

NOTA DE PRENSA

PRESS RELEASE

BBVA and Telefónica create a joint venture to offer consumer loans in Colombia

- **Movistar Money will offer consumer loans to Telefónica customers in Colombia, both individuals and companies. The deal could expand to other countries in South America where both companies have a presence.**
- **The company plans to begin operations in the second quarter of 2021 following a successful commercial pilot carried out by BBVA and Telefónica several months ago.**

Madrid, December 3rd, 2020.- BBVA and Telefónica announced today that they have reached an agreement to develop the consumer loan business in Colombia through the creation of a joint venture in the country. To do so, they will create a financial company, Movistar Money Colombia, jointly controlled on a 50/50 basis, that will sell loans to the over 19 million clients Telefónica has in Colombia - both individuals and companies.

The new company will benefit from both partners' experience and assets in the Colombian market and will harness BBVA's extensive knowledge of the financial business and Telefónica's technological and commercial power. The agreement also foresees the development of digital sales channels and operations to help local clients get to know the new loan products. Movistar Money Colombia will have a management team in the country to coordinate the sales, financial policies and technology with both partners of the joint venture.

Part of the new company's commercial offering will include consumer loans - both for free investment and loans for the purchase of terminals and devices. Both the amount and form of payment will be customized based on the client's financial profile. The entire process of taking out and managing the loan can be done digitally.

"This agreement and the launch of Movistar Money services in Colombia is in line with Telefónica's strategy to diversify its business and foster innovation in the digital world, enriching the portfolio of products offered to the company's customer base," explained Fabio Bruggioni, Global Consumer director at Telefónica.

Meanwhile, Jordi García Bosch, Head of New Businesses and Strategy in Clients Solutions at BBVA, said that with this partnership, "BBVA aims to offer the best financial products and services to Colombian clients, with a unique proposal in Colombia that is the fruit of BBVA's leadership in digital banking. This agreement represents a boost to our strategy to continue growing and reaching new customers through agreements with leading players in their sectors, like Telefónica."

The company plans to begin operations in the second quarter of 2021, with the different products launched in phases, starting with loans for the purchase of terminals. Discretionary loans and corporate loans will be presented in a second phase.

BBVA and Telefónica conducted a commercial pilot for six months in Colombia, which confirmed the potential for this type of loans in the local market, among a base of over 300,000 Movistar Colombia customers. The current agreement is specific to Colombia, but both companies will consider expansion to other South American countries, given the interesting business perspectives in some of these markets.