EUROPEAN COMMISSION

Brussels, 20.12.2022
C(2022) 9931 final

PUBLIC VERSION

In the published version of this decision, some information has been omitted pursuant to Article 17(2) of Council Regulation (EC) No 139/2004 concerning non-disclosure of business secrets and other confidential information. The omissions are shown thus […]. Where possible the information omitted has been replaced by ranges of figures or a general description.

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Spain

Subject: **Case M. 10727 – SANTANDER / STELLANTIS / OPEL BANK ASSETS / FCA BANK ASSETS / JV**
Commission decision pursuant to Article 6(1)(b) of Council Regulation No 139/2004[1] and Article 57 of the Agreement on the European Economic Area[2]

Dear Sir or Madam,

(1) On 15 November 2022, the European Commission received notification of a proposed concentration pursuant to Article 4 of the Merger Regulation by which Santander Consumer Finance ("**SCF**"), controlled by Banco Santander S.A., and

[1] OJ L 24, 29.1.2004, p. 1 (the 'Merger Regulation'). With effect from 1 December 2009, the Treaty on the Functioning of the European Union ('TFEU') has introduced certain changes, such as the replacement of 'Community' by 'Union' and 'common market' by 'internal market'. The terminology of the TFEU will be used throughout this decision.

[2] OJ L 1, 3.1.1994, p. 3 (the 'EEA Agreement').

Stellantis N.V. ("**Stellantis**") will acquire within the meaning of Article 3(1)(b) and 3(4) of the Merger Regulation joint control of the existing SCF-Stellantis JVs (the "**Transaction**"). After the Transaction, the JVs will control the financing cooperation assets that are currently jointly controlled by Stellantis and BNP Paribas Personal Finance ("**OVF**")[3] and the financing cooperation assets that are currently jointly controlled by Stellantis and Crédit Agricole Consumer Finance ("**FCAB**")[4] (together hereinafter, the "**Target Business**"). SCF and Stellantis are designated hereinafter as the "Parties" or the "Notifying Parties".

1. THE PARTIES

(2) **Stellantis** is a publicly listed multinational corporation, headquartered in the Netherlands. It was formed in 2021 on the basis of a 50-50 cross-border merger between the Italian-American conglomerate Fiat Chrysler Automobiles N.V. ("**FCA**") and Peugeot S.A. ("**PSA**") Groups, which was authorised by the Commission on 21 December 2021.[5] Stellantis is active worldwide in the development, manufacturing and distribution of automotive vehicles.[6]

(3) The Stellantis Group includes several financial entities inherited from FCA and PSA which provide a wide range of financial and leasing services through the existing cooperation entered into by FCA Italy[7] (with respect to FCA legacy) or Banque PSA[8] (with respect to PSA legacy) with banking partners, such as BNP Paribas Personal Finance ("**BNPP**") (giving rise to the cooperation agreement referred to as "**OVF**"), SCF (giving rise to the cooperation agreement referred to as "**PCDF**"),[9] and Crédit Agricole Consumer Finance ("**CACF**") (giving rise to the cooperation agreements referred to as "**FCAB**" and "**Leasys**"[10]).[11] These legal entities carry out financial services and leasing services in connection with the Stellantis branded vehicles.

(4) **SCF** is a wholly owned subsidiary of Banco Santander S.A. ("**Santander**"). SCF is licensed in Spain as a credit institution and is regulated by and under the direct supervision of the European Central Bank. Santander is a publicly listed company, headquartered in Spain, and is a banking group with customers in Europe and the Americas.

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3 OVF is a cooperation financing agreement concluded by PSA with BNPP in relation to Opel and Vauxhall brands.

4 Publication in the Official Journal of the European Union No C 442/19, 22.11.2022, p. 19.

5 M.9730 – *FCA/PSA*, decision of 21 December 2020.

6 Stellantis manufactures and distributes automotive vehicles under the following brands: Peugeot, Citroën, DS Automobiles, Opel, Vauxhall, Abarth, Alfa Romeo, Chrysler, Dodge, Fiat, Fiat Professional, Jeep, Lancia, Maserati and Ram.

7 FCA Italy S.p.A. ("**FCA Italy**"), a Stellantis subsidiary.

8 Banque PSA Finance, S.A., a Stellantis subsidiary.

9 PCDF is a cooperation arrangement concluded by PSA with SCF in relation to Peugeot, Citroën, and DS brands.

10 Leasys S.p.A. ("**Leasys**"), a company which operates an operational leasing division in all the jurisdictions affected by the proposed reorganisation.

11 FCA Bank S.p.A. ("**FCAB**") is a cooperation arrangement concluded between FCA and CACF in relation to the FCA brands. FCAB owns 100% of Leasys, which is a company operating an operational leasing division in all the jurisdictions affected by the proposed reorganization.

2. THE CONCENTRATION

(5) The Transaction is part of the wider reorganisation following the FCA and PSA merger,[12] which created a complex set-up, resulting in a number of entities and JVs active in various countries within Europe in charge of financing related to the sale of vehicles under certain Stellantis brands. The reorganisation, which aims to streamline the structure and to rationalise relationships for all Stellantis brands with financing providers, car dealers and customers, gives rise to three separate notifiable transactions (related are M.10726 and M.10728). The proposed structure will allow the resulting captive finance companies operating in a given country to provide a complete multi-brand offering.

(6) Under the terms of the Framework Agreement, the reorganization is as follows: (i) Santander and Stellantis will operate the SCF-Stellantis JVs which will provide financing activities (excluding B2B operational leasing) for all Stellantis brands in Belgium, France, Italy, Luxembourg, the Netherlands, Poland, Spain and Portugal[13] (the "**SCF-Stellantis JVs**", M.10727); (ii) BNPP and Stellantis will operate a JV which will provide financing activities (excluding B2B operational leasing) for all Stellantis brands in Germany, Austria, and the UK (the "**BNPP-Stellantis JV**", M.10726)[14]; (iii) CACF and Stellantis will operate a JV primarily dedicated to B2B operational leasing for all Stellantis brands in all countries covered by the reorganization (the LeaseCo Transaction, M.10728)[15]; and (iv) CACF will solely control FCA Bank (with an altered scope of activities as it will no longer control Leasys) (the FCA Bank Transaction, M.10728)[16].

(7) The concentration concerned by this decision covers the SCF-Stellantis JVs, which will operate financing activities for all Stellantis brands in Belgium, France, Italy, Luxembourg, the Netherlands, Poland, Spain, and Portugal. The SCF-Stellantis JVs will acquire control over the captive finance business (excluding B2B operational leasing) currently operated by OVF and FCAB in Belgium,[17] France, Italy, the Netherlands, Poland, Portugal, and Spain (i.e. the captive finance business for all Stellantis brands, except for the activities related to the brands Peugeot, Citroën and DS which are already carried out today by PCDF). In these listed Member States, Stellantis will grant to the SCF-Stellantis JVs an exclusivity with respect to the distribution of automobile financing, financial leasing and associated insurance products relating to the Stellantis brands previously carried out by OVF and FCAB. The captive finance business related to Peugeot, Citroën and DS will continue to be carried out by PCDF.

(8) Following the Transaction, Stellantis and SCF will have joint control over the SCF-Stellantis JVs, pursuant to paragraphs 62 - 64 of the Consolidated Jurisdictional Notice[18]. Specifically, each of Stellantis and SCF would hold 50% of the share capital and of the voting rights of the SCF-Stellantis JVs. Post-Transaction the

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12 M.9730 – *FCA/PSA*, decision of 21 December 2020.

13 Case M.10727 – *Santander/Stellantis/PCDF Assets/FCAB Assets/JV*.

14 Case M.10726 – *BNP Paribas/Stellantis/PCDF Assets/FCAB Assets/JV*.

15 Case M.10728 – *CACF/Stellantis/FCA Bank/F2ML*.

16 Case M.10728 – *CACF/Stellantis/FCA Bank/F2ML*.

17 Luxembourg is expected to be served from Belgium.

18 Commission Consolidated Jurisdictional Notice under Council Regulation (EC) No 139/2004 on the control of concentrations between undertakings ("**CJN**").

SCF-Stellantis JVs will continue to be managed through a common management body in which both Parties will have an equal representation (the "**Board**"). Strategic decisions will require Board decision, which include among others: (i) approval of the business plan; (ii) approval of the budget; and (iii) the appointment and replacement of the top management. The Framework Agreement provides that for […] both Banque PSA and SCF enjoy a veto right […].[19] Reserved matters relate to strategic decisions on the business policy of the joint venture in line with the Consolidated Jurisdictional Notice,[20] such as significant change in the business strategy, bylaws and approval of the budget and the long term plan.[21]

(9) The activities the JVs will inherit are already operated in the relevant markets and the JVs already have all the necessary resources to operate autonomously on the market for automotive financing solutions. The Transaction will not bring any change in the SCF-Stellantis JVs' ability to perform all the functions of autonomous economic entities on a lasting basis.

(10) It can therefore be concluded that the notified operation is a concentration within the meaning of Article 3(1) and 3(4) of the Merger Regulation, since it amounts to a full-function joint venture between SCF and Stellantis.

3. UNION DIMENSION

(11) The undertakings concerned have a combined aggregate worldwide turnover of more than EUR 5,000 million in 2021[22] (*Stellantis*: EUR […] million; *Santander*: EUR […] million; the *SCF-Stellantis JVs*: EUR […] million). Each of them has a Union-wide turnover in excess of EUR 250 million in 2021 (*Stellantis*: EUR […] million; *Santander*: EUR […] million; the *SCF-Stellantis JVs*: EUR […] million), but they do not achieve more than two-thirds of their aggregate Union-wide turnover within one and the same Member State. The notified operation therefore has a Union dimension.

4. RELEVANT MARKETS

(12) The Transaction primarily concerns automotive financing services. Specifically, Santander and the SCF-Stellantis JVs' activities overlap in the markets for: (i) motor vehicle lending services; (ii) financial leasing services for motor vehicles; (iii) lending to SMEs; and (iv) provision of insurance products.

(13) The Transaction gives rise to the following horizontally affected markets:[23]

i) the market for motor vehicle lending in Italy and Spain,

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20 Commission Consolidated Jurisdictional Notice under Council Regulation (EC) No 139/2004 on the control of concentrations between undertakings (2008/C 95/01).

21 Annex 3.1.3 to Form CO, Article 9.4.6 of the Framework Agreement.

22 Turnover calculated in accordance with Article 5 of the Merger Regulation.

23 For completeness, the Commission notes that the Parties' activities also overlap in the provision of: (i) financial leasing services for motor vehicles; and (ii) provision of insurance products. Nevertheless, in light of the fact that under all potential market delineations, the Parties' combined market shares in these markets remain below 20%, and their combined or individual market shares remain below 30% in all neighbouring markets, these two markets and their potential sub-segments will not be assessed any further for the purposes of the present decision.

ii) the market for lending to SMEs in Spain, and

iii) the plausible narrower sub-segment of lending to car dealers in the market for lending to SMEs in Belgium, France, Italy, Portugal and Spain.

4.1. Product market definition

4.1.1. Automotive financing services – motor vehicle lending

(14) In line with the Commission's decisional practice, the Parties provided data for the narrowest plausible product market of motor vehicle lending, distinguishing it from financial leases and operational leases. In addition, the Parties provided data for market for motor vehicle lending including both captive and non-captive sales together, as well as for non-captive only. The Parties submit that the exact delineation of the relevant product market for automotive financing services can be left open, as the Transaction does not raise serious doubts as to its compatibility with the internal market under any plausible market definition.[24]

(15) In previous decisions, the Commission considered that, within retail banking, consumer credit could constitute a distinct market.[25] The Commission also considered that consumer credit for the purchase of motor vehicles (including lending) and consumer credit offered for the purchase of other consumer goods constitute separate markets.[26] Finally, within a market for automotive financing services the Commission has further considered a sub-segmentation into: (i) the markets for motor vehicle lending; and (ii) leasing services for motor vehicles.[27]

(16) In relation to motor vehicle lending, the Commission has previously considered a market for motor vehicle lending limited to 'non-captive' activities that would exclude captive activities (i.e. the financing services offered by car manufacturers' financing subsidiaries to customers who purchase a vehicle of their own car brand).[28] Ultimately, in its previous decisions, the Commission left the precise product market definition open.

(17) The results of the market investigation in this case did not indicate that there is a need to depart from the finding of a separate market for automotive financing services as further segmented into the markets for motor vehicle lending and leasing services for motor vehicles.[29] The results also confirmed that captive and non-captive financing institutions compete in the same market for automotive financing services.[30]

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24 Form CO dated 15 November 2022, paragraph 180.

25 See Case M.8460 – *Peugeot/BNP Paribas/Opel Vauxhall FinCos*, decision of 8 August 2017, paragraph 15.

26 See Case M.9730 – *FCA/PSA*, decision of 21 December 2020, paragraph 1928.

27 See Case M.9730 – *FCA/PSA*, decision of 21 December 2020, paragraph 1928; See also COMP/M.8460 – *Peugeot/BNP Paribas/Opel Vauxhall FinCos*, decision of 8 August 2017, paragraph 15.

28 See Case M.9730 – *FCA/PSA*, decision of 21 December 2020, paragraph 1929; See also COMP/M.8460 – *Peugeot/BNP Paribas/Opel Vauxhall FinCos*, decision of 8 August 2017, paragraph 16.

29 Replies to the questionnaire dated 16 November 2022.

30 Replies to question 4 of the questionnaire dated 16 November 2022.

(18) In any event, the exact product market definition for automotive financing services can be left open, as the Transaction does not raise any serious doubts as to its compatibility with the internal market under any plausible market definition. In conclusion, for the purposes of this decision, the Commission will analyse the automotive financing market at the narrowest plausible market of motor vehicle lending (based on a market of both captive and non-captive activities together, as well as for non-captive activities separately).

4.1.2. Lending to SMEs – lending to car dealers

(19) The Parties submit that lending to car dealers forms part of the wider market for loans to SMEs. In any case, the Parties submit that the exact delineation of the relevant product markets for lending to SMEs can be left open as the Transaction does not raise serious doubts as to its compatibility with the internal market under any plausible market definition[31].

(20) In previous decisions, the Commission has considered a segmentation of the corporate banking market based on the customer group, i.e. a segmentation between: (i) banking services to large corporate customers; and (ii) banking services to SMEs. The Commission has also considered a segmentation of banking services to large corporate customers based on the category of products (e.g. loans, savings, etc.), as well as within banking services to SMEs a separate segment for lending to car dealers[32].

(21) The market investigation results are not conclusive regarding the identification of a plausible separate market for lending to car dealerships within the market for lending to SMEs. The market investigation results do suggest however, that from a supply side the type of service does not materially change between lending to SMEs and lending to car dealerships and, generally, providers of lending to SMEs are also able to provide lending services to car dealerships.[33]

(22) In any event, the exact definition of the product market for lending to SMEs can be left open, as the Transaction does not raise any serious doubts as to its compatibility with the internal market under any plausible market definition. In conclusion, for the purposes of this decision, the Commission will analyse the market for lending to SMEs at the narrowest plausible market of lending to car dealers as well as the overall market for lending to SMEs.

4.2. Geographic market definition

4.2.1. Automotive financing services - motor vehicle lending

(23) The Parties submit that the exact delineation of the relevant geographic market for automotive financing services can be left open because the Transaction does not

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31 Form CO dated 15 November 2022, paragraph 193.

32 See Case M.9730 – *FCA/PSA*, decision of 21 December 2020, paragraphs 1937 and 1939; Case M.8460 – *Peugeot/BNP Paribas/Opel Vauxhall Fincos*, decision of 8 August 2017, paragraph 19; Case M.5384 – *BNP Paribas/Fortis*, decision of 3 December 2008, paragraph 11; and Case M.4844 – *Fortis/ABN Amro Assets*, decision of 3 October 2007, paragraphs 16 and 19.

33 Questionnaire to Competitors, replies to questions 1 and 8.

raise any serious doubts as to its compatibility with the internal market under any plausible market definition[34].

(24) In previous decisions, the Commission considered the geographic markets for automotive financing (lending and leasing services) to be national in scope, while leaving open whether the geographic scope for leasing services is wider than national[35].

(25) The market investigation results in this case confirmed that the majority of competitors consider that the market for automotive financing services (including sub-segment of motor vehicle lending) is national in scope. A limited set of competitors indicated that the market is wider than national, i.e. European.[36]

(26) In line with the Commission's prior practice and the results of market investigation, for the purpose of this Transaction, the market for motor vehicle lending is considered national in scope.

4.2.2. Lending to SMEs - lending to car dealers

(27) The Parties submit that the exact delineation of the relevant geographic market for lending to SMEs can be left open because the Transaction does not raise any serious doubts as to its compatibility with the internal market under any plausible market definition[37].

(28) In previous decisions, the Commission has consistently considered the market for corporate banking, in particular the possible market for lending to SMEs, to be national in scope[38].

(29) The market investigation results confirmed that the majority of competitors consider that the market for lending to car dealerships is national in scope.

(30) In line with the Commission's previous practice and the results of market investigation, for the purpose of this Transaction, the market for lending to SMEs and lending to car dealers is considered national in scope.

5. COMPETITIVE ASSESSMENT

5.1. Relevant markets

(31) Under all potential market delineations, the Parties' combined market shares remain below 20%, and their combined or individual market shares remain below 30% in all neighbouring markets except the following affected markets.

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34 Form CO dated 15 November 2022, paragraph 200.

35 See Case M.9730 – *FCA/PSA*, decision of 21 December 2020, paragraphs 1940 and 1942; See Case M.9730 – *FCA/PSA*, decision of 21 December 2020, paragraphs 1934 and 1938; See also COMP/M.8460 – *Peugeot/BNP Paribas/Opel Vauxhall FinCos*, decision of 8 August 2017, paragraph 17; COMP/M.5384 – *BNP Paribas/Fortis*, decision of 3 December 2008, paragraph 76.

36 Replies to question 5 of the questionnaire dated 16 November 2022.

37 Form CO dated 15 November 2022, paragraph 203.

38 Case M.8460 – *Peugeot/BNP Paribas/Opel Vauxhall Fincos*, decision of 8 August 2017, paragraph 22; Case M.6168 – *RBI/EFG Eurobank/JV*, 29 June 2011, paragraph 17; and Case M.4844, 3 October 2007 – *Fortis/ABN Amro Assets*, paragraph 80.

Table 1: Estimate of the Parties' market shares on the affected markets, (value 2021)[39]

Affected Market	Market share Stellantis	Market share SCF[40]	Combined
Motor vehicle lending in Italy	[20-30]%	[5-10]%	**[20-30]%[41]**
Motor vehicle lending in Spain	[5-10]%	[20-30]%	**[30-40]%[42]**
Lending to SMEs in Spain	[0-5]%	[20-30]%	**[20-30]%**
Lending to car dealers in Belgium	[20-30]%	Not available	**[20-30]%**
Lending to car dealers in France	[30-40]%	Not available	**[30-40]%**
Lending to car dealers in Italy	[30-40]%	Not available	**[30-40]%**
Lending to car dealers in Portugal	[20-30]%	Not available	**[20-30]%**
Lending to car dealers in Spain	[20-30]%	Not available	**[20-30]%**

Source: Form CO.

5.2. Motor vehicle lending in Italy

(32) The Parties submit that the Transaction would not raise any competition concerns in the market for motor vehicle lending in Italy since their combined market share would remain below 30% and Santander would bring a limited increment of approx. [5-10]% market share. Moreover, considering separate segments for captive and non-captive sales, the Parties consider that Santander is not technically competing with the SCF-Stellantis JVs since the vast majority of […]% of its sales are non-captive, *i.e.* to non-Stellantis brands, while only […]% of the SCF-Stellantis JVs's sales are non-captive. Finally, the Parties argue that the SCF-Stellantis JVs and Santander will continue to face strong competition from non-captive financial institutions, such as Compass Banca, Fiditalia, Intesa Sanpaolo, Deutsche Bank, UniCredit, as well as from captive financial institutions, such as Volkswagen Financial Services, RCI Banque (Renault), or Mercedes-Benz Financial Services.[43]

(33) The Tables below provide the Parties' market share in the market for motor vehicle lending in Italy in 2021. Market share data is provided under two alternative

39 All market shares are based on value, except for lending to car dealers (calculated by volume by reference to a number of car registrations).

40 For the markets of lending to car dealers in Belgium, France, Italy, Luxembourg, Portugal and Spain, the Parties provided market shares of OVF, PCDF, and FCAB. The Parties indicate that, while Santander is active in the market for lending to SMEs, it does not specifically monitor the amount of loans provided to car dealers specifically and, therefore, the Parties are not able to provide this information.

41 Captive and non-captive. Non-captive only sales included in Tables 2 and 3, and do not result in an affected market by value or volume.

42 Captive and non-captive. Non-captive only sales included in Tables 4 and 5, and result in an affected market by value only.

43 Form CO dated 15 November 2022, paragraphs 228-229.

approaches of the overall market (captive and non-captive) and for the merchant market only (non-captive).

Table 2: Motor vehicle lending in Italy (value 2021)

	Italy			
	Captive and non-captive		*Non-captive*	
	Value (Eur mln)	**Market share**	**Value (Eur mln**	**Market share**
Santander	[…]	[5-10]%	[…]	[10-20]%
OVF	[…]	[0-5]%	[…]	[0-5]%
PCDF	[…]	[0-5]%	[…]	[0-5]%
FCAB	[…]	[10-20]%	[…]	[0-5]%
Combined	**[…]**	**[20-30]%**	**[…]**	**[10-20]%**
Total market	[…]	100%	[…]	100%

Source: Form CO.

Table 3: Motor vehicle lending in Italy (volume 2021)

	Italy			
	Captive and non-captive		*Non-captive*	
	Volume (K units)	**Market share**	**Volume (K units)**	**Market share**
Santander	[…]	[5-10]%	[…]	[5-10]%
OVF	[…]	[0-5]%	[…]	[0-5]%
PCDF	[…]	[0-5]%	[…]	[0-5]%
FCAB	[…]	[5-10]%	[…]	[0-5]%
Combined	**[…]**	**[10-20]%**	**[…]**	**[5-10]%**
Total market	[…]	100%	[…]	100%

Source: Form CO.

(34) First, the Commission considers that the combined market shares of the Parties does not exceed 30% under any plausible market definition. In the overall market (including captive and non-captive activities), the combined market share of the Parties is [20-30]% by value and [10-20]% by volume. In the non-captive segment, the combined market share of the Parties is [10-20]% by value and [5-10]% by volume. Moreover, the increment brought by Santander in this Transaction is generally small. In the overall market, it is [5-10]% by value and [5-10]% by volume. In the non-captive segment the combined market shares are below 20% by value and volume and this would not be an affected market segment.

(35) Second, when considering separate segments for captive and non-captive sales, Santander is not competing to a significant extent with Stellantis since the vast majority of Santander's sales are non-captive, *i.e.* to non-Stellantis brands ([…]%), while only […]% of the SCF-Stellantis JVs's sales are non-captive.

(36) Third, post-merger, the SCF-Stellantis JVs will face competition from a number of other captive and non-captive financing institutions in Italy. For instance, Volkswagen Financial Services ([10-20]%), RCI Banque ([5-10]%), Compass Banca ([5-10]%), BMW Bank ([5-10]%), Fiditalia ([5-10]%), Findomestic Banca ([5-10]%), Agos-Ducato ([5-10]%).[44] The market investigation confirmed[45] that the majority of these companies are among the main competitors in the market and appear to put competitive pressure on the Parties.[46] Even excluding captive providers such as Volkswagen Financial Services or BMW Bank if a narrower market segment was considered, there is a significant number of non-captive providers on the Italian market that will compete with SCF-Stellantis JVs.

(37) Finally, the market investigation[47] confirmed that the Transaction is unlikely to raise concerns in the market for motor vehicle lending in Italy.[48] One respondent replied that "[t]*he transaction will not affect the competition landscape as it is a restructuring involving a change of the banking partner from BNPP and Credit Agricole to Santander with all Stellantis brands financed by the same captive*."[49]

(38) Based on the above considerations, the Commission concludes that the Transaction does not raise serious doubts as to its compatibility with the internal market in the market for motor vehicles lending in Italy.

5.3. Motor vehicle lending in Spain

(39) The Parties submit that the Transaction would not raise any competition concerns in the market for motor vehicle lending in Spain since this market is affected only due to Santander's pre-existing presence in the market. The increment brought by the Transaction would be limited in the market encompassing both captive and non-captive sales (not exceeding 10%). The increment brought by the Transaction would be negligible if the market was considered to include only non-captive sales (amounting to [0-5]%). Moreover, considering separate segments for captive and non-captive sales, the Parties also observe that Santander is not technically competing with the SCF-Stellantis JVs since […] of its sales are non-captive, while less than […]% of the SCF-Stellantis JVs's sales are non-captive. Finally, the Parties argue that the SCF-Stellantis JVs and Santander will continue to face strong competition from non-captive financial institutions active in Spain, such as Grupo BBVA, Caixabank, Cetelem (BNP Paribas), Sabadell, as well as from captive financial institutions, such as Volkswagen Financial Services, RCI Banque (Renault), or BMW Financial Services.[50]

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44 Market shares from 2020 (by value) provided in the Form CO, paragraph 230. The Parties noted that the figures of 2021 have not been published yet.

45 Market investigation confirmed the names of the competitors, not their market shares.

46 Replies to question 6 of the questionnaire dated 16 November 2022.

47 Replies to question 15 of the questionnaire dated 16 November 2022.

48 For completeness, only one competitor in pre-notification investigation raised concerns that Santander could leverage its presence in the retail banking market to increase the SCF-Stellantis JVs's market shares in automotive financing products. The Commission considers however, that Santander does not have a significant position in retail banking (below 20%) and […]. Therefore, the Transaction is unlikely to raise concerns in the affected market.

49 Reply to question 15 of the questionnaire dated 16 November 2022.

50 Form CO dated 15 November 2022, paragraphs 224-227.

(40) The Tables below provide the Parties' market share in the market for motor vehicle lending in Spain in 2021. Market share data is provided under two alternative approaches of the overall market (captive and non-captive) and for the merchant market only (non-captive).

Table 4: Motor vehicle lending in Spain (value 2021)

	Spain			
	Captive and non-captive		*Non-captive*	
	Value (Eur mln)	**Market share**	**Value (Eur mln**	**Market share**
Santander	[…]	[20-30]%	[…]	[30-40]%
OVF	[…]	[0-5]%	[…]	[0-5]%
PCDF	[…]	[5-10]%	[…]	[0-5]%
FCAB	[…]	[0-5]%	[…]	[0-5]%
Combined	**[…]**	**[30-40]**%	**[…]**	**[40-50]%**
Total market	[…]	100%	[…]	100%

Source: Form CO.

Table 5: Motor vehicle lending in Spain (volume 2021)

	Spain			
	Captive and non-captive		*Non-captive*	
	Volume (K units)	**Market share**	**Volume (K units)**	**Market share**
Santander	[…]	[10-20]%	[…]	[10-20]%
OVF	[…]	[0-5]%	[…]	[0-5]%
PCDF	[…]	[0-5]%	[…]	[0-5]%
FCAB	[…]	[0-5]%	[…]	[0-5]%
Combined	**[…]**	**[10-20]%**	**[…]**	**[10-20]%**
Total market	[…]	100%	[…]	100%

Source: Form CO.

(41) *First*, the Commission considers that the combined market share of the Parties in the overall market (including captive and non-captive activities) is [30-40]% by value and [10-20]% by volume. In the non-captive segment, the combined market share of the Parties is [40-50]% by value and [10-20]% by volume. Despite the fact that the combined market share of the Parties exceeds 30% in both of these market segments, if calculated by value, their market share by volume does not reach 20%. Moreover, Santander already had established presence in the market before the Transaction and the increment brought by the Transaction is relatively small. In the overall market, it is [10-20]% by value and [10-20]% by volume while in the non-captive segment, it is [0-5]% by value and [0-5]% by volume. It is also noted that an impact on the market is limited, as excluding PCDF (which is already jointly controlled by Santander), OVF and FCAB businesses represent less than 5% (by value and volume) of the overall market.

(42) *Second*, when considering separate segments for captive and non-captive sales, Santander is not competing to a significant extent with Stellantis. As a bank offering financial services, […] Santander's motor vehicle loans are non-captive, while only […]% of the SCF-Stellantis JVs's sales are non-captive.

(43) *Third*, post-merger, the SCF-Stellantis JVs will face competition from a number of other captive and non-captive financing institutions in Spain. For instance, Volkswagen Financial Services ([10-20]%), RCI Banque ([10-20]%), Grupo BBVA Consumer Finance ([5-10]%), BMW Bank ([5-10]%), Grupo Cetelem ([5-10]%), Caixabank Consumer Finance ([0-5]%).[51] The market investigation confirmed[52] that these companies are the main competitors in the market and they exert competitive pressure on the Parties.[53]

(44) Finally, the market investigation feedback[54] confirmed that the Transaction is unlikely to raise concerns in the market for motor vehicle lending in Spain.[55]

(45) Based on the above considerations, the Commission concludes that the Transaction does not raise serious doubts as to its compatibility with the internal market in the market for motor vehicles lending in Spain.

5.4. Lending to SMEs in Spain

(46) The Parties argue that given the negligible increment brought by the Transaction, no competition concerns would arise in this market and a number of competitors would continue to compete post-Transaction. For instance, Caixabank, Sabadell, Grupo BBVA, or Bankinter.[56] The tables below provide the Parties' market share in the lending to SMEs in Spain in 2021.

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51 Market shares from 2016 (by value) provided in the Form CO, paragraph 314. The Parties were unable to provide the figures for 2021 due to lack of publicly available data. In any case, according to the Parties' understanding of the market, the market shares of their competitors have not changes substantially since 2016.

52 Market investigation confirmed the names of the competitors, not their market shares.

53 Replies to question 6 of the questionnaire dated 16 November 2022.

54 Replies to question 15 of the questionnaire dated 16 November 2022.

55 For completeness, some competitors claimed that the Transaction would lead to a higher concentration of captive financing for Stellantis' brands; however, the Commission considers that the increment brought by this Transaction is limited and there are a number of alternative financing solutions available to customers.

56 Form CO dated 15 November 2022, paragraphs 247-248.

Table 6: Lending to SMEs in Spain (value 2021)[57]

	Spain	
	Value (Eur mln)	**Market share**
Santander	[…]	[20-30]%
OVF	[…]	[0-5]%
PCDF	[…]	[0-5]%
FCAB	[…]	[0-5]%
Combined	**[…]**	**[20-30]%**
Total market	[…]	100%

Source: Form CO.

(47) The Commission concludes that the Transaction does not raise serious doubts as to its compatibility with the internal market in the market for lending to SMEs in Spain for the following reasons.

(48) *First*, the increment brought by the Transaction is minimal ([0-5]%) meaning that the Transaction would not have a material impact on the competitive landscape.

(49) *Second*, post-merger, the SCF-Stellantis JVs will face competition from a number of other financing institutions in Spain. For instance, Caixabank Consumer Finance ([20-30]%), Sabadell ([10-20]%), Grupo BBVA Consumer Finance ([10-20]%), and others.[58] The market investigation confirmed[59] that these companies are the main competitors in the market and they exert competitive pressure on the Parties.[60]

(50) *Third*, the market investigation[61] confirmed that the Transaction is unlikely to raise concerns in the market for lending to SMEs in Spain.[62] Market feedback indicated a high level of competition in this market in Spain with numerous alternative players competing.

5.5. Lending to car dealerships in Belgium, France, Italy, Portugal, and Spain

(51) The Parties argue that the Transaction would not raise any competition concerns in the market as post-Transaction the SCF-Stellantis JVs would face strong competitive pressure from OEMs and independent financing providers in each of potentially affected markets.[63]

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57 In response to RFI 4, the Parties confirmed that the market shares by volume do not differ significantly from the market shares by value provided.

58 Market shares from 2021 (by value) provided in the Form CO, paragraph 248.

59 Market investigation confirmed the names of the competitors, not their market shares.

60 Replies to question 8 of the questionnaire dated 16 November 2022.

61 Replies to question 16 of the questionnaire dated 16 November 2022.

62 For completeness, one competitor claimed that the Transaction might make concessionaires related to the Stellantis' brands to opt for agreements with companies related to the Transaction instead of other financing entities. However, the Commission considers that the increment brought by this Transaction is minimal and there are a number of alternative financing solutions available to customers.

63 Form CO dated 15 November 2022, paragraphs 252-256.

(52) The tables below provide the Parties' estimates of market shares for the lending to car dealers in Belgium, France, Italy, Portugal, and Spain. The market shares are provided by relying on a very conservative approach and only include loans to car dealers granted by OEMs. Accordingly, the Parties argue that the provided market shares are overestimated and do not raise any competition concerns.

Table 7: Lending to car dealerships (by volume 2021)[64]

	Belgium	**France**	**Italy**	**Portugal**	**Spain**
	Market share	**Market share**	**Market share**	**Market share**	**Market share**
OVF	[0-5]%	[0-5]%	[0-5]%	[0-5]%	[0-5]%
PCDF	[10-20]%	[20-30]%	[10-20]%	[20-30]%	[10-20]%
FCAB	[0-5]%	[0-5]%	[20-30]%	[0-5]%	[5-10]%
Santander[65]	Not available	Not available	Not available	Not available	Not available
Combined	**[20-30]%**	**[30-40]%**	**[30-40]%**	**[20-30]%**	**[20-30]%**
Total market	100%	100%	100%	100%	100%

Source: Form CO.

(53) The Parties also submit that post-Transaction, the SCF-Stellantis JVs will continue to face very strong competitive pressure from competing OEMs in each of potentially affected markets.[66] For instance, in Belgium, SCF-Stellantis JVs faces competition from Volkswagen ([20-30]%), Renault Group ([10-20]%), BMW Group ([10-20]%) and others.[67] In France, from Renault Group ([20-30]%), Volkswagen ([10-20]%), Toyota Group ([5-10]%) and others. In Italy, Volkswagen ([10-20]%), Renault Group ([5-10]%), Ford Group ([5-10]%) and others. In Portugal, Renault Group ([10-20]%), Volkswagen ([10-20]%), BMW Group ([5-10]%) and others. In Spain, Volkswagen ([20-30]%), Renault Group ([10-20]%), Hyundai-Kia ([10-20]%) and others.

64 The Parties note that there is no available data for the total market of lending to vehicle dealers. However, each network of vehicle dealers has similar financing needs and those financing needs are proportionate to the volume of passenger cars and LCVs sold by Stellantis. Therefore, the Parties believe that their market shares in the segment for lending to vehicle dealers should be close to the market shares they hold in the market for passenger cars and LCVs.

65 Santander at group level does not monitor the amount of loans that are issued specifically to car dealers or across the different geographies and it is therefore unable to provide this information. However, Santander was able to confirm that in France and Italy, […] and in each of these countries market share for lending to the SMEs is below [0-5]%. In Portugal and Spain, Banco Santander estimates that approximately [0-5]% of the total SME lending is provided to car dealers, which corresponds to less then [0-5]% markets share in these countries.

66 Form CO dated 15 November 2022, paragraph 255.

67 The market shares from 2021 (by volume) are provided in Form CO dated 15 November 2022, paragraph 255. The Parties noted that this method of approximating market shares underestimates the actual competitive intensity, as it does not consider the loans granted by companies other than OEMs.

(54) In addition, the Parties noted that OEM's captive financing companies face significant competition from independent financing providers[68], and as such the market shares indicated in Table 7 above are over-estimated as they only include competing OEMs.

(55) The Commission concludes that the Transaction does not raise serious doubts as to its compatibility with the internal market in lending to car dealerships in Belgium, France, Italy, Portugal, and Spain for the following reasons.

(56) *First*, the combined market shares of the Parties on the markets for lending to car dealerships in Belgium, Portugal and Spain will remain below 30% post-Transaction and there is no material change on the market as the affected markets arise due to Stellantis' pre-existing market shares (including PCDF which is already jointly controlled by Santander). The market shares of the Parties in Italy and France will be between 30-40%, however, these market shares do not appear to reflect a material change as a result of the Transaction as they represent pre-Transaction market positions.

(57) In addition, it is noted that the market shares from a wider market of lending to SMEs may be a relevant indication of the market position, as Santander offers similar types of services as part of its retail banking activities. In particular, Santander offers loans to all kinds of SMEs, including car dealers, in Portugal and Spain (the countries where Santander has retail banking presence) and with respect to specialist car stock financing, in France, Italy, Portugal, Spain and also residually in Belgium (through the local SCF subsidiary or branch). Santander at group level does not monitor the amount of loans that are granted specifically to car dealers or across the different geographies and it is therefore unable to provide the information specific to the loans it provides to car dealers and this further suggests that such market segmentation may not be warranted. The market investigation indicated that the Parties face competitive pressure from other finance providers, in addition to the OEMs and therefore it is possible that the market shares provided above limited to OEMs are in fact overestimated.

(58) *Second*, in all these countries the Parties provided that other OEMs (captive financing providers) are active in this market in all relevant Member States, such as Volkswagen, Renault Group, BMW Group, Daimler AG, Ford Group and Hyundai-Kia and market investigation indicated that they exert competitive pressure on the Parties.

(59) *Third*, the Commission observes that captive financing companies face significant competition from independent financing (non-captive) providers. The market investigation indicated that a number of independent financing providers are active in this market and exert competitive pressure on the Parties.[69] For instance, in Belgium, the market participants indicated BNP Paribas, Belfius, KBC, ING. In France – BNP Paribas, Société Générale, Crédit Agricole, Banque Populaire, Viaxel, Financo. In Italy – Compass Banca, Agos Ducato. In Portugal – Montepio Crédito, BCP Millenium, Credibom, BNP Paribas, BBVA IFIC, Cofidis. In Spain –

68 Form CO dated 15 November 2022, paragraph 256.

69 Replies to question 8 of the questionnaire dated 16 November 2022.

BBVA Consumer Finance, BNP Paribas, CaixaBank Consumer Finance, Sofinco, Banco Sabadell Consumer Finance.

(60) *Fourth*, the market investigation[70] confirmed that the Transaction is unlikely to raise concerns in the affected markets of lending to car dealers in Belgium, France, Italy, Portugal and Spain and market respondents were overall neutral on the impact of the Transaction on these markets.[71] In particular regarding France, one participant explained that "[n]*o major impact expected in terms of lending to car dealerships in France, as Santander will replace BNPP for motor vehicle lending, it should also supplant it for lending to car dealerships*."[72] Another respondent specific to Italy stated that it expects "[n]*o major impact in Italy*" with regard to lending to SMEs and specifically to car dealerships.[73]

(61) Based on the above considerations, the Commission concludes that the Transaction does not raise serious doubts as to its compatibility with the internal market in potentially affected markets of lending to car dealers in Belgium, France, Italy, Portugal and Spain.

6. CONCLUSION

(62) For the above reasons, the European Commission has decided not to oppose the notified operation and to declare it compatible with the internal market and with the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of the Merger Regulation and Article 57 of the EEA Agreement.

For the Commission

(Signed)
Margrethe VESTAGER
Executive Vice-President

70 Replies to question 16 of the questionnaire dated 16 November 2022.

71 For completeness, one competitor claimed that the Transaction might make car dealerships related to the Stellantis' brands to opt for agreements with companies related to the Transaction instead of other financing entities. However, the Commission considers that the increment brought by this Transaction is minimal and there are a number of alternative financing solutions available to customers.

72 Reply to question 16 of the questionnaire dated 16 November 2022.

73 Reply to question 16 of the questionnaire dated 16 November 2022.