

Santander Consumer Finance and TIM to form a joint venture of consumer finance for TIM clients

- The agreement will position Santander Consumer Finance as a leader in consumer finance in Italy.
- The JV will allow TIM to free up capital, at the same time reducing credit risk, supporting sales and optimizing profitability broadening revenue base.
- Santander Consumer Bank S.p.A. will control 51% of the new company, TIM S.p.A. 49%.
- The joint-venture is expected to begin operations in 2020 and will manage credit related to mobile/landline products and services via instalment plans.

Madrid/Rome, 7 November 2019. Today, Santander Consumer Finance, through its Italian affiliate Santander Consumer Bank S.p.A., and Italian telecommunications leader TIM signed an agreement to form a joint venture that will offer consumer finance services to TIM's clients in Italy.

The goal is to initially offer financing for the acquisition of devices via installment loans and, in a subsequent phase, other consumer finance and insurance products.

According to the terms of the agreement, the transaction will be carried out through the creation of a joint venture in which Santander Consumer Bank S.p.A. will control 51% and TIM S.p.A. 49%. The new company is expected to begin operations next year.

The CEO of TIM, Luigi Gubitosi, said: "This strategic joint venture will allow us to free up capital and reduce credit risk, at the same time supporting our sales and broadening TIM's revenue base towards new profitability opportunities. Santander is the right partner because of their strong track record of successful partnerships throughout Europe and their expertise in consumer finance ensures a quick time to market at low cost."

The CEO of Banco Santander, José Antonio Álvarez, said: "I'm delighted with this agreement, which will allow Santander Consumer Finance to become a leader in consumer finance in an attractive market, accompanied by one of the country's most trusted brands."

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Santander Consumer Finance is a leading consumer finance company present in 15 European countries. It has 20 million customers and is part of Santander, one of the largest financial groups in the world. In Italy, it runs operations through its affiliate Santander Consumer Bank S.p.A.

Banco Santander (SAN SM, STD US, BNC LN) is a leading retail and commercial bank, founded in 1857 and headquartered in Spain. It has a meaningful presence in 10 core markets in Europe and the Americas, and is the largest bank in the euro zone by market capitalization. At the end of June 2019, Banco Santander had EUR 1.03 trillion in customer funds (deposits and mutual funds), 142 million customers, 13,000 branches and 200,000 employees. Banco Santander made underlying profit of EUR 4,045 million in the first half of 2019, an increase of 2% in constant euros compared to the same period last year.

TIM GROUP

TIM is the main Italian telco operator, with operations also in Brazil with TIM Brasil. Relying on its advanced landline and mobile UBB network infrastructures and thanks to the deployment of the new 5G technology, TIM offers smart connectivity, innovative digital products and services, ICT solutions for businesses and retail, along with exclusive entertainment and sports contents with TIMVISION, its TV proposition.

The Group includes Sparkle, the leading international service provider with one of the most extensive advanced networks worldwide; the major Italian tower operator INWIT; and Olivetti, digital champion offering cutting edge hardware and software products and specialising in IoT solutions.

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