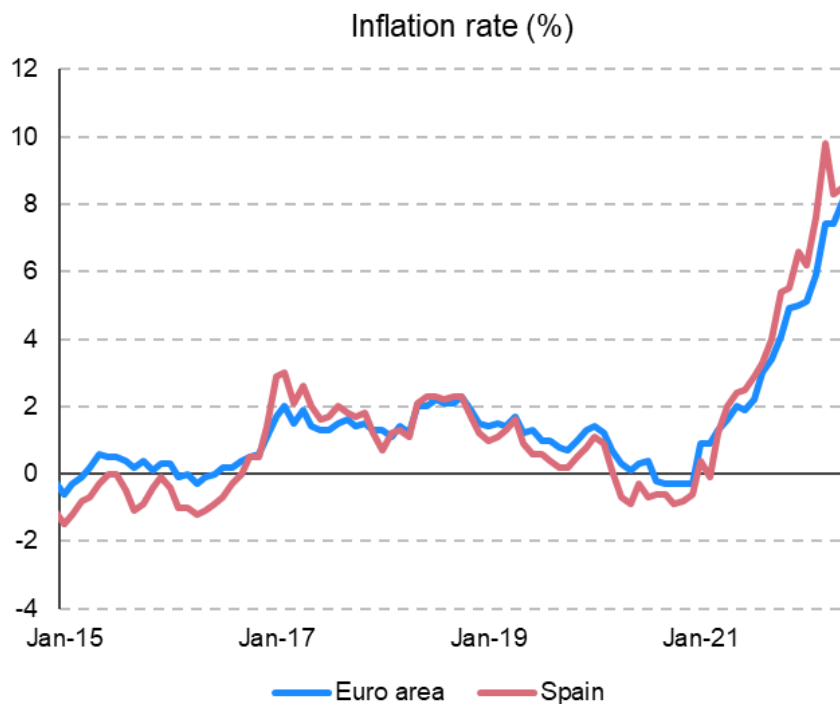
When digital payment systems stop working cash acts as a **fallback means of payment**.

For precautionary reasons, it is important to...

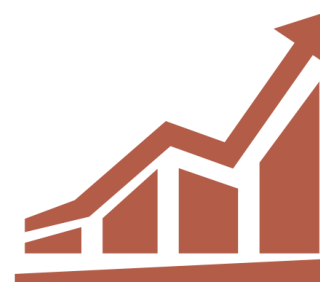
- guarantee **cash infrastructures** and the **supply** of cash.
- have **up-to-date, real-time information** to make appropriate decisions

3. INFLATION AND THE DEMAND FOR CASH AS A STORE OF VALE

The inflation rate will remain at relatively high levels in the coming years according to the latest forecasts



Inflation forecast	2022	2023
Spain	7.2%	2.6%
Euro area	6.8%	3.5%

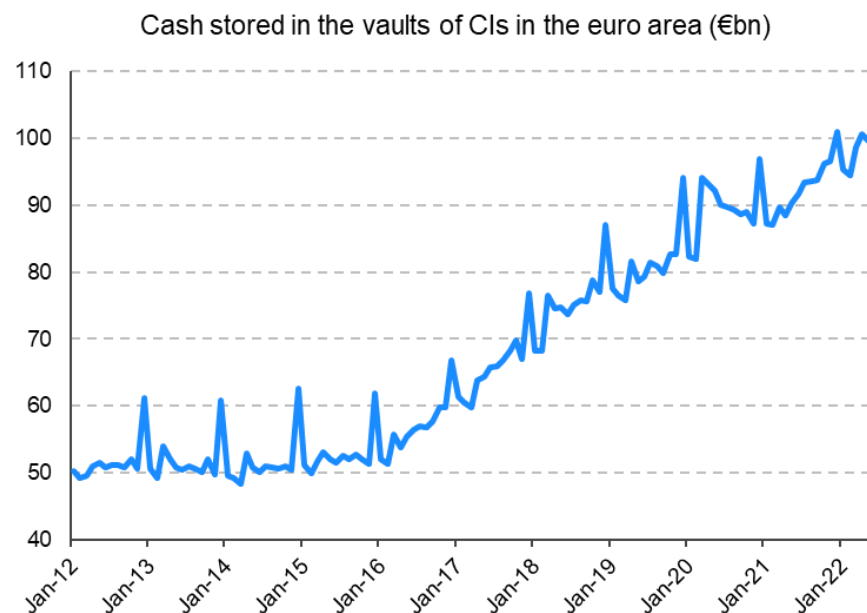
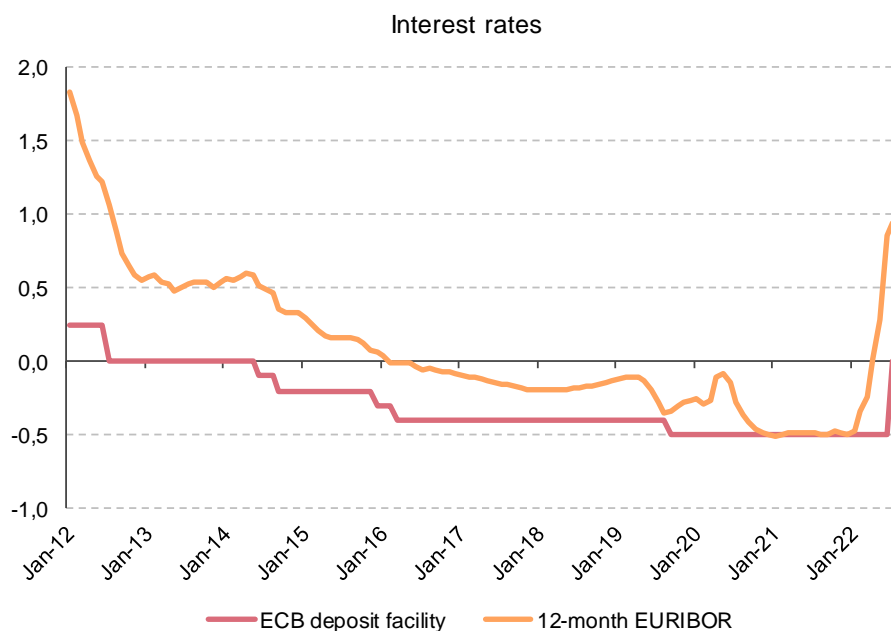


Sources: Banco de España, Eurostat and ECB.

Note: the annual inflation forecast corresponds to the June 2022 forecast exercise performed by the Banco de España for Spain and by the ECB for the euro area.

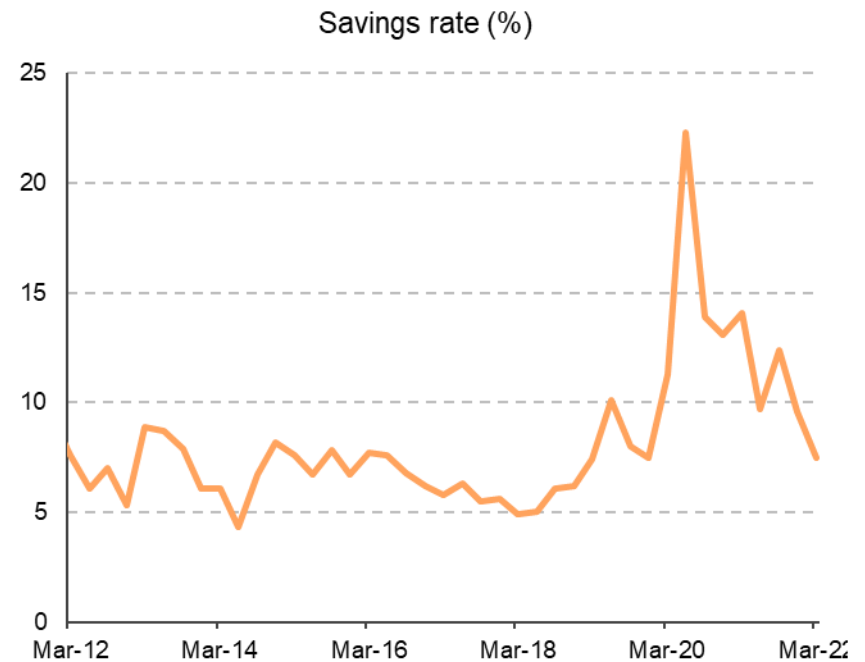
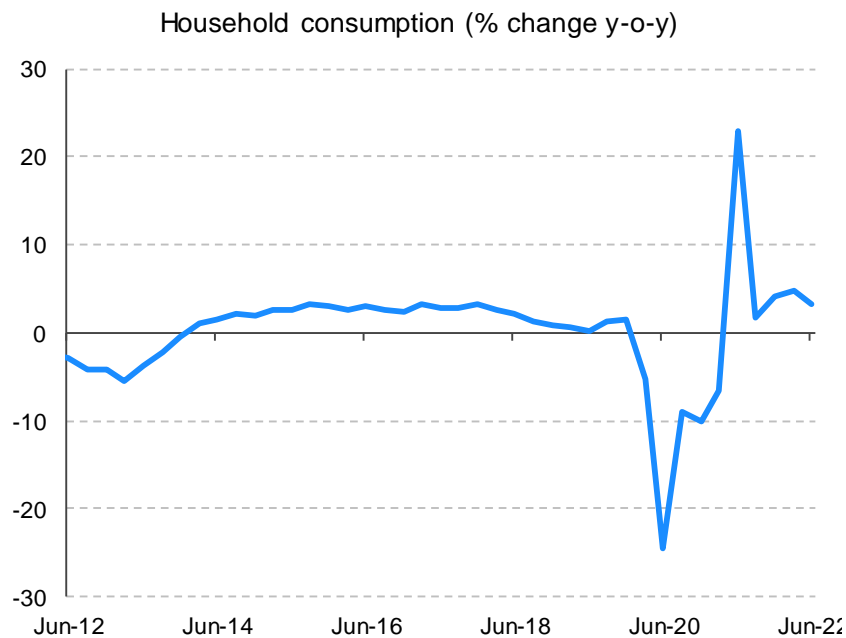
3. INFLATION AND THE DEMAND FOR CASH AS A STORE OF VALUE

The demand for cash as a store of value could decrease due to the rise in interest rates



Sources: Banco de España and ECB.

The transactional use of cash could increase due to inflation ...



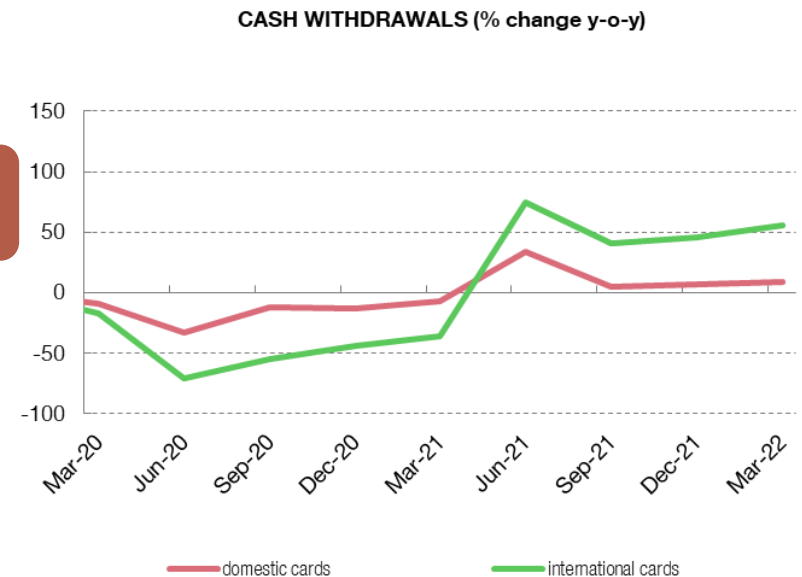
Source: INE.

4. TRANSACTIONAL USE OF CASH

- Cash is the most common means of payment in 2022.
- The notable increase in international tourists in recent months can also be expected to have increased cash payments in Spain.

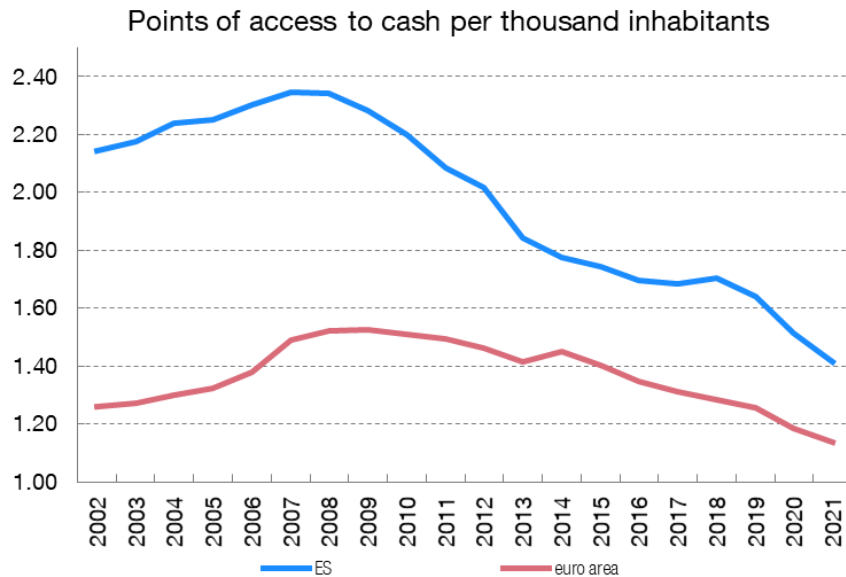


Source: Banco de España (National Survey on Cash Use).

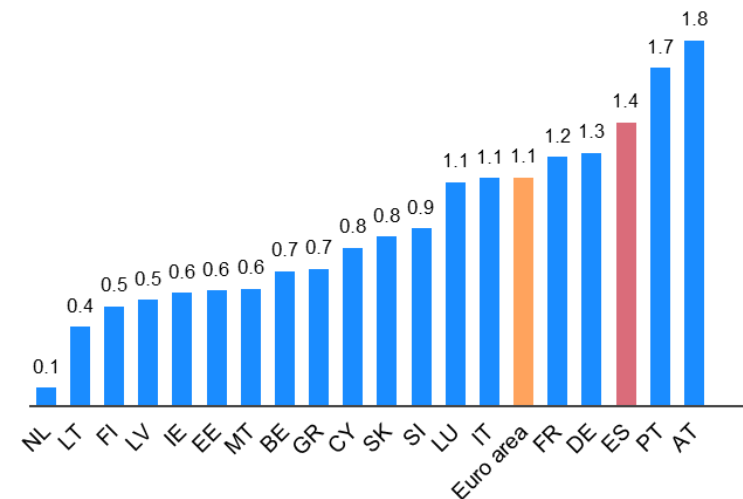


Source: Banco de España.

In 2021, there were 1.4 points of access to cash per thousand inhabitants in Spain, above the euro area average.

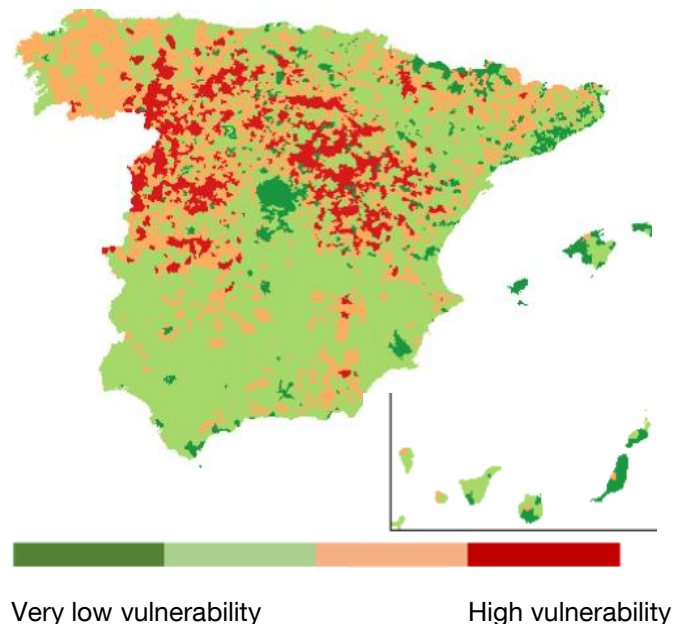


Points of access to cash per thousand inhabitants (2021)



Source: Bank of Spain, ECB

Index of Cash Access Vulnerability



Very low vulnerability

High vulnerability

Sources: Banco de España and INE.

- In 2021, most of the Spanish population lives in localities with a low or very low level of vulnerability.
- Approximately 3% of citizens are in a situation of medium or high vulnerability in terms of access to cash.
- The most vulnerable:
 1. are elderly people who live in rural areas;
 2. travel an average of 7 kilometres to the closest access point;
 3. live in municipalities with fewer than 2,000 inhabitants;
 4. and mostly live in León, Salamanca and Zamora.

Measures to guarantee access to cash taken by credit institutions:

Alternative channels to access cash:

- Agreements with Correos (the Spanish national postal service).
- Mobile branches, financial agents, etc.
- Cash-back and cash-in-shop.

Measures to improve the service:

- Strategic Protocol to Reinforce the Social and Sustainable Commitment of the Banking Sector:
 - Extension of face-to-face services and preferential treatment at branches.
 - Repair of ATMs within a maximum of 48 hours and information on the nearest ATM, to guarantee the availability of cash.
 - Providing customers with financial, digital and fraud prevention education through the most appropriate channels.
 - Providing, at no additional cost, a preferential telephone service for elderly and disabled customers through a personal contact.

Inclusive role of cash

Store of value

Business continuity

Legal tender

THANK YOU FOR YOUR ATTENTION

