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**COMP/M.7078 SANTANDER CONSUMER FINANCE / EL CORTE INGLES /  
FINANCIERA EL CORTE INGLES**

**SECTION 1.2**

**Description of the concentration**

The transaction consists of the acquisition by Santander Consumer Finance, S.A. (“**SCF**”) of 51% of the share capital and voting rights of El Corte Inglés, E.F.C. (“**FECI**”). This company is currently under sole control of El Corte Inglés, S.A. (“**ECI**”). After the transaction, ECI and SCF will have joint control over FECI, pursuant to the terms of a shareholders’ agreement, which grants to both parties veto rights over FECI’s strategic decisions.

SCF is a Spanish company engaged in consumer credit activities. SCF operates in various European countries (among them, Spain and Portugal) and offers different consumer finance products, both at the point of sale (mainly, car dealers and merchant outlets) and directly to customers (through its own offices, via the internet and telemarketing). SCF belongs to the Santander Group, an international banking group based in Spain, with a relevant presence in Europe, the United States of America and Latin America.

ECI is the parent company of the El Corte Inglés, a Spanish distribution group with registered office in Madrid. The ECI Group concentrates its main activities in Spain and Portugal. ECI’s main line of business is the retail distribution based on the department store model, which encompasses all types of products and services (fashion, food, sporting goods, electronics, etc.). ECI also operates in the retail trade sector through other channels (travel agencies, teleshopping, supermarkets, hypermarkets and specialised stores).

FECI is an specialised credit institution (*establecimiento financiero de crédito*), within the meaning of Article 1 of the Spanish Royal Decree 692/1996, of 26 April, which develops the legal framework of specialised credit institutions (*Real Decreto 692/1996, sobre el régimen jurídico de los establecimientos financieros de crédito*). It is active in the provision of financing services to consumers for the acquisition of all kinds of goods and services at business premises of the companies belonging to the ECI Group and in some other stores or business premises of retailers with which it has come to a bilateral agreement.

More particularly, FECI provides credit services exclusively in connection with purchases made in stores of the ECI Group and in some other stores or business premises of retailers with which it has come to a bilateral agreement, by means of two products: (i) personal loans; and (ii) financing through private purchasing cards (i.e., private label cards).