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Consolidated financial statements of the Amundi Group for the financial year ended 31 December 2021

The consolidated financial statements consist of the general framework, the consolidated financial statements and the notes to the financial statements.

6.1 GENERAL FRAMEWORK

The Amundi Group ("Amundi") is a group of companies whose primary business is managing assets on behalf of third parties.

Amundi is the consolidating entity of the Amundi Group of companies. It is a Limited Liability Company with a Board of Directors (registered under number 314 222 902 in the Trade and Companies Register of Paris, France) with share capital of €507,686,627.50 comprising 203,074,651 shares with a nominal value of €2.50 each. The Company's registered office is located at 91, boulevard Pasteur, 75015 Paris, France.

Amundi shares are traded on Euronext Paris. Amundi is governed by the stock market regulations in effect, notably with respect to its obligation to inform the public.

Amundi is a credit institution with approval from the Autorité de contrôle prudentiel et de résolution (ACPR) under number 19530. Group companies that perform asset management activities have obtained the necessary approvals from the supervisory authorities they report to in France and other countries.

As of 31 December 2021, Amundi was owned 67.76% by Crédit Agricole S.A. and 1.70% by other Crédit Agricole S.A. Group companies.

Amundi is fully consolidated in the financial statements of Crédit Agricole S.A. and the Crédit Agricole Group.

6.2 CONSOLIDATED FINANCIAL STATEMENTS

6.2.1 Income statement

(in € thousands)	Notes	2021	2020
Revenue from commissions and other income from customer activities (a)		5,790,594	4,571,806
Commissions and other expenses from customer activities (b)		(2,639,807)	(1,996,717)
Net gains or losses on financial instruments at fair value through profit or loss on customer activities (c)		60,441	58,740
Interest and similar income (d)		20,260	14,854
Interest and similar expenses (e)		(51,093)	(50,369)
Net gains or losses on financial instruments at fair value through profit or loss (f)		23,727	(7,753)
Net gains or losses on financial assets at fair value through equity (g)		8,403	6,819
Income from other activities (i)		19,284	22,059
Expenses from other activities (j)		(95,765)	(98,244)
Net revenues from commissions and other customer activities (a)+(b)+(c)	**4.1**	**3,211,228**	**2,633,829**
Net financial income (d)+(e)+(f)+(g)	**4.2**	**1,297**	**(36,449)**
Other net income (i)+(j)	**4.3**	**(76,481)**	**(76,185)**
NET REVENUES		3,136,044	2,521,195
General operating expenses	4.4	(1,550,177)	(1,340,835)
GROSS OPERATING INCOME		1,585,867	1,180,360
Cost of risk	4.5	(12,144)	(22,834)
Share of net income of equity-accounted entities		84,278	65,987
Net gains or losses on other assets	4.6	(145)	28
Change in the value of goodwill		-	-
INCOME BEFORE TAX		1,657,856	1,223,541
Income tax charge	4.7	(291,797)	(316,567)
NET INCOME FOR THE FINANCIAL YEAR		1,366,059	906,974
Non-controlling interests		3,391	2,826
NET INCOME – GROUP SHARE		**1,369,450**	**909,800**

Details on the calculation of earnings per share are presented in note 5.15.3.

6.2.2 Net income and gains and losses recognised directly in equity

(in € thousands)	**Notes**	**2021**	**2020**
NET INCOME		1,366,059	906,974
• Actuarial gains and losses on post-employment benefits		11,207	(11,677)
• Gains and losses on financial liabilities attributable to changes in own credit risk		-	-
• Gains and losses on equity instruments recognised in non-recyclable equity	5.5	27,797	(53,501)
• Gains and losses on non-current assets held for sale		-	-
Pre-tax gains and losses recognised directly in non-recyclable equity, excluding equity-accounted entities		39,004	(65,178)
Pre-tax gains and losses recognised directly in non-recyclable equity of equity-accounted entities		-	-
Taxes on gains and losses recognised directly in non-recyclable equity, excluding equity-accounted entities		(3,452)	3,460
Taxes on gains and losses recognised directly in non-recyclable equity of equity-accounted entities		-	-
Net gains and losses recognised directly in equity and non-recyclable as income at a later date		**35,554**	**(61,718)**
• Translation gains and losses (a)		75,079	(70,181)
• Gains and losses on debt instruments recognised under recyclable equity	5.5	1,186	(226)
• Gains and losses on hedging derivatives (b)		-	-
• Gains and losses on non-current assets held for sale (c)		-	-
Pre-tax gains and losses recognised directly in recyclable equity, excluding equity-accounted entities (a)+(b)+(c)		76,265	(70,407)
Taxes on gains and losses recognised directly in recyclable equity, excluding equity-accounted equities		(331)	41
Pre-tax gains and losses recognised directly in recyclable equity of equity-accounted entities		26,899	(18,368)
Taxes on gains and losses recognised directly in recyclable equity of equity-accounted entities		-	-
Net gains and losses recognised directly in recyclable equity as income at a later date		**102,833**	**(88,734)**
NET GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY		138,387	(150,453)
TOTAL NET INCOME INCLUDING NET GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY		**1,504,449**	**756,521**
of which, Group share		1,501,938	760,184
of which, non-controlling interests		2,511	(3,663)

6.2.3 Assets

(in € thousands)	Notes	31/12/2021	31/12/2020
Cash and central banks	5.1	947,661	35
Financial assets at fair value through profit or loss	5.2	14,469,053	16,522,174
Financial assets at fair value through equity	5.5	702,048	607,376
Financial assets at amortised cost	5.6	2,000,350	2,429,316
Current and deferred tax assets	5.9	318,559	177,448
Accruals and sundry assets	5.10	2,275,682	1,921,317
Investments in equity-accounted entities	5.11	385,010	294,782
Property, plant and equipment	5.12	397,312	409,651
Intangible assets	5.12	518,776	530,457
Goodwill	5.13	6,703,566	5,995,640
TOTAL ASSETS		**28,718,017**	**28,888,197**

6.2.4 Liabilities

(in € thousands)	Notes	31/12/2021	31/12/2020
Financial liabilities at fair value through profit or loss	5.3.	12,086,938	12,705,333
Financial liabilities at amortised cost	5.7.	1,813,842	2,967,795
Current and deferred tax liabilities	5.9.	344,282	234,936
Accruals, deferred income and sundry liabilities	5.10.	3,316,292	2,762,154
Provisions	5.14.	125,851	165,361
Subordinated debt	5.8.	303,859	303,859
TOTAL DEBT		17,991,064	19,139,438
Equity, Group share		**10,670,764**	**9,695,177**
Share capital and reserves	5.15	3,033,305	2,983,731
Consolidated reserves		6,331,163	5,997,286
Gains and losses recognised directly in equity		(63,154)	(195,639)
Net income for the period		1,369,450	909,800
Non-controlling interests		**56,189**	**53,581**
TOTAL EQUITY		10,726,953	9,748,758
TOTAL LIABILITIES		**28,718,017**	**28,888,197**

6.2.5 Statement of changes in equity

	Group share							
	Share capital and reserves				Gains and losses recognised directly in equity			
(in € thousands)	**Share capital**	**Consolidated premiums and reserves related to share capital**	**Removals of treasury shares**	**Total share capital and consolidated reserves**	**In non-recyclable equity**	**In recyclable equity**	**Net income**	**Equity, Group share**
EQUITY AS OF 1 JANUARY 2020	**505,408**	**8,519,431**	**(78,832)**	**8,946,007**	**(54,835)**	**8,813**	**-**	**8,899,984**
Capital increase	1,057	17,357	--	18,414	-	-	-	18,414
Change in treasury shares	-	(39,303)	37,190	(2,113)	-	-	-	(2,114)
Dividends paid in 2020	-	-	-	-	-	-	-	-
Effect of acquisitions and sales on non-controlling interests	-	-	-	-	-	-	-	-
Changes related to share-based payments	-	23,244	-	23,244	-	-	-	23,244
Changes related to transactions with shareholders	**1,057**	**1,298**	**37,190**	**39,544**	**-**	**-**	**-**	**39,544**
Change in gains and losses recognised directly in equity	-	(4,185)	-	**(4,185)**	(61,711)	(69,538)	-	(135,433)
Share of capital fluctuations of equity-accounted entities	-	-	-	-	-	(18,368)	-	(18,368)
2020 income	-	-	-	-	-		909,800	909,800
Comprehensive income as of 31 December 2020	**-**	**(4,185)**	**-**	**(4,185)**	**(61,711)**	**(87,906)**	**909,800**	**755,998**
Other changes	-	(351)	-	(351)	-	-	-	(351)
EQUITY AS OF 31 DECEMBER 2020	**506,465**	**8,516,193**	**(41,642)**	**8,981,017**	**(116,546)**	**(79,093)**	**909,800**	**9,695,177**
Allocation of 2020 net income	-	909,800	-	909,800	-	-	(909,800)	-
EQUITY AS OF 1 JANUARY 2021	**506,465**	**9,425,993**	**(41,642)**	**9,890,817**	**(116,546)**	**(79,093)**	**(0)**	**9,695,177**
Capital increase	1,222	23,372	-	24,594	-	-	-	24,594
Change in treasury shares	-	(22,465)	24,980	2,515	-	-	-	2,515
Dividends paid in 2021	-	(585,634)	-	(585,634)	-	-	-	(585,634)
Effect of acquisitions and sales on non-controlling interests	-	-	-	-	-	-	-	-
Changes related to share-based payments	-	20,535	-	20,535	-	-	-	20,535
Changes related to transactions with shareholders	**1,222**	**(564,192)**	**24,980**	**(537,990)**	**-**	**-**	**-**	**(537,990)**
Change in gains and losses recognised directly in equity	-	-	-	-	35,559	70,027	-	105,586
Share of capital fluctuations of equity-accounted entities	-	-	-	-	-	26,899	-	26,899
2021 income				-			1,369,450	1,369,450
Comprehensive income as of 31 December 2021	**-**	**-**	**-**	**-**	**35,559**	**96,926**	**1,369,450**	**1,501,935**
Other changes	-	11,642	-	11,642	-	-	-	11,642
EQUITY AS OF 31 DECEMBER 2021	**507,687**	**8,873,443**	**(16,662)**	**9,364,468**	**(80,987)**	**17,833**	**1,369,450**	**10,670,764**

	Non-controlling interests				
		Gains and losses recognised directly in equity			
(in € thousands)	**Share capital, consolidated reserves and income**	**Consolidated premiums and reserves related to share capital**	**Removals of treasury shares**	**Non-controlling interests**	**Consolidated equity**
EQUITY AS OF 1 JANUARY 2020	**358**	**(50)**	**-**	**308**	**8,900,292**
Capital increase	-	-	-	-	18,414
Change in treasury shares	-	-	-	-	(2,114)
Dividends paid in 2020	-	-	-	-	-
Effect of acquisitions and sales on non-controlling interests	56,940	-	-	56,940	56,940
Changes related to share-based payments	-	-	-	-	23,244
Changes related to transactions with shareholders	**56,940**	**-**	**-**	**56,940**	**96,484**
Change in gains and losses recognised directly in equity	-	(9)	(828)	(837)	(136,271)
Share of capital fluctuations of equity-accounted entities	-	-	-	-	(18,368)
2020 income	(2,826)	-	-	(2,826)	906,974
Comprehensive income as of 31 December 2020	**(2,826)**	**(9)**	**(828)**	**(3,663)**	**752,335**
Other changes	(4)	-	-	(4)	(355)
EQUITY AS OF 31 DECEMBER 2020	**54,470**	**(59)**	**(829)**	**53,581**	**9,748,758**
Allocation of 2020 net income	-	-	-	-	-
EQUITY AS OF 1 JANUARY 2021	**54,470**	**(59)**	**(829)**	**53,581**	**9,748,758**
Capital increase	-	-	-	-	24,594
Change in treasury shares	-	-	-	-	2,515
Dividends paid in 2021	62	-	-	62	(585,572)
Effect of acquisitions and sales on non-controlling interests	-	-	-	-	-
Changes related to share-based payments	-	-	-	-	20,535
Changes related to transactions with shareholders	**62**	**-**	**-**	**62**	**(537,928)**
Change in gains and losses recognised directly in equity	-	(5)	5,907	5,902	111,488
Share of capital fluctuations of equity-accounted entities	-	-	-	-	26,899
2021 income	(3,391)	-	-	(3,391)	1,366,059
Comprehensive income as of 31 December 2021	**(3,391)**	**(5)**	**5,907**	**2,511**	**1,504,446**
Other changes	38	-	(3)	35	11,677
EQUITY AS OF 31 DECEMBER 2021	**51,179**	**(64)**	**5,074**	**56,189**	**10,726,953**

6.2.6 Cash flow statement

The Group's cash flow statement is presented below using the indirect method. Cash flows in the financial year are shown by type: operating activities, investment activities and financing activities.

Operating activities are activities carried out on behalf of third parties which are selected mainly by fee and commission cash flows, and activities on its own behalf (investments and related financing, intermediation of swaps between funds and markets, etc.). Tax inflows and outflows are included in full within operating activities.

Investing activities include acquisitions and disposals of investments in consolidated and non-consolidated companies, along with purchases of property, plant and equipment and intangible assets. Non-consolidated equity interests included in this section are accounted for as "Financial assets at fair value through profit or loss" or "Financial assets at fair value through non-recyclable equity".

Financing activities cover all transactions relating to equity (issues and buybacks of shares or other equity instruments, dividend payments, etc.) and long-term borrowings.

Net cash includes cash, receivables and amounts due with central banks, debit and credit balances in bank current accounts and demand loans with credit institutions, and overnight accounts and loans.

(in € thousands)	**Notes**	**2021**	**2020**
INCOME BEFORE TAX		1,657,856	1,223,541
Net depreciation and amortisation and provisions in relation to tangible and intangible assets	4.4	80,652	77,483
Goodwill impairment		-	-
Net write-downs and provisions		(22,509)	(6,670)
Share of income of equity-accounted companies		(84,278)	(65,987)
Net income from investment activities		145	(28)
Net income from financing activities		8,224	9,250
Other movements		(10,591)	(23,686)
Total non-monetary items included in net income before tax and other adjustments		**(28,357)**	**(9,638)**
Changes in interbank items[(1)]		(820,792)	1,773,480
Changes in other financial asset and liability transactions[(2)]		1,313,104	(1,139,516)
Changes in non-financial asset and liability transactions[(3)]		169,570	(254,523)
Dividends from equity-accounted companies	5.11	20,978	13,474
Tax paid	4.7	(357,265)	(342,670)
Net decrease (increase) in assets and liabilities from operating activities		**325,595**	**50,246**
NET CHANGES IN CASH FLOW FROM OPERATING ACTIVITIES (A)		1,955,094	1,264,149
Changes in participating interests[(4)]		(601,069)	(356,013)
Changes in tangible and intangible assets		(47,319)	(56,408)
NET CASH FLOWS FROM INVESTING ACTIVITIES (B)		(648,389)	(412,421)
Cash flow from or intended for shareholders		(558,490)	16,262
Other net cash flows from financing activities		(123,146)	(123,246)
NET CASH FLOW FROM FINANCING TRANSACTIONS (C)[(5)]		(681,637)	(106,984)
Impact of exchange rate changes and other changes on cash (d)		26,595	(22,295)
CHANGES IN NET CASH (A + B + C + D)		**651,663**	**722,449**
CASH AT BEGINNING OF THE PERIOD		1,854,952	1,132,503
Net cash balance and central banks		35	38
Net balance of accounts, demand loans and borrowings with credit institutions		1,854,917	1,132,464
CASH AT END OF THE PERIOD		2,506,615	1,854,952
Net cash balance and central banks		947,661	35
Net balance of accounts, demand loans and borrowings with credit institutions		1,558,954	1,854,917
CHANGES IN NET CASH		**651,663**	**722,449**

(1) Changes in interbank items correspond to term loans or borrowings. Transactions contracted as part of Amundi's operational activity, primarily with the Crédit Agricole Group.
(2) Operating flows impacting financial assets and liabilities include investments and divestments in the investment portfolio.
(3) The flows of non-financial assets and liabilities includes margin calls on collateralised derivatives. These amounts fluctuate depending on the fair value of the underlying derivatives.
(4) Changes in participating interests primarily include the impact of the acquisition of Lyxor (see note 9.3).
(5) Financing transactions flows include the impact of the partial repayment of the senior loan taken out in 2017 as part of the acquisition of Pioneer Investments. They also incorporate the reduced lease liabilities recognised as part of applying IFRS 16.

6.3 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Detailed summary of the Notes

Period highlights

The scope of consolidation and its changes as of 31 December 2021 are presented in detail in note 9.3.

We note here the main transactions that were carried out in 2021.

Acquisition of Lyxor

Amundi acquired Lyxor from the Société Générale Group on 31 December 2021, as a result of which it made a cash payment of €825 million on the same date.

The impact of this transaction, the definitive agreement for which was signed on in June 2021, is set out in detail in note 9 on changes in scope.

Covid-19 health crisis

The Covid-19 pandemic dominated 2020, a year in which a health crisis led to an economic crisis, resulting in a fall in the financial markets and increased volatility.

This epidemic continued throughout 2021 without impacting the Group's business to any significant extent.

Nevertheless, the scale and duration of this crisis remains difficult to predict.

Capital increase reserved for Group employees

On 14 June 2021, a press release from the Amundi Group announced the launch of a capital increase reserved for employees, which had been authorised in principle by the General Meeting of 10 May 2021.

The subscription period for this capital increase reserved for employees ended on 29 June 2021.

Nearly 1,700 employees from 15 countries took part in this capital increase by subscribing for 488,698 new shares (or 0.2% of the share capital) for an aggregate amount of €24.9 million.

This capital increase took place on 29 July 2021 and brought the number of shares comprising Amundi's share capital to 203,074,651 shares. Group employees therefore hold 0.8% of the share capital compared to 0.6% previously.

Planned IPO of SBI Funds Management

In a press release dated 15 December 2021, the Amundi Group announced its support for the State Bank of India's (SBI) initiative to explore the possibility of an IPO of SBI Funds Management Limited (SBI FML) and its intention to sell approximately 4% of SBI FML's share capital in connection with this IPO.

This listing is expected to take place on the Indian stock exchange in 2022, subject to regulatory authorisations and market conditions.

As of 31 December 2021, State Bank of India owns 62.6% of SBI FML, with 36.78% owned by Amundi and 0.6% by the company's employees.

Note 1 PRINCIPLES AND METHODS

1.1 Applicable standards and comparability

These consolidated financial statements were prepared in accordance with IAS/IFRS standards and the IFRIC interpretations applicable as of 31 December 2021, as adopted by the European Union. This reference is available from the European Commission website at:

https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en

1.1.1 Standards applied as of 31 December 2021

The accounting principles and methods chosen by Amundi Group to prepare its consolidated financial statements as of 31 December 2021 are identical to those used for the preparation of the consolidated statements for the financial year ended 31 December 2020, with the exception of the following standards, amendments and interpretations newly applicable to the 2021 fiscal period:

Standards, amendments and interpretations	**Date of publication by the European Union**	**Date of first mandatory application for open financial years from**
Changes to IFRS 9, IAS 39 and IFRS 7 Financial instruments	27 August 2020	1 January 2021
Interest rate benchmark reform – Phase 2	(EU 2021/25)	

Accounting consequences of the IFRS IC decision of April 2021 on attributing post-employment benefits to periods of service for defined benefit plans

In December 2020, the IFRS IC discussed a submission regarding the determination of the acquisition period for entitlements under certain defined-benefit retirement plans, particularly in cases where the number of years of service resulting in entitlements is capped.

This period of acquisition for entitlements is used in particular to calculate provisions for social security liabilities for defined-benefit plans.

The plans affected by the IFRS IC IAS 19 decision are those for which:

- the attribution of entitlements is conditional on the employee being employed by the entity when they retire (with loss of all entitlements in the event of early departure);
- the entitlements depend on length of service, but are capped after a certain number of years of service, with the cap coming into play, at least for some employees, generally before retirement.

Until now, entitlements have been distributed on a straight-line basis between the date of entry into the plan and the retirement date.

In May 2021, the IFRIS IC took a position, considering that when, firstly, no entitlements are acquired in the event of departure before retirement age and, secondly, entitlements are capped after a certain number of years of service, post-employment entitlements would be based on the final years of the employee's career in the company.

Consequently, this decision constitutes a change in the method used by the Group.

The impact of this change in method, recorded on 1 January 2021, amounts to -€15.8 million on actuarial liability recognised in the financial statements (see notes 5.14 on provisions and 6.4 on post-employment benefits). The impact on the Group's equity is +€11.7 million after tax effects are taken into account (see 6.2.5 – Statement of changes in equity). Furthermore, the impact on income for 2020 is not significant.

Benchmark index reforms

In 2021, reforms to benchmark indices entered an acceleration phase, set by market milestones determined by the alternative rates working groups and the authorities. On 5 March 2021, an announcement by the IBA – the administrator of the LIBOR – confirmed the significant milestone that the LIBOR indices would not be published, and would lose representativeness at the end of 2021. Accordingly, for new contract flows, depending on currencies and asset classes, all players are expected to gradually stop using LIBOR indices during the course of 2021 and discontinue their use altogether after the end of 2021.

The Amundi Group started the transition from the EONIA to the €STR as early as 2020 (transition no later than 3 January 2022) through the Benchmarks project and this transition is now complete. Furthermore, the EURIBOR, like any benchmark index, is likely to see its methodology change or be replaced in the long term. However, the scenario for replacing the EURIBOR in the short-term is not envisaged at this stage.

As of 31 December 2021, the Amundi Group does not use any of the indices that are defined as critical by ESMA and therefore affected by these phases of transition. Furthermore, no benchmark indices that mature after their final publication date have been identified.

It should also be noted that, as of the date of the financial statements, none of the hedging instruments used by the Amundi Group was affected by this reform.

The Amundi Group does not, therefore, anticipate any significant impact on its financial accounts in connection with these reforms and the transition phase currently in progress.

1.1.2 Standards not yet adopted by the EU

As of 31 December 2021, the Group has not applied the standards and interpretations published by the IASB and not yet adopted by the European Union. They will not become compulsory until the date set by the European Union and, therefore, the Group has not adopted these as of 31 December 2021.

1.2 Presentation format of the financial statements

Amundi presents its balance sheet in decreasing liquidity order. The assets and liabilities balance sheet is presented in notes 6.2.3. and 6.2.4.

The income statement is presented, by type, in note 6.2.1.

The main income statement aggregates are:

- net income, including net revenues from commissions and other customer activities (note 1.3.6) and net financial income;
- general operating expenses;
- cost of risk (note 1.3.13);
- the share of net income from equity-accounted entities;
- net gains or losses on other assets.

1.3 Accounting methods and principles

1.3.1 Use of assumptions and estimates for the preparation of the financial statements

The preparation of the financial statements in accordance with the IFRS accounting standards implies that the Group carries out a number of estimates and retains certain assumptions it deems realistic and reasonable. The estimates relate to the identification of income and expenses and the valuation of assets and liabilities as well as the information in the notes to the financial statements.

The exercise assumes that Management applies its judgement based on the information available at the time the statements are prepared. Due to the uncertainties inherent in any valuation process, the Group revises its estimates based on information updated on a regular basis. It is therefore possible that the future results of the operations in question differ from the estimates.

Future results can be impacted by a number of different factors, notably (but not exclusively):

- the economic and political environment in certain business sectors and countries;
- the risks associated with financial markets, including changes in the domestic and international markets as well as fluctuations in interest rates, exchange rates, equities and credit spreads. In line with the sensitivity of managed assets to any variation in financial markets (equity, rates, etc.), this may have an impact on the Amundi Group's net asset management revenues;
- changes in regulations and legislation;
- the risk of non-compliance with regulations and legislation.

The significant estimates made by the Group to prepare the financial statements relate primarily to:

- assessment of the recoverable amount of goodwill and other intangible assets (see notes 1.4.6. and 5.13.);
- the fair value measurement of financial instruments (see notes 1.3.2. and 7);
- the valuation of provisions for guarantees granted to funds;
- the valuation of provisions for retirement commitments;
- the valuation of provisions for legal, tax, regulatory and non-compliance risks (please refer to notes 1.3.2.10. and 5.14.).

All these assessments are carried out on the basis of the information available on the date of establishing the financial statements.

1.3.2 Financial instruments

1.3.2.1 Definitions

IAS 32 defines a financial instrument as any contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity, *i.e.* any contract representing contractual rights or obligations to pay or receive cash or other financial assets.

Derivatives are financial assets and liabilities that derive their value from an underlying, which require little or no initial investment and which are settled at a future date.

Financial assets and liabilities are recognised in the financial statements in accordance with the provisions of IFRS 9 as adopted by the European Union.

IFRS 9 sets new principles governing the classification and measurement of financial instruments, impairment of credit risk and hedge accounting, excluding macro-hedging transactions.

Please note, however, that Amundi has opted not to apply the general IFRS 9 hedging accounting model. Consequently, IAS 39 continues to be applied to all hedging relationships whilst awaiting future provisions for macro-hedging.

1.3.2.2 Bases for measuring financial assets and liabilities

Initial measurement

Upon initial recognition, financial assets and liabilities are valued at fair value as defined by IFRS 13.

Fair value as defined by IFRS 13 is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, on the primary or most advantageous market.

Subsequent measurement

After initial recognition, financial assets and liabilities are valued based on their classification, either at their amortised cost using the effective interest rate (EIR) method for debt instruments, or at their fair value as specified by IFRS 13. Derivatives are always measured at fair value.

Amortised cost is the amount at which the financial asset or liability is measured upon initial recognition, including the transaction costs directly attributable to their acquisition or issue, less principal repayments, plus or minus accumulated amortisation, calculated using the effective interest rate (EIR) method for any difference (discount or premium) between the initial amount and the amount at maturity. In the case of a financial asset at amortised cost or at fair value through recyclable equity, the amount may be adjusted for impairment losses, if necessary.

1.3.2.3 Financial assets

Classification and measurement of financial assets

Non-derivative financial assets (debt or equity instruments) are classified in accounting categories in the financial statements that determine their accounting treatment and their subsequent measurement method. These financial assets are classified in one of the following three categories:

- financial assets at fair value through profit or loss;
- financial assets at amortised cost (debt instruments only);
- financial assets at fair value through equity (recyclable for debt instruments, non-recyclable for equity instruments).

Debt instruments

The classification and measurement of debt instruments depends on two criteria, the management model and the analysis of contractual characteristics (unless the fair value option is used).

The three management models

The management model is representative of the financial asset management strategy followed by Amundi's management in order to meet its objectives. The management model is specified for an asset portfolio and does not constitute an intention, on a case-by-case basis, for an isolated financial asset.

There are three separate management models:

- the "hold to collect" model which aims to collect contractual cash flows over the life of the assets; this model does not necessarily mean that all assets are held to contractual maturity, but asset sales are strictly controlled;
- the "hold to collect and sell" model which aims to collect cash flows over the life of the asset and to dispose of assets; under this model, the sale of financial assets and the receipt of cash are both essential; and
- the other/sale model whose primary objective is asset disposal.

  This model mainly relates to portfolios that aim to collect cash flows *via* disposals, portfolios whose performance is measured on the basis of fair value and portfolios of financial assets held for trading.

  When the strategy pursued by the Management for managing financial assets does not match either the "hold-to-collect" model or the "hold-to-collect-and-sell" model, these financial assets are classified in an other/sale portfolio model.

Contractual characteristics ("solely payments of principal & interests" or "SPPI" test)

The "SPPI" test combines a series of criteria, examined on a cumulative basis, that make it possible to establish whether the contractual cash flows have the characteristics of a simple financing arrangement (payments of principal and interest on the principal outstanding).

The test is satisfied when the financing arrangement gives rise solely to payments of principal and where the payment of interest received reflects the time value of money, the credit risk associated with the instrument, the other costs and risks of a traditional loan agreement as well as a reasonable margin, whether the interest rate is fixed or variable.

Under a simple financing arrangement, the interest represents the cost of time elapsing, the price of credit and liquidity risk over the period and other components related to the asset's carrying cost (e.g. administrative costs, etc.).

In some cases, this qualitative analysis is not conclusive and quantitative analysis (or Benchmark Test) is carried out. This additional analysis consists of comparing contractual cash flows for the asset under consideration and cash flows for a benchmark asset.

If the difference between the financial asset's cash flows and those of the benchmark asset is deemed to be immaterial, the asset is deemed to be a simple financing arrangement.

In addition, a specific analysis will be conducted if the financial asset was issued by special purpose entities establishing an order of payment priority between financial asset holders by bundling multiple instruments together under contract and creating credit risk concentrations ("tranches").

Each tranche is given a level of subordination which specifies the order of distribution of the cash flows generated by the structured entity.

In this event, the SPPI test requires an analysis of the contractual cash flow characteristics of the asset in question and of underlying assets according to the "look-through" approach and of the credit risk carried by the subscribed tranches compared with the credit risk for the underlying assets.

The debt instrument recognition method arising from qualification of the management model combined with the SPPI test can be presented in the form of the diagram below:

Debt instruments		Management models		
		Inflows	Inflows and sales	Other/sales
SPPI test	Met	Amortised cost	Fair value through recyclable equity	Fair value through profit or loss
	Not met	Fair value through profit or loss	Fair value through profit or loss	

Debt instruments at amortised cost

Debt instruments are measured at amortised cost if they are eligible for the hold to collect model and if they satisfy the SPPI test.

They are recorded on the settlement/delivery date and their initial measurement also includes accrued interest and transaction costs.

Amortisation of any premiums or discounts and transaction costs on loans and receivables and fixed-income securities is recognised in profit or loss using the effective interest rate method.

This financial asset category is subject to impairment under the conditions described in the specific paragraph on “Provisions for credit risks”.

Debt instruments at fair value through recyclable equity

Debt instruments are measured at fair value through recyclable equity if they are eligible for the “hold to collect and sell” model and if they satisfy the SPPI test.

They are recorded on the trading date and their initial measurement also includes accrued interest and transaction costs.

Amortisation of any premiums or discounts and transaction costs on fixed-income securities is recognised in profit or loss using the effective interest rate method.

These financial assets are subsequently assessed at fair value and changes in fair value are recorded in recyclable equity as an offset to outstanding assets (excluding accrued interest recognised in profit or loss using the effective interest rate method).

In the event of sale, these changes are transferred to profit or loss.

This financial instrument category is subject to adjustment for expected credit losses (ECL) under the conditions described in the specific paragraph on “Provisions for credit risks” (without affecting the fair value at the balance sheet date).

Debt instruments at fair value through profit or loss

Debt instruments are assessed at fair value through profit or loss under the following circumstances:

- the instruments are classified in portfolios made of financial assets held for trading or whose main objective is disposal;

  Financial assets held for trading are assets acquired or generated by the Company primarily with the aim of disposal in the short term or which are included in a portfolio of financial instruments managed as a unit and with the purpose of making a profit from short-term price fluctuations or an arbitrage margin. Although contractual cash flows are received during the time that Amundi holds the assets, receipt of these contractual cash flows is ancillary rather than essential;
- debt instruments that do not meet the SPPI test criteria. This is particularly true of UCIs;
- financial instruments classified in portfolios for which the entity chooses measurement at fair value to lessen a difference in accounting treatment in the income statement. In this case, classification of fair value through profit or loss is designated as an option.

Financial assets measured at fair value through profit or loss are initially recognised at fair value, excluding transaction costs (taken directly to profit or loss) and including accrued interest.

They are subsequently measured at fair value and changes in fair value are recognised through profit or loss, in net revenues as an offset to outstanding assets.

No impairments are recognised for this category of financial assets.

Debt instruments measured at fair value through profit or loss as an option are recorded on the trading date.

Debt instruments measured at fair value through profit or loss that do not satisfy the SPPI test are recorded on the settlement/delivery date.

Equity instruments

Equity instruments are, by default, recognised at fair value through profit or loss, apart from an irrevocable option of classification at fair value in non-recyclable equity, provided that such instruments are not held for trading purposes.

Equity instruments at fair value through profit or loss

Financial assets measured at fair value through profit or loss are initially recognised at fair value, excluding transaction costs (taken directly to profit or loss). They are recorded on the settlement/delivery date (except equity instruments held for trading purposes, which are recorded on the trading date).

They are subsequently measured at fair value and changes in fair value are recognised through profit or loss, in net revenues as an offset to outstanding assets.

No impairments are recognised for this category of financial assets.

Equity instruments at fair value through non-recyclable equity (irrevocable option)

The irrevocable option of recognising equity instruments at fair value in non-recyclable equity through profit or loss is taken on a transactional level (line by line) and is applied from the date of initial recognition. These securities are recorded on the trading date.

The initial fair value includes transaction costs.

On subsequent measurements, changes in fair value are recognised in non-recyclable equity. In the event of disposal, these changes are not recycled through profit or loss, the gain or loss on the disposal is recognised in equity.

Only dividends are recognised through profit or loss.

Derecognition of financial assets

A financial asset (or group of financial assets) is fully or partially derecognised if:

- the contractual rights to the related cash flows expire;
- or are transferred or deemed to have expired or been transferred because they belong de facto to one or more beneficiaries and if almost all of the risks and benefits of ownership of the financial asset are transferred.

In this case, any rights or obligations created or retained at the time of transfer are recognised separately as assets and liabilities.

If the contractual rights to the cash flows are transferred, but only some of the risks and rewards of ownership as well as control are retained, the entity will continue to recognise the financial asset to the extent of its involvement in the asset.

Financial assets renegotiated for commercial reasons in the absence of financial difficulties by the counterparty and with the aim of building or retaining a business relationship are derecognised on the renegotiation date. New loans to clients are recorded on that date at their fair value on the renegotiation date. Subsequent recognition is dependent on the management model and the SPPI test.

1.3.2.4 Financial liabilities

Classification and measurement of financial liabilities

Balance sheet financial liabilities are classified in these two accounting categories:

- financial liabilities at fair value through profit or loss, either by type or designated as an option;
- financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss by type

Financial instruments issued primarily with a view to short-term buyback, instruments forming part of a portfolio of identified financial instruments which are managed as a unit and which show signs of having a recent short-term profit-taking profile, and derivatives (apart from some hedging derivatives) are measured at fair value by type.

Changes in the fair value of this portfolio are recognised through the income statement.

Financial liabilities at fair value through profit or loss as an option

Financial liabilities meeting one of the three cases provided by the standard may optionally be valued at fair value through profit or loss: hybrid issues including one or more separable embedded derivatives, lessening or elimination of the distortion of the accounting treatment, or groups of managed financial liabilities whose performance is measured at fair value.

This option is irrevocable and is applied, on a mandatory basis, on the date of the instrument's initial recognition.

On the occasion of subsequent measurements, these financial liabilities are measured at fair value through profit or loss for changes in fair value unrelated to own credit risk and in non-recyclable equity for changes in value linked to own credit risk unless this makes the accounting mismatch worse.

Financial liabilities measured at amortised cost

Any other liabilities meeting the definition of a financial liability (apart from derivatives) are measured at amortised cost.

These liabilities are initially recorded at fair value (including transaction income and costs) and subsequently at amortised cost using the effective interest rate method.

Reclassification of financial liabilities

The initial classification of financial liabilities is irrevocable. No subsequent reclassification is authorised.

Distinction between liabilities and equity

The distinction between debt instruments and equity instruments is based on an analysis of the economic substance of contractual arrangements.

A financial liability is a debt instrument if it includes a contractual obligation:

- to return cash, other financial assets or a variable number of equity instruments to another entity; or
- to exchange financial assets and liabilities with another entity under potentially unfavourable conditions.

An equity instrument is a non-repayable financial instrument that provides a discretionary return which highlights a residual interest in a company after deduction of all financial liabilities (net assets) and which is not qualified as a debt instrument.

Buyback of treasury shares

The treasury shares purchased by Amundi, including shares held for hedging the performance share allocation plans, do not fall within the definition of a financial asset and are recognised as a deduction from the equity. They do not have any impact on the income statement.

Derecognition and modification of financial liabilities

A financial liability is derecognised in full or in part:

- when it is extinguished; or
- when quantitative or qualitative analyses conclude that it has undergone a substantial change following restructuring.

Substantial modification of an existing financial liability must be recorded as the extinction of the initial financial liability and the recognition of a new financial liability (the novation). Any difference between the carrying amount of the liability that has been extinguished and the new liability will be recorded immediately in the income statement.

If the financial liability has not been derecognised, the original effective interest rate continues. A discount/premium is immediately recognised through profit or loss on the date of the modification and is then apportioned at the original effective interest rate over the remaining life of the instrument.

1.3.2.5 Provisions for credit risk

Scope of application

In accordance with IFRS 9, Amundi recognises impairments under Expected Credit Losses (ECL) for outstanding assets on the following:

- financial assets that are debt instruments recognised at amortised cost or at fair value in recyclable equity (loans and receivables, debt securities);
- guarantee commitments covered by IFRS 9 and which are not measured at fair value through profit or loss.

Equity instruments (at fair value through profit or loss or at fair value in non-recyclable OCI) are not affected by impairment provisions.

Counterparty risk is calculated for derivatives and other instruments at fair value through profit or loss which is not pursuant to the ECL model.

Credit risk and provisioning stages

Credit risk is defined as the risk of losses associated with the default of a counterparty leading to its inability to meet its commitments to the Group.

The credit risk provisioning process distinguishes between three different stages (Buckets):

- stage 1 (Bucket 1): from the initial recognition of the financial instrument (credit, debt security, guarantee, etc.), the entity recognises 12-month expected credit losses;
- stage 2 (Bucket 2): if the credit quality deteriorates significantly for a given transaction or portfolio, the entity recognises the expected losses to maturity (ECL to maturity);
- stage 3 (Bucket 3): when one or more default events occur in respect of the transaction or the counterparty and have a damaging effect on estimated future cash flows, the entity recognises objective evidence of impairment. Subsequently, if the conditions for classifying financial instruments in Bucket 3 are not met, the financial instruments are reclassified in Bucket 2, then in Bucket 1, depending on the subsequent improvement in credit risk quality.

Definition of default

The definition of default for the requirements of provisioning for ECLs is identical to that used in management and for calculating regulatory ratios. A debtor is thus considered to be in default when at least one of the following two conditions has been met:

- significant payment arrears generally in excess of 90 days unless special circumstances show that the arrears are due to reasons unrelated to the debtor's situation;
- the entity deems it unlikely that the debtor will settle its credit obligations in full without recourse to measures such as the provision of surety.

An outstanding asset in default (Bucket 3) is said to be impaired when one or more events have occurred that have a harmful effect on this financial asset's estimated future cash flows. Signs of a financial asset's impairment include observable data on the following events:

- major financial difficulties experienced by the issuer or the borrower;
- a breach of contract, such as failed or late payment;
- the granting of one or more favours by one or more lenders to the borrower for economic or contractual reasons relating to the borrower's financial difficulties that the lender or lenders would not have envisaged under other circumstances;
- the increasing probability of the failure or financial restructuring of the borrower;
- the disappearance of an active market for the financial asset due to financial difficulties;
- the purchase or creation of a financial asset with a big discount, which reflects the credit losses suffered.

It is not necessarily possible to single out a particular event since the impairment of the financial asset may be the result of the combined effect of several events.

The concept of expected credit loss (ECL)

ECL is defined as the probability-weighted estimate of discounted credit loss (principal and interest). It is the actual value of the difference between contractual cash flows and expected cash flows (principal and interest).

The ECL approach aims to allow expected credit losses to be recognised as early as possible.

Governance and measurement of ECLs

Governance of the system used to measure IFRS 9 parameters is based on the organisation put in place under the Basel framework. The Group's Risk Management Department is responsible for defining the methodological framework and oversight of the system of asset provisioning.

The Group prioritises the internal rating system and current Basel processes when generating the IFRS 9 parameters needed to calculate ECLs. Assessment of the change in credit risk is based on an expected loss model and extrapolation based on reasonable scenarios. All available, relevant, reasonable and supportable information must be used, including forward-looking information.

The calculation formula incorporates the parameters of probability of default, loss in the event of default and exposure at the time of default.

These calculations are based on internal models applied within a regulatory framework where this exists, but with restatements to determine an economic ECL. IFRS 9 recommends a Point in Time analysis while taking account of historic loss data and Forward-looking macroeconomic data, whilst the prudential viewpoint is analysed Through The Cycle for the probability of default and at the lowest point of the cycle (downturn) for losses in the event of default.

This accounting approach also results in the recalculation of certain Basel parameters to neutralise internal recovery costs or the floors imposed by the regulator in the regulatory calculation of Loss Given Default or LGD.

ECL calculation methods must be assessed according to product type: financial instruments and off-balance sheet instruments.

12-month expected credit losses are a portion of the lifetime expected credit losses and represent the cash flow shortfalls caused by default within 12 months of the reporting date (or a shorter period if the financial instrument's lifetime is expected to be less than 12 months), weighted by the probability of default within the 12 months.

Expected credit losses are discounted using the EIR determined at the financial instrument's initial recognition.

ECL measurement methods take into account the assets assigned as collateral and other credit enhancements that are part of the contractual terms and that the entity does not recognise separately. The estimated cash flow shortfalls expected from a secured financial instrument reflects the amount and the timing for recovering the collateral. In accordance with IFRS 9, the recognition of guarantees and collateral does not affect the assessment of the significant deterioration in credit risk: this is based on changes in credit risk on the debtor without taking into account guarantees.

The models and parameters used are back-tested at least once a year.

Significant deterioration in credit risk

On each reporting date, all Group entities must assess the deterioration of the credit risk for each financial instrument since its initial recognition. This assessment of the change in credit risk leads entities to categorise their transactions by risk rating (Buckets).

To assess significant deterioration, the Group operates a process based on two levels of analysis:

- an initial level depending on Group rules and relative and absolute criteria imposed on Group entities;
- a second level relating to the assessment, certified by an expert for local Forward Looking data, of the risk carried by each entity on its portfolios that may lead the Group to adjust its criteria for downgrading to Bucket 2 (portfolio or sub-portfolio switching to ECL at maturity).

All financial instruments, save for some exceptions, are monitored for significant deterioration. No contagion is required to switch financial instruments from the same outstanding from Bucket 1 to Bucket 2. Monitoring significant deterioration must take account of changes to the main debtor's credit risk, without taking account of the warranty.

For outstanding assets comprising small loans and receivables with similar characteristics, the counterparty-by-counterparty review may be replaced by a statistical estimate of expected losses.

To measure significant deterioration in credit risk since initial recognition, it is necessary to recover the initial internal rating and PD (probability of default).

The date of origination is understood to be the trading date, when the entity becomes party to the contractual provisions of the financial instrument. For financing and guarantee commitments, the date of origination is understood to be the irrevocable commitment date.

For outstanding assets (other than securities) for which internal rating systems have been constructed (in particular, exposures monitored using authorised methods), the Amundi Group considers that all the information incorporated in such rating systems allows for a more relevant assessment than the sole criterion of payments more than 30 days past due.

If the deterioration since the date of origination ceases to be recorded, the impairment may return to 12-month expected credit losses (Bucket 1).

To compensate for the fact that some factors or signs of significant deterioration cannot be identified at the level of an individual financial instrument, the standard authorises the assessment of significant deterioration for portfolios, groups of portfolios or portions of portfolios of financial instruments.

The construction of portfolios to assess deterioration on a collective basis may result in common characteristics such as:

- the type of instrument;
- the credit risk rating (including the internal Basel II rating for entities with an internal rating system);
- the type of collateral;
- the initial recognition date;
- the remaining term to maturity;
- the value of collateral relative to the financial asset, if it has an impact on the probability of a default occurring (for example, non-recourse loans in some jurisdictions or loan-to-value ratios).

Groupings of financial instruments for the purpose of assessing changes in credit risk on a collective basis may change over time as new information becomes available.

For securities, Amundi uses an approach that consists of applying an absolute level of credit risk in accordance with IFRS 9, beyond which exposures are classified in Bucket 2 and provisioned on the basis of ECL at maturity.

The following rules will apply for monitoring the significant deterioration of securities:

- securities ranked as "Investment Grade" securities on the reporting date, will be classified in Bucket 1 and provisioned on the basis of a 12-month ECL;
- securities ranked as "Non-Investment Grade" (NIG) securities, on the reporting date, must be monitored for significant deterioration, since the date of origination, and be classified in Bucket 2 (ECL at maturity) in the event of a significant deterioration in credit risk.

Relative deterioration must be assessed upstream of the occurrence of a proven default (Bucket 3).

Non-recoverability

When a receivable is deemed to be irrecoverable, i.e. there is no hope of recovering all, or part, of the receivable, the amount deemed to be irrecoverable must be derecognised and written off.

Assessment of the time taken to write the receivable off is based on expert judgement. Each entity must set the write-off time with the Risk Management Department, depending on how much information it has on its business. Prior to any write-offs, Bucket 3 provisioning must be made (apart from financial assets at fair value through profit or loss).

For loans at amortised cost or at fair value in recyclable equity, the amount written off is recorded under cost of risk for the principal and under net financial income for the interest.

1.3.2.6 Financial derivatives

Classification and measurement

Derivatives are financial assets or liabilities classified, by default, as derivative instruments held for trading, unless they can be classified as derivative hedging instruments.

They are recorded in the balance sheet at their initial fair value on the trading date.

They are subsequently measured at fair value.

On every reporting date, any change in the fair value of derivatives on the balance sheet is recorded:

- in profit or loss for derivatives held-for-trading or as fair value hedges;
- in equity if these are derivatives used to hedge cash flows or a net investment in a foreign operation, for the effective portion of the hedge.

Hedge accounting

General framework

In accordance with the Group's decision, Amundi does not apply the "Hedge accounting" section of IFRS 9 in line with the option given by the standard. All hedging relationships will continue to be documented in accordance with IAS 39 rules until, at the latest, the macro-hedging text is adopted by the European Union. The eligibility of financial instruments for hedge accounting under IAS 39 takes into consideration IFRS 9 principles governing the classification and measurement of financial instruments.

Under IFRS 9, and in consideration of IAS 39 hedging principles, debt instruments at amortised cost and at fair value in recyclable equity are eligible for fair value hedging and cash flow hedging.

Documentation

Hedging relationships must comply with the following principles:

- The aim of fair value hedges is to protect against exposure to changes in the fair value of a recognised asset or a liability or an unrecognised firm commitment, due to the risk(s) hedged and which may affect the profit or loss (for example, hedging of all or some changes in fair value due to interest rate risk on a fixed-rate debt).
- Cash flow hedging is intended to provide protection from exposure to future changes in cash flows from a recognised asset or liability or a transaction that is considered to be highly likely, attributable to the risk(s) hedged and which could (in the case of a forecast transaction that has not yet been performed) affect the profit or loss (for example, hedging of changes in all or some future interest payments on a floating-rate debt).
- Hedging of a net investment in a foreign operation is intended to provide protection from the risk of an adverse movement in fair value arising from the foreign exchange risks associated with a foreign investment in a currency other than the euro which is Amundi's reporting currency.

Hedges must also meet the following criteria in order to be eligible for hedge accounting:

- the eligibility of the hedging instrument and the hedged instrument;
- there must be formal documentation from inception, including the individual identification and characteristics of the hedged item and of the hedging instrument, the nature of the hedging relationship and the type of risk hedged;
- the effectiveness of the hedge must be demonstrated at inception and, retrospectively, by testing at each reporting date.

For interest rate hedges for financial asset or liability portfolios, the Amundi Group favours documentation of fair value hedging as permitted under IAS 39 adopted by the European Union (carve out version). In particular:

- the Group documents these hedging relationships on the basis of the gross position of derivatives and hedged items;
- the effectiveness of these hedging relationships is evidenced by means of timelines.

Measurement

The change in value of the derivative at its fair value is recognised as follows:

- fair value hedge: the change in value of the derivative is recognised in profit or loss symmetrically with the change in value of the hedged item in the amount of the hedged risk. Only the net amount of any ineffective portion of the hedge is recognised in profit or loss;
- cash flow hedge: the change in value of the derivative is recognised in the balance sheet as a counterparty to a specific account in gains and losses recognised directly in recyclable equity for the effective portion, and any ineffective portion of the hedge is recognised in profit or loss. Any profits or losses on the derivative accrued through equity are then recycled in profit or loss when the hedged cash flows occur;
- hedges of a net investment in a foreign operation: the change in value of the derivative is recognised in the balance sheet as a counterparty to the translation difference in recyclable equity and any ineffective portion of the hedge is recognised in profit or loss.

When the conditions for benefiting from hedge accounting are no longer met, the following accounting treatment must be applied prospectively:

- fair value hedge: only the hedging instrument continues to be revalued as a counterparty to profit or loss. The hedged item is wholly recognised according to its classification. For debt instruments at fair value in equity recyclable through profit or loss, changes in fair value subsequent to the end of the hedging relationship are recorded, in full, in equity. For hedged items valued at amortised cost which were interest rate hedges, the revaluation surplus is amortised over the remaining life of those hedged items;
- cash flow hedge: the hedging instrument is valued at fair value through profit or loss. The amounts accumulated in equity under the effective portion of the hedge remain in equity until the hedged element affects profit or loss. For interest rate hedged items, net income is allocated according to the payment of interest. The revaluation surplus is therefore amortised over the remaining life of those hedged items;
- hedging of a net investment in a foreign operation: the amounts accumulated in equity in respect of the effective portion of the hedging remain in equity while the net investment is held. The income is recorded once the net investment in the foreign operation exits the scope of consolidation.

1.3.2.7 Determining the fair value of financial instruments

The fair value of financial instruments is determined by maximising the use of observable input data. It is presented using the hierarchy defined by IFRS 13.

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, on the primary market or on the most advantageous market.

Fair value applies individually to each financial asset and financial liability. It can, exceptionally, be estimated by portfolio if the management and risk monitoring strategy allow and if appropriately documented. Accordingly, certain fair value parameters are calculated on a net basis when a group of financial assets and financial liabilities is managed on the basis of its net exposure to market or credit risks. This is the case for the CVA calculation (Credit Valuation Adjustment) and the DVA calculation (Debit Valuation Adjustment).

Amundi believes that quoted prices published in an active market are the best evidence of fair value.

When such quoted prices are not available, fair value is established by using valuation techniques that maximise the use of relevant observable data and minimise the use of unobservable data.

Fair value of structured issues

In accordance with IFRS 13, Amundi values its structured issues by integrating the issue spread of the guarantor.

Counterparty risk on derivative instruments

In application of IFRS 13, Amundi incorporates into fair value the assessment of counterparty risk for derivative assets (Credit Valuation Adjustment – CVA) and, using a symmetrical treatment, the non-performance risk for derivative liabilities (Debit Valuation Adjustment – DVA or own credit risk).

CVA makes it possible to determine expected counterparty losses from Amundi's perspective. DVA makes it possible to determine expected losses on Amundi from the counterparty's perspective.

For derivatives carried out with market counterparties, the CVA/DVA calculation is based on an estimate of expected losses given the probability of default and loss in the event of default. The methodology used maximises the use of observable market data. It is primarily based on market parameters such as registered and listed CDS (Credit Default Swaps) or Single Name CDS, or Index CDS in the absence of named counterparty CDS. Under certain circumstances, historical default parameters may also be used.

No CVA/DVA is calculated either for derivatives contracted by Amundi or for funds, taking into account that there is no historical default data and the guarantee provided by Amundi to the funds.

Fair value hierarchy

The standard classifies fair value into three levels based on the observability of inputs used in valuation techniques:

Level 1: fair value corresponding to quoted prices (unadjusted) in active markets

Level 1 is composed of financial instruments that are directly quoted in active markets for identical assets and liabilities that the entity can access at the measurement date. These are stocks and bonds quoted in active markets (such as the Paris Stock Exchange, the London Stock Exchange, the New York Stock Exchange, etc.) and shares in investment funds listed on an active market and derivatives traded on an organised market, in particular futures.

A market is deemed to be active if quoted prices are readily and regularly available from an exchange, broker, dealer, pricing service or regulatory agency, and the prices represent actual and regularly occurring market transactions under normal competitive conditions.

For financial assets and liabilities with offsetting market risks, Amundi uses mid-prices as the basis for establishing the fair value of the positions. The current bid price is applied to assets held or liabilities to be issued (open long position) and the current asking price to assets to be acquired or liabilities held (open short position).

Level 2: fair value measured using directly or indirectly observable inputs other than those in Level 1

This data is directly observable (i.e. prices) or indirectly observable (data derived from prices) and generally meets the following criteria: this is data not specific to the entity, which is publicly available/accessible and based on a market consensus.

Level 2 consists of:

- stocks and bonds listed on an inactive market or unlisted on an active market, but for which fair value is established using a valuation methodology habitually used by market participants (such as the method of discounting future cash flows or the Black & Scholes method) and based on observable market data;
- instruments traded over the counter, the fair value of which is measured with models using observable market data, i.e. which can be obtained from several sources independent of internal sources on a regular basis. For example, the fair value of interest rate swaps is generally derived from the yield curves of interest rates based on market interest rates observed on the reporting date.

When the models used are consistent with standard models and on observable market parameters (such as yield curves or implied volatility ranges), the initial margin generated on the instruments valued in this way is recognised in profit or loss from inception.

Level 3: fair value for which a significant number of the parameters used for determination are not based on observable criteria

In the case of some complex instruments which are not traded in an active market, fair value measurement is based on valuation techniques that use assumptions not supported by data observable on the market for an identical instrument. These instruments are presented in Level 3.

These are mainly complex rate products, equity derivatives and structured credit products whose valuation requires, for example, correlation or volatility parameters that cannot be directly compared to market data.

The initial transaction price is deemed to reflect the market value and recognition of the initial margin is deferred.

The margin generated on these structured financial instruments is generally recognised in profit or loss spread over the period during which the parameters are deemed to be unobservable. When the market data becomes observable, the margin remaining to be spread is immediately recognised in profit or loss.

The valuation methodologies and models used to value the financial instruments presented in Levels 2 and 3 incorporate all of the factors that market players use to calculate prices. They must first be validated by an independent audit. Determination of the fair value of these instruments takes into account both the liquidity risk and the counterparty risk.

1.3.2.8 Offsetting of financial assets and liabilities

In accordance with IAS 32, Amundi offsets a financial asset and a financial liability and reports the net balance if, and only if it has a legally enforceable right to offset the amounts reported and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The effect of this offsetting is presented in table 5.4. concerning the amendment to IFRS 7 on disclosures regarding the offsetting of financial assets and financial liabilities.

1.3.2.9 Net gains or losses on financial instruments

Net gains or losses on financial instruments at fair value through profit or loss

For financial instruments at fair value through profit or loss, this heading includes the following income statement items:

- dividends and other revenue from shares and other variable-income securities classified under financial assets at fair value through profit or loss;
- changes in fair value of financial assets or liabilities at fair value through profit or loss;
- gains and losses on disposal of financial assets at fair value through profit or loss;
- changes in fair value and gains and losses on disposal or termination of derivatives not included in a fair value hedging relationship or cash flow hedge.

This heading also includes the ineffective portion of hedging transactions.

Net gains or losses on financial instruments at fair value through equity

For financial assets at fair value through equity, this heading includes the following income statement items:

- dividends from equity instruments classified as financial assets at fair value in non-recyclable equity through profit or loss;
- gains and losses on disposals as well as net income associated with the termination of the hedging relationship on debt instruments classified as financial assets at fair value in recyclable equity;
- net income on disposals or termination of fair value hedging instruments for financial assets at fair value through equity where the item being hedged is sold.

1.3.2.10 Financial guarantees given

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due under the original or amended terms of a debt instrument.

Financial guarantee contracts are initially measured at fair value, then subsequently at the higher of:

- the amount of impairment losses determined under the provisions of IFRS 9, section on “Impairment”; or
- the amount initially recognised less, where appropriate, cumulative revenue recognised in accordance with the principles of IFRS 15 “Revenue from contracts with customers”.

For Amundi, the financial guarantees given are funds where capital or performance is guaranteed.

1.3.3 Provisions

Amundi identifies all (legal or constructive) obligations resulting from a past event for which it is probable that an outflow of resources will be required to settle the obligations, and for which the due date or amount of the settlement are uncertain, but can be reliably estimated. If required, the estimates are discounted when the effect is significant.

This obligation can be legal, regulatory or contractual. It can also result from the Group’s practices or from commitments that created a legitimate expectation on the part of third parties involved that the Group will assume certain liabilities.

If no reliable evaluation of the amount can be made, no provisions are recognised, but information is provided in the appendix, where appropriate.

The Group creates provisions for these obligations which cover:

- risks related to guarantees granted to funds;
- operational risks;
- employee benefits, including retirement commitments;
- disputes;
- legal, tax (excluding income tax), regulatory and non-compliance risks.

1.3.4 Employee benefits

These are grouped into four categories in accordance with IAS 19 “Employee benefits”:

- short-term benefits such as salaries, social security contributions, annual holidays, incentives, profit sharing and bonuses are those which are expected to be paid within 12 months following the financial year during which the services were rendered;
- long-term benefits (long-service awards, bonuses and compensation payable 12 months or more after the close of the financial year);
- severance pay;
- post-employment benefits, falling into one of two categories described below: defined-benefit plans and defined-contribution plans.

1.3.4.1 Retirement plans – defined contribution plans

There are several compulsory retirement plans to which “employer” companies contribute. Plan assets are managed by independent organisations and the contributing companies have no legal or implied obligation to pay additional contributions if the funds do not have sufficient assets to cover all benefits corresponding to services rendered by the employees during the financial year and during prior years. Consequently, Amundi Group entities have no liabilities in this respect other than their contributions to be paid for the year ended.

1.3.4.2 Defined-benefits plans

In accordance with IAS 19, the commitments are assessed based on a set of actuarial, financial and demographic assumptions and using the Projected Unit Credit method. This method consists of allocating an expense corresponding to the rights vested over the period for each financial year of employment. The expense is calculated based on the future, discounted benefit.

The calculations for expenses for future social benefits are made on the basis of assumptions for discount rates, employee turnover and changes in wages and social security contributions developed by Management.

The discount rates are determined based on the average period of commitment, that is, the weighted average of the payment dates of future benefits. The underlying index used is the iBoxx AA Index.

In accordance with IAS 19, Amundi allocates all actuarial differences recorded in gains and losses recognised directly in non-recyclable equity. Actuarial differences consist of adjustments related to experience (difference between estimated and actual experience) and the effect of changes made to the actuarial assumptions.

The expected return of plan assets is determined on the basis of the discount rates used to evaluate the defined benefits obligation. The difference between the expected return and the actual return of plan assets is recorded in gains and losses recognised directly in non-recyclable equity.

The provision amount is equal to:

- the current value of the commitment for the defined benefits on the closing date, calculated using the actuarial method recommended by IAS 19;
- less, if appropriate, the fair value of assets allocated to hedging the commitments. They can be represented by an eligible insurance policy. In the event that the obligation is fully hedged by a policy which exactly covers, in both amount and time, all or part of the benefits payable by virtue of the plan, the fair value of the latter is considered to be that of the corresponding obligation (i.e. the amount of the corresponding actuarial debt).

Amundi has taken out an “IFC” insurance policy (end-of-career allowance) with an insurance company in the Crédit Agricole Group.

A provision to cover the retirement benefits is included in balance sheet liabilities in the “Provisions” item for commitments which are not covered.

1.3.4.3 Long-term benefits

Long-term benefits are benefits which are paid to employees other than post-employment benefits, severance payments and equity-based compensation, but which are not due in full during the 12 months following the end of the financial year in which the corresponding services were rendered. They include, among other things, bonuses and other deferred compensation paid 12 months or more after the end of the financial year in which they were earned, but which are not indexed to shares.

The valuation method is similar to that used by the Group for post-employment benefits in the defined-benefits category.

The long-term benefits which can be granted by Amundi consist primarily of the allocation of bonuses whose payment will be deferred to future financial years subject to meeting certain performance conditions set in advance and continued employment at the time of payment to the employees to whom they were granted.

1.3.5 Non-compliance risk

Amundi conducts a regulated activity. As such, its business is subject to regular monitoring and investigation by various regulators. These inspections may reveal certain irregularities and may, in some instances, result in fines or other penalties.

Following an investigation conducted from 2017 to 2019, the French Financial Markets Authority (Autorité des Marchés Financiers – AMF) notified grievances to Amundi on 12 June 2020. The grievances relate to the management of certain transactions carried out by two Amundi employees between 2014 and 2015. These transactions impacted assets managed on behalf of an institutional client, who was compensated.

On 4 August 2021, the AMF fined the Amundi Group a total of €32 million, which was paid during the year, thus bringing these proceedings to an end.

Various measures have been taken since then to ensure that such dysfunctions do not recur.

The impact of this risk is recorded in the “Cost of Risk” section of the income statement.

1.3.6 Revenue from contracts with customers (IFRS 15)

Most of the Group’s revenue comes from third-party asset management in collective or individual portfolios (dedicated funds or mandates). It is essentially based on the assets under management in managed funds.

The net fees comprise net management fees which are equal to the gross management fees received after deduction of fees paid:

- the gross management fees compensate the portfolio management services. They are primarily calculated by reference to a percentage of the outstanding amounts managed;
- the fees paid are composed of:
  - i) contractual retrocessions paid to distributors. These generally correspond to a percentage of the management fees,
  - ii) custodian and valuation agent fees, where these are paid by the asset management company, as well as a limited number of associated administrative costs such as the ETF listing fees.

Net fees are also composed of:

- fees paid to Amundi for the guarantee given to guaranteed funds or structured EMTNs. Various costs connected to the formation and the life of structured products are added to these fees;
- transfer fees paid by the fund in respect of the execution of sales and purchases of securities on behalf of funds by the Amundi trading desk;
- other fees for lower amounts, such as: entry fees, compensation for consulting services, borrowing and lending securities fees, account maintenance fees for Employee Savings Plans.

Performance fees are paid to the asset management company as provided by contract. They are calculated on the basis of a percentage on the positive difference between the actual performance and the benchmark index as provided by the contract.

Income and expenses for fees are recorded in profit or loss according to the nature of the services they represent. Their recognition on the income statement must reflect the rate at which control of the goods or services sold is transferred to the customer:

Net income from a transaction associated with a service provision is recognised under Fees upon transfer of control of the service provided to the customer, if this can be reliably estimated. Said transfer may be made as the service is rendered (ongoing service) or on a given date (one-off service).

i) Fees remunerating ongoing services (management fees, for example) are recorded in profit or loss according to the stage of completion of the service provided.

ii) Fees received or paid for one-off services are recorded, in full, in profit or loss when the service is provided.

The fees payable or receivable contingent upon meeting a performance target are recognised only if all of the following conditions are met:

i) the amount of fees and commissions can be estimated reliably;

ii) it is probable that the future economic benefits resulting from the services rendered will flow to the Company;

iii) the stage of completion of the service can be reliably estimated, and the costs incurred for the service and the costs to complete it can be reliably estimated.

These performance fees are, therefore, recognised in the majority of cases in profit or loss at the end of the calculation period.

1.3.7 Share-based payments (IFRS 2)

IFRS 2 “Share-based payments” requires valuation of the transactions remunerated by payment in stock and similar instruments in the profit or loss and balance sheet of the Company. The standard is applicable to transactions carried out for employees, and specifically:

- transactions whose payment is based on shares and paid in equity instruments;
- transactions whose payment is based on shares and paid in cash.

Two plans in the Amundi Group are covered by IFRS 2:

- share-based payment plans initiated by the Amundi Group of the type where settlement is made by awarding equity instruments (allocating performance shares). Share awards are measured at fair value at the time of the award. They are recognised in expenses under “Employee expenses” offsetting an equity account over the acquisition period of the rights;
- when the award takes place after the services have been delivered, Amundi carries out a valuation of the services provided by the beneficiaries. The expense is recognised over the period during which these services were provided;
- Amundi and Crédit Agricole S.A. share subscriptions are made available to employees as part of the Company Savings Scheme. They are also covered by the provisions of IFRS 2. The shares are offered with a maximum discount of 30%. The plans have no vesting period, but include a five-year lock-up period. The benefit granted to employees is measured as the difference between the fair value of the vested shares taking into account the lock-up condition and the acquisition price paid by the employee on the subscription date multiplied by the number of shares subscribed;
- the expense for the share allocation plan settled by Amundi and Crédit Agricole S.A. equity instruments is recognised as personnel expenses offsetting an increase in “Consolidated reserves – Group share”.

1.3.8 Current and deferred tax assets

In accordance with IAS 12, the income tax expense includes all income-related taxes, whether current or deferred.

Tax liability

The standard defines current tax liability as “the amount of income tax payable (recoverable) with respect to the taxable profit (tax loss) for a financial year”. The taxable income is the profit (or loss) for a given financial year measured according to the rules set by the taxation authorities. The applicable rates and rules used to determine the current tax liability are those in effect in each country in which the Group’s companies are established.

A tax consolidation group was set up for the French entities (from 1 January 2010) with Amundi as the head of the group.

The current tax liability includes all taxes on income, payable or recoverable, for which payment is not subordinated to the completion of future transactions, even if payment is spread over several financial years. The current tax liability must be recognised as a liability until it is paid. If the amount that has already been paid for the current year and previous financial years exceeds the amount due for these years, the surplus must be recognised under assets.

Moreover, certain transactions carried out by the entity may have tax consequences that are not taken into account in measuring the current tax liability. IAS 12 defines differences between the carrying amount of an asset or liability and its tax base as temporary differences.

Deferred taxes

The standard requires that deferred taxes be recognised in the following cases:

A deferred tax liability must be recognised for all taxable temporary differences between the carrying amount of an asset or liability on the balance sheet and its tax base, unless the deferred tax liability arises from:

- initial recognition of goodwill;
- initial recognition of an asset or a liability in a transaction that is not a business combination and that does not affect either the accounting or the taxable profit (taxable loss) on the transaction date.

A deferred tax asset must be recognised for all deductible temporary differences between the carrying amount of an asset or liability on the balance sheet and its tax base, insofar as it is deemed likely that a future taxable profit will be available against which such deductible temporary differences can be allocated.

A deferred tax asset must also be recognised for carrying forward unused tax losses and tax credits insofar as it is probable that the Group will have access to future taxable profits against which the unused tax losses and tax credits can be allocated.

The tax rates applicable in each country are used as appropriate.

Deferred taxes are not discounted in accordance with IAS 12.

Taxable unrealised gains on securities (FCP – mutual funds in France) do not generate any taxable temporary differences between the carrying amount of the asset and the tax base. As a result, deferred tax is not recognised on these gains.

In France, capital gains on the sale of equity investments, as defined by the French General Tax Code and coming under long-term taxation treatment, are exempt from corporation tax (except for a 12% share of capital gains taxed at the normally applicable rate). Accordingly, unrealised gains recognised at the end of the financial year generate a temporary difference requiring the recognition of deferred tax on this share, in so far as Amundi considers the disposal of the securities likely.

As part of IFRS 16 "Leases", a deferred tax liability is recognised on the right of use and a deferred tax asset on the lease liability for leases for which the Group is lessee.

Current and deferred tax is recognised in net income for the year, unless the tax arises from:

- either a transaction or event recognised directly in equity, during the same year or during another financial year, in which case it is directly debited or credited to equity;
- or by a business combination.

Deferred tax assets and liabilities offset each other if, and only if:

- the entity has a legally enforceable right to offset current tax assets and liabilities;
- and the deferred tax assets and liabilities concern income tax assessed by the same tax authority:
  - i) either for the same taxable entity,
  - ii) or for different taxable entities that intend either to settle current tax assets and liabilities on a net basis, or to settle their tax assets and liabilities at the same time during each future financial year in which it is expected that substantial deferred tax assets or liabilities will be paid or recovered.

Tax risks relating to income tax resulting in the recognition of a receivable or a current tax liability when it is deemed to be more likely than unlikely that the assets will be received or the liabilities paid. These risks are also taken into account when assessing current and deferred tax assets and liabilities.

IFRIC 23 – Uncertainty over income tax treatments applies as soon as an entity has identified one or more uncertainties over income tax treatments undertaken with regard to its taxes. It also provides details of their estimates:

- the analysis must be based on the risk of an identification made solely by the tax administration;
- the tax risk must be recognised as a liability if it is more likely than not that the tax authorities will challenge the treatment used, at an amount reflecting the Management's best estimate;
- in the event that the probability of redemption by the tax authorities is greater than 50%, a receivable must be recorded.

When tax credits on income from securities portfolios and receivables are effectively used to pay corporation tax due for the financial year, they are recognised under the same heading as the income with which they are associated. The corresponding tax charge continues to be recognised under the "Income tax" heading in the income statement.

1.3.9 Property, plant and equipment

Amundi applies component accounting to all its property, plant and equipment. In accordance with the provisions of IAS 16, the depreciable base takes account of the potential residual value of property, plant and equipment.

Operating and investment buildings, as well as equipment, are recognised at acquisition cost less accumulated depreciation, amortisation and write-downs since they were commissioned.

Depreciation

Fixed assets are depreciated based on their estimated useful lives. The main periods used are:

• Fixtures and fittings	5 to 10-year straight-line
• IT equipment	3-year declining balance
• Office equipment	5-year straight-line
• Office furniture	10-year straight-line
• Technical plant	10-year straight-line
• Buildings	20-year straight-line

Repair and maintenance costs are recorded as expenses when incurred except in cases in which they contribute to increasing productivity or the useful life of the fixed asset.

The information which Amundi has about the value of its amortisable fixed assets has led it to conclude that impairment tests would not result in any change in the values recorded in the balance sheet.

1.3.10 Intangible assets

Intangible assets include software, as well as the intangible assets resulting from the identification of contractual rights at the time of allocating the acquisition price of a business combination.

Purchased software is recorded on the balance sheet at acquisition cost less accumulated depreciation and impairment since the acquisition date.

Proprietary software is recognised at production cost less accumulated depreciation, amortisation and write-downs since completion.

Assets acquired from business combinations resulting from contractual rights (e.g. distribution agreements) are valued on the basis of corresponding future economic benefits or the potential of the expected services.

Amortisation

Intangible assets are amortised as follows:

- for software: based on their estimated useful life;
- for assets acquired in business combinations resulting from contractual rights: the contract period.

1.3.11 Foreign currency transactions

A distinction is made between cash and non-cash items, in accordance with IAS 21.

On the reporting date, foreign-currency denominated monetary assets and liabilities are converted at the closing price into the Amundi functional currency. The resulting translation adjustments are recognised in profit or loss. There are two exceptions to this rule:

- for debt instruments at fair value through recyclable equity, the translation adjustments calculated on an amortised cost are taken to profit or loss; the balance is recorded in equity;
- exchange adjustments on items designated as cash flow hedges or forming part of a net investment in a foreign entity are recognised in equity.

Non-monetary items are treated differently depending on the nature of the items:

- items at historical cost are valued at the exchange rate on the transaction date;
- items at fair value are valued at the exchange rate on the reporting date.

Exchange adjustments on non-monetary items are recognised:

- in profit-and-loss if the gain or loss on the non-monetary item is recorded in profit or loss;
- in equity, if the gain or loss on the non-monetary item is recorded in equity.

1.3.12 Earnings per share

In accordance with IAS 33:

- basic earnings per share are equal to net consolidated income divided by the weighted average number of shares in circulation during the financial year;
- diluted earnings per share are equal to net consolidated income divided by the weighted average number of shares in circulation during the financial year. These two components must be adjusted for the effect any potentially dilutive ordinary shares may have.

1.3.13 Cost of risk

The cost of risk mainly consists of the cost of credit risk including any changes in provisions for guaranteed funds (financial guarantees), provisions for litigation and other expenses related to operational risk.

1.3.14 Leases

The Amundi Group holds lease agreements primarily as a lessee.

Lease transactions are recognised in the balance sheet on the date of availability of the leased assets. The lessee accounts for an asset that is representative of the right to use the leased asset in the property, plant and equipment during the estimated term of the contract and a debt owed under an obligation to pay the rents in the various liabilities over the same term.

The term of lease corresponds to the non-cancellable term of the lease adjusted by the contract extension options that the lessee is reasonably likely to exercise and the termination option that the lessee is reasonably likely not to exercise.

In France, the term used for the so-called “3/6/9” commercial leases is generally 9 years with an initial non-cancellable period of 3 years. Amundi used a term corresponding to the earliest opportunity to terminate after 5 years has passed, as being the reasonably certain term of a lease. This term is applied in the majority of cases when French commercial leases are initiated. The main exception to this will be a lease in which the interim three-year exit options have been waived (for example, in return for a reduction in rent); in this case, the term used will remain 9 years. This 5-year term also applies to leases that can be extended automatically.

The lease liability is recognised at an amount equal to the present value of the rent payments over the term of the contract. Rent payments include fixed rents, variable rents based on a rate or index, and payments that the lessee expects to make as residual value guarantees, a purchase option or as an early termination penalty.

Variable rents that do not depend on an index or a rate and the non-deductible VAT on rents are excluded from the debt calculation and are recognised as general operating expenses.

The discount rate applicable for calculating the right of use and the rental liability is, by default, the lessee’s marginal debt ratio over the term of the contract on the date of signature of the contract when the implicit rate cannot easily be calculated. The marginal debt ratio takes account of the rental payment structure.

The expense of the lease contracts is partly comprised of interest and partly of capital amortisation.

The right to use the asset is valued at the initial value of the lease liability, plus the initial direct costs, advance payments and refurbishment costs. It is amortised over the estimated term of the contract.

The lease liability and the right of use may be adjusted in the event of an amendment to the lease agreement, a reassessment of the lease term or a rent review linked to the application of indices or rates.

Deferred taxes are recognised on the basis of timing differences between the rights to use and the lessee’s rental liabilities.

In accordance with the exception set out in the standard, short-term leases (an initial term of less than twelve months) and leases where the value when new of the leased property is low are not recognised in the balance sheet; the corresponding leasing expenses are recorded on a straight-line basis in the income statement in general operating expenses.

In accordance with the provisions set out in the standard, the Group does not apply IFRS 16 to leases for intangible assets.

1.3.15 Non-current assets held for sale and discontinued operations

A non-current asset (or a group held for sale) is classified as held-for-sale if, at close, its carrying amount will be recovered principally through a sale transaction rather than through ongoing use.

For this to be the case, the asset (or group held for sale) must be available for immediate sale in its present condition and its sale must be highly likely.

The relevant assets and liabilities are shown separately on the balance sheet under "Non-current assets held for sale" and "Liabilities associated with non-current assets held for sale".

The non-current assets (or disposal group) classified as held-for-sale are measured at the lower of their carrying amount and their fair value less cost of sale. In the case of an unrealised loss, a write-down is recognised in profit or loss. They are no longer amortised when they are reclassified.

If the fair value of a group of assets held for sale less selling costs is less than its carrying amount after write-down of non-current assets, the difference is allocated to the other assets of the disposal group, including the financial assets, and is recognised under net income from discontinued operations.

A discontinued operation is any component that the Group has either disposed of, or is classified as held-for-sale, and which is in any of the following situations:

- it is a major separate business line or a geographical area of operations;
- it is part of a single coordinated plan to dispose of a separate major business line or geographical area of operations; or,
- it is a subsidiary acquired exclusively with a view to resale.

The following are disclosed on a separate line of the income statement:

- the net income from discontinued operations until the date of disposal, net of tax;
- the gain or loss recognised on the disposal or on measurement at fair value less the cost of sale of the assets and liabilities constituting the discontinued operations, net of tax.

Amundi did not record any transactions covered within the scope of IFRS 5 during the 2021 financial period.

1.4 Consolidation principles and methods

1.4.1 Consolidation scope and methods

The consolidated financial statements include Amundi's financial statements and those of all companies over which, in compliance with the provisions of IFRS 10, IFRS 11 and IAS 28, Amundi exercises control, joint control or significant influence.

1.4.1.1 Definitions of control

Exclusive control over an entity is deemed to exist if Amundi is exposed to or entitled to receive variable returns as a result of its involvement in the entity and if the power it holds over this entity enables it to influence the returns. Only substantive (voting or contractual) rights are examined to assess the concept of power. Rights are considered substantive if the holder of the rights can exercise them, in practice, when decisions about the entity's relevant activities are made.

Amundi is deemed to control a subsidiary through voting rights when its voting rights give it the ability to direct the subsidiary's relevant activities. Amundi is generally considered to control a subsidiary when it holds more than half of the existing or potential voting rights in an entity, whether directly or indirectly through subsidiaries, except when it can be clearly demonstrated that such ownership does not give it the power to direct its relevant activities. Control is also deemed to exist when Amundi holds half or less than half of the voting rights, including potential rights, in an entity but is able in practice to direct its relevant activities at its sole discretion, notably because of the existence of contractual arrangements, the relative size of its stake in the voting rights compared to those of other investors, or other facts or circumstances.

Control of a structured entity is not assessed on the basis of the percentage of voting rights, because by their nature these have no effect on the entity's returns. When assessing control, consideration is given not only to contractual arrangements, but also to whether Amundi was involved in creating the entity and what decisions it made at the time, what agreements were made at its inception and what risks are borne by Amundi, any rights under agreements that only give the investor the power to direct relevant activities in specific circumstances and any other facts or circumstances that indicate that the investor can direct the entity's relevant activities. Where there is a management agreement, it should be established whether the manager is in practice acting as an agent (with delegated powers) or as a principal (on their own account). Accordingly, when decisions about the entity's relevant activities must be taken, the indicators used to assess whether an entity is acting as agent or principal are as follows: the extent of the decision-making powers compared to the powers over the entity delegated to the manager, the compensation provided for under the contractual agreements, but also any substantive rights held by third parties involved in the entity that may affect the decision-making capacity of the decision maker and the exposure to the variable nature of the returns of other interests held in the entity.

Joint control is deemed to exist when there is a contractual division of control over an economic activity. Decisions affecting the entity's relevant activities require unanimous agreement of the parties sharing control.

In traditional entities, significant influence is defined as the power to influence, but not control, a company's financial and operational policies. Significant influence is assumed in cases of 20% or more ownership, either directly or indirectly through subsidiaries, of the voting rights in an entity.

1.4.1.2 Control and consolidation of structured entities (special purpose entities)

The control criteria for structured entities or special purpose entities (structures created to manage an operation or a group of similar operations) are defined by IFRS 10.

Control is primarily assessed based on the following:

- the power to manage the entity's operations;
- the receipt of variable revenue or exposure to the entity's risks;
- the ability to influence the revenue earned by the entity and the risks.

These provisions are applicable to the funds held or guaranteed by Amundi, in particular.

Funds held by Group companies

With respect to the fund units held by Group companies, Amundi's Management assesses the existence of control based on two criteria:

- the threshold at which the holding company can be considered to be primary:
  - either in the event of a direct holding in the fund above 35%, or,
  - in the event of a direct holding in the fund above 20% together with the sharing of performance fees between the management company and investors such that total Amundi revenue from the fund is greater than 35%;
- the durable nature of the investment, established in the event of a holding greater than the above thresholds for a period longer than one year.

Under this analysis, cases of control of a fund by a company within the scope are limited and only involve dedicated funds and certain fund holdings for seed money.

Funds guaranteed by Amundi

Amundi provides guarantees to funds managed by the Group (see note 9.5):

- structured funds;
- "portfolio insurance" funds.

The analysis conducted leads to the conclusion that there is no control as defined by IFRS 10 criteria so the funds are therefore not consolidated.

Once the structure of structured funds is established, they are managed passively and subject to the regulatory constraints of regulators (AMF, ESMA). This passive, directed management and the internal management rules (careful selection of exposures to credit risk, strict management of the turnover of assets held by the fund) limit Amundi's exposure to variable returns.

Likewise, portfolio insurance fund structuring is closely monitored and this significantly limits the guarantor's exposure:

- investors who generally have immediate rights to the returns on the funds' assets: Amundi's exposure to market risk is low; it is essentially tied to dynamic assets and is further reduced by internal management rules (very prudent assessment of risk exposure, strict liquidity and diversification controls);
- exposure to credit risk which is essentially tied to monetising assets and is governed by the same restrictions as those applied to structured funds and reflects a high level of caution at issuer selection time.

1.4.2 Consolidation methods

Consolidation methods are defined in IFRS 10 and the revised IAS 28. They result from the type of control exercised by Amundi over the entities that can be consolidated, regardless of activity or whether or not they have legal entity status:

- full consolidation, for controlled entities;
- equity method, for entities over which Amundi exercises significant influence or joint control.

Full consolidation

Full consolidation substitutes each of the assets and liabilities carried by each subsidiary for the value of the shares.

Equity method

The equity method substitutes for the value of shares the Group's proportional share of the equity and net income of the companies in question. The change in the carrying amount of the shares includes changes in goodwill.

Non-controlling interests

The equity and income attributable to non-controlling interests is presented separately in the consolidated balance sheet and income statement.

Non-controlling interests are as defined by IFRS 10. They incorporate instruments representing present ownership interests that give the right to a proportional share of the net assets in the event of liquidation and the other equity instruments issued by the subsidiary and not held by the Group.

1.4.3 Restatements and eliminations within the Amundi Group

The impact of the Group's internal transactions on the consolidated balance sheet and income statement is eliminated for fully consolidated entities.

Capital gains or losses arising from intra-Group asset transfers are eliminated. Any potential lasting depreciation measured at the time of disposal of an internal transaction is recognised.

1.4.4 Translation of the financial statements of foreign subsidiaries

Consolidated financial statements are prepared in euros.

The financial statements of entities which constitute a "foreign operation" (subsidiaries, branches, associates or joint ventures) are converted into euros in two stages:

- if applicable, the local currency in which the financial statements are prepared is translated into the functional currency (currency of the main business environment in which the entity operates). The translation is made as if the information had been initially recognised in the functional currency (same translation principles as for foreign currency translations);
- the functional currency is translated into euros, the currency in which the Group's consolidated financial statements are presented. Assets and liabilities, including goodwill, are translated at the closing rate. Equity items, such as share capital or reserves, are translated at their historical exchange rate. The income and expenses included in the income statement are translated at the average exchange rate for the period. The resulting exchange differences are recognised as a separate component of equity. These translation differences are recognised as net income in the event of disposal of the foreign operation (sale, repayment of capital, liquidation, discontinuation of operations) or in the event of a deconsolidation due to a loss of control (even without sale) while accounting for the income from the disposal or loss of control.

1.4.5 Business combinations and goodwill

Business combinations are accounted for using the acquisition method in accordance with IFRS 3. On the date of acquisition, the identifiable assets, liabilities and contingent liabilities of the acquired entity which meet IFRS 3 conditions for recognition are recognised at their fair value. Notably, restructuring liabilities are only recognised as a liability of the acquired entity if, on the acquisition date, the entity is under an obligation to carry out the restructuring.

Earn-out clauses are recognised at fair value even if their application is not probable. Subsequent changes in the fair value of financial liability clauses are recognised in profit or loss. Only earn-out clauses for transactions where control was obtained at the latest by 31 December 2009 can still be recorded against goodwill, because these transactions were accounted for under IFRS 3 before the revision.

Non-controlling interests representing shares of current interests giving rights to a share of the net assets in the event of liquidation may be measured in one of two ways at the purchaser's choice:

- at fair value on the acquisition date;
- at the share of the identifiable assets and liabilities of the acquired company revalued at fair value.

The option may be exercised acquisition by acquisition.

The balance of non-controlling interests (equity instruments issued by the subsidiary and not held by the Group) must be recognised at fair value on the acquisition date.

In accordance with IFRS 3, the initial valuation of the assets, liabilities and contingent liabilities can be revised within a maximum of 12 months from the acquisition date.

The transferred counterparty at the time of a business combination (acquisition cost) is measured as the total of fair values transferred by the purchaser on the acquisition date in exchange for control of the acquired entity (for example: cash, equity instruments).

The costs directly attributable to the business combination in question must be recognised as expenses separately from the business combination. If there is a very strong possibility that the transaction will occur, they are recognised under the heading "Net gains or losses on other assets"; otherwise, they are recognised under "General operating expenses".

The difference between the sum of the acquisition cost and non-controlling interests and the net balance on the date of acquisition of acquired identifiable assets and liabilities taken over, valued at their fair value, is recognised and, when it is positive, on the assets side of the consolidated balance sheet under the heading "Goodwill" when the acquired entity is fully consolidated, and under the heading "Investments in equity-accounted entities" when the acquired company is consolidated using the equity method of accounting. Any negative change in the value of goodwill is recorded immediately in profit or loss.

Goodwill is carried on the balance sheet at its initial amount in the currency of the acquired entity and translated at the closing rate on the reporting date.

When control is taken by stages, the interest held before taking control is revalued at fair value through profit or loss on the acquisition date and the goodwill is calculated once, using the fair value at the date of acquisition of acquired assets and liabilities taken over.

In the event of an increase in Amundi's percentage of interest in an entity which it already exclusively controls, the difference between the acquisition cost and the share of net assets acquired is recognised under "Consolidated reserves, Group share". In the event that the Amundi percentage of ownership interest in an entity that remains under its exclusive control declines, the difference between the selling price and the carrying amount of the share of net assets sold is also recognised under "Consolidated reserves, Group share". The expenses arising from these transactions are recognised in equity.

1.4.6 Goodwill impairment

Goodwill is tested for impairment whenever there is objective evidence of a loss of value, and at least once a year. IAS 36 requires that impairment on goodwill be determined by reference to the recoverable value of the Cash-generating Unit (CGU) or CGU group to which it belongs.

Cash-generating Units are defined as the smallest identifiable group of assets and liabilities generating incoming cash independently of cash generated by other asset groups. Amundi's organisation is defined by a very high centralisation and interdisciplinary nature of the functions inherent to asset management. This centralisation and integration translate into the following organisational principles: an integrated management platform, cross-functional investment products and solutions, interlinked sales and key interdisciplinary functions. This organisation has resulted in the identification of a single CGU. Therefore, goodwill is tested at the Group level in accordance with the provisions of IAS 36.

The recoverable value of the CGU is defined as the higher of the market value and the value in use. The value in use is the present value of the estimated future cash flows of the CGU, as set out in medium-term business plans prepared by the Group for its management purposes.

When the recoverable amount is lower than the carrying amount, a corresponding impairment is recognised for the goodwill allocated to the CGU or CGU group. The impairment is irreversible.

Note 2 FINANCIAL MANAGEMENT, RISK EXPOSURE AND HEDGING POLICY

The description of these systems as well as analytical information are now provided in the Risk Analysis chapter of the management report, as permitted by IFRS 7. The accounting breakdown tables are nonetheless still included in the financial statements.

As a credit institution, Amundi is subject to French prudential regulations, which implement into French law the provisions of the EU Directive "Access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms". Amundi has managed its capital so as to satisfy the levels of regulatory capital defined in the EU Directive 2013/36 (CRD IV) and European Regulation 575/2013 (CRR) since 1 January 2014 and required by the relevant authorities, the European Central Bank and the Autorité de contrôle prudentiel et de résolution (ACPR) to cover risk-weighted assets in terms of credit risks, operational risks and market risks.

Regulatory capital, calculated on Amundi's scope of consolidation, breaks down into three categories: Common Equity Tier 1 capital (CET1), Additional Tier 1 capital (AT1) and Tier 2 capital (Tier 2) consisting of equity and debt instruments, to which various adjustments are made. Regulatory capital is obtained from accounting shareholders' equity. The adjustments made (prudential filters) mostly involve deducting goodwill and intangible assets (net of deferred taxes).

Amundi principally holds CET1 capital, consisting of share capital and undistributed reserves. As part of the financing of the Pioneer acquisition, Amundi issued Tier 2 capital in the amount of €300 million in 2017, maturing in 2027.

Amundi met all regulatory requirements in effect as of 31 December 2021, as it did in 2020.

Note 3 CONTRACTUAL MATURITY OF AMUNDI FINANCIAL ASSETS AND LIABILITIES

The contractual maturity of Amundi's financial assets and liabilities is as follows for the three financial years presented. The financial asset and liability balances are shown by contractual maturity date. Equities, funds and other variable-income securities do not have a contractual maturity and are shown in the "Indefinite" column.

The Group has a portfolio of money market investments and current accounts to meet its liquidity requirements.

(in € thousands)	31/12/2021 ≤ 3 months	> 3 months up to ≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Indefinite	Total
Financial assets held for trading	11,590	111,317	1,418,830	1,535,792	-	3,077,529
Financial assets at fair value through profit or loss	9,442	128,434	3,883,090	4,975,628	2,393,623	11,390,218
Hedging derivatives	-	-	904	402	-	1,306
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**21,032**	**239,751**	**5,302,824**	**6,511,823**	**2,393,623**	**14,469,053**
Debt instruments recognised at fair value through recyclable equity	-	91,047	365,648	76,025	-	532,720
Equity instruments recognised at fair value through non-recyclable equity	-	-	-	-	169,328	169,328
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY	**-**	**91,047**	**365,648**	**76,025**	**169,328**	**702,048**
Financial assets at amortised cost	1,743,271	109,092	23,052	124,935	-	2,000,350
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS	**1,743,271**	**109,092**	**23,052**	**124,935**	**-**	**2,000,350**
Financial liabilities held for trading	17,951	75,164	1,125,054	1,169,543	-	2,387,711
Financial liabilities at fair value through profit or loss as an option	5,275	136,018	3,860,395	5,692,271	-	9,693,959
Hedging derivatives	-	645	4,623	-	-	5,268
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**23,226**	**211,828**	**4,990,071**	**6,861,814**	**-**	**12,086,938**
Financial liabilities at amortised cost	794,511	269,331	750,000	-	-	1,813,842
TOTAL DUE TO CREDIT INSTITUTIONS	**794,511**	**269,331**	**750,000**	**-**	**-**	**1,813,842**
Subordinated debt	-	3,859	-	300,000	-	303,859
TOTAL SUBORDINATED DEBT	**-**	**3,859**	**-**	**300,000**	**-**	**303,859**

(in € thousands)	31/12/2020 ≤ 3 months	> 3 months up to ≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Indefinite	Total
Financial assets held for trading	15,646	368,160	1,603,011	1,103,371	-	3,090,188
Financial assets at fair value through profit or loss	26,301	153,034	3,963,648	5,530,021	3,758,954	13,431,959
Hedging derivatives	-	-	-	27	-	27
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**41,947**	**521,194**	**5,566,659**	**6,633,420**	**3,758,954**	**16,522,174**
Debt instruments recognised at fair value through recyclable equity	0	3,118	433,001	30,608	-	466,727
Equity instruments recognised at fair value through non-recyclable equity	-	-	-	-	140,649	140,649
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY	**0**	**3,118**	**433,001**	**30,608**	**140,649**	**607,376**
Financial assets at amortised cost	2,315,555	79,477	34,284	-	-	2,429,316
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS	**2,315,555**	**79,477**	**34,284**	**-**	**-**	**2,429,316**
Financial liabilities held for trading	29,662	366,437	1,312,845	900,114	-	2,609,057
Financial liabilities at fair value through profit or loss as an option	12,626	191,397	4,235,906	5,646,288		10,086,216
Hedging derivatives	-	-	10,060	0	-	10,060
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**48,416**	**556,963**	**5,555,691**	**6,544,264**	**-**	**12,705,333**
Financial liabilities at amortised cost	738,986	959,809	1,269,000	-	-	2,967,795
TOTAL DUE TO CREDIT INSTITUTIONS	**738,986**	**959,809**	**1,269,000**	**-**	**-**	**2,967,795**
Subordinated debt	-	3,859	-	300,000	-	303,859
TOTAL SUBORDINATED DEBT	**-**	**3,859**	**-**	**300,000**	**-**	**303,859**

Note 4 NOTES ON NET INCOME AND GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY

4.1 Net asset management revenue

The break-down of commissions and fees is as follows:

(in € thousands)	2021	2020
Net fees	2,784,709	2,433,885
Performance fees	426,520	199,944
TOTAL NET MANAGEMENT REVENUES	**3,211,228**	**2,633,829**

The analysis of net asset management revenue by client segment is presented in note 9.1.

4.2 Net financial income

(in € thousands)	2021	2020
Interest income	20,260	14,854
Interest expense	(51,093)	(50,369)
NET INTEREST MARGIN	(30,833)	(35,515)
Dividends received	3,429	1,968
Gains or losses, unrealised or realised, on assets/liabilities at fair value by type through profit or loss	35,820	(21,952)
Gains or losses, unrealised or realised, on assets/liabilities at fair value through profit or loss by option	(10,636)	10,000
Net gains (losses) on currency and similar financial instrument transactions	(4,886)	2,231
NET GAINS OR LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	23,727	(7,753)
Net gains or losses on debt instruments recognised in recyclable equity	-	(8)
Compensation of equity instruments recognised in non-recyclable equity (dividends)	8,403	6,827
NET GAINS OR LOSSES ON FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY	8,403	6,819
TOTAL NET FINANCIAL INCOME	**1,297**	**(36,449)**

Analysis of net gains (losses) from hedge accounting:

	2021			2020		
(in € thousands)	Profits	Losses	Net	Profits	Losses	Net
FAIR VALUE HEDGES						
Changes in fair value of hedged items attributable to hedged risks	(3,816)	(1,063)	(4,879)	1,238	358	1,596
Change in fair value of hedging derivatives (including termination of hedges)	769	4,110	4,879	(905)	(690)	(1,595)
TOTAL GAINS (LOSSES) FROM HEDGE ACCOUNTING	**(3,047)**	**3,047**	**-**	**333**	**(332)**	**1**

4.3 Other net income

(in € thousands)	2021	2020
Other net income (expenses) from banking operations	(88,532)	(93,095)
Other net income (expenses) from non-banking operations	12,051	16,910
TOTAL OTHER NET INCOME (EXPENSES)	**(76,481)**	**(76,185)**

Other net income includes revenue from non-Group entities generated by the Amundi subsidiary that provides IT services primarily to members of the Group, along with the amortisation expense of intangible assets (distribution agreements) acquired as part of business combinations for €68,171,000 at 31 December 2021 and €74,268,000 at 31 December 2020.

4.4 General operating expenses

(in € thousands)	2021	2020
Employee expenses (including seconded and temporary personnel)	(1,045,770)	(896,845)
Other operating expenses	(504,407)	(443,990)
Of which, external services related to personnel and similar expenses	*(6,124)*	*(5,805)*
TOTAL GENERAL OPERATING EXPENSES	**(1,550,177)**	**(1,340,835)**

The details regarding employee expenses are presented in note 6.2.

Other operating costs include allowances for depreciation and amortisation of tangible and intangible assets as follows:

(in € thousands)	2021	2020
DEPRECIATION AND AMORTISATION PROVISIONS	(80,652)	(77,483)
Property, plant and equipment	(64,830)	(65,417)
Intangible assets	(15,822)	(12,066)
PROVISIONS FOR DEPRECIATION AND AMORTISATION		
Property, plant and equipment		
Intangible assets		
TOTAL PROVISIONS FOR DEPRECIATION AND AMORTISATION OF TANGIBLE AND INTANGIBLE ASSETS	**(80,652)**	**(77,483)**

4.5 Cost of risk

(in € thousands)	2021	2020
CREDIT RISK		
Provisions net of impairment reversals on performing assets (Buckets 1 and 2)	**14,229**	**1,322**
Bucket 1: Losses assessed by expected credit losses for the next 12 months	***97***	***1,322***
Debt instruments recognised at fair value through recyclable equity	(171)	102
Debt instruments recognised at amortised cost	134	1,275
Commitments made	134	(55)
Bucket 2: Losses assessed by expected credit losses for the lifetime	***14,132***	**-**
Debt instruments recognised at fair value through recyclable equity		-
Debt instruments recognised at amortised cost		-
Commitments made	14,132	-
Provisions net of impairment reversals on impaired assets (Bucket 3)	**1,145**	**(7,838)**
Bucket 3: Impaired assets		
Debt instruments recognised at fair value through recyclable equity		-
Commitments made	1,145	(7,838)
CHANGE IN PROVISIONS FOR CREDIT RISK	15,374	(6,516)
CHANGE IN PROVISIONS FOR OTHER RISKS AND EXPENSES(1)	(10,930)	(12,236)
OTHER NET GAINS (LOSSES)(2)	(16,588)	(4,082)
TOTAL COST OF RISK	**(12,144)**	**(22,834)**

(1) *This item includes the effects of provisions for litigation and provisions for regulatory non-compliance risks.*
(2) *This item incorporates net gains or losses from business activities, including certain expenses related to operational risk that fall within this category.*

Value adjustments for losses corresponding to provisions for off-balance sheet commitments and recognised under cost of risk (for credit risk) are shown below:

	Performing commitments								
	Commitments given with a 12-month ECL (Bucket 1)		Commitments given with an ECL at maturity (Bucket 2)		Impaired commitments (Bucket 3)		Total		
(in € thousands)	**Amount of commitment**	**Value adjustment for losses**	**Amount of commitment**	**Value adjustment for losses**	**Amount of commitment**	**Value adjustment for losses**	**Amount of commitment (a)**	**Value adjustment for losses (b)**	**Net amount of commitment (a) + (b)**
AS OF 1 JANUARY 2021[1]	**16,081,212**	**(394)**	**2,052,215**	**(23,446)**	**108,380**	**(7,552)**	**18,241,808**	**(31,392)**	**18,210,416**
Transfers of life commitments from one Bucket to another	(31,414)	-	(856,502)	9,103	887,916	(9,731)	-	(628)	
Transfer of 12-month ECL (Bucket 1) to ECL at maturity (Bucket 2)	(31,414)	-	31,414	(628)			-	(628)	
Return of ECL at maturity (Bucket 2) to 12-month ECL (Bucket 1)							-	-	
Transfers to impaired ECL at maturity (Bucket 3)			(887,916)	9,731	887,916	(9,731)	-	-	
Return of impaired ECL at maturity (Bucket 3) to ECL at maturity (Bucket 2)/12-month ECL (Bucket 1)		-			-		-	-	
TOTAL AFTER TRANSFER	**16,049,798**	**(394)**	**1,195,713**	**(14,343)**	**996,296**	**(17,283)**	**18,241,808**	**(32,020)**	**18,209,788**
Changes in commitment amounts and value adjustments for losses	344,052	134	44,227	5,028	(369,380)	14,819	18,899	19,982	
New commitments given							-	-	
Suppression of commitments		-			(387,744)	7,556	(387,744)	7,556	
Transfer to loss					(3,836)	3,836	(3,836)	3,836	
Changes in flows that do not result in derecognition							-	-	
Changes in credit risk parameters over the period		134		5,028		3,427	-	8,589	
Change in model/ methodology							-	-	
Other	344,052		44,227		22,201		410,480	-	
AT 31 DECEMBER 2021	**16,393,850**	**(260)**	**1,239,940**	**(9,314)**	**626,916**	**(2,464)**	**18,260,707**	**(12,038)**	**18,248,669**

(1) Breakdown adjusted compared to the financial statements published at the end of December 2020 following revision of the estimates used to classify the guarantees granted to funds between the various Buckets.

Provisions for off-balance sheet commitments act as provisions granted by Amundi within the context of fund guarantees.

4.6 Net gains or losses on other assets

(in € thousands)	2021	2020
Gains on disposals of tangible and intangible assets	179	66
Losses on disposals of tangible and intangible assets	(323)	(38)
Income from sales of consolidated participating interests		
Net income from business combination operations		
TOTAL NET GAINS (LOSSES) ON OTHER ASSETS	**(145)**	**28**

4.7 Income tax

(in € thousands)	2021	2020
Current tax charge	(451,659)	(316,990)
Deferred tax income (charge)	159,862	423
TOTAL TAX EXPENSE FOR THE PERIOD	**(291,797)**	**(316,567)**

As of 31 December 2021, the tax charge incorporated a positive impact (net of substitution fees) of €114.4 million as a result of applying the *"Affrancamento"* tax mechanism in respect of the Italian subsidiary Amundi SGR under the Italian Budget Law for 2021.

Reconciliation between the theoretical and effective tax rates:

	2021		2020	
(in € thousands)	Rate	Base	Rate	Base
Pre-tax income, and income from equity-accounted entities		1,573,578		1,157,554
THEORETICAL TAX RATE AND EXPENSE	**28.41%**	**(447,054)**	**32.02%**	**(370,649)**
Effect of permanent differences	0.71 pts	(11,141)	0.68 pts	(7,845)
Effect of different tax rates on foreign entities	(3.00 pts)	47,227	(4.59 pts)	53,087
Effect of losses for the year, the utilisation of losses carried forward and temporary differences and other items	0.01 pts	(186)	0.13 pts	(1,527)
Effect of taxation at a lower rate	(0.59 pts)	9,258	(0.88 pts)	10,136
Effect of other items	(7.00 pts)	110,099	(0.02 pts)	230
EFFECTIVE TAX RATES AND EXPENSES	**18.54%**	**(291,797)**	**27.35%**	**(316,567)**

4.8 Change in gains and losses recognised directly in equity

Net gains and losses recognised directly in equity for the 2021 financial year are detailed below:

(in € thousands) – **Recyclable gains and losses**	**2021**	**2020**
GAINS AND LOSSES ON TRANSLATION	75,079	(70,181)
Revaluation adjustment for the period	75,079	(70,181)
Reclassified to profit or loss		
Other reclassifications		
GAINS AND LOSSES ON DEBT INSTRUMENTS RECOGNISED UNDER RECYCLABLE EQUITY	1,186	(226)
Revaluation adjustment for the period	1,186	(235)
Reclassified to profit or loss		8
Other reclassifications		-
GAINS AND LOSSES ON HEDGING DERIVATIVES	-	-
Revaluation adjustment for the period	-	-
Reclassified to profit or loss	-	-
Other reclassifications	-	-
PRE-TAX GAINS AND LOSSES RECOGNISED DIRECTLY IN RECYCLABLE EQUITY OF EQUITY-ACCOUNTED ENTITIES	26,899	(18,368)
TAX ON GAINS AND LOSSES RECOGNISED DIRECTLY IN RECYCLABLE EQUITY, EXCLUDING EQUITY-ACCOUNTED ENTITIES	(331)	41
TAX ON GAINS AND LOSSES RECOGNISED DIRECTLY IN RECYCLABLE EQUITY OF EQUITY-ACCOUNTED ENTITIES	-	-
TOTAL NET GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY AND RECYCLABLE AS INCOME AT A LATER DATE	**102,833**	**(88,734)**

(in € thousands) – **Non-recyclable gains and losses**	**2021**	**2020**
ACTUARIAL GAINS AND LOSSES ON POST-EMPLOYMENT BENEFITS	11,207	(11,677)
GAINS AND LOSSES ON EQUITY INSTRUMENTS RECOGNISED IN NON-RECYCLABLE EQUITY	27,797	(53,501)
Revaluation adjustment for the period	27,797	(57,686)
Reclassified to reserves		4,185
Other reclassifications		
PRE-TAX GAINS AND LOSSES RECOGNISED DIRECTLY IN NON-RECYCLABLE EQUITY OF EQUITY-ACCOUNTED ENTITIES		
Tax on gains and losses recognised directly in non-recyclable equity excluding equity-accounted entities	(3,452)	3,460
Tax on gains and losses recognised directly in non-recyclable equity on equity-accounted entities		
TOTAL NET GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY AND NON-RECYCLABLE AS INCOME AT A LATER DATE	**35,554**	**(61,718)**
TOTAL NET GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY	**138,387**	**(150,453)**
Of which, Group share	132,485	(149,617)
Of which, non-controlling interests	5,902	(837)

Details of the tax effect on gains and losses recognised directly in equity are shown below:

	31/12/2020				2021 change				31/12/2021			
(in € thousands)	**Gross**	**Tax**	**Net tax**	**Net Group share**	**Gross**	**Tax**	**Net tax**	**Net Group share**	**Gross**	**Tax**	**Net tax**	**Net Group share**
NET GAINS AND LOSSES RECOGNISED DIRECTLY IN RECYCLABLE EQUITY												
Gains and losses on translation	(52,066)	-	(52,066)	(51,239)	75,079	-	75,079	69,172	23,013	-	23,013	17,933
Gains and losses on debt instruments recognised under recyclable equity	(928)	264	(664)	(664)	1,186	(331)	855	855	258	(67)	191	191
Gains and losses on hedging derivatives												
NET GAINS AND LOSSES RECOGNISED DIRECTLY IN RECYCLABLE EQUITY EXCLUDING EQUITY-ACCOUNTED ENTITIES	**(52,994)**	**264**	**(52,730)**	**(51,903)**	**76,265**	**(331)**	**75,934**	**70,027**	**23,271**	**(67)**	**23,204**	**18,124**
Net gains and losses recognised directly in recyclable equity of equity-accounted entities	(27,191)	-	(27,191)	(27,191)	26,899		26,899	26,899	(291)	-	(291)	(291)
NET GAINS AND LOSSES RECOGNISED DIRECTLY IN RECYCLABLE EQUITY	**(80,185)**	**264**	**(79,922)**	**(79,094)**	**103,164**	**(331)**	**102,833**	**96,926**	**22,979**	**(67)**	**22,911**	**17,833**
GAINS AND LOSSES RECOGNISED DIRECTLY IN NON-RECYCLABLE EQUITY												
Actuarial gains and losses on post-employment benefits	(37,154)	10,401	(26,751)	(26,692)	11,207	(3,452)	7,756	7,760	(25,947)	6,950	(18,995)	(18,932)
Gains and losses on equity instruments recognised in non-recyclable equity	(89,852)	-	(89,852)	(89,852)	27,797		27,797	27,797	(62,055)	-	(62,055)	(62,055)
GAINS AND LOSSES RECOGNISED DIRECTLY IN NON-RECYCLABLE EQUITY EXCLUDING EQUITY-ACCOUNTED ENTITIES	**(127,006)**	**10,401**	**(116,603)**	**(116,545)**	**39,004**	**(3,452)**	**35,554**	**35,558**	**(88,002)**	**6,950**	**(81,050)**	**(80,987)**
Gains and losses recognised directly in non-recyclable equity of equity-accounted entities	-	-	-	-					-	-	-	-
GAINS AND LOSSES RECOGNISED DIRECTLY IN NON-RECYCLABLE EQUITY	**(127,006)**	**10,401**	**(116,603)**	**(116,545)**	**39,004**	**(3,452)**	**35,554**	**35,558**	**(88,002)**	**6,950**	**(81,050)**	**(80,987)**
TOTAL GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY	**(207,191)**	**10,665**	**(196,525)**	**(195,639)**	**142,168**	**(3,783)**	**138,387**	**132,485**	**(65,023)**	**6,883**	**(58,139)**	**(63,154)**

Note 5 NOTES ON THE BALANCE SHEET

5.1 Cash and central banks

(in € thousands)	31/12/2021	31/12/2020
Cash	22	35
Central banks	947,639	-
TOTAL CASH AND CENTRAL BANKS	**947,661**	**35**

5.2 Financial assets at fair value through profit or loss

(in € thousands)	31/12/2021	31/12/2020
Financial assets held for trading	3,077,529	3,090,188
Hedging derivatives	1,306	27
Equity instruments at fair value through profit or loss	573,730	599,266
Debt instruments at fair value through profit or loss by type	2,281,772	3,652,142
Financial assets at fair value through profit or loss as an option	8,534,716	9,180,551
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**14,469,053**	**16,522,174**

5.2.1 Financial assets held for trading

(in € thousands)	31/12/2021	31/12/2020
Derivative trading instruments	3,077,529	3,090,188
of which interest rate swaps	48,106	105,013
of which, stock and index swaps	3,027,575	2,983,217
TOTAL FINANCIAL ASSETS HELD FOR TRADING	**3,077,529**	**3,090,188**

This section includes the fair value of derivatives contracted by Amundi as part of its intermediation business: derivatives contracted with funds and executed with market counterparties.

5.2.2 Assets – hedging derivatives

	31/12/2021			31/12/2020		
	Market value		Amount of notional value	Market value		Amount of notional value
(in € thousands)	Positive	Negative		Positive	Negative	
Fair-value hedging						
Interest rate risk	1,306	5,268	511,000	27	10,060	436,000

This heading refers to the hedges on Treasury Bills (OATs) held by Amundi as collateral under the EMIR Regulation.

5.2.3 Other financial assets at fair value through profit or loss

(in € thousands)	**31/12/2021**	**31/12/2020**
Equity instruments at fair value through profit or loss	**573,730**	**599,266**
Equities and other variable-income securities	461,879	492,454
Non-consolidated equity securities	111,851	106,812
Debt instruments at fair value through profit or loss	**2,281,772**	**3,652,142**
Funds (that do not meet SPPI criteria)	2,281,772	3,652,142
Treasury bills and similar securities	-	-
Financial assets at fair value through profit or loss as an option	**8,534,716**	**9,180,551**
Loans and receivables due from credit institutions	5,491,528	5,512,181
Bonds and other fixed-income securities	3,043,188	3,668,370
Treasury bills and similar securities	-	-
TOTAL OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**11,390,218**	**13,431,959**

Under this heading Amundi recognises the fair value of seed money, short-term cash investments and hedging assets for EMTN issues (see note 5.3.3).

5.3 Financial liabilities at fair value through profit or loss

(in € thousands)	**31/12/2021**	**31/12/2020**
Financial liabilities held for trading	2,387,711	2,609,057
Hedging derivatives	5,268	10,060
Financial liabilities at fair value through profit or loss as an option	9,693,959	10,086,216
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**12,086,938**	**12,705,333**

5.3.1 Liabilities held for trading

(in € thousands)	**31/12/2021**	**31/12/2020**
Derivative trading instruments	2,387,711	2,609,057
of which interest rate swaps	14,606	41,302
of which, stock and index swaps	2,368,395	2,561,555
TOTAL FINANCIAL LIABILITIES HELD FOR TRADING	**2,387,711**	**2,609,057**

This section includes the fair value of derivatives contracted by Amundi as part of its intermediation business: derivatives contracted with funds and executed with market counterparties.

5.3.2 Liabilities – hedging derivatives

See note 5.2.2. Assets – hedging derivatives.

5.3.3 Financial liabilities at fair value through profit or loss as an option

(in € thousands)	**31/12/2021**	**31/12/2020**
Debt securities	9,693,959	10,086,216
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS S AN OPTION	**9,693,959**	**10,086,216**

This section records the securities issued by EMTN issuance vehicles for clients. The nominal value of these issues was €8,878,017,000 as of 31 December 2021 and €9,460,838,000 as of 31 December 2020.

5.4 Information on the netting of financial assets and liabilities

5.4.1 Netting – Financial assets

(in € thousands) Type of transaction	Gross amount of assets recognised before any netting effect (a)	Gross amount of liabilities actually netted (b)	Net amount of financial assets shown in the summary statements (c) = (a) - (b)	Other amounts that can be netted under given conditions: Gross amount of financial liabilities covered by master netting agreement (d)	Other amounts that can be netted under given conditions: Amounts of other financial instruments received as collateral, including security deposits (d)	Net amount after all of the netting effects (e) = (c) - (d)
31/12/2021						
Derivatives	3,076,987	-	3,076,987	2,151,355	602,894	322,738
FINANCIAL ASSETS SUBJECT TO NETTING	**3,076,987**	**-**	**3,076,987**	**2,151,355**	**602,894**	**322,738**
31/12/2020						
Derivatives	3,088,422	-	3,088,422	2,230,081	544,479	313,862
FINANCIAL ASSETS SUBJECT TO NETTING	**3,088,422**	**-**	**3,088,422**	**2,230,081**	**544,479**	**313,862**

The gross amounts of the derivatives presented in the statements exclude adjustments for counterparty risks, namely, Credit Valuation Adjustment (CVA) and Debit Valuation Adjustment (DVA).

5.4.2 Netting – Financial liabilities

(in € thousands) Type of transaction	Gross amount of liabilities recognised before any netting effect (a)	Gross amount of assets actually netted (b)	Net amount of financial liabilities shown in the summary statements (c) = (a) - (b)	Other amounts that can be netted under given conditions: Gross amount of financial assets covered by master netting agreement (d)	Other amounts that can be netted under given conditions: Amounts of other financial instruments given as collateral, including security deposits (d)	Net amount after all of the netting effects (e) = (c) - (d)
31/12/2021						
Derivatives	2,388,629	-	2,388,629	2,151,355	159,939	77,335
FINANCIAL LIABILITIES SUBJECT TO NETTING	**2,388,629**	**-**	**2,388,629**	**2,151,355**	**159,939**	**77,335**
31/12/2020						
Derivatives	2,612,918	-	2,612,918	2,230,081	193,391	189,446
FINANCIAL LIABILITIES SUBJECT TO NETTING	**2,612,918**	**-**	**2,612,918**	**2,230,081**	**193,391**	**189,446**

The gross amounts of the derivatives presented in the statements exclude adjustments for counterparty risks, Credit Valuation Adjustment (CVA) and Debit Valuation Adjustment (DVA).

5.5 Financial assets at fair value through equity

(in € thousands)	31/12/2021			31/12/2020		
	Balance sheet value	**Unrealised gains**	**Unrealised losses**	**Balance sheet value**	**Unrealised gains**	**Unrealised losses**
Debt instruments recognised at fair value through recyclable equity	**532,720**	**264**	**(6)**	**466,727**	**-**	**(928)**
Treasury bills and similar securities	532,720	264	(6)	466,727	-	(928)
Equity instruments recognised at fair value through non-recyclable equity	**169,328**	**2,895**	**(64,950)**	**140,649**	**-**	**(89,852)**
Non-consolidated equity securities	169,328	2,895	(64,950)	140,649	-	(89,852)
FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY	**702,048**	**3,159**	**(64,956)**	**607,376**	**-**	**(90,780)**

5.6 Financial assets at amortised cost

(in € thousands)	**31/12/2021**	**31/12/2020**
Current accounts and overnight loans	1,596,698	1,902,974
Accounts and term deposits	276,667	523,966
Debt securities	124,935	-
Accrued interest	2,050	2,376
TOTAL FINANCIAL ASSETS AT AMORTISED COST (NET VALUE)	**2,000,350**	**2,429,316**

“Financial assets at amortised cost” are loans and receivables due from credit institutions primarily granted to Crédit Agricole Group. During the 2021 financial year, the Amundi Group subscribed to €125.0 million in subordinated securities issued by Crelan (Belgian bank), with a 10-year maturity.

As of 31 December 2021, the value adjustments for credit risk amounted to €83,000 compared with €86,000 as of 31 December 2020.

5.7 Financial liabilities at amortised cost

(in € thousands)	**31/12/2021**	**31/12/2020**
Accounts and term deposits	1,775,617	2,918,868
Accrued interest	481	870
Current accounts	37,744	48,057
TOTAL FINANCIAL LIABILITIES AT AMORTISED COST	**1,813,842**	**2,967,795**

The main counterparty in respect of “financial liabilities at amortised cost” is the Crédit Agricole Group.

5.8 Subordinated debt

(in € thousands)	**31/12/2021**	**31/12/2020**
Fixed-term subordinated debt	303,859	303,859
TOTAL SUBORDINATED DEBT	**303,859**	**303,859**

The Crédit Agricole Group is the counterparty to “subordinated debt”.

5.9 Current and deferred tax assets and liabilities

(in € thousands)	31/12/2021	31/12/2020
Current tax receivables	43,868	45,544
Deferred tax assets	274,691	131,904
TOTAL CURRENT AND DEFERRED TAX ASSETS	**318,559**	**177,448**
Current tax liabilities	214,624	106,914
Deferred tax liabilities	129,659	128,022
TOTAL CURRENT AND DEFERRED TAX LIABILITIES	**344,282**	**234,936**

As of 31 December 2021, the value of deferred tax assets relating to the tax loss carryforwards recognised in the financial statements totalled €4,764 thousand.

5.10 Accruals and sundry assets and liabilities

5.10.1 Accruals and sundry assets

(in € thousands)	31/12/2021	31/12/2020
Miscellaneous debtors (including collateral paid)	1,248,852	1,119,538
Accrued income	600,289	528,676
Prepaid expenses	426,541	273,103
ASSETS – TOTAL ACCRUALS AND SUNDRY ASSETS	**2,275,682**	**1,921,317**

Accruals and sundry assets include management and performance fees due and the collateral paid for derivatives contracts. This collateral (recorded under Miscellaneous debtors) was recorded in balance sheet assets in the amount of €219,007 thousand as of 31 December 2021 and €250,557 thousand as of 31 December 2020.

5.10.2 Accruals, deferred income and sundry liabilities

(in € thousands)	31/12/2021	31/12/2020
Miscellaneous creditors (including collateral received)	1,643,254	1,409,924
Accrued expenses	1,241,612	899,970
Prepaid income	4,582	6,044
IFRS 16 Lease liabilities	358,232	367,401
Other accruals	68,612	78,815
LIABILITIES – TOTAL ACCRUAL ACCOUNTS AND SUNDRY LIABILITIES	**3,316,292**	**2,762,154**

Accruals, deferred income and sundry liabilities include bonus debts, retrocessions payable to distributors and collateral received for derivatives contracts. This collateral (recorded under Miscellaneous creditors) was recorded in balance sheet liabilities in the amount of €661,570 thousand as of 31 December 2021 and €650,676 thousand as of 31 December 2020.

5.11 Joint ventures and associates

(in € thousands)	31/12/2021	31/12/2020
Joint ventures	-	-
Associates	385,010	294,782
ASSETS – INVESTMENTS IN EQUITY-ACCOUNTED ENTITIES	**385,010**	**294,782**

(in € thousands)	31/12/2021	31/12/2020
Joint ventures	-	4,384
Associates	84,278	61,603
INCOME STATEMENT – SHARE OF NET INCOME OF EQUITY-ACCOUNTED ENTITIES	**84,278**	**65,987**

5.11.1 Joint ventures

As of 31 December 2021, Amundi had no stake in any joint ventures.

5.11.2 Associates

As of 31 December 2021, the equity-accounted value of associates was €385,010,000 and €294,782,000 as of 31 December 2020.

Amundi has holdings in four associates. The holdings in equity-accounted companies are presented in the table below:

	31/12/2021			31/12/2020		
(in € thousands)	**Equity-accounted value**	**Dividends paid to Group entities**	**Share of net income**	**Equity-accounted value**	**Dividends paid to Group entities**	**Share of net income**
NH-Amundi Asset Management	25,419	3,372	5,573	23,737	3,905	4,416
State Bank of India Fund Management (SBI FM)	174,164	5,845	46,941	123,283	5,927	32,484
ABC-CA	180,498	8,773	28,463	143,392	-	16,092
Wafa Gestion	4,928	2,583	3,301	4,372	2,272	2,589
NET CARRYING AMOUNT OF SHARES IN EQUITY-ACCOUNTED COMPANIES (ASSOCIATES)	**385,010**	**20,573**	**84,278**	**294,782**		**55,581**

The summarised financial information relating to Amundi's significant associates is presented below:

	31/12/2021				31/12/2020			
(in € thousands)	**NBI**	**Net income**	**Total assets**	**Equity**	**NBI**	**Net income**	**Total assets**	**Equity**
NH-Amundi Asset Management	51,416	18,578	100,888	84,730	41,476	14,720	93,254	79,123
State Bank of India Fund Management (SBI FM)	217,803	122,778	433,398	403,846	170,415	87,795	300,972	274,103
ABC-CA	219,563	85,389	616,057	541,494	98,306	48,281	512,446	430,218
Wafa Gestion	31,916	9,708	40,526	14,495	16,985	7,616	33,821	12,857

5.12 Property, plant and equipment and intangible assets

5.12.1 Property, plant and equipment used in operations

(in € thousands)	31/12/2020	01/01/2021	Change in scope	Increase	Decrease	Translation differences	Other movements	31/12/2021
Gross value	669,195		1,305	52,362	(12,590)	8,686	(2,508)	716,450
of which property rights of use	441,790		968	36,031	(8,632)	5,455	(2,469)	473,143
Depreciation, amortisation and provisions	(259,544)		(117)	(64,830)	7,808	(2,448)	(6)	(319,137)
including dep./amort. of property rights of use	(86,970)			(47,591)	4,307	(1,361)	(6)	(131,620)
NET PROPERTY, PLANT AND EQUIPMENT	**409,651**	**-**	**1,188**	**(12,468)**	**(4,782)**	**6,237**	**(2,514)**	**397,312**

(in € thousands)	31/12/2019	01/01/2020	Change in scope	Increase	Decrease	Translation differences	Other movements	31/12/2020
Gross value	420,148	-	-	192,809	(16,546)	(7,909)	80,694	669,195
of which property rights of use	208,977	-	-	163,550	(7,275)	(4,941)	81,478	441,790
Depreciation, amortisation and provisions	(213,933)	-	-	(65,414)	16,175	2,277	1,351	(259,544)
including dep./amort. of property rights of use	(47,304)	-	-	(48,199)	7,169	1,000	365	(86,970)
NET PROPERTY, PLANT AND EQUIPMENT	**206,215**	**-**	**-**	**127,394**	**(372)**	**(5,632)**	**82,045**	**409,651**

5.12.2 Intangible assets used in operations

(in € thousands)	31/12/2020	01/01/2021	Change in scope	Increase	Decrease	Translation differences	Other movements	31/12/2021
Gross value	1,151,859		46,400	26,755	(211,003)	1,763	39	1,015,812
Depreciation, amortisation and provisions	(621,402)		-	(85,121)	210,688	(1,200)	-	(497,036)
NET INTANGIBLE ASSETS	**530,457**		**46,400**	**(58,367)**	**(315)**	**562**	**39**	**518,776**

(in € thousands)	31/12/2019	01/01/2020	Change in scope	Increase	Decrease	Translation differences	Other movements	31/12/2020
Gross value	1,114,788		108,000	25,408	(95,957)	(1,336)	956	1,151,859
Depreciation, amortisation and provisions	(629,690)			(87,490)	95,941	743	(906)	(621,402)
NET INTANGIBLE ASSETS	**485,098**		**108,000**	**(62,082)**	**(16)**	**(593)**	**50**	**530,457**

Intangible assets consist primarily of:

- distribution contracts with partner networks acquired through business combinations and amortised over a maximum period of 10 years;
- software acquired or developed in-house.

5.13 Goodwill

Goodwill totalled €6,730.6 million as of 31 December 2021 compared to €5,995.6 million as of 31 December 2020. The change over the financial year was mainly due to the acquisition of Lyxor, resulting in goodwill of €652.1 million, and exchange rate fluctuations during the period.

The goodwill consists of the following other main items:

- €377.9 million of goodwill recognised upon the transfer by Crédit Agricole Indosuez of its asset management business in December 2003;
- goodwill recognised in 2004 at the time of Crédit Agricole S.A.'s acquisition of Crédit Lyonnais for €1,732.8 million;
- goodwill related to the transfer of Société Générale's asset management business in December 2009 for €707.8 million;
- goodwill recognised in 2015 at the time of the acquisition of Amundi Austria for €78.4 million;
- the goodwill recognised in 2016 following the acquisitions of KBI Global Investors and Crédit Agricole Immobilier Investors for a total of €159.9 million;
- goodwill recognised in 2017 following the acquisition of Pioneer Investments for a total of €2,537.3 million;
- goodwill recognised in 2020 following the acquisition of Sabadell AM for a total of €335.0 million.

Goodwill is tested for impairment based on the Group's value in use. Determination of the value in use is based on the present value of estimated future cash flows of the Group as set out in the medium-term business plans prepared by the Group for management purposes.

The impairment test conducted on 31 December 2021 was carried out using results forecasts for the 2021-2023 period. The results forecasts were primarily based on the following assumptions about the economic environment:

- on the equity markets, stability compared with the level seen at the end of November 2021;
- on the interest-rate markets, rising long-term rates (which are going back into positive territory from 2022), despite remaining low for the duration of the plan, and short-term rates remaining negative.

Amundi used a perpetual growth rate of 2% for the tests as of 31 December 2021 and 2020 and a discount rate of 8.1% for the test as of 31 December 2021 (compared to 8.0% for the tests as of 31 December 2020).

A change in these assumptions (+/-50 basis points in the discount rate and +/-50 basis points in the perpetual growth rate) would not change the conclusions of the impairment test as of 31 December 2021.

5.14 Provisions

(in € thousands)	**01/01/2021**	**Change in scope**	**Increases**	**Decr. and reversals not used**	**Reversals used**	**Translation differences**	**Other movements**	**31/12/2021**
Provisions for risk on commitments made	31,522			(3,943)	(15,411)		(130)	12,038
Provisions for operational risks	568		181	(158)	(171)			421
Provisions for employee expenses[1]	91,258	10,265	12,937	(8,361)	(1,758)	(25)	(26,872)	77,441
Provisions for litigation	10,128		1,809	(846)	(2,950)			8,141
Provisions for other risks	31,885		25,236	(23,193)	(6,120)	1		27,809
PROVISIONS	**165,361**	**10,265**	**40,163**	**(36,501)**	**(26,410)**	**(24)**	**(27,002)**	**125,851**

(1) Other movements included an impact of -€15.8 million relating to the change in the accounting method used to estimate post-employment benefits (see section 1.1, "Applicable standards and comparability"). The remainder of the variation was linked to the actuarial gains and losses recorded during the financial year.

(in € thousands)	**01/01/2020**	**Change in scope**	**Increases**	**Decr. and reversals not used**	**Reversals used**	**Translation differences**	**Other movements**	**31/12/2020**
Provisions for risk on commitments made	25,061		7,892	-	(1,431)			31,522
Provisions for operational risks	1,302		530	(957)	(307)			568
Provisions for employee expenses	101,998		15,924	(6,277)	(32,005)	(67)	11,685	91,258
Provisions for litigation	7,083		4,020	(940)	(35)			10,128
Provisions for other risks	23,278		15,364	(2,239)	(4,518)			31,885
PROVISIONS	**158,722**	**-**	**43,730**	**(10,413)**	**(38,296)**	**(67)**	**11,685**	**165,361**

As of 31 December 2021, disputes and other risks have a foreseeable expiry of less than two years.

The provisions for employee expenses include provision for severance payments (see note 6.4).

5.15 Equity

5.15.1 Composition of the share capital

As of 31 December 2021, the allocation of share capital and voting rights was as follows:

Shareholders	Number of securities	% of share capital	% of voting rights
Crédit Agricole S.A.	137,606,742	67.76%	67.85%
Other Crédit Agricole Group companies	3,450,657	1.70%	1.70%
Employees	1,527,064	0.75%	0.75%
Treasury stock	255,745	0.13%	-
Free float	60,234,443	29.66%	29.70%
TOTAL SECURITIES	**203,074,651**	**100.00%**	**100.00%**

In the 2021 financial year there was an increase in capital reserved for Amundi employees which led to the issue of 488,698 shares (see section “Period highlights”).

5.15.2 Dividends paid

In 2021, in accordance with the decision of the General Meeting of 10 May 2021, it was decided to pay a dividend of €2.90 per share in respect of each of the 202,585,953 shares that qualified for the dividend on that date.

(in € thousands)	For the 2020 financial year	For the 2019 financial year
Crédit Agricole S.A.	399,060	-
Other Crédit Agricole Group companies	10,007	-
Employees	3,311	-
Free float	173,260	-
TOTAL DIVIDENDS	**585,637**	**-**

5.15.3 Calculation of earnings per share

	31/12/2021	31/12/2020
Net income – Group share for the period *(in thousands of euros)*	1,369,450	909,800
Average weighted number of ordinary shares outstanding during the period	202,793,482	202,215,270
BASIC EARNINGS PER SHARE *(in euros)*	**6.75**	**4.50**

The basic earnings per share and diluted earnings per share are identical, as the conditions for issuing potentially dilutive performance shares had not been met at the end of the financial year.

Note 6 EMPLOYEE BENEFITS AND OTHER COMPENSATION

6.1 Headcount

Workforce for the period *(full-time equivalent – FTE)*	2021 Average headcount	2020 Average headcount	2019 Average headcount	2018 Average headcount	2017 Average headcount
France	2,301.9	2,193.1	2,120.5	2,088.7	2,127.6
Other European Union countries	1,413.0	1,474.1	1,430.6	1,499.1	1,030.5
Other European countries	164.7	11.1	10.0	9.7	9.8
North America	470.2	477.0	486.1	494.8	285.1
Central and South America	6.9	7.0	7.3	8.4	3.6
Africa and the Middle East	5.6	5.8	5.3	6.6	6.5
Asia and Oceania (excluding Japan)	211.9	166.9	154.8	151.9	175.5
Japan	157.2	163.1	164.7	171.9	180.9
TOTAL HEADCOUNT	**4,731.4**	**4,498.1**	**4,379.3**	**4,431.2**	**3,819.5**

The transfer identified in 2021 between the workforce in European Union countries and that in other European countries is explained by the United Kingdom's exit from the European Union in 2021.

6.2 Analysis of employee expenses

(in € thousands)	2021	2020
Salaries and wages	(759,405)	(658,553)
Retirement fund contributions	(42,894)	(42,291)
Social charges and taxes	(184,737)	(150,575)
Other	(58,733)	(45,426)
TOTAL EMPLOYEE EXPENSES	**(1,045,770)**	**(896,845)**

6.3 Post-employment benefits, defined-contribution plans

There are several compulsory retirement plans to which "employer" companies contribute. Funds are managed by independent organisations and the contributing companies have no legal or implied obligation to pay additional contributions if the funds do not generate sufficient revenue to cover all of the benefits corresponding to services rendered by employees during the year and during prior financial years. Consequently, Amundi Group entities have no liabilities in this respect other than their contributions to be paid. Contributions for defined-contribution plans amounted to €43,757,000 as of 31 December 2021 and €43,100,000 as of 31 December 2020.

6.4 Post-employment benefits, defined-benefit plans

Change in actuarial liabilities

	31/12/2021			31/12/2020
(in € thousands)	**Eurozone**	**Non-eurozone**	**All zones**	**All zones**
Actuarial liability as of 31/12/N-1	**141,485**	**7,127**	**148,612**	**132,415**
Translation adjustment		(163)	(163)	(261)
Cost of services rendered during the period	5,660	932	6,592	5,573
Financial cost	729	18	747	1,347
Employee contributions	31	-	31	31
Benefit plan changes, withdrawals and settlement	-	-	-	-
IFRIC impact as of 1 January 2021	(15,827)	-	(15,827)	-
Change in scope	9,068	-	9,068	(30)
Benefits paid (compulsory)	(2,103)	(916)	(3,019)	(2,492)
Taxes, administrative expenses and bonuses	-	-	-	-
Actuarial (gains) losses related to demographic assumptions[1]	-	-	-	(378)
Actuarial (gains) losses related to financial assumptions	(6,976)	16	(6,960)	12,408
ACTUARIAL LIABILITY AS OF 31/12/N	**132,067**	**7,014**	**139,081**	**148,612**

(1) Including actuarial gaps related to experience adjustments.

Expense recognised in profit or loss

	31/12/2021			31/12/2020
(in € thousands)	**Eurozone**	**Non-eurozone**	**All zones**	**All zones**
Cost of services	5,660	932	6,592	5,573
Net interest expense (income)	350	3	353	851
ACTUARIAL LIABILITY AS OF 31/12/N	**6,010**	**935**	**6,945**	**6,424**

Gains and losses recognised in other non-recyclable comprehensive income items and changes in actuarial differences

	31/12/2021			31/12/2020
(in € thousands)	**Eurozone**	**Non-eurozone**	**All zones**	**All zones**
Revaluation of net liabilities (assets)				
AMOUNT OF ACCUMULATED ACTUARIAL DIFFERENCES IN OTHER NON-RECYCLABLE COMPREHENSIVE INCOME ITEMS AS OF 31/12/N-1	35,798	1,412	37,210	25,515
Translation adjustment	-	(39)	(39)	(53)
Actuarial gains (losses) on assets	(4,108)	(118)	(4,226)	(282)
Actuarial gains (losses) related to demographic assumptions[1]	-	-	-	(378)
Actuarial gains (losses) related to financial assumptions	(6,976)	16	(6,960)	12,408
Adjustment of asset limitation	-			
ITEMS RECOGNISED IMMEDIATELY IN OTHER COMPREHENSIVE INCOME ITEMS DURING THE FINANCIAL YEAR (ACTUARIAL GAINS AND LOSSES ON POST-EMPLOYMENT BENEFITS)	(11,084)	(141)	(11,225)	11,694
AMOUNT OF ACCUMULATED ACTUARIAL DIFFERENCES IN OTHER NON-RECYCLABLE COMPREHENSIVE INCOME ITEMS AS OF 31/12/N	**24,714**	**1,271**	**25,985**	**37,210**

(1) Including actuarial gaps related to experience adjustments.

Change in the fair value of assets

	31/12/2021			31/12/2020
(in € thousands)	**Eurozone**	**Non-eurozone**	**All zones**	**All zones**
FAIR VALUE OF ASSETS AS OF 31/12/N-1	70,324	6,136	76,460	51,241
Translation adjustment	-	(162)	(162)	(225)
Interest on the assets (income)	379	15	394	496
Actuarial gains (losses)	4,108	118	4,226	282
Employer contributions	(31)	834	803	25,786
Employee contributions	31	-	31	31
Benefit plan changes, withdrawals and settlement	-	-	-	-
Change in scope	-	-	-	-
Taxes, administrative expenses and bonuses	-	-	-	-
Benefits paid by the fund	(1,031)	(916)	(1,947)	(1,151)
FAIR VALUE OF ASSETS AS OF 31/12/N	**73,780**	**6,025**	**79,805**	**76,460**

Net position

	31/12/2021			31/12/2020
(in € thousands)	**Eurozone**	**Non-eurozone**	**All zones**	**All zones**
ACTUARIAL LIABILITY AT THE END OF THE PERIOD	132,067	7,014	139,081	148,612
Impact of asset limitation			-	-
Fair value of assets at end of period	(73,780)	(6,025)	(79,805)	(76,460)
NET POSITION END OF PERIOD (LIABILITIES)	**58,287**	**989**	**59,276**	**72,152**

Defined-benefit plans – main actuarial assumptions

	31/12/2021	31/12/2020
Amundi Asset Management plan discount rate	0.86%	0.34%
Amundi Deutschland GmbH plan discount rate	1.11%	0.59%
Other plans discount rate	0.86%	0.86%
Expected rate of salary increases	2.30%	2.00%

Asset allocation as of 31 December 2021

	Eurozone			Non-eurozone			All zones		
(in € thousands)	**%**	**amount**	**of which, listed**	**%**	**amount**	**of which, listed**	**%**	**amount**	**of which, listed**
Equities	14.43%	10,643	10,643	-	-	-	13.34%	10,643	10,643
Bonds	41.97%	30,962	30,962	-	-	-	38.80%	30,962	30,962
Real estate	4.59%	3,386	-	-	-	-	4.24%	3,386	-
Other assets	39.02%	28,789	-		6,025	-	43.62%	34,814	-
FAIR VALUE OF ASSETS	**100.00%**	**73,780**	**41,605**	**-**	**6,025**	**-**	**100.00%**	**79,805**	**41,605**

As of 31 December 2021, the data for France showed an actuarial liability of €64,564,000, a fair value of assets of €48,378,000 and a net end-of-period position of €16,186,000.

6.4.1.1 Sensitivity to discount rates as of 31 December 2021

- a change of more than 50 bps in the discount rate could lead to a decrease in commitments of 7.25%;
- a change of less than 50 bps in the discount rate could lead to an increase in commitments of 7.95%.

6.5 Share-based payments

Amundi performance share plans

An expense of €18,150,000 for share-based payments was recognised in employee expenses for the period ended 31 December 2021 in respect of Amundi performance share plans for Group employees.

This expense includes the valuation of the services rendered over the period under a plan authorised by the General Meeting of 16 May 2019 and not yet allocated as of the date on which the accounts were established, for a total amount of €6,466,000.

These award schemes are described below:

Performance share award schemes

Date of General Meeting authorising Share Award Scheme	18/05/2017	18/05/2017	16/05/2019	16/05/2019
Date of Board meeting	13/12/2017	01/08/2018	12/12/2019	28/04/2021
Date of allocation of shares	13/12/2017	01/08/2018	12/12/2019	28/04/2021
Number of shares allocated	1,551,750	98,310	65,570	341,180
Payment methods	Amundi shares	Amundi shares	Amundi shares	Amundi shares
Vesting period	01/07/2017	01/07/2018	13/12/2019	28/04/2021
	13/12/2021	13/12/2021	13/12/2021	02/05/2024
Performance conditions(1)	Yes	Yes	Yes	Yes
Continued employment conditions	Yes	Yes	Yes	Yes
Equities remaining as of 31 December 2020(2)	443,493	46,110	65,570	341,180
Equities delivered during the period	*432,810*	*46,110*	*56,000*	-
Cancelled or voided shares during the period	*10,683*		*9,570*	*9,480*
Equities remaining as of 31 December 2021(2)	-	-	-	331,700
Fair value of an equity – Tranche 1	€67.12	€52.27	€62.58	€62.88
Fair value of an equity – Tranche 2	€63.69	€48.78	n.a.	n.a.
Fair value of an equity – Tranche 3	€59.85	n.a.	n.a.	n.a.

(1) Performance conditions are based on Net Income Group Share (NIGS), the amount of new deposit-taking and the Group's cost-to-income ratio and, from the plan awarded on 28 April 2021 onwards, the achievement of objectives in line with the Group's ESG policy.
(2) Quantity of shares on the basis of achieving performance conditions of 100%

Amundi measures the shares awarded and recognises an expense determined on the award date based on the market value of the options on that date. The sole assumptions that may be revised during the vesting period giving rise to an adjustment to the expense are those relating to the beneficiaries (options forfeited on dismissal or resignation).

6.6 Executive compensation

The compensation and benefits of the Chief Executive Officer and of the Division Heads for the 2020 and 2019 fiscal years taken into account in Amundi's consolidated financial statements were respectively €8,854,000 and €10,354,000. They include gross fixed and variable compensation, benefits in kind, retirement benefits and the expense for the supplementary retirement plan implemented for the key executives of the Group. The compensation break-down is as follows:

(in € thousands)	**2021**	**2020**
Gross compensation, employer contributions and benefits in kind	7,128	7,174
Post-employment benefits	253	247
Other long-term benefits		
Severance payments		
Cost of option plans and other plans	1,426	1,434
TOTAL COMPENSATION AND BENEFITS	**8,806**	**8,854**

In addition, the directors' fees paid in respect of the 2021 and 2020 financial years are presented in the table below:

(in € thousands)	**2021**	**2020**
Directors' fees	384	293

Note 7 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments measured at fair value on the balance sheet are valued on the basis of listed prices or valuation techniques that maximise the use of observable data.

7.1 Derivatives

The valuation of derivatives includes:

- an adjustment for the quality of the counterparty (Credit Valuation Adjustment – CVA) intended to include the credit risk associated with the counterparty in the valuation of derivatives (risk of non-payment of the amount due in the event of default). The adjustment is calculated on an aggregate basis by counterparty according to the future exposure profile of the transactions after deducting any collateral. This adjustment is always negative and is deducted from the fair value of the financial instruments;
- a value adjustment for the credit risk for our Company (Debt Valuation Adjustment – DVA) intended to integrate the risk associated with our counterparties in the valuation of derivatives. The adjustment is calculated on an aggregate basis by counterparty based on the future exposure profile of the transactions. This adjustment is always positive and is deducted from the fair value of the financial instruments.

7.2 Other financial assets and liabilities

7.2.1 Other financial assets

The non-consolidated listed equity securities (primarily Resona Holding), government securities (listed on an organised market), listed bonds and fund units with a net asset value available at least twice a month are classified as Level 1. All other assets and liabilities valued at fair value are classified as Level 2 with the exception of Private Equity funds which are classified as Level 3.

7.2.2 Other financial liabilities

Liabilities at fair value option result from the consolidation of EMTN issue vehicles. These liabilities are classified as Level 2.

7.3 Financial assets at fair value on the balance sheet

The tables below show outstandings on the balance sheet of financial assets and liabilities valued at fair value and classified by fair value level:

(in € thousands)	Total 31/12/2021	Prices quoted on active markets for identical instruments Level 1	Valuation based on observable data Level 2	Valuation based on non-observable data Level 3
FINANCIAL ASSETS HELD FOR TRADING	3,077,529	-	3,077,529	-
Derivatives	3,077,529	-	3,077,529	-
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	11,390,218	5,282,076	6,082,664	25,478
Equity instruments	**573,730**	**13,003**	**560,727**	**-**
Equities and other variable-income securities	461,879	-	461,879	-
Non-consolidated equity securities	111,851	13,003	98,848	-
Debt instruments at fair value through profit or loss	**2,281,772**	**2,225,885**	**30,409**	**25,478**
Funds	2,281,772	2,225,885	30,409	25,478
Treasury bills and similar securities	-	-	-	-
Financial assets at fair value through profit or loss as an option	**8,534,716**	**3,043,188**	**5,491,528**	**-**
Bonds and other fixed-income securities	3,043,188	3,043,188	-	-
Loans and receivables due from credit institutions	5,491,528	-	5,491,528	-
Treasury bills and similar securities	-	-	-	-
FINANCIAL ASSETS RECOGNISED IN EQUITY	702,048	687,859	14,189	-
Equity instruments recognised in non-recyclable equity through profit and loss	**169,328**	**155,139**	**14,189**	-
Equities and other variable-income securities	-	-	-	-
Non-consolidated equity securities	169,328	155,139	14,189	-
Debt instruments recognised in recyclable equity	**532,720**	**532,720**	**-**	**-**
Treasury bills and similar securities	532,720	532,720	-	-
HEDGING DERIVATIVES	1,306	-	1,306	-
TOTAL FINANCIAL ASSETS VALUED AT FAIR VALUE	**15,171,101**	**5,969,935**	**9,175,688**	**25,478**

(in € thousands)	Total 31/12/2020	Prices quoted on active markets for identical instruments Level 1	Valuation based on observable data Level 2	Valuation based on non-observable data Level 3
FINANCIAL ASSETS HELD FOR TRADING	3,090,188	-	3,090,188	-
Loans and receivables due from credit institutions	-	-	-	-
Securities received under repurchase agreements	-	-	-	-
Securities held for trading	-	-	-	-
Treasury bills and similar securities	-	-	-	-
Bonds and other fixed-income securities	-	-	-	-
Equities and other variable-income securities	-	-	-	-
Derivatives	3,090,188	-	3,090,188	-
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	13,431,959	7,286,187	6,128,057	17,715
Equity instruments	**599,266**	**14,373**	**584,893**	**-**
Equities and other variable-income securities	492,454	-	492,454	-
Non-consolidated equity securities	106,812	14,373	92,439	-
Debt instruments that do not meet SPPI criteria	**3,652,142**	**3,603,444**	**30,983**	**17,715**
Funds	3,652,142	3,603,444	30,983	17,715
Assets backing unit-linked contracts	**-**	**-**	**-**	**-**
Financial assets at fair value through profit or loss as an option	**9,180,551**	**3,668,370**	**5,512,181**	**-**
Bonds and other fixed-income securities	3,668,370	3,668,370	-	-
Loans and receivables due from credit institutions	5,512,181	-	5,512,181	-
Treasury bills and similar securities	-	-	-	-
FINANCIAL ASSETS RECOGNISED IN EQUITY	607,376	595,077	12,299	-
Equity instruments recognised in non-recyclable equity through profit and loss	**140,649**	**128,350**	**12,299**	**-**
Equities and other variable-income securities	-	-	-	-
Non-consolidated equity securities	140,649	128,350	12,299	-
Debt instruments recognised in recyclable equity	**466,727**	**466,727**	**-**	**-**
Treasury bills and similar securities	466,727	466,727	-	-
HEDGING DERIVATIVES	27	-	27	-
TOTAL FINANCIAL ASSETS VALUED AT FAIR VALUE	**17,129,551**	**7,881,264**	**9,230,571**	**17,715**

7.4 Financial liabilities at fair value on the balance sheet

(in € thousands)	Total 31/12/2021	Prices quoted on active markets for identical instruments Level 1	Valuation based on observable data Level 2	Valuation based on non-observable data Level 3
FINANCIAL LIABILITIES HELD FOR TRADING	2,387,711		2,387,711	
Due to credit institutions	-	-	-	-
Derivatives	2,387,711	-	2,387,711	-
HEDGING DERIVATIVES	5,268		5,268	
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS AS AN OPTION	9,693,959		9,693,959	
TOTAL FINANCIAL LIABILITIES VALUED AT FAIR VALUE	**12,086,938**	**-**	**12,086,938**	**-**

(in € thousands)	Total 31/12/2020	Prices quoted on active markets for identical instruments Level 1	Valuation based on observable data Level 2	Valuation based on non-observable data Level 3
FINANCIAL LIABILITIES HELD FOR TRADING	2,609,057		2,609,057	
Due to credit institutions	-	-	-	-
Derivatives	2,609,057	-	2,609,057	-
HEDGING DERIVATIVES	10,060		10,060	
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS AS AN OPTION	10,086,216		10,086,216	
TOTAL FINANCIAL LIABILITIES VALUED AT FAIR VALUE	**12,705,333**	**-**	**12,705,333**	**-**

7.5 Fair value of financial assets and liabilities measured at cost

Financial assets and liabilities valued at cost primarily include amounts due and receivables to credit institutions and the collateral paid and received for derivatives contracts.

With respect to daily margin calls, Amundi Group considers that the collateral recorded and received is recognised at its fair value under "Accruals and sundry assets" and "Accruals and sundry liabilities".

Amundi Group considers that the amortised cost of debts and receivables to credit institutions is a good approximation of fair value. This consists primarily of:

- variable-rate assets and liabilities for which interest rate changes do not have a significant impact on fair value, since the rates of return of these instruments frequently adjust themselves to market rates (loans and borrowings);
- short-term assets and liabilities where the redemption value is close to the market value.

Note 8 NON-CONSOLIDATED STRUCTURED ENTITIES

Amundi manages and structures funds in order to offer investment solutions to its clients. These funds, excluding management mandates, are considered to be structured entities to the extent that they are created for a very specific purpose, are managed via contracts signed by the stakeholders, and the rights associated with the voting rights of the shares have limited impact, where applicable.

Amundi has defined criteria to identify companies which are involved as the sponsor of a structured entity:

- the Company is involved in the creation of the structured entity and the intervention, which is remunerated, is deemed significant for the successful completion of operations;
- the structuring occurred at the request of the Company and it is the primary user;
- the Company sold its own shares to the structured entity;
- the Company is the manager of the structured entity;
- the name of a subsidiary or the Parent company is associated with the name of the structured entity or with the financial instruments it issues.

Given this definition, all funds managed by Amundi Group companies, whether held or not, are considered to be "sponsored" structured entities.

The Group receives management and performance fees and commissions from the funds. It can invest, provide guarantees and contract performance swaps with the funds.

8.1 Nature and extent of Amundi's involvement with the non-consolidated structured entities

The table below shows the assets, liabilities and off-balance sheet commitments of the Group in sponsored structured entities, with the exception of those that are consolidated.

	31/12/2021			
	Asset management			
		Maximum loss		
(in € thousands)	**Balance sheet value**	**Maximum exposure to loss risk**	**Guarantees received and other credit enhancements**	**Net exposure**
Financial assets held for trading	802,446	802,446	-	802,446
Debt instruments that do not meet SPPI criteria: UCITS	1,196,331	1,196,331	-	1,196,331
Financial assets at fair value through equity	-	-	-	
Financial assets at amortised cost	-	-	-	
ASSETS RECOGNISED WITH RESPECT TO NON-CONSOLIDATED STRUCTURED ENTITIES	**1,998,777**	**1,998,777**	**-**	**1,998,777**
Equity instruments	-	n.a.	n.a.	
Financial liabilities held for trading	575,528	575,528	-	575,528
Financial liabilities at fair value through profit or loss	-	-	-	
Debt	-	n.a.	n.a.	
LIABILITIES WITH RESPECT TO NON-CONSOLIDATED STRUCTURED ENTITIES	**575,528**	**575,528**		**575,528**
Commitments given				
Financing commitments	n.a.	-	-	
Guarantee commitments	n.a.	18,260,707	428,950	17,831,757
Other	n.a.	-	-	
Provisions for execution risk – Commitments made	n.a.	(12,038)	-	(12,038)
OFF-BALANCE SHEET COMMITMENTS NET OF PROVISIONS WITH RESPECT TO NON-CONSOLIDATED STRUCTURED ENTITIES	**N.A.**	**18,248,669**	**428,950**	**17,819,719**
BALANCE SHEET TOTAL OF NON-CONSOLIDATED STRUCTURED ENTITIES HELD		**N.A.**	**N.A.**	**N.A.**

	31/12/2020			
	Asset management			
		Maximum loss		
(in € thousands)	Balance sheet value	Maximum exposure to loss risk	Guarantees received and other credit enhancements	Net exposure
Financial assets held for trading	795,851	795,851	-	795,851
Debt instruments that do not meet SPPI criteria: UCITS	2,383,473	2,383,473	-	2,383,473
Financial assets at fair value through equity	-	-	-	
Financial assets at amortised cost	-	-	-	
ASSETS RECOGNISED WITH RESPECT TO NON-CONSOLIDATED STRUCTURED ENTITIES	**3,179,324**	**3,179,324**	**-**	**3,179,324**
Equity instruments	-	n.a.	n.a.	
Financial liabilities held for trading	798,558	798,558	-	798,558
Financial liabilities at fair value through profit or loss	-	-	-	
Debt	-	n.a.	n.a.	
LIABILITIES WITH RESPECT TO NON-CONSOLIDATED STRUCTURED ENTITIES	**798,558**	**798,558**		**798,558**
Commitments given				
Financing commitments	n.a.	-	-	
Guarantee commitments	n.a.	18,241,808	398,619	17,843,189
Other	n.a.	-	-	
Provisions for execution risk – Commitments made	n.a.	(31,522)	-	(31,522)
OFF-BALANCE SHEET COMMITMENTS NET OF PROVISIONS WITH RESPECT TO NON-CONSOLIDATED STRUCTURED ENTITIES	**N.A.**	**18,210,286**	**398,619**	**17,811,667**
BALANCE SHEET TOTAL OF NON-CONSOLIDATED STRUCTURED ENTITIES HELD	**113,939,940**	**N.A.**	**N.A.**	**N.A.**

Information relating to fund units held by Amundi and recorded under "Debt instruments that do not meet SPPI criteria: UCITS" does not include consolidated funds or those for which the Group holds only one unit (founder's unit).

The amount on the "Balance sheet total of non-consolidated structured entities" line corresponds to the total assets of the funds held.

The off-balance sheet commitment shown corresponds to the off-balance sheet commitment recognised by Amundi as part of its fund guarantor activity. A provision for the risk associated with this commitment is recorded in "Provisions" in the amount of €12,038,000 as of 31 December 2021 and €31,522,000 as of 31 December 2020.

The amounts stated in financial assets and liabilities held for trading correspond to the positive and negative fair values of swaps made by Amundi with funds as part of its swap intermediation business.

8.2 Net revenues from sponsored structured entities

The net revenues from structured entities and from management mandates are inseparable from Amundi's management revenues and are included in the income presented in note 6.2.1.

Note 9 OTHER INFORMATION

9.1 Segment information

Amundi's business is solely focused on managing assets for third parties. It therefore has only one operating segment within the meaning of IFRS 8.

The Group's operational performance is not tracked more closely than the Group overall. Items that are reviewed at a closer level are limited to monthly reports on Group business volume (inflows, outstanding assets) and periodic reports on income net of commissions by client segment (retail, institutional). The Group believes that this information better corresponds to monitoring commercial activity than to measurement of operational performance for the purposes of decision-making for resource allocation. Operating expenses are not allocated to client segments (retail and institutional).

However, the Group believes that it is helpful to publish the information about commercial activity which is shown below as information complementary to that required by IFRS 8:

(in € thousands)	2021	2020
Retail	2,029	1,744
Institutional	756	690
Institutional, Corporate and employee savings	594	537
Insurers[(1)]	162	153
NET FEES	**2,785**	**2,434**
Performance fees	427	200
TOTAL NET MANAGEMENT REVENUES	**3,211**	**2,634**
Net financial income	1	(36)
Other net income	(76)	(76)
TOTAL NET REVENUES	**3,136**	**2,521**

(1) Crédit Agricole Group and Société Générale.

In addition, the allocation of net income is broken down by geographical area as follows:

(in € thousands)	2021	2020
France	1,578	1,314
Abroad	1,558	1,208
TOTAL NET REVENUES	**3,136**	**2,521**

The net revenue break-down is based on the location where the accounting information is recorded.

9.2 Related parties

9.2.1 Scope of related parties

Related parties are businesses which directly or indirectly control or are controlled by, or which are under joint control with the Company presenting the financial statements.

Amundi's related parties are (i) the consolidated companies, including equity-accounted companies, (ii) the Crédit Agricole Group companies, that is, the Regional Banks, Crédit Agricole S.A., its subsidiaries, associates and joint ventures. No provisions for write-downs were made for these relationships.

In addition, the funds in which the Crédit Agricole Group has invested are not considered to be related parties.

A list of the Amundi Group's consolidated companies is presented in note 9.3.1. "Scope of consolidation". The transactions carried out and the assets under management at the end of the period between the fully consolidated companies of the Group are entirely eliminated on consolidation.

9.2.2 Nature of transactions with related parties

Amundi has commercial relationships with Crédit Agricole Group companies.

Crédit Agricole Group is a distributor, a lender and borrower, a derivative counterparty and also a depositary and calculation agent of Amundi's financial products. In addition, Crédit Agricole Group makes certain resources available to Amundi and manages Amundi's end-of-career allowance insurance.

Amundi handles asset management of certain mandates for the Crédit Agricole Group and also provides book-keeping services for the Crédit Agricole Group's employee savings plans.

9.2.3 Transactions with related parties

The following tables present the transactions undertaken with the Crédit Agricole Group and with the equity-accounted entities of the Amundi Group.

Amundi's transactions with its key executives consist solely of the compensation paid under employment contracts and directors' fees.

(in € thousands)	**Crédit Agricole Group**	
NET INCOME	**2021**	**2020**
Net interest and similar income	(30,437)	(31,546)
Net fee and commission income	(463,261)	(286,872)
Other net income (expenditure)	(20,285)	(18,399)
General operating expenses	(4,863)	(9,054)
BALANCE SHEET	**31/12/2021**	**31/12/2020**
Assets		
Loans and receivables due from credit institutions	748,614	1,577,881
Accruals and sundry assets	82,464	66,572
Financial assets at fair value through profit or loss	8,871,624	9,554,855
Liabilities		
Subordinated debt	303,859	303,859
Due to credit institutions	1,809,076	2,962,581
Accruals, deferred income and sundry liabilities	274,163	242,494
Financial liabilities at fair value through profit or loss	261,899	356,787
Off balance sheet		
Guarantees given	2,800,546	3,664,362
Guarantees received	428,950	398,619

(in € thousands)	**Joint ventures and associates**	
NET INCOME	**2021**	**2020**
Net interest and similar income	-	-
Net fee and commission income	354	(2,774)
General operating expenses	-	-
BALANCE SHEET	**31/12/2021**	**31/12/2020**
Assets		
Loans and receivables due from credit institutions	-	-
Accruals and sundry assets	1,761	136
Financial assets at fair value through profit or loss	-	-
Liabilities		
Due to credit institutions		
Accruals, deferred income and sundry liabilities	18	813
Off balance sheet		
Guarantees given	-	-
Guarantees received	-	-

9.3 Scope of consolidation and changes during the year

9.3.1 Scope of consolidation as of 31 December 2021

Consolidated companies	Notes	Development of scope	Method	31/12/2021 % of control	31/12/2021 % of stake held	31/12/2020 % of control	31/12/2020 % of stake held	Principal place of business
FRENCH COMPANIES								
AMUNDI			Full	100.0	100.0	100.0	100.0	France
AMUNDI ASSET MANAGEMENT			Full	100.0	100.0	100.0	100.0	France
AMUNDI FINANCE			Full	100.0	100.0	100.0	100.0	France
AMUNDI FINANCE ÉMISSIONS			Full	100.0	100.0	100.0	100.0	France
AMUNDI IMMOBILIER			Full	100.0	100.0	100.0	100.0	France
AMUNDI INDIA HOLDING			Full	100.0	100.0	100.0	100.0	France
AMUNDI INTERMÉDIATION			Full	100.0	100.0	100.0	100.0	France
AMUNDI ISSUANCE		Merger	Full	-	-	100.0	100.0	France
AMUNDI IT SERVICES			Full	95.4	95.4	95.4	95.4	France
AMUNDI PRIVATE EQUITY FUNDS			Full	100.0	100.0	100.0	100.0	France
AMUNDI ESR			Full	100.0	100.0	100.0	100.0	France
AMUNDI VENTURES			Full	100.0	100.0	100.0	100.0	France
ANATEC		Entry	Full	100.0	100.0	-	-	France
BFT INVESTMENT MANAGERS			Full	100.0	100.0	100.0	100.0	France
CPR AM			Full	100.0	100.0	100.0	100.0	France
ÉTOILE GESTION			Full	100.0	100.0	100.0	100.0	France
LCL ÉMISSIONS			Full	100.0	100.0	100.0	100.0	France
LYXOR ASSET MANAGEMENT		Entry	Full	100.0	100.0	-	-	France
LYXOR INTERNATIONAL ASSET MANAGEMENT		Entry	Full	100.0	100.0	-	-	France
LYXOR INTERMÉDIATION		Entry	Full	100.0	100.0	-	-	France
SOCIÉTÉ GÉNÉRALE GESTION			Full	100.0	100.0	100.0	100.0	France
FUNDS AND OPCI								
ACAJOU			Full	100.0	100.0	100.0	100.0	France
CEDAR			Full	100.0	100.0	100.0	100.0	France
CHORIAL ALLOCATION			Full	99.9	99.9	99.9	99.9	France
LONDRES CROISSANCE 16			Full	100.0	100.0	100.0	100.0	France
OPCI IMMANENS			Full	100.0	100.0	100.0	100.0	France
OPCI IMMO EMISSIONS			Full	100.0	100.0	100.0	100.0	France
PEG – PORTFOLIO EONIA GARANTI		Exit	Full	-	-	98.9	98.9	France
RED CEDAR			Full	100.0	100.0	100.0	100.0	France
AMUNDI PE SOLUTION ALPHA			Full	100.0	100.0	100.0	100.0	France

Consolidated companies	Notes	Development of scope	Method	31/12/2021 % of control	31/12/2021 % of stake held	31/12/2020 % of control	31/12/2020 % of stake held	Principal place of business
FOREIGN COMPANIES								
AMUNDI DEUTSCHLAND GMBH			Full	100.0	100.0	100.0	100.0	Germany
LYXOR INTERNATIONAL ASSET MANAGEMENT GERMAN BRANCH	(5)	Entry	Full	100.0	100.0	-	-	Germany
AMUNDI AUSTRIA GMBH			Full	100.0	100.0	100.0	100.0	Austria
AMUNDI ASSET MANAGEMENT BELGIUM BRANCH	(1)		Full	100.0	100.0	100.0	100.0	Belgium
AMUNDI CZECH REPUBLIC ASSET MANAGEMENT SOFIA BRANCH	(2)		Full	100.0	100.0	100.0	100.0	Bulgaria
AMUNDI ASSET MANAGEMENT AGENCIA IN CHILE	(1)		Full	100.0	100.0	100.0	100.0	Chile
ABC-CA FUND MANAGEMENT CO. LTD			Equity-accounted	33.3	33.3	33.3	33.3	China
AMUNDI BOC WEALTH MANAGEMENT CO. LTD			Full	55.0	55.0	55.0	55.0	China
NH-AMUNDI ASSET MANAGEMENT			Equity-accounted	30.0	30.0	30.0	30.0	Korea
AMUNDI ASSET MANAGEMENT DUBAI BRANCH	(1)		Full	100.0	100.0	100.0	100.0	United Arab Emirates
AMUNDI IBERIA SGIIC SA			Full	100.0	100.0	100.0	100.0	Spain
SABADELL ASSET MANAGEMENT, S.A., S.G.I.I.C			Full	100.0	100.0	100.0	100.0	Spain
AMUNDI HOLDINGS US INC			Full	100.0	100.0	100.0	100.0	United States
AMUNDI US INC			Full	100.0	100.0	100.0	100.0	United States
AMUNDI ASSET MANAGEMENT US INC			Full	100.0	100.0	100.0	100.0	United States
AMUNDI DISTRIBUTOR US INC			Full	100.0	100.0	100.0	100.0	United States
AMUNDI PIONEER INSTITUTIONAL ASSET MANAGEMENT, INC.		Merger	Full	-	-	100.0	100.0	United States
VANDERBILT CAPITAL ADVISORS LLC			Full	100.0	100.0	100.0	100.0	United States
LYXOR ASSET MANAGEMENT HOLDING CORP		Entry	Full	100.0	100.0	-	-	United States
LYXOR ASSET MANAGEMENT INC		Entry	Full	100.0	100.0	-	-	United States
AMUNDI ASSET MANAGEMENT FINLAND BRANCH	(1)		Full	100.0	100.0	100.0	100.0	Finland
AMUNDI HELLAS		Exit	Full	-	-	100.0	100.0	Greece
AMUNDI ASSET MANAGEMENT HONG KONG BRANCH	(1)		Full	100.0	100.0	100.0	100.0	Hong Kong
AMUNDI HONG KONG LTD			Full	100.0	100.0	100.0	100.0	Hong Kong
AMUNDI INVESTMENT FUND MGMT PRIVATE LTD CO.			Full	100.0	100.0	100.0	100.0	Hungary
SBI FUNDS MANAGEMENT PRIVATE LIMITED			Equity-accounted	36,8	36,8	37,0	37,0	India

(1) AMUNDI ASSET MANAGEMENT branches.
(2) AMUNDI CZECH REPUBLIC INVESTICNI SPOLECNOST AS branches.
(3) LYXOR INTERNATIONAL ASSET MANAGEMENT branch.
(4) AMUNDI INTERMEDIATION branch.
(5) LYXOR INTERNATIONAL ASSET MANAGEMENT branch.

Consolidated companies	Notes	Development of scope	Method	31/12/2021 % of control	31/12/2021 % of stake held	31/12/2020 % of control	31/12/2020 % of stake held	Principal place of business
KBI GLOBAL INVESTORS LTD			Full	87.5	100.0	87.5	100.0	Ireland
KBI FUND MANAGERS LTD			Full	87.5	100.0	87.5	100.0	Ireland
KBI GLOBAL INVESTORS (NORTH AMERICA) LTD			Full	87.5	100.0	87.5	100.0	Ireland
AMUNDI IRELAND LTD			Full	100.0	100.0	100.0	100.0	Ireland
AMUNDI INTERMEDIATION DUBLIN BRANCH	(4)		Full	100.0	100.0	100.0	100.0	Ireland
AMUNDI REAL ESTATE ITALIA SGR SPA			Full	100.0	100.0	100.0	100.0	Italy
AMUNDI SGR SPA			Full	100.0	100.0	100.0	100.0	Italy
AMUNDI JAPAN			Full	100.0	100.0	100.0	100.0	Japan
AMUNDI GLOBAL SERVICING			Full	100.0	100.0	100.0	100.0	Luxembourg
FUND CHANNEL			Full	100.0	100.0	100.0	100.0	Luxembourg
AMUNDI LUXEMBOURG			Full	100.0	100.0	100.0	100.0	Luxembourg
LYXOR FUND SOLUTION		Entry	Full	100.0	100.0	-	-	Luxembourg
AMUNDI MALAYSIA SDN BHD			Full	100.0	100.0	100.0	100.0	Malaysia
WAFA GESTION			Equity-accounted	34.0	34.0	34.0	34.0	Morocco
AMUNDI ASSET MANAGEMENT MEXICO BRANCH	(1)		Full	100.0	100.0	100.0	100.0	Mexico
PIONEER GLOBAL INVESTMENTS LTD MEXICO CITY BRANCH	(1)		Full	100.0	100.0	100.0	100.0	Mexico
AMUNDI ASSET MANAGEMENT NEDERLAND	(1)		Full	100.0	100.0	100.0	100.0	Netherlands
AMUNDI POLSKA			Full	100.0	100.0	100.0	100.0	Poland
AMUNDI CZECH REPUBLIC INVESTICNI SPOLECNOST AS			Full	100.0	100.0	100.0	100.0	Czech Republic
AMUNDI CZECH REPUBLIC ASSET MANAGEMENT			Full	100.0	100.0	100.0	100.0	Czech Republic
AMUNDI ASSET MANAGEMENT S.A.I. SA			Full	100.0	100.0	100.0	100.0	Romania
AMUNDI ASSET MANAGEMENT LONDON BRANCH	(1)		Full	100.0	100.0	100.0	100.0	United Kingdom
AMUNDI UK Ltd			Full	100.0	100.0	100.0	100.0	United Kingdom
AMUNDI INTERMEDIATION LONDON BRANCH	(4)		Full	100.0	100.0	100.0	100.0	United Kingdom
LYXOR ASSET MANAGEMENT UK LLP		Entry	Full	100.0	100.0	-	-	United Kingdom
AMUNDI SINGAPORE Ltd			Full	100.0	100.0	100.0	100.0	Singapore
AMUNDI INTERMEDIATION ASIA PTE LTD			Full	100.0	100.0	100.0	100.0	Singapore
FUND CHANNEL SINGAPORE BRANCH	(3)		Full	100.0	100.0	100.0	100.0	Singapore
AMUNDI CZECH REPUBLIC ASSET MANAGEMENT BRATISLAVA BRANCH	(2)		Full	100.0	100.0	100.0	100.0	Slovakia
AMUNDI ASSET MANAGEMENT SWEDEN BRANCH	(1)		Full	100.0	100.0	100.0	100.0	Sweden
AMUNDI SUISSE			Full	100.0	100.0	100.0	100.0	Switzerland
AMUNDI TAIWAN			Full	100.0	100.0	100.0	100.0	Taiwan

(1) AMUNDI ASSET MANAGEMENT branches.
(2) AMUNDI CZECH REPUBLIC INVESTICNI SPOLECNOST AS branches.
(3) FUND CHANNEL branch.
(4) AMUNDI INTERMEDIATION branch.
(5) LYXOR INTERNATIONAL ASSET MANAGEMENT branch.

9.3.2 Significant changes in scope during the year

On 31 December 2021, Amundi acquired Lyxor from the Société Générale Group.

Founded in 1998, Lyxor manages more than €140 billion in assets under management. The company is a major player in the ETF sector (with €95 billion in assets under management), Europe's 3rd largest player with a market share of 7.7%. Lyxor has also developed widespread recognition for its expertise in active management (€45 billion in assets under management), notably due to its top-level alternative asset platform.

The acquisition of Lyxor, the European pioneer of ETFs, propels Amundi's passive management platform (ETF, index-based & Smart Beta solutions) into the top tier of European ETF suppliers: the two platforms combined represent more than €170 billion in assets under management, resulting in a share in the ETF UCITS market of 14% for Amundi.

In accordance with the revised IFRS 3 (business combinations), the Amundi Group has provisionally allocated the acquisition cost at closing and, consequently, the amounts allocated to identifiable assets and liabilities acquired and goodwill may be adjusted within one year (the measurement period) from the date of consolidation if new information is obtained about facts and circumstances that were in existence at the acquisition date.

9.3.2.1 Components of the Lyxor acquisition

As part of this transaction, the Amundi Group acquired from Société Générale:

- the legal entities within the Lyxor scope (listed below);
- Lyxor's distribution activities (including the staff responsible for promoting and distributing Lyxor products) in Italy, Spain, Switzerland, Sweden, Hong Kong and Japan;
- rights for the use of Lyxor's proprietary software, which is used to conduct its business;
- intellectual property rights relating to the Lyxor brand.

Entities	Method	31/12/2021 % of control	31/12/2021 % of stake held	Principal place of business
SUBSIDIARIES				
Lyxor Asset Management Holding Corp.	Full	100%	100%	United States
Lyxor Asset Management Inc.	Full	100%	100%	United States
Lyxor Asset Management S.A.S.	Full	100%	100%	France
Lyxor Asset Management UK LLP	Full	100%	100%	United Kingdom
Lyxor Funds Solutions S.A.	Full	100%	100%	Luxembourg
Lyxor Intermédiation S.A.	Full	100%	100%	France
Lyxor International Asset Management S.A.S.	Full	100%	100%	France
Lyxor International Asset Management S.A.S. – German branch	Full	100%	100%	Germany

9.3.2.2 Net assets acquired (after provisional allocation of acquisition cost)

In € thousand	31/12/2021
TOTAL ASSETS ACQUIRED	**451,505**
Financial assets at fair value through profit or loss	68,944
Loans and receivables due from credit institutions	247,650
Current and deferred tax assets	8,192
Accruals and sundry assets	79,185
Property, plant and equipment	1,133
Intangible assets	46,400

In € thousand	31/12/2021
TOTAL LIABILITIES ASSUMED	**243,542**
Current and deferred tax liabilities	36,162
Accruals, deferred income and sundry liabilities	197,161
Provisions for risks and expenses	10,219
NET ASSETS FULLY ACQUIRED	**207,962**

At the time of provisional allocation of the acquisition cost, customer contracts were identified, which are amortisable assets that can be separated from goodwill.

These contracts, for which Lyxor receives management fees, were valued using the excess profit method at a total of €40.2 million, recognised as intangible assets.

Furthermore, in accordance with IFRS standards, the recognition of these intangible assets resulted in the recording of deferred tax liabilities totalling €10.4 million, calculated in accordance with the tax rate in force.

In keeping with attrition rates identified in the past, the amortisation period for these intangible assets is three years.

9.3.2.3 Fair value of the transferred counterparty

(in € thousands)	**31/12/2021**
Net assets fully acquired	207,962
Actual net surplus compared to contractual provisions[1]	(35,087)
Net assets attributable to non-controlling interest holders	-
Goodwill on the acquired share[2]	652,125
ACQUISITION PRICE	**825,000**

(1) Results in the recognition of an estimated price adjustment of €35.1 million in balance sheet liabilities.
(2) After all separable assets have been identified, the residual goodwill arising from this consolidation corresponds to the expected future economic benefits of synergies, the value of human capital and the ability to develop the business of the new combination.

9.3.2.4 Acquisition costs

In accordance with the revised standard IFRS 3, the acquisition costs associated with this transaction were expensed.

9.3.2.5 Contribution to the Group's consolidated income statement and income statement for the consolidated entity

As the acquisition took place on 31 December 2021, it has no impact on the Group's income statement for 2021.

However, in accordance with the revised standard IFRS 3, Amundi provides here the income from ordinary activities and the income statement of the consolidated entity for the current reporting period as if Lyxor had been acquired at the start of the 2021 financial year.

(in € thousands)	**Amounts included in the Group's consolidated income statement**	**Consolidated entity as if the acquisition had taken place on 1 January 2021**
Net revenues	0	3,352.0
Net income for the financial year	0	1,406.2

9.4 Non-consolidated participating interests

These securities recorded in the "financial assets at fair value through profit or loss" or "financial assets at fair value through equity" portfolios represent a significant fraction of the equity of the companies that issued them and are intended to be held for the long term.

These line items amounted to €281,179,000 as of 31 December 2021, compared with €247,461,000 as of 31 December 2020.

Entities excluded from the scope of consolidation

Entities under exclusive control, joint control or significant influence which have been excluded from the scope of consolidation are presented in the table below:

Non-consolidated entities	Registered office	% of stake held	Reason for exclusion from scope of consolidation
AMUNDI-ACBA ASSET MANAGEMENT CJSC	Armenia	51.0%	Materiality thresholds
AMUNDI CANADA INC	Canada	100.0%	Materiality thresholds
AMUNDI INVESTMENT ADVISORY (BEIJING) LIMITED	China	100.0%	Materiality thresholds
AMUNDI PRIVATE FUND MANAGEMENT (BEIJING) CO., LTD	China	100.0%	Materiality thresholds
AMUNDI TRANSITION ÉNERGÉTIQUE	France	60.0%	Materiality thresholds
LA FINANCIÈRE MAGELLAN	France	33.3%	Materiality thresholds
SUPERNOVA INVEST	France	41.6%	Materiality thresholds
MONTPENSIER FINANCE	France	25.0%	Materiality thresholds
AMUNDI ALTERNATIVE INVESTMENT IRELAND LTD	Ireland	100.0%	Materiality thresholds
AMUNDI ENERGY TRANSITION LUXEMBOURG SARL	Luxembourg	60.0%	Materiality thresholds
AREAF MANAGEMENT SARL	Luxembourg	100.0%	Materiality thresholds
AMUNDI REAL ESTATE LUXEMBOURG SA	Luxembourg	100.0%	Materiality thresholds
DNA SA	Luxembourg	100.0%	Materiality thresholds
LRP	Luxembourg	100.0%	Materiality thresholds
GREEN CREDIT CONTINUUM FUND GP	Luxembourg	100.0%	Materiality thresholds
AMUNDI INVESTMENT MAROC	Morocco	100.0%	Materiality thresholds
AMUNDI AALAM SDN BHD	Malaysia	100.0%	Materiality thresholds
FUND CHANNEL SUISSE	Switzerland	100.0%	Materiality thresholds
AMUNDI MUTUAL FUND BROKERAGE SECURITIES (THAILAND) COMPANY LIMITED	Thailand	100.0%	Materiality thresholds

Dormant entities as of 31 December 2021 have been excluded.

Significant non-consolidated equity interests

Equity interests (over which the Group has neither control nor significant influence) representing a fraction of equity equal to or greater than 10% and not within the scope of consolidation are shown in the following table:

Non-consolidated entities	Registered office	% of stake held
IM SQUARE	France	17.2%
NEXTSTAGE SAS	France	12.0%

9.5 Off-balance sheet commitments

Off-balance sheet commitments as of 31 December 2021 include:

- the guarantee commitments presented in the table below:

(in € thousands)	31/12/2021	31/12/2020
Fund guarantee commitments	18,260,707	18,241,808

- the financial commitments for the "Credit Revolving Facility" granted to Amundi for €1,750,000,000 as of 31 December 2021 and 31 December 2020;
- a commitment to subscribe to funds for a total of €130,970 thousand as of 31 December 2021;
- the notional value of the derivatives contracted with funds and market counterparties whose fair values are presented in notes 7.3 and 7.4.

(in € thousands)	31/12/2021	31/12/2020
Interest-rate instruments	1,888,435	2,379,488
Other instruments	51,006,563	59,507,408
NOTIONAL TOTAL	**52,894,998**	**61,886,896**

9.6 Leases

The Group signed operating leases on the operations buildings used in France and other countries. In connection with these leases, the Group recognises under Property, plant and equipment the value of the rights of use corresponding to these leases.

The Amundi Group also has low-value and/or short-term leases which, in accordance with the exemptions permitted by IFRS 16, do not have to recognise rights of use and rental liability.

Schedule of lease liabilities

(in € thousands)	31/12/2021	≤ 1 year	Between 1 year and 5 years	> 5 years
LEASE LIABILITIES	**358,232**	**38,716**	**137,206**	**182,310**

Expenses related to rights of use

(in € thousands)	31/12/2021	31/12/2020
Interest expense on lease liabilities	(2,338)	(3,348)
Increases in provisions for depreciation on rights of use	(47,591)	(48,198)

Expenses related to rights of use replace the rent costs previously recognised in accordance with IAS 17.

9.7 Statutory auditors' fees

The break-down by firm and type of activity in respect of the fees recognised in the consolidated results for the 2021 and 2020 financial years is set out below:

	2021				2020		
(in € thousands)	PWC(1)	E&Y(2)	Mazars(1)	Total	PWC(1)	E&Y(1)	Total
Statutory audit, certification, audit of the separate and consolidated accounts	1,887	1,117	406	3,409	1,767	1,815	3,582
Services other than the audit of the financial statements(3)	1,269	287	22	1,578	1,008	280	1,288
STATUTORY AUDITORS' FEES	**3,155**	**1,404**	**428**	**4,987**	**2,775**	**2,095**	**4,870**

(1) Statutory auditors involved in auditing the consolidated financial statements and the consolidated entities.
(2) Auditors involved with auditing the consolidated entities but not involved in auditing the consolidated financial statements.
(3) Services other than the auditing of the consolidated financial statements include providing comfort letters, agreed procedures, statements of compliance with accounting standards, consulting on regulatory issues and due diligence in acquisitions.

The above-mentioned amounts include the following fees, relating to assignments to audit the financial statements and services other than auditing the financial statements ("SACC") performed at Amundi and its subsidiaries:

- by "Mazars SA", for €258,000 for auditing the financial statements and €3,000 for services other than auditing the financial statements;
- by "PricewaterhouseCoopers Audit", for €848,000 for auditing the financial statements and €290,000 for services other than auditing the financial statements.

Note 10 EVENTS AFTER THE YEAR-END

None.