Amundi - Results for the first half and the second quarter of 2016

Strong results and activity

Business	▪ **AUM[1]: more than €1 trillion[2] at 30 June 2016, +5% vs. 30 June 2015** ▪ **Buoyant business activity: net inflows[1] of +€16.8bn, of which +€3.0bn in Q2** ▪ **Net inflows[1] focused on medium- to long-term assets[3] in H1**
Income	▪ **High net income Group share: €278m, +1% vs. H1 2015, Q2: €148m, +2% from Q2 2015, the highest since Amundi was created** ▪ **Stable net revenue: -1% from H1 2015 to €838m, +1% for Q2 2016 vs. Q2 2015** ▪ **Cost/income ratio 51.9% vs. 52.5% in H1 2015, Q2: 50.3% (-2pp vs. Q2-15)**
Financial structure	▪ **Net tangible assets[4]: €3.2bn** ▪ **Free capital[4]: €1.5bn after payment of 2015 dividend (€343m) in May**
Acquisition	▪ **KBI: €8bn in AUM for global equity, +28% CAGR for 2011-2015** ▪ **A profitable, fast-growing company that complements Amundi's activities very well** ▪ **The transaction is expected to be finalised in the third quarter 2016**

Paris, 29 July 2016

Amundi's Board of Directors, chaired by Xavier Musca, met on 29 July 2016 to review the financial statements for the first half and second quarter of 2016[5].

Commenting on these results, Yves Perrier, CEO, said:

"Amundi's high level of activity and results in the first half of 2016, in a tough market environment, confirms the strength of its business model and excellent operating efficiency, as well as the value of the strategy presented at the time of its IPO."

In a tough market environment, Amundi reached one year ahead of schedule the 1 trillion euro AUM target that was announced beginning of 2014. This objective was reached almost exclusively through organic growth[6].

The profit for the first half is the best since Amundi was created thanks to high net inflows coupled with excellent operating efficiency.

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[1] *Assets under management (AUM) and net inflows include 100% of the assets under management and net inflows of joint ventures, excluding Wafa in Morocco, for which assets under management are reported on a proportional consolidation basis.*
[2] *Assets under management and assets sold at 30 June 2016: €1,003.8 billion.*
[3] *MLT assets excluding Treasury products: equities, fixed income, multi assets, structured, real assets and alternative.*
[4] *Net tangible assets: Equity, Group share net of goodwill and intangible assets. For the principles used to calculate free capital, please see the technical appendix at the end of this press release.*
[5] *The limited review on the interim condensed consolidated financial statements for the first half of 2016 is being carried out.*
[6] *Under Crédit Agricole S.A.'s 2014 Medium-Term Plan, projected growth was expected to be two-thirds external and one-third organic.*

A tough market environment in the first half, affected by high volatility

The first half was marked by an environment of highly volatile markets, under the influence of increased economic and geopolitical uncertainties. At the end of the period this was amplified by the outcome of the UK referendum on the European Union.

European equity markets fell on average[7] by -13% compared to the first half of 2015, following a particularly bumpy trajectory: the Stoxx 600 lost -7% in the first quarter, then gained +2% in the second quarter until 23 June, and then promptly lost -5% between that date and the end of the quarter.

The decline in interest rates on the bond markets was more constant over the period: -80bp for 10-year OAT including -20bp over the second quarter, -50bp for the 10-year Bund, most of which was lost in the first quarter. The average for the 3-month Euribor, which had fallen into negative territory in the second half of 2015, kept dropping, reaching -0.3% at the end of the first half of 2016.

This volatility encouraged mounting risk aversion, which negatively impacted the asset management business over the period.

The **market effect** on Amundi's assets under management was negative by -€11.6bn in the first quarter and positive by +€13.6bn in the second quarter, resulting in a **slightly positive +€2.0bn over the first half.**

Business activity: €1tn threshold crossed, high net inflows

Amundi crossed the **€1tn threshold for assets under management[8]**, a target which had been set for the end of 2016 in Crédit Agricole S.A.'s Medium-Term Plan presented in March 2014. It should also be noted that growth over the period was almost entirely organic[9].

In the first half, **net inflows** reached **+€16.8bn, equal to 3.4%[10] of AUM** at the beginning of the period. This is **almost in line with the objectives** set during the IPO last November.

Net inflows for the first half were focused on medium- to long-term assets[11]: +€17.2bn, i.e. 4% annualised of AUM at the beginning of the period, thanks to the positive contribution from all asset classes in this category, particularly equity, which brought in +€5.7bn, in all regions, for both active and passive management, as well as fixed income (+€6.3bn) and multi-asset (+€2.7bn).

Noteworthy developments include, in real assets, the ongoing strong business volume in real estate, with +€1.7bn in inflows over the period, and high inflows in volatility products, which also brought in +€1.7bn over the period. Amundi is a leader in this asset class, which has sparked renewed investor interest thanks to the return of volatility on the markets. Assets under management at end-June 2016 totalled €4.1bn.

[7] *Calculated as the change in the average closing price in the first half of 2016 versus the first half of 2015: Stoxx 600 -13.3%, EuroStoxx -12.6%, CAC 40 -11.1%, SBF 120 -10.6%.*

[8] *€1,003.8bn at 30 June 2016, +5.2% compared to 30 June 2015 and +1.9% compared to 31 December 2015*

[9] *Under Crédit Agricole S.A.'s Medium-Term Plan, projected growth was expected to be two-thirds external and one-third organic. In fact, only 5% of growth in assets under management over the period came from acquisitions.*

[10] *Annualised.*

[11] *See Table – Assets under management and inflows by asset class.*

The **Retail segment[12] proved very resilient**, despite high levels of risk aversion. This segment represents the majority (60%) of inflows in the first half of 2016, with **+€10.1bn**. Joint Ventures (JV) contributed most of these inflows, with +€10.2bn. The other sub-segments are nearly at equilibrium, thanks to the solid performance of Third-Party Distributors, which brought in €3.7bn over the period, and the turnaround in the performance of the French networks in the second quarter: +€0.6bn, primarily from individuals for medium- and long-term assets. Throughout the period, medium- to long-term assets for the French networks stayed flat (+€0.0bn), but showed outflows of -€4.0bn for Treasury products held by companies, mainly due to seasonal effects.

Institutionals are also performing well: net inflows reached **+€6.7bn** over the period. Mandates from CA and SG insurance companies contributed half of these inflows, i.e. +€3.4bn. All of the sub-segments posted net positive inflows, including for medium- to long-term assets, except for corporates that, as with the Retail segment, recorded outflows for Treasury products, i.e. -€3.3bn over the period.

More than 90% of net inflows in the first half were from international activities[13], i.e. +€15.2bn, of which 79% of net inflows from outside France were from Asia and 26% from Europe excluding France. Particularly noteworthy were the performances of Joint Ventures in Asia (+€10.1bn in inflows over the period) and Italy (+€2.0bn). International AUM increased by +22% compared to 30 June 2015.

In the second quarter of 2016, **net inflows** amounted to **+€3.0bn**. They were driven by:

- In terms of client segments, Retail: +€8.3bn
- In terms of asset classes, Medium- to long-term assets: +€10.3bn[14], with a particularly strong contribution from equities (+€3.4bn) ;
- and in terms of geographical areas, activities outside France: +€5.9bn

Treasury products experienced heavy outflows in the second quarter (-€7.3bn[12]), which offset first-quarter inflows. However, inflows recovered in July. Inflows for this asset class remain volatile, but are growing.

Net income for H1 2016: €278m, highly resilient revenues and strict cost control

At €278m, income for the first half of the year was the highest since Amundi was created in 2010, up by +1.4% compared to the same period in 2015.

This increase is attributable to strong operating performance, with very resilient revenues and additional improvements to operating efficiency.

- **revenues were down slightly by -1.3%**; net management fees were stable with respect to the first half of 2015, owing to resilient margins. Performance fees also proved resilient: at €53m they were nearly unchanged from the first half of 2015. At €35m, only financial income is down, falling by -27% compared to the first half of 2015.
- the **decrease in operating expenses at constant scope and exchange rates was -2.3% compared to the first half of 2015**; this decline is mainly the result of adjusting variable compensation to match changes in revenue; investment in business development was maintained, particularly international recruitment.

[12] *See Table – Assets under management and inflows by client segment*
[13] *See Table – Assets under management and inflows by region*
[14] *After €2.5bn of net inflows on treasury products in Q1 was restated as fixed income products*

At €403m, **gross operating income (GOI) was almost the same** as in the first half of 2015. The **cost/income ratio improved by 0.5 percentage point** to **51.9%** compared to the first half of 2015.

The net income Group share came out slightly higher (+1.4%), due to the **reduced tax charge** during the period (-6.4% compared to the first half of 2015) because of the French corporate tax cut. The **earnings per share** came to **€1.66** for the period.

In the second quarter of 2016, the **net income Group share** was the **highest it has been since Amundi was set up in 2010. €148m, up +1.9%** from Q2 2015.

Net revenue – €443m – rose slightly by +0.6% compared to the first half of 2015, which nevertheless proved to be a high basis of comparison due to a more favourable market environment. This income was generated thanks to **strong increase of performance fees** posted over the quarter (+28%) at €35m.

Operating expenses fell by -3.2% compared to the second quarter of 2015. As a result, the **cost/income ratio** improved by 2 percentage points to **50.3%** compared to the second quarter of 2015.

A robust financial structure

Tangible equity[15] totalled €3.2bn, almost unchanged compared to end-2015, as capital resulting from accrual of net income for the period (+€278m) was more than offset by the 2015 dividend payment (-€343m). **Net financial debt is still nil** and **free capital**[16], after taking regulatory requirements into account and deducting non-money-market seed money and investments, **remains at €1.5bn**.

KBI, an acquisition[17] that strengthens Amundi's platform and fits its strategy perfectly

On 23 May, Amundi announced that it had signed an agreement to acquire KBI, a fast-growing asset management firm based in Ireland that specialises in global equity (€8bn in assets under management). This acquisition, which is expected to be finalised in the third quarter 2016, offers major potential synergies thanks to the complementary nature of KBI and Amundi's client bases. It will also meet the acquisition criteria set during the IPO, particularly a 10% return on investment in three years.

Amundi's financial information for the first half and second quarter 2016 consists of this press release and the related presentation, available on our website http://about.amundi.com.

[15] *Net of goodwill and other intangible assets*
[16] *Free capital: for the principles used to calculate free capital, please see the technical appendix at the end of this press release.*
[17] *Finalisation of the transaction expected in the third quarter 2016, no effect on the 30 June 2016 interim financial statements*

Summary income statement

(€m)	H1 2016	H1 2015	% chg. vs. H1 2015	Q2 2016	% chg. vs. Q2 2015	% chg. vs. Q1 2016
Net revenue	838	849	-1.3%	443	+0.6%	+12.2%
Net AM revenues	813	813	0.0%			
o/w net fee and commission income	*760*	*759*	*+0.1%*			
o/w performance fees	*53*	*54*	*-1.3%*	*35*	*+28.3%*	*+98.2%*
Net financial income	35	48	-26.7%			
Other net income	-10	-12	-14.8%			
Operating expenses	-435	-445	-2.3%	-223	-3.2%	+5.1%
Gross operating income	**403**	**403**	**-0.1%**	**220**	**+4.8%**	**+20.3%**
Cost/income ratio (%)	*51.9%*	*52.5%*	*-0.5 pts*	*50.3%*	*-2.0 pts*	*-3.4 pts*
Cost of risk	0	-5	NS	0	NS	NS
Gains (losses) on other assets	0	10	NS	0	NS	NS
Share of net income of equity-accounted entities	13	12	+2.4%	6	-6.7%	-4.4%
Pre-tax income	**416**	**421**	**-1.2%**	**226**	**+0.7%**	**+19.6%**
Taxes	-137	-147	-6.4%	-78	-1.5%	+31.4%
Net income	**278**	**274**	**+1.5%**	**148**	**+1.9%**	**+14.2%**
Net income - Group share	**278**	**274**	**+1.4%**	**148**	**+1.9%**	**+14.5%**
Adjusted earnings per share (€)	€1.66	€1.65	+0.5%	€0.89	+0.5%	+14.5%

Change in assets under management from 31 December 2014 to 30 June 2016

(€bn)	Assets under management	*Net inflows*	*Market effect*	*Scope effect*
31/12/2014	**877.5**			
Flow for Q1 2015		*+24.0*	*47.5*	*5.3*
31/03/2015	954.3			
Flow for Q2 2015		*+22.6*	*-22.9*	-
30/06/2015	954.0			
Flow for Q3 2015		*+19.2*	*-21.2*	-
30/09/2015	952.0			
Flow for Q4 2015		*+14.1*	*+19.0*	-
31/12/2015	**985.0**			
Flow for Q1 2016		*+13.8*	*-11.6*	-
31/03/2016	**987.2**			
Flow for Q2 2016		*+3.0*	*+13.6*	-
30/06/2016	**1,003.8**			

Details of assets under management and net inflows by client segment

(€bn)	AuM 30/06/2016	AuM 30/06/2015	% chg. vs 30/06/2015	Net inflows H1 2016	Net inflows H1 2015	Net inflows Q2 2016	Net inflows Q2 2015
French networks*	95	109	-12.6%	-4.0	+2.7	+0.6	+1.8
International networks & JVs	104	75	+38.0%	+10.4	+11.9	+6.7	+8.9
Third-party distributors	69	66	+3.5%	+3.7	+10.2	+1.0	+4.1
Retail	**268**	**251**	**+6.8%**	**+10.1**	**+24.7**	**+8.3**	**+14.8**
Institutionals & sovereigns	243	229	+6.3%	+4.6	+13.8	-3.9	+8.4
Corporates & employee savings	84	80	+5.5%	-1.3	+4.0	+2.8	-0.2
CA & SG insurers	409	395	+3.6%	+3.4	+4.1	-4.2	-0.3
Institutionals	**736**	**703**	**+4.7%**	**+6.7**	**+21.9**	**-5.3**	**+7.8**
TOTAL	**1,004**	**954**	**+5.2%**	**+16.8**	**+46.6**	**+3.0**	**+22.6**
O/W JV	***82***	***53***	***+55.5%***	***+10.2***	***+10.7***	***+6.7***	***+8.3***

* *French networks: long-term asset net inflows of €0.0bn in H1 2016 (o/w €0.2bn in Q2 2016)*

Details of assets under management and net inflows by asset class

(€bn)	AuM 30/06/2016	AuM 30/06/2015	% chg. vs. 30/06/2015	Net inflows H1 2016	Net inflows H1 2015	Net inflows Q2 2016	Net inflows Q2 2015
Equities	125	122	+2.4%	+5.7	+0.8	+3.4	+2.0
Multi-asset	118	117	+0.7%	+2.7	+9.8	+1.3	+3.5
Bonds	526	486	+8.2%	+6.3	+15.4	+4.6	+9.5
Real assets, alternative & structured	66	65	+2.5%	+2.5	+1.6	+1.1	+0.5
MEDIUM TO LONG TERM ASSETS	**835**	**790**	**+5.8%**	**+17.2**	**+27.6**	**+10.3**	**+15.4**
Treasury	168	164	+2.7%	-0.4	+19.0	-7.3	+7.2
TOTAL	**1,004**	**954**	**+5.2%**	**+16.8**	**+46.6**	**+3.0**	**+22.6**

** Reclassification of one fund (€14bn in assets under management) from Treasury to Fixed Income in the first half of 2016*

Details of assets under management and net inflows by geographical area

(€bn)	AuM 30/06/2016	AuM 30/06/2015	% chg. vs. 30/06/2015	Net inflows H1 2016	Net inflows H1 2015	Net inflows Q2 2016	Net inflows Q2 2015
France	743	741	+0.3%	+1.6	+19.8	-3.0	+7.3
Europe outside France	105	90	+16.4%	+4.0	+12.3	-0.0	+4.3
Asia	130	96	+35.8%	+12.0	+13.6	+7.0	+10.3
Rest of the world	26	27	-4.8%	-0.7	+0.9	-1.0	+0.7
TOTAL	**1,004**	**954**	**+5.2%**	**+16.8**	**+46.6**	**+3.0**	**+22.6**
TOTAL OUTSIDE FRANCE	**261**	**213**	**+22.4%**	**+15.2**	**+26.8**	**+5.9**	**+15.3**

Technical appendix: calculation of net tangible equity and free capital[18]

Amundi's capital significantly exceeds requirements under regulations governing credit institutions as presented in Section 5.5.2 "Regulatory Capital" of this Registration Document. In addition, Amundi has adopted a prudent policy regarding the financing of its equity investments and seed money, which it funds

primarily from its own capital.

Amundi measures the Group's surplus capital using an indicator that it calls "free capital." Free capital equals net tangible equity less (i) the adjusted regulatory capital requirement, (ii) the carrying amount of equity investments and (iii) the run-rate amount of non-money-market seed money:

- net tangible equity: equity Group share after deduction of goodwill and other intangible assets;
- adjusted regulatory capital requirement: this indicator is based on a CET1 (Common Equity Tier 1) ratio of 10% applied to risk-weighted assets (RWAs) after deduction of RWAs relating to non-money-market seed money, equity investments and voluntary investments (corresponding to the investment of the Group's equity), and after taking into account deductions from regulatory capital under applicable regulations. RWAs relating to non-money-market seed money and equity investments are excluded from the adjusted regulatory capital requirement calculation because the net tangible equity used to finance them is directly deducted in the free capital calculation. For information purposes, the unadjusted regulatory capital requirement, based on a CET1 ratio of 10%, was €798 million at 30 June 2016 compared to €846 million at 31 December 2015;
- **equity investments:** these are non-consolidated investments in financial institutions (mainly Resona) and in entities accounted for under the equity method;
- **run-rate amount of non-money market seed money:** Management believes that, given the rate at which Amundi launches new funds in normal market conditions, Amundi should maintain a level of seed-money investment (excluding money-market funds) between €600 million and €800 million. the middle of the range, that is, €700 million, was assumed in calculating the following table. At 30 June 2016, non-money-market seed-money was €395 million.

The table below sets out the calculation of Amundi's free capital at 30 June 2016, 31 December 2015 and 30 June 2015:

(€m)	30/06/2016	31/12/2015	30/06/2015
Equity, Group share	**6,288**	**6,407**	**6,170**
- intangible assets	(109)	(111)	(117)
- goodwill	(3,003)	(2,999)	(2,997)
Net tangible equity (Group share)	**3,176**	**3,297**	**3,055**
- adjusted regulatory capital requirement	(624)	(676)	(713)
- equity investments	(335)	(378)	(381)
- non-money market *Seed money* (normatif)	(700)	(700)	(700)
Free capital	**1,517**	**1,544**	**1,261**

Amundi's free capital may be used to finance acquisitions, and also is available to support of the Group's distribution policy.

[18] *See also Section 4.6 of the Registration Document filed with the AMF on 20 April 2016 under Number R. 16-025.*

About Amundi

Publicly traded since November 2015, Amundi is the largest European Asset Manager in terms of AUM(*), with over 1,000 billion euros worldwide. Headquartered in Paris, France, Amundi has six investment hubs located in the world's key financial centres, and offers a combination of research depth and market experience that has earned the confidence of its clients.

Amundi is the trusted partner of 100 million retail clients, 1,000 institutional clients and 1,000 distributors in more than 30 countries, and designs innovative, high-performing products and services for these types of clients tailored specifically to their needs and risk profile.

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

Amundi figures as of 30 June 2016. (*) No.1 European asset manager based on global assets under management (AUM) and the main headquarters being based in Continental Europe - Source IPE "Top 400 asset managers" published in June 2016 and based on AUM as at December 2015.

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DISCLAIMER:

Statutory auditors are carrying out the limited review on the consolidated financial statements for the first half of 2016 discussed in this notice.
This document may contain projections concerning the financial situation and results of the activities and business lines of Amundi. The figures given do not constitute a "forecast" as defined in Article 2.10 of Commission Regulation (EC) No. 809/2004 of 29 April 2004.
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.
Furthermore, the financial information given is based on estimates, particularly when measuring market value and asset depreciation.
The reader should take all of these uncertainties and risks into consideration before forming their own opinion.
The figures presented for the three-month and six-month periods ending 30 June 2016 were prepared in accordance with IFRS guidelines as adopted by the European Union and applicable as of this date. The figures presented were prepared in accordance with IAS 34 ("Interim Financial Reporting"). Limited review procedures have been carried out on Amundi's condensed interim financial statements. The report on the review of the financial statements is currently being prepared.
The information contained in this notice, to the extent that it relates to parties other than Amundi or comes from external sources, has not been independently verified, and no representation or warranty has been expressed as to, nor should any reliance be placed on, the fairness, accuracy, correctness or completeness of the information or opinions contained herein. Neither Amundi nor its representatives can be held liable for any negligence or loss that may result from the use of this presentation or its contents, or anything related to them, or any document or information to which the presentation may refer.

Note: Amundi Group's consolidation scope is unchanged since the 2015 Registration Document (Document de Référence), filed with the AMF (French Financial Markets Authority) on 20 April 2015 (approval no. R.16-025).