Strategic partnership in Spain and acquisition of Sabadell Asset Management
Executive summary

– Agreement to enter into a 10 year strategic partnership for the distribution of asset management products in Banco Sabadell’s network in Spain

– **Acquisition of 100% of Sabadell AM**\(^1\), the asset management subsidiary of Banco Sabadell, for an all-cash consideration of €430m\(^2\)
  – Sabadell AM is a reference asset management player in Spain (€22bn of AuM\(^3\), mostly in retail, ranked #5\(^4\), ~130 FTEs), which is expected to generate net earnings of ~€34m\(^1\) in 2020,
  – Sabadell AM will remain dedicated to the Banco Sabadell’s retail network and will leverage on Amundi’s comprehensive capabilities in order to serve better its customers

– **Amundi will benefit from Banco Sabadell’s strong regional presence**

– **This transaction will allow Amundi to further consolidate its European leadership position** (significant strengthening of its footprint in Spain), and to deploy its unique business-model aimed at serving retail networks.

– This transaction is subject to usual regulatory approvals, and is expected to close in Q3 2020

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1- Excluding Urquijo Gestion, which represents ~€2bn of AuM.
2- Plus an earn-out of up to €30m, payable in 2024, based on future performance of the business
3- At 31/12/2019, excluding Urquijo Gestion and third-party funds
4- On Spanish domiciled funds. Source Inverco
Transaction rationale

- An opportunity to reinforce significantly Amundi’s footprint in Spain:
  - A market of ~€600bn of AuM (#4 in the Euro zone\(^1\)), growing fast (11% CAGR between 2013 and June 2019),
  - Geared on Retail (~80% of the market) and where distribution of open-ended funds is still dominated by bank networks\(^2\)

  **NB**: Amundi has already a sizeable presence in Spain (€21bn of AuM\(^3\)), and would become the 4\(^{th}\) asset manager in Spain and the #1 non-domestic player.

- A strategic partnership with Banco Sabadell with significant potential:
  - Leveraging on Banco Sabadell’s strong network, a leading bank in Spain (#5 player with an 8% market share\(^4\) and 6% in mutual funds\(^5\)) **with a powerful network** (~1,900 branches, with presence in high potential provinces)
  - **Secured by a strategic distribution agreement**: Amundi will become the preferred supplier of investment products and solutions (inc. DPM\(^6\) and fund selection) for banco Sabadell

- The combination of Banco Sabadell’s powerful retail network with Amundi’s comprehensive range of savings products and solutions is a promising opportunity to enhance investments business in Spain

- This transaction would allow Amundi to deploy its unique business-model aimed at serving retail networks, and is **consistent with Amundi’s strategy**:
  - consolidate its leadership in Europe
  - develop new partnerships with retail networks
  - diversify further its profile in terms of geographies and customers

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1- Source Broadridge on open-ended funds.  
2- Sources: companies, Bank of Spain, Inverco  
3- At 30/09/2019  
4- At 30/09/2019; market share on retail banking (deposits, loans…)  
5- At 30/09/2019. Source Banco Sabadell  
6- Discretionary Portfolio Management
Financial impact of the transaction

- **Consideration for 100% of Sabadell AM** is €430m, representing
  - a 2020 P/E multiple of ~13 X without synergies
  - a 2020 P/E multiple of ~9 X including total synergies

- **Synergies identified will be achieved in 3 years, and are mainly driven by revenues enhancement**, and by progressive costs optimization (e.g. integration of Sabadell AM on Amundi IT platform…)

- **The transaction is fully in line with Amundi’s financial criteria for acquisitions:**
  - Being immediately accretive to Amundi’s EPS
  - Generating a return on investment higher than 10% within three years.

- **The acquisition of Sabadell AM is not conditional on any fund raising, and is being financed exclusively through existing Amundi cash resources**

- **The impact for Amundi will be a decrease of its CET1 ratio by around ~400 bps**
  - Post closing of the transaction, the Amundi’s CET1 ratio will remain largely above the minimum regulatory capital requirement

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1- Excluding Urquijo Gestion, which represents ~€2bn of AuM.  
2- Plus an earn-out of up to €30m, payable in 2024, based on future performance of the business  
3- At closing  
4- As a reminder, at 30 June 2019, Amundi’s CET 1 ratio was 13.4%
The Asset Management market in Spain

A ~€600bn market, mostly geared on Retail (81%), enjoying a significant growth

AuM Spanish market (€bn)

Open-ended funds distribution still dominated by Bank networks

Open-ended funds distribution channels June 2019

Bank networks: 67%
IFAs: 4%
Private banks: 15%
Other: 14%

Ranking of asset management markets in Euro zone**

#1
#2
#3
#4

** Source Broadridge on open-ended funds.

Retail / open ended funds*  Institutionnal

* Funds under Spanish law + funds under foreign law. Sources: Inverco, INDEFI

** Source Broadridge on open-ended funds.
Banco Sabadell profile

A reference player in Spain

- #5 bank in Spain
- Key figures¹:
  - ~1,900 branches
  - 7m customers, of which 5.6m in Retail and 1.4m Corporates and Institutionals
  - Total assets of €156bn and deposits of €101bn (in Spain)

<table>
<thead>
<tr>
<th>Rank in Spain</th>
<th>Market share¹</th>
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<tbody>
<tr>
<td>Customer lending</td>
<td>#5</td>
</tr>
<tr>
<td>Customer funds</td>
<td>#5</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>#5</td>
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</tbody>
</table>

1- Sources : Banco Sabadell, Bank of Spain ; data as of at 30/09/2019
Banco Sabadell Asset Management profile

A reference player in Spain

- **#5 asset manager in Spain**, with an estimated market share of 6%¹
- **Key figures:**
  - AuM of €22bn², of which a majority in Spanish domiciled funds
  - ~ 130 FTEs
  - 2020e estimated net earnings of €34m

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¹ Source: Banco Sabadell
² At 31/12/2019, excluding Urquijo Gestion and third-party funds

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Breakdown of Assets under Management

At 30 June 2019

- Multi-asset 55%
- Structured 18%
- Bonds 19%
- Equity 6%
- Other 2%

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1- Source: Banco Sabadell  2- At 31/12/2019, excluding Urquijo Gestion and third-party funds
Contacts and calendar

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Calendar

- **Publication of 2019 annual results:** 12 February 2020
- **Publication of Q1 2020 results:** 30 April 2020
- **AGM for the 2019 financial year:** 12 May 2020
- **Publication of H1 2020 results:** 31 July 2020
- **Publication of 9M 2020 results:** 30 October 2020

Amundi shares

- **Tickers:** AMUN.PA, AMUN.FP
- **Main indexes:** SBF 120, FTSE4Good, MSCI