

Amundi

First-quarter 2020 results

A 100% operational company for its customers despite the crisis
High levels of activity and results maintained

Management of the Covid-19 crisis	<p>The company is 100% operational for its customers thanks to:</p> <ul style="list-style-type: none"> ▪ Its robust IT platform: 95% of employees working remotely in more than 30 countries ▪ Employee engagement and strong social cohesion
Business activity	<p>High level of activity maintained</p> <ul style="list-style-type: none"> ▪ AuM¹ of €1,527bn at 31 March 2020, up 3.5% year-on-year (decrease limited to -7.6% vs. end-2019 mainly due to a significant negative market effect at end March) ▪ Activity driven by Retail and JVs (+€12.1bn) : <ul style="list-style-type: none"> ▪ Retail excluding JVs marginally affected by the crisis in Q1 2020 (+€2.5bn) ▪ Continued substantial flows in the JVs (+€9.7bn) with a positive contribution from all entities ▪ Net outflows¹ in Institutional and Corporates clients (-€15.4bn) linked to outflows in treasury products and customer “de-risking” ▪ Total net outflows contained at -€3.2bn (-0.2% of the AuM at end 2019)
Results	<ul style="list-style-type: none"> ▪ Gross operating income² (excluding financial income³) up by +12.2% vs. Q1 2019 <ul style="list-style-type: none"> ▪ Net asset management revenues of €673m, up by +5.1% vs. Q1 2019 ▪ Operating expenses of €331m, down by -1.4% vs. Q1 2019 ▪ Negative financial income (-€61m) due to the mark-to-market valuation at end March 2020 of the investment portfolio and seed money ▪ Cost/income ratio² below 50% excluding financial income, and 54.1%² including financial income (vs. 50.9% in Q1 2019) ▪ Accounting net income of €193m (vs. €235m in Q1 2019) and adjusted net income² of €206m (vs. €247m in Q1 2019)
A very robust financial structure	<ul style="list-style-type: none"> ▪ €2.9bn in tangible equity ▪ A+ rating by Fitch⁴
New growth drivers	<ul style="list-style-type: none"> ▪ Amundi announced recently two major strategic partnerships with Banco Sabadell and Bank of China. They will strengthen Amundi’s position in Retail. ▪ The implementation of these partnerships is on track with announced target and schedule

Paris, 30 April 2020

Amundi’s Board of Directors, **chaired by Xavier Musca**, convened on 29 April 2020 to review the financial statements for the first quarter of 2020.

¹ Assets under management and net inflows include assets under advisory and assets sold and take into account 100% of assets under management and net inflows on the Asian JVs. For Wafa in Morocco, assets are reported on a proportional consolidation basis.

² Adjusted data: excluding amortisation of distribution contracts; See page 8 for definitions and methods

³ Financial income = Net financial income and other net income

⁴ Rating confirmed in May 2019

Commenting on the figures, Yves Perrier, CEO, said:

*“Faced with a crisis of unprecedented scope, **Amundi has adapted quickly, thanks to its proprietary robust IT platform and the professionalism of all its employees.** I salute their engagement and their spirit of solidarity. All of the company’s functions, including portfolio management, risks, middle-office and sales, are 100% operational.*

*Once again, our **first-quarter 2020 results confirm the solidity of Amundi’s business model, founded on the one hand on strong operational diversification, and on the other on a high level of operational efficiency. Assets under management are up +3.5% year-on-year. In Q1 2020, Retail and JV inflows total more than €12bn, virtually offsetting the crisis-related outflows from Institutionals and Corporates.** Gross Operating Income⁵ increased by more than 12% thanks to the positive jaws effect stemming from an increase of net asset management revenue (+5%) and a decrease of costs (-1%). **Net income⁶ is maintained at a high level (€206m).***

*The Group has initiated recently **new growth levers in retail, with strategic partnerships signed with Banco Sabadell and Bank of China. The implementation of these partnerships is progressing well, on target and on schedule, as announced.***

The duration of the crisis and its impact on the business remain difficult to assess. However, thanks to its solid business model and its new growth drivers, Amundi is well-equipped to face the challenges brought by this exceptional situation.”

I. Management of the Covid-19 crisis

A quick and successful adjustment of operations

The company is 100% operational for its customers

It was an unprecedented start to 2020, with the crisis generated by the coronavirus epidemic. It is unparalleled in scale, affecting all economic and financial activity around the world. It is difficult to predict the scope and duration of this crisis. Amundi has quickly adapted its operating structure, with two goals: protecting the health of its employees and maintaining a high degree of operational efficiency and customer service quality.

Measures to enable staff to work remotely have been rolled out as lockdown decisions were made: the week of 3 February (in Asia), the week of 24 February (in Italy), the week of 16 March (in France, Spain, Austria, and remote work in Boston). Today, c. 95% of Amundi’s employees around the world are working remotely.

The company is operating normally now thanks to:

- Its robust IT infrastructure: all employees have remote access to the platform, regardless of their position (portfolio management, middle office, etc.). This was possible thanks to the strength of Amundi’s proprietary IT platform ALTO⁷, developed and maintained by Amundi’s IT team with a staff of over 600 people. This platform is deployed worldwide through all Group entities;
- Its effective business continuity plans (BCPs), clearly defined in advance.

In addition, **managing this crisis has been possible thanks to staff commitment**, helped by the company’s strong social cohesion:

- Communication with employees and social support have been enhanced, including compensation being maintained, no use of partial unemployment, payment of childcare expenses, and health-related measures;
- Support from employee representative bodies.

In accordance with government guidelines in each of the countries where Amundi operates, the Group has set up a plan allowing for a gradual return to a normal state of operations, while keeping strict sanitary rules aimed at protecting the health of our staff.

Finally, **Amundi’s investment policy has also been adapted to the context of the financial crisis** (lower equity markets, widening of spreads, and tensions over liquidity in the credit market). Amundi has maintained a solid investment performance with over 70% of AuM in the top two quartiles over five years⁸.

⁵ Excluding financial income

⁶ Adjusted net income

⁷ ALTO: Amundi Leading Technologies & Operations is a Portfolio Management System (PMS) platform, a software with a set of technology and operational services, covering portfolio analysis, pre & post trade compliance, risks, performance, trade processing & position keeping, reporting and data management.

⁸ Source: Morningstar Direct, open-ended funds and ETFs, global scope, excluding feeder funds, end of March 2020.

II. Resilient activity

Assets under management at €1,527bn, an increase of +3.5% year-on-year
Good levels of activity thanks to a diversified customer/expertise/geography mix
Limited net outflows (-€3.2bn or -0.2% of end-2019 AuM)

Amundi's assets under management reached €1,527bn at 31 March 2020, up 3.5% year-on-year (with a limited decline of -7.6% over the quarter due to a significant negative market effect of -€123bn). Net outflows were limited to -€3.2bn (-0.2% of end-2019 AuM), with activity driven by Retail and Asian JVs.

Retail

The Retail segment (excluding JVs) posted a solid level of activity (+€2.5bn in Q1 2020), driven by both **third-party distributors** (+€2.6bn, particularly in Europe) and by the **French Networks** (+€2.4bn thanks to unit-linked products in life insurance policies and discretionary management). However, **international networks** saw moderate outflows (-€2.5bn).

Institutionals

This quarter was marked by net outflows (-€15.4bn) related to treasury product outflows in the Corporate segment (liquidity requirements from corporates in March) and "de-risking" of institutional and sovereign customers on MLT assets⁹. Net inflows for CA & SG insurance mandates were virtually zero, since life insurance inflows were redirected to unit-linked products.

In the first quarter 2020, Amundi was awarded "**Asset Manager of the Year 2019**" for central banks by **Central Banking**, recognising its excellence for its 20 Central Bank customers and its ESG expertise for these institutions.

JVs

In the Asian JVs, **business remained brisk** (+€9.7bn), driven by all entities, specifically in India (where net inflows were steady at +€6.1bn) and China (+€1.3bn), in spite of Covid-19.

Geographically, Asia is a growth driver once again, generating +€4.8bn in net inflows in Q1 2020, and accounting for an increased share of Amundi's assets under management: **€286bn at the end of March 2020, or 19% of total assets, compared to 14% at the end of March 2019.**

III. Results maintained at a high level **Gross operating income¹⁰ up by +12%¹¹**

In an unfavourable market environment, Amundi has maintained a high level of operating profitability, with **positive jaws effect with net asset management revenue increasing significantly, and expenses decreasing. The result is a cost/income ratio** (excluding financial income, which has been impacted by a mark-to-market effect) **of less than 50%, one of the best in the industry. These strong results illustrate the resilience of Amundi's diversified business model.**

Adjusted data¹⁰

In Q1 2020, Amundi posted strong operating performance, with **Gross Operating Income¹⁰ (excluding financial income) up to €343m (or +12.2% vs. Q1 2019).**

Net asset management revenue increased substantially (€673m, up 5.1% vs. Q1 2019), thanks to:

- Higher net management fees (€631m, +1.7%);
- a doubling of performance fees (€42m).

Operating expenses were particularly well controlled (€331m, a decline of -1.4% vs. Q1 2019), thanks to the full impact of synergies related to the integration of Pioneer, which has more than offset the impact of new hiring in 2019 to support development.

Financial income (-€61m) was affected by the market downturn in March (mark-to-market valuation of the investment portfolio and seed money).

⁹ Medium-Long-Term Assets: excluding treasury products

¹⁰ Adjusted data: excluding amortisation of distribution contracts.

¹¹ Excluding financial income

As a result, **the cost/income ratio stood at 49.1% (52.4% in Q1 2019) excluding financial income**. Including the financial income, the cost/income ratio remained at a very good level, at 54.1% (50.9% in Q1 2019).

In light of the (increasing) contribution from equity-accounted entities (primarily the Asian joint ventures), and a virtually identical tax charge of -€76m, **adjusted net income totalled €206m, and €247m excluding financial income (after tax), up +5% compared to Q1 2019**.

Accounting data¹²

Accounting income for Q1 2020 was €193m, down -17.8% from Q1 2019, largely due to negative financial income (-€61m) caused by the market downturn.

IV. ESG engagement

In the first quarter of 2020, Amundi continued to develop its ESG offering.

Amundi's assets under management that include ESG criteria reached €314bn, a 7% increase year-on-year.

In addition, Amundi continued to drive ESG innovation by launching new initiatives specific to **two of the company's priorities: the energy transition and social inequality**.

In this area, and in partnership with the European Investment Bank (EIB), Amundi successfully launched and made its first investments in the **GRECO programme**, which develops new segments of the green bond market in Europe. The aim of this programme is to commit €1bn to the development of these new markets.

Furthermore, **through its subsidiary CPR AM, in the first quarter Amundi launched the "Social Impact" fund**, the first fund in the world to make the issue of social inequality a cornerstone of its investment process. The "Social Impact" fund is for Retail and Institutional clients and invests in the global large-cap space by assessing companies' contributions to reducing inequality in their home countries.

V. Financial structure and dividend

Amundi's financial structure is very strong:

- **The capital position remains healthy, with tangible equity of €2.9bn at end-March 2020, primarily invested in fixed-income products. Solvency ratios are well above regulatory requirements¹³:** including the non-payment of dividends for the 2019 fiscal year¹⁴, the CET1 ratio stood at around 20% at 31/03/2020, and the Total Capital ratio was above 22% at 31/03/2020.
- **In May 2019, rating agency Fitch reiterated Amundi's A+ rating**, the best in the sector.

Dividend

Following the recommendations of the European Central Bank, Amundi has decided not to submit the distribution of a dividend of €3.10 per share for FY 2019 at the upcoming General Meeting¹⁵ on 12 May and instead to allocate the full amount of 2019 net income to previous retained earnings.

During the second half of 2020, the Board of Directors will propose guidelines on distribution to shareholders.

¹² Including amortisation of distribution contracts

¹³ See Universal Registration Document for FY 2019 filed with to AMF on 14 April 2020.

¹⁴ Decision of the Amundi Board of Directors on 1 April 2020, in accordance with the recommendations of the European Central Bank. The expected dividend for 2019 (€3.10 per share) will be put in previous retained earnings.

¹⁵ Amid the current health situation of the epidemic, the General Meeting of 12 May 2020 will be held without the presence of shareholders, in compliance with Order no. 2020-321 of 25 March 2020. Instead, shareholders are invited to vote by mail, using the voting form, or to grant the Chairman of the General Meeting a power of attorney. Shareholders are also advised to consult the section on the 2020 General Meeting on the Company's website, <https://about.amundi.com/Actionnaires/General-Meetings>, for information on the procedures for participating in the General Meeting.

VI. New growth drivers

The recently announced strategic partnerships are on track and on schedule:

- **In Spain**, after a **10-year strategic partnership with Banco Sabadell and the €430m acquisition of Sabadell Asset Management** (AuM of €22bn¹⁶) were announced on 21 January 2020, the implementation schedule is in line with forecasts. The process of obtaining regulatory authorisations is on-going (application filed to the Spanish authorities at the beginning of March 2020), and integration discussions with the Banco Sabadell and Sabadell Asset Management teams are well underway. The closing date is expected toward the end of the second quarter of 2020 or during the third quarter of 2020, depending on the timing to obtain regulatory approvals. This transaction will reinforce Amundi's position in Europe.
- **In China**, the plan to create the new asset management company through a joint venture with **Bank of China Wealth Management is on schedule** despite the current health crisis. As a reminder, BOC Wealth Management is a subsidiary of Bank of China, the fourth-largest Chinese bank, with 500 million retail customers and 11,000 branches. The joint venture arrangement and business contract were finalised by both shareholders, the business model has been defined and the management team has been hired. The next steps will be filing the application for registration with the regulator (CBIRC) by the end of Q2 2020; officially opening the company as expected in the summer of 2020; and a full operational launch in the second half of 2020, with the aim of getting the first products to market by the end of 2020. The project's timing and potential are confirmed by the first months of cooperation between Amundi and BOC Wealth Management. This partnership will complement and accelerate Amundi's development strategy in China. Amundi will be the majority shareholder in this new asset management company¹⁷.

Financial disclosure schedule

- 12 May 2020: AGM for the 2019 financial year¹⁸
- 31 July 2020: Publication of H1 2020 results
- 31 October 2020: Publication of 9M 2020 results

¹⁶ As of 31 December 2019

¹⁷ This new asset management company will be fully consolidated and not equity-accounted like the other JVs.

¹⁸ Amid the current health situation of the epidemic, the General Meeting of 12 May 2020 will be held without the presence of shareholders, in compliance with Order no. 2020-321 of 25 March 2020

Income statement

(in €m)	Q1 2020	Q1 2019	Change
Adjusted net revenue	612	659	-7.1%
Net asset management revenue	673	641	+5.1%
<i>o/w net management fees</i>	631	621	+1.7%
<i>o/w performance fees</i>	42	20	X2
Net financial income and other net income	(61)	18	NS
Adjusted operating expenses	(331)	(336)	-1.4%
Adjusted Cost-to-income ratio excluding financial income	49,1%	52,4%	-3,2 pts
Adjusted Cost-to-income ratio	54.1%	50.9%	+3.1 pts
Adjusted gross operating income*	281	323	-13.1%
Cost of risk & Other	(13)	5	NS
Equity-accounted entities	14	13	+7.8%
Adjusted income before taxes	282	341	-17.4%
Taxes	(76)	(94)	-18.8%
Adjusted net income, Group share	206	247	-16.9%
Amortisation of distribution contracts after tax	(13)	(13)	+0.0%
Net income, Group share	193	235	-17.8%

Adjusted data: excluding amortisation of UniCredit, SG, and Bawag distribution contracts.

* **Excluding financial income, the Q1 2020 adjusted gross operating income is €343m, a 12.2% increase vs Q1 2019 adjusted gross operating income excluding financial income of €305m**

Change in assets under management from end-December 2018 to end-March 2020

(€bn)	AuM	Net inflows	Market and foreign exchange effect	Change in AuM vs. previous quarter
At 31/12/2018	1,425			-3.4%
Flows in Q1 2019		-6.9	+58.3	
At 31/03/2019	1,476			+3.6%
Flows in Q2 2019		-4.8	+15.1	
At 30/06/2019	1,487			+0.7%
Flows in Q3 2019		+42.7	+33.5	
At 31/12/2019	1,563			+5.1%
Flows in Q4 2019		+76.8	+13.7	
At 31/12/2019	1,653			+5.8%
Flows in Q1 2020		-3.2	-122.7	
At 31/03/2020	1,527			-7.6%

Assets under management and net inflows by client segment

(€bn)	AuM 31.03.2020	AuM 31.03.2019	% chg. vs. 31.03.2020	Inflows Q1 2020	Inflows Q1 2019
French networks	100	105	-5.3%	+2.4	-3.1
International networks	111	123	-9.6%	-2.5	+2.3
Third-party distributors	174	181	-4.0%	+2.6	-1.9
Retail (excl. JVs)	384	409	-6.0%	+2.5	-2.6
Institutionals* & sovereigns	342	367	-6.6%	-5.4	-1.5**
Corporates	65	62	+4.3%	-10.2	-5.9
Employee Savings	56	57	-2.7%	+0.1	-0.5
CA & SG insurers	448	435	+3.2%	+0.1	+6.4
Institutionals	911	920	-1.0%	-15.4	-1.5
JVs	232	142	+57.5%	+9.7	-2.8
TOTAL	1,527	1,476	+3.5%	-3.2	-6.9

* Including funds of funds ** Including reinternalisation of an institutional mandate in Italy for €-6.3bn in Q1 2019

Assets under management and net inflows by asset class

(€bn)	AuM 31/03/2020	AuM 31/03/2019	% chg. vs. 31/03/2019	Inflows Q1 2020	Inflows Q1 2019
Equities	200	224	-10.8%	+2.3	+0.1
Multi-asset	221	243	-8.9%	-4.8	-2.4
Bonds	603	596	+1.2%	-7.1	+2.5
Real, alternative and structured assets	82	75	+8.6%	+1.3	+1.1
MLT ASSETS excl. JVs	1,105	1,138	-2.8%	-8.4	+1.3
Treasury products excl. JVs	190	192	-0.8%	-4.5	-5.4
ASSETS excl. JVs	1,296	1,329	-2.5%	-12.9	-4.1
JVs	232	147	+57.5%	+9.7	-2.8
TOTAL	1,527	1,476	+3.5%	-3.2	-6.9

Assets under management and net inflows by region

(€bn)	AuM 31/03/2020	AuM 31/03/2019	% chg. vs. 31/03/2019	Inflows Q1 2020	Inflows Q1 2019
France	830 ¹	838	-1.0%	-4.4	-0.6
Italy	158	169	-6.3%	-1.7	-3.8 ²
Europe excl. France and Italy	161	165	-2.3%	+0.9	-2.7
Asia	286	207	+38.0%	+4.8	-5.2
Rest of world ³	92	97	-5.4%	-2.8	+5.4
TOTAL	1,527	1,476	+3.5%	-3.2	-6.9
TOTAL excl. France	697	638	+9.2%	+1.1	-6.3

1- Of which €447bn from CA and SG insurers; 2- Impact of the reinternalisation of an Italian mandate for -€6.3bn in Q1 2019; 3- Mainly the United States

I. Q1 2020 Income statement

1. Accounting data

In Q1 2020, information corresponds to data after amortisation of distribution contracts.

2. Adjusted data

To present an income statement that is closer to the economic reality, the following adjustments have been made:

- In Q1 2020 and 2019: restatement of amortisation of distribution contracts (deducted from net revenues) with SG, Bawag and UniCredit.

Amortisation of distribution contracts:

- Q1 2020: €18m before tax and €13m after tax
- Q1 2019: €18m before tax and €13m after tax

II. Reminder of amortisation of distribution contracts with UniCredit

When Pioneer was acquired, 10-year distribution contracts were entered into with UniCredit networks in Italy, Germany, Austria, and the Czech Republic; the gross valuation of these contracts came to €546m (posted to the balance sheet under Intangible Assets). At the same time, a Deferred Tax Liability of €161m was recognised. Thus the net amount is €385m which is amortised using the straight-line method over 10 years, as from 1 July 2017.

In the Group's income statement, the net tax impact of this amortisation is €38m over a full year (or €55m before tax), posted under "Other revenues," and will be added to existing amortisations of the SG and Bawag distribution contracts of €12m after tax over a full year (€17m before tax).

III. Alternative Performance Indicators¹⁹

To present an income statement that is closer to the economic reality, Amundi publishes adjusted data which excludes amortisation of the distribution contracts with SG, Bawag and UniCredit since 1 July 2017 (see above).

These combined and adjusted data are reconciled with accounting data as follows:

€m	3M 2020	3M 2019
Net revenues (a)	594	641
+ Amortisation of distribution contracts before tax	18	18
Adjusted net revenues (b)	612	659
Operating expenses (c)	-331	-336
Gross operating income (e) = (a)+(c)	263	306
Adjusted gross operating income (f) = (b)+(c)	281	323
Cost/income ratio (c)/(a)	55.7%	52.3%
Adjusted cost/income ratio (c)/(b)	54.1%	50.9%
Cost of risk & Other (g)	-13	5
Equity-accounted entities (h)	14	13
Income before tax (i) = (e)+(g)+(h)	264	323
Adjusted income before tax (j) = (f)+(g)+(h)	282	341
Taxes (k)	-71	-89
Adjusted taxes (l)	-76	-94
Net income, Group share (i)+(k)	193	235
Adjusted net income, Group share (j)+(l)	206	247

¹⁹ Please refer to section 4.3 of the 2019 Universal Registration Document filed to the French AMF on 14/04/2020

About Amundi

Amundi, the leading European asset manager, ranking among the top 10 global players²⁰, offers its 100 million clients - retail investors, institutional investors and companies - a complete range of savings and investment solutions in active and passive management, in traditional or real assets.

With its six international investment hubs²¹, financial and extra-financial research capabilities and long-standing commitment to responsible investment, Amundi is a key player in the asset management landscape.

Amundi clients benefit from the expertise and advice of 4,500 employees in nearly 40 countries. Created in 2010 and listed on the stock exchange in 2015, Amundi currently manages more than €1.5 trillion of assets²².

Amundi. Confidence must be earned.

Visit www.amundi.com for more information or to find an Amundi office near you.



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This information is based on scenarios that employ a number of economic assumptions in a given competitive and regulatory context. As such, the projections and results indicated may not necessarily come to pass due to unforeseeable circumstances. The reader should take all of these uncertainties and risks into consideration before forming their own opinion.

The figures presented were prepared in accordance with IFRS guidelines.

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²⁰Source: IPE "Top 400 asset managers" published in June 2019, based on assets under management as at 31/12/2018

²¹Boston, Dublin, London, Milan, Paris and Tokyo

²²Amundi data as at 31/03/2020